

# offer

**Kiwi Property Group Limited**  
**Offer Document**  
**1 for 11 entitlement offer of ordinary shares**  
**Dated 19 June 2017**

This Offer Document may not be distributed outside New Zealand and Australia except to certain institutional and professional investors in such other countries and to the extent contemplated in this Offer Document.

Not for release or distribution in the United States except by Kiwi Property to Approved U.S. Shareholders.



## **important notice**

This Offer Document has been prepared by Kiwi Property in connection with a 1 for 11 entitlement offer. The Offer is made to Eligible Shareholders pursuant to the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013.

This document is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013, and does not contain all of the information that an investor would find in a product disclosure statement or which may be required to make an informed decision about the Offer or Kiwi Property.

## **additional information available under Kiwi Property's disclosure obligations**

Kiwi Property is subject to continuous disclosure obligations under the Listing Rules which require it to notify certain material information to NZX. Market releases by Kiwi Property, including its most recent annual report (for the year ended 31 March 2017), are available at [nzx.com](http://nzx.com) under the stock code KPG and on Kiwi Property's website, [kp.co.nz](http://kp.co.nz).

Kiwi Property may, during the Offer, make additional releases to NZX. No release by Kiwi Property to NZX will permit an Applicant to withdraw any previously submitted Application without Kiwi Property's prior consent.

The market price of Shares may increase or decrease between the date of this Offer Document and the date of allotment of New Shares. Any changes in the market price of Shares will not affect the Application Price, and the market price of New Shares following allotment may be higher or lower than the Application Price.

## **withdrawal**

Kiwi Property reserves the right to withdraw all or any part of the Offer (for example, the Institutional Entitlement Offer could proceed but the Retail Entitlement Offer could be withdrawn).

## **forward looking statements**

This Offer Document contains certain 'forward-looking statements' such as indications of, and guidance on, future earnings and financial position and performance. Forward-looking statements can generally be identified by the use of forward-looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance' and other similar expressions and include statements regarding the conduct and outcome of the Offer and the use of the proceeds thereof. Such forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Kiwi Property, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not materially differ from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. The forward-

looking statements are based on information available to Kiwi Property as at the date of this Offer Document. Except as required by law or regulation (including the Listing Rules), Kiwi Property undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

## **offering restrictions**

This Offer Document is intended for use only in connection with:

- the Offer to Eligible Institutional Shareholders with a registered address in New Zealand, Australia, Canada, France, Hong Kong, Japan, Luxembourg, the Netherlands, Norway, Singapore, Sweden, Switzerland, the United Kingdom (in each case to Shareholders that are not acting for the account or benefit of a person in the United States) and Approved U.S. Shareholders when delivered by Kiwi Property together with a subscription agreement as part of the U.S. Private Placement, and
- the Offer to Eligible Retail Shareholders with a registered address in New Zealand or Australia.

This Offer Document does not constitute an offer or invitation in any country in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

This Offer Document may not be sent or given to any person outside New Zealand in circumstances in which the Offer or distribution of this Offer Document would be unlawful. The distribution of this Offer Document (including an electronic copy) outside New Zealand may be restricted by law. In particular, this Offer Document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside New Zealand except as detailed in this Offer Document, or as Kiwi Property may otherwise determine in compliance with applicable laws. Further details on the offering restrictions that apply are set out in Section 5: Details of the Offer.

If you come into possession of this Offer Document, you should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Kiwi Property disclaims all liability to such persons.

## **enquiries**

Enquiries about the Offer can be directed to an NZX Firm, or your solicitor, accountant or other professional adviser. If you have any questions about the number of New Shares shown on your Entitlement and Acceptance Form, or how to complete the Entitlement and Acceptance Form or online application, please contact the Registrar.

## **definitions**

Capitalised terms used in this Offer Document have defined meanings, which appear in Section 7: Glossary. All references to times and dates are to times and dates in New Zealand.

# contents

## **letter from the chair**

PG 02

### SECTION 1

## **key terms of the offer**

PG 03

### SECTION 2

## **important dates**

PG 04

### SECTION 3

## **actions to be taken by eligible shareholders**

PG 05

### SECTION 4

## **business overview**

PG 07

### SECTION 5

## **details of the offer**

PG 11

### SECTION 6

## **other information**

PG 22

### SECTION 7

## **glossary**

PG 23

### SECTION 8

## **directory**

PG 25

# letter from the chair

## Dear investor

### we're growing with New Zealand

Kiwi Property has been part of the New Zealand landscape since 1993. Our objective is to provide investors with a reliable investment in New Zealand property by targeting superior, risk-adjusted returns over time through the ownership and active management of a diversified, high-quality portfolio of retail and office assets.

