

Precinct senior secured bonds

Summary of terms and conditions

Issued by Precinct Properties New Zealand Limited (Precinct) on 17 December 2014



Key features

Issuer:	Precinct Properties New Zealand Limited Level 12 PWC Tower 188 Quay Street Auckland Central Auckland 1010	Registrar:	Computershare Investor Services Limited Level 2 159 Hurstmere Road Takapuna Auckland 0622
Class of security:	Senior secured fixed rate bonds	Number of PCT010 bonds issued:	75,000,000
Maturity Date:	17 December 2021	Interest Rate:	5.54% per annum
First Interest Payment Date:	17 June 2015	Subsequent Interest Payment Dates:	17 June and 17 December in each year until and including the Maturity Date
Minimum Holding:	\$5,000	Particulars of the Security:	Mortgages granted over certain properties owned by the Precinct Group Companies

Summary of terms and conditions

GENERAL

This statement is a summary only of the principal terms and conditions for the issue of senior secured fixed rate bonds (Bonds) by Precinct. For full details see the terms and conditions of the Bonds in the:

- Master Trust Deed dated 27 November 2014 between Precinct and The New Zealand Guardian Trust Company Limited (the Bond Trustee); and
- Supplemental Trust Deed dated 27 November 2014 between Precinct and the Bond Trustee, (together, the Trust Documents).

The Bonds are issued pursuant to the Trust Documents and the registered Simplified Disclosure Prospectus dated 27 November 2014 (Simplified Disclosure Prospectus). The Trust Documents and the Simplified Disclosure Prospectus were validly executed by the Board of Directors of Precinct (or their authorised agent).

Copies of these documents are filed on a public register at the Companies Office of the Ministry of Business, Innovation and Employment and are available for public inspection (including at www.business.govt.nz/companies).

Capitalised terms not defined in this statement have the meanings given to them in the Trust Documents or the Simplified Disclosure Prospectus.

Summary of terms and conditions continued

STATUS AND RANKING OF BONDS

The Bonds are senior secured, interest bearing debt obligations of Precinct. The Bonds will rank equally and without preference among themselves. The Bonds benefit (on an equal ranking basis with other secured creditors, including Precinct's bank lenders, USPP noteholders, hedging provider and any future secured creditors) from Mortgages over real property granted by Precinct's property holding subsidiaries (Precinct Properties Downtown Limited and Precinct Properties Holdings Limited). In an insolvency of those security providers, the claims of the senior secured creditors will (by virtue of that security) rank ahead of all other creditors of the relevant security provider other than certain statutorily preferred creditors.

SECURITY

The Bonds are secured by Mortgages granted by the Precinct Group Companies over the Mortgaged Properties in favour of Public Trust as security trustee (Security Trustee) pursuant to a Security Trust Deed dated 20 June 2013 (as amended from time to time) (Security Trust Deed). The Mortgages are held by the Security Trustee for the benefit of the Beneficiaries in equal proportions based on the outstanding indebtedness owing to them, and can be enforced by the Security Trustee in accordance with the Security Trust Deed.

LOAN TO VALUE RATIO

Precinct must ensure that while the Bonds are outstanding the amount of indebtedness secured by the Mortgages (other than in respect of Ancillary Transactions, other than Ancillary Transactions entered into to hedge the foreign currency risk of foreign currency borrowings, the value of which shall be added to or subtracted from the foreign currency borrowing amount) does not exceed 50% of the Mortgaged Property Value.

GUARANTEE

Precinct is the issuer and is legally liable for payment of all returns on the Bonds. The Guarantors have guaranteed the payments in relation to the Bonds and will be legally liable for any of those amounts Precinct fails to pay. As at the date the Bonds were issued, Precinct Properties Holdings Limited, Precinct Properties Downtown Limited and Precinct Properties Wynyard Limited are the Guarantors. The guarantee obligations of the Guarantors are joint and several and are not limited and their obligations are secured by Mortgages.

MAJORITY BENEFICIARIES

The Majority Beneficiaries can instruct the Security Trustee to give certain waivers and to amend certain provisions of the Security Trust Deed and also give instructions in relation to enforcement. Precinct expects the Bank Facility Lenders will be able to make up the Majority Beneficiaries so instructions from the Bondholders are likely not to be required.

To the extent that the Bond Trustee is entitled to give instructions to the Security Trustee, given the limited time

periods to provide instructions, the Bond Trustee is unlikely to have time to obtain instructions from the Bondholders in most instances.

INTEREST

The Bonds will pay a fixed rate of interest at the Interest Rate specified on the previous page from the Issue Date until the Maturity Date.

Interest will be paid semi-annually in arrear in equal amounts on each Interest Payment Date. If an Interest Payment Date falls on a weekend or public holiday, payment will be made on the next Business Day without adjustment or further payment as a result thereof.

Each interest payment will be made to the relevant Bondholder on the Register as at the Record Date, which will be 10 days prior to the relevant Interest Payment Date. Should the Record Date fall on a weekend or public holiday, the relevant interest payment will be made to the Bondholder on the Register on the previous Business Day.

REDEMPTION

The Principal Amount of the Bonds will be repaid by Precinct on the Maturity Date.

Bondholders have no right to require redemption of any of the Bonds prior to the Maturity Date, except through the Bond Trustee if an Event of Default occurs or by selling Bonds in the secondary market (if one develops). The Events of Default applicable to the Bonds are set out in full in the Trust Documents.

Precinct does not have the ability to redeem the Bonds early.

MODE OF TRANSFER

The minimum holding of Bonds is an aggregate Principal Amount of \$5,000 of Bonds. Precinct may refuse to accept or register a transfer if the Principal Amount being transferred is not a multiple of \$1,000 and/or if such transfer would result in the transferor or transferee holding Bonds with an aggregate Principal Amount of less than \$5,000 of Bonds (other than zero).

Transfers must be effected using a registrable transfer form, by any method of transfer permitted by NZX for securities quoted on the NZX Debt Market or by any other means of transfer of marketable securities which is not contrary to law and the Listing Rules and which is approved by Precinct. A transfer will not take effect until the transferee is registered as the holder of the Bond.