

# Precinct senior secured fixed rate bonds

## Summary of terms and conditions

Issued by Precinct Properties New Zealand Limited (Precinct) on 27 November 2017



## Key features

<b>Issuer:</b>	Precinct Properties New Zealand Limited Level 12 PWC Tower 188 Quay Street Auckland Central Auckland 1010	<b>Registrar:</b>	Computershare Investor Services Limited Level 2 159 Hurstmere Road Takapuna Auckland 0622
<b>Class of security:</b>	Senior secured fixed rate bonds	<b>Number of PCT020 bonds issued:</b>	100,000,000
<b>Maturity Date:</b>	27 November 2024	<b>Interest Rate:</b>	4.42% per annum
<b>First Interest Payment Date:</b>	27 May 2018	<b>Subsequent Interest Payment Dates:</b>	27 May and 27 November in each year until and including the Maturity Date
<b>Minimum Holding:</b>	\$5,000	<b>Particulars of the Security</b>	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 (as most recently amended and restated on 25 August 2017) between Precinct and The New Zealand Guardian Trust Company (the Supervisor) (Master Trust Deed); and
- Supplemental Trust Deed dated 13 November 2017 between Precinct and the Supervisor (Supplemental Trust Deed),

(together, the Trust Documents).

The Bonds are issued pursuant to the Trust Documents and the final terms sheet dated 17 November 2017 (Final Terms Sheet). Precinct has passed a board resolution dated 8 November 2017 approving the issuance of the Bonds. The Trust Documents were validly executed by the Board of Directors of Precinct (or their authorised agent).

Copies of the Trust Documents can be obtained on request to the Registrar or Precinct at the respective addresses set out in the Final Terms Sheet (or such office as may be notified to Holders).

Capitalised terms not defined in this statement have the meanings given to them in the Trust Documents or the Final Terms Sheet.

# 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, holders of the US\$75 million in principal amount of senior secured notes issued by Precinct to investors in the United States on 27 January, holders of the Existing Bonds and any future secured creditors) from mortgages over real property granted from time to time by Precinct and the Guarantors (the Precinct Group Companies). 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 most recently amended and restated on 11 August 2014) (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 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.

To the extent that the Supervisor is entitled to give instructions to the Security Trustee, given the limited time periods to provide instructions, the Supervisor 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 above 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 Supervisor 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.