Consistent with our vision of creating exceptional retail and workplace experiences, we continue to evolve our portfolio of shopping centres and office assets in step with the changing face of New Zealand. Our strategy has seen us substantially reweight our property portfolio towards Auckland, New Zealand's largest regional economy and the country's strongest centre of employment and population growth. We've invested in high-quality office buildings and retail centres in locations favoured by the Auckland Unitary Plan. We increasingly see ourselves as town centre investors, creating diverse, engaging environments for New Zealanders – exceptional places for exceptional people.

In the financial year ended 31 March 2017, we completed over \$500 million in property transactions in line with our investment strategy, including completing a \$270 million programme of development works and acquiring a 50% interest in The Base Shopping Centre, New Zealand's largest single-site retail asset. The Base is strategically located within the 'golden triangle' of population growth centred on Auckland, the Waikato and the Bay of Plenty.

We currently have a further \$126 million of development works underway at Sylvia Park, our flagship Auckland shopping centre, to deliver a new office building, an expanded dining precinct and a new carpark building. The Company is also progressing plans for a potential ~\$200 million galleria retail expansion at Sylvia Park, featuring new international retailers, a department store and an expanded food offering.

We continue to identify further potential investment and development opportunities, including at Northlands, The Base, and in the longer term at Drury. We will continue to divest assets no longer considered core to our investment strategy and to pursue further opportunities to grow our asset management business.

### 1 for 11 entitlement offer

To assist with funding our future investment and development opportunities, we are seeking to raise approximately \$161 million of new equity through a fully underwritten pro rata entitlement offer (the Offer). The net proceeds of the Offer will initially be used to pay down bank debt and reduce gearing, before being used to fund potential future investment and development opportunities, including the potential expansion and improvement projects at Sylvia Park, Northlands, The Base, and in the longer term at Drury. At 31 March 2017, the Company's Gearing Ratio was 34.5%. After applying the net proceeds of the Offer, the Company's pro forma Gearing Ratio as at 31 March 2017 would have been 29.2%.

On behalf of the Board, I am pleased to invite you to participate in the Offer. This is an opportunity for you to increase the number of Shares you hold in Kiwi Property and to take advantage of the discount at which the New Shares are to be issued.

Under the Offer, Eligible Shareholders are entitled to acquire 1 New Share<sup>1</sup> for every 11 Existing Shares held as at 5.00pm (NZ time) on 21 June 2017 (the Record Date), at an Application Price of \$1.36 per New Share. The Application Price reflects a 4.5% discount to the theoretical ex-entitlement price of \$1.424<sup>2</sup>.

The institutional component of the Offer is accelerated and occurs over the two days immediately after the Offer is announced. The retail component opens to Eligible Retail Shareholders on 22 June 2017 and closes on 10 July 2017.

Under the Offer, there is no rights trading. Instead, New Shares not taken up or attributable to Ineligible Shareholders will be offered to Institutional Investors through two Bookbuilds run by the Joint Lead Managers (one in respect of the Institutional Entitlement Offer and one in respect of the Retail Entitlement Offer). Any premium achieved above the Application Price for the New Shares in each of the Institutional Bookbuild and Retail Bookbuild will be shared on a pro rata basis (with no brokerage costs deducted) between those Shareholders who do not exercise their Entitlements or who are ineligible to do so under each of the Institutional Entitlement Offer and the Retail Entitlement Offer, respectively.

The Offer is fully underwritten by Goldman Sachs New Zealand Limited and Forsyth Barr Group Limited.

A summary of the Offer is contained in Section 1: Key terms of the Offer, and a more detailed description is set out in Section 5: Details of the Offer.

On 22 May 2017, the Board provided guidance for the cash dividend for the year ending 31 March 2018 at 6.85 cents per share, subject to a continuation of reasonable economic conditions. The Board confirms that following the completion of the Offer, this guidance remains unchanged.

This document sets out important information about the Offer. Before making your investment decision, I encourage you to read this document in full and also consider the information disclosed by Kiwi Property to NZX, including our 2017 Annual Report, which is available on our website [kp.co.nz](http://kp.co.nz) or [nzx.com](http://nzx.com) (under the stock code KPG). If you are in any doubt as to what you should do, you should consult your financial or other professional adviser or an NZX Firm.

Additional information about the Offer can be found at [kpightsoffer.co.nz](http://kpightsoffer.co.nz).

On behalf of the Board, thank you for your continued support of Kiwi Property and we welcome your participation in the Offer.



MARK FORD  
CHAIR

1. The New Shares will be allotted after payment of the 3.375 cents per share dividend payable on 22 June 2017 in respect of the six month period ended 31 March 2017, therefore will not participate in that dividend. The next dividend will be paid on 20 December 2017 in respect of the six month period commencing on 1 April 2017 and ending 30 September 2017.

