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## MEMORANDUM

**To:** Market Participants  
**From:** NZX Client and Data Services  
**Date:** 23 June 2016  
**Subject:** Stride Property Limited ("STR")

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### Message:

Further to the announcement made by Stride Property Limited ("STR") on 10 June 2016, NZX Regulation advises that subject to shareholder approval, STR proposes to undertake a restructure of its current business, as described in more detail in the Explanatory Memorandum and Notice of Meeting dated 10 June 2016 (the Restructuring, Variation Proposal and Associated Transactions).

A Special Shareholders' meeting to consider the Variation Proposal is scheduled to be held on 30 June 2016.

Information on the Restructure, Variation Proposal and Associated Transactions:

- The Variation Proposal comprises the proposal by Stride to amend its Constitution. The proposed amendments to the Constitution require the approval of Stride Shareholders by Special Resolution. The effect of the amendments to the Constitution is that Stride Shares (already held by Shareholders) and Stride Investment Management Limited (SIML) Shares (to be distributed to Shareholders) will be Stapled so that they can only be traded together as a parcel (Stapling). Shareholders are not being asked to vote on Stapling. However, Stapling will not occur without the Variation Proposal being approved by Shareholders;
- The restructuring involves the separation of Stride's real estate investment management (REIM) business from its property ownership business, with Stride to retain the property portfolio and SIML to acquire the REIM business;
- Stride transferred its REIM business to SIML on 29 April 2016 and has entered into a management agreement with SIML under the terms of which SIML will manage Stride's business and its property portfolio;
- If the Variation Proposal is approved, the Stride Board proposes to distribute the 364,456,209 SIML Shares that Stride holds in SIML, comprising all of the SIML Shares on issue, to Shareholders on the basis of one SIML Share for each Stride Share held by them (the Distribution) and to Staple the shares of each company together so that Stride Shares can only be transferred if the SIML Shares to which they are Stapled are also transferred. The Distribution, which will constitute a transfer of SIML Shares to Shareholders for no consideration, will result in SIML being owned by Shareholders in the same proportions as they own Stride and ceasing to be a wholly-owned subsidiary of Stride. The Stapled Securities (ie, The Stride Shares and SIML Shares) are intended to be quoted on the NZX Main Board securities market as a single parcel of shares of the Stapled Group (being Stride

and any subsidiaries and SIML and any subsidiaries (SPG)). The Stapling and the Distribution are, together, referred to as the Restructuring;

- Stride proposes to distribute 91.1 million ordinary shares that it holds in its wholly-owned subsidiary, Investore Property Limited (Investore or IPL), to Shareholders for no consideration (the Demerger) where one Investore share will be distributed for every four Stride Shares held; and
- Investore proposes to offer additional ordinary shares for subscription to Eligible Stride Shareholders and to other eligible investors under a regulated offer (the IPO) to raise between \$150 million and \$185 million to fund in part the proposed purchase by Investore of 14 'Countdown' branded supermarkets (the Acquisition) from Shopping Centres Australasia Property Group Trustee NZ Limited as trustee for the Shopping Centres Australasia Property NZ Retail Trust (SCA).

Following the Demerger and the IPO, Stride will hold 19.9% of the shares in Investore, with the remainder of its shares held by:

- Shareholders who hold Stride Shares on the Record Date for the Demerger; and
- investors who acquire Investore shares under the IPO.

The Demerger, the IPO and the Acquisition are, together, referred to as the Associated Transactions.

The Restructuring will facilitate and support growth in the REIM business for the benefit of Shareholders without adversely affecting the PIE tax treatment that Shareholders receive from Stride's property ownership business. In the absence of the Restructuring, with the continued growth of the REIM business within the existing Stride group, Stride is likely to lose its PIE tax status. The amendments to the Constitution set out in the Variation Proposal to provide for Stapling, which is a key part of the Restructuring, require the approval of Shareholders by Special Resolution.

A timetable of events is detailed below:

Event	Date
Trading in STR ceases	5.00pm, Wednesday, 6 July 2016
Ex Date – Demerger	Thursday, 7 July 2016
Record Date – Demerger	Friday, 8 July 2016
Distribution & Allotment of SPG Stapled Securities	Monday, 11 July 2016
STR delisted	5.00pm, Monday, 11 July 2016
SPG commences trading on NZX Main Board	Tuesday, 12 July 2016
IPL commences trading on NZX Main Board	Tuesday, 12 July 2016

Please contact Client and Data Services on +64 4 496 2853 or cds@nzx.com with any queries.

ENDS