2. Based on the theoretical ex-entitlement price of \$1.424 which is equal to the average price of 118,132,021 New Shares at the Application Price of \$1.36 and 1,299,452,240 Existing Shares at \$1.43 being the closing price on the NZX as at 16 June 2017.

## SECTION 1

# key terms of the offer

Issuer	Kiwi Property Group Limited.
Eligible Retail Shareholder	A Shareholder with a registered address in New Zealand or Australia at 5.00pm (NZ time) on the Record Date, not in the United States and not acting for the account or benefit of a person in the United States and not being an Eligible Institutional Shareholder or Ineligible Institutional Shareholder.
Eligible Institutional Shareholder	A Shareholder, as at 5.00pm (NZ time) on the Record Date, with a registered address in New Zealand, Australia, Canada, France, Hong Kong, Japan, Luxembourg, the Netherlands, Norway, Singapore, Sweden, Switzerland or the United Kingdom and, in each case, who is an Institutional Investor (or a nominee of an Institutional Investor). Kiwi Property will also offer certain institutional Shareholders in the United States that are Approved U.S. Shareholders the opportunity to take up their Entitlements as part of the U.S. Private Placement.
Application Price	\$1.36 per New Share.
Offer size	Approximate amount to be raised under the Offer: \$161 million.
New Shares	The same class as (and ranking equally with) Existing Shares at the time of allotment of the New Shares. The New Shares will be allotted after payment of the final dividend for the six months ended 31 March 2017 (3.375 cents per share), payable on 22 June 2017, therefore will not participate in that dividend.
Shares currently on issue	1,299,452,240.
Number of New Shares being offered	Up to 118,132,021 New Shares.
The Offer	<p>A pro rata entitlement offer of 1 New Share for every 11 Existing Shares held at 5.00pm (NZ time) on the Record Date, with fractional entitlements being rounded down to the nearest share. A shorter than usual offer period is available to Eligible Institutional Shareholders under the Institutional Entitlement Offer, which will occur over the two Business Days immediately after the Offer is announced.</p> <p>There is no rights trading. New Shares not taken up or attributable to Ineligible Shareholders will be offered to Institutional Investors through Bookbuilds run by the Joint Lead Managers. Any premium achieved above the Application Price for the New Shares in the Bookbuilds will be paid (with no brokerage costs deducted) on a pro rata basis to those Shareholders who do not take up all of their Entitlements or who are ineligible to do so. There will be a Bookbuild for the Institutional Entitlement Offer (with any premium shared by Eligible Institutional Shareholders who did not take up all their Entitlements and Ineligible Institutional Shareholders) and a separate Bookbuild for the Retail Entitlement Offer (with any premium shared by Eligible Retail Shareholders who did not take up all their Entitlements and Ineligible Retail Shareholders). The premium (if any) achieved in a Bookbuild may be different from any premium achieved in the other.</p>
How to apply	An application by an Eligible Retail Shareholder must be made on the personalised Entitlement and Acceptance Form that has been provided, accompanied with payment in New Zealand dollars. You may also complete your application online at <b>kprightsoffer.co.nz</b> . The Joint Lead Managers will seek to contact Eligible Institutional Shareholders to confirm their application process.
Underwriting	The Offer is fully underwritten by Goldman Sachs New Zealand Limited and Forsyth Barr Group Limited.

## SECTION 2

# important dates

## institutional entitlement offer and institutional bookbuild

This timetable is relevant to participants in the Institutional Entitlement Offer and the Institutional Bookbuild. Eligible Retail Shareholders should refer to the important dates for the Retail Entitlement Offer and Retail Bookbuild set out below.

Key event	Date <sup>1</sup>
Trading halt commences and Institutional Entitlement Offer opens	19 June 2017
Institutional Entitlement Offer closes	20 June 2017
Institutional Bookbuild	21 June 2017
Record Date	5.00pm (NZ time), 21 June 2017
Trading halt lifted on open of trading on NZX Main Board (if not lifted earlier)	22 June 2017
Settlement of Institutional Entitlement Offer and Institutional Bookbuild, and commencement of trading of allotted New Shares on the NZX Main Board	30 June 2017
Payment date for next dividend following Offer (for the six months ending 30 September 2017)	20 December 2017

## retail entitlement offer and retail bookbuild

This timetable is relevant to participants in the Retail Entitlement Offer and the Retail Bookbuild. Eligible Institutional Shareholders should refer to the important dates for the Institutional Entitlement Offer and Institutional Bookbuild set out above.

Key event	Date <sup>1</sup>
Record Date	5.00pm (NZ time), 21 June 2017
Dispatch of Offer Documents and Entitlement and Acceptance Forms	22 June 2017
Retail Entitlement Offer opens	10.00am (NZ time), 22 June 2017
Retail Entitlement Offer closes (Closing Date)	5.00pm (NZ time), 10 July 2017
Retail Bookbuild (trading halt in place)	12 July 2017
Settlement of Retail Entitlement Offer and Retail Bookbuild, and commencement of trading of allotted New Shares on the NZX Main Board	17 July 2017
Payment date for next dividend following Offer (for the six months ending 30 September 2017)	20 December 2017

1. The dates above are subject to change and are indicative only. Kiwi Property reserves the right to amend this timetable (including by extending the Closing Date) subject to applicable laws and the Listing Rules. Kiwi Property reserves the right to withdraw the Offer (or any of the Institutional Entitlement Offer, Institutional Bookbuild, Retail Entitlement Offer, Retail Bookbuild or U.S. Private Placement and irrespective of whether or not all of them are withdrawn) at any time at its absolute discretion.

## SECTION 3

# actions to be taken by eligible shareholders

If you are an Eligible Shareholder you may take the following actions:

- take up all of your Entitlement
- take up part of your Entitlement, or
- do nothing.

The Offer is a pro rata offer to Eligible Shareholders. Eligible Shareholders who take up their Entitlement in full will not have their percentage shareholding in Kiwi Property reduced by the Offer. Eligible Shareholders who do not take up all or any of their Entitlement will have their share holdings diluted by the Offer.

If you only take up part of your Entitlement or do nothing, any New Shares attributable to your Entitlement not taken up will be offered as part of the Bookbuilds.

### actions to be taken by eligible retail shareholders

If you are an Eligible Retail Shareholder and you wish to take up all or part of your Entitlement you should:

1. complete your personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form
2. make payment by direct debit, or attach your cheque or bank draft in New Zealand dollars to the completed Entitlement and Acceptance Form, for the amount required to be paid in accordance with the payment instructions set out below, and
3. return your completed Entitlement and Acceptance Form and your payment to the Registrar, or any NZX Firm, in sufficient time for the documents to be forwarded to and received by the Registrar **no later than 5.00pm (NZ time) on 10 July 2017**. Your completed Entitlement and Acceptance Form and your payment must not be returned directly to Kiwi Property. Contact details for the Registrar are set out on page 6 and in Section 8: Directory on page 25.

Alternatively, you may apply online in accordance with the instructions for online Applications below.

### online applications

If you are an Eligible Retail Shareholder, you may take up all or part of your Entitlement online. To do so, you must complete the online Entitlement and Acceptance Form at **kprightsoffer.co.nz** by **no later than 5.00pm (NZ time) on 10 July 2017**. You will be required to enter your CSN/Holder number and your unique entitlement number that can be found on your Entitlement and Acceptance Form.

Payment for Applications made online must be made by way of direct debit. Please read the instructions regarding direct debit payments under the heading 'payment options' below. Once your Application has been completed successfully, you will be emailed an application confirmation which you should keep for your records.

### payment instructions

- Payment must be made in full by paying \$1.36 per New Share on Application.
- Payment is to be made in New Zealand dollars by direct debit, cheque or bank draft or by such other method of payment agreed as acceptable to Kiwi Property. Please make payment by only one method.
- If there is a discrepancy between the amount of Application Monies (by way of direct debit, cheque, or bank draft) and the number of New Shares indicated as your Entitlement on your Entitlement and Acceptance Form, Kiwi Property will treat the Application as being for the lower of your Entitlement and the number of New Shares the Application Monies will pay for.

### payment options

#### direct debit

If you provide your bank account information to make payment by direct debit, you authorise the Registrar to initiate a direct debit for the total amount payable on the day the Entitlement and Acceptance Form is received by the Registrar. You cannot specify a direct debit date and you must ensure that:

- the bank account details supplied are correct
- the application funds in the bank account for direct debit are available on the day the Registrar receives your Entitlement and Acceptance Form
- the person(s) giving the direct debit instruction has/have the authority to operate the account solely/jointly, and
- the bank account you nominated is a transactional account eligible for direct debit transactions. If you are uncertain you should contact your bank. Please note that payment by direct debit may not be available for online savings accounts.

The authorised account signatory, or signatories if required, must sign the Entitlement and Acceptance Form because this is required as authorisation by the banks for the Registrar to process the direct debit.

Should your direct debit be rejected by the bank, your Application may be rejected. If requested, a direct debit authority form will be provided to you by the Registrar.

**cheque or bank draft**

Payment may be made by bank draft in New Zealand dollars or a cheque drawn from a New Zealand bank and made out in New Zealand dollars. Cheques must be made payable to **'Kiwi Property Entitlement Offer'**, crossed 'Not Transferable' and must not be post-dated as cheques will be banked on the day of receipt. Cheques or bank drafts not in New Zealand dollars will not be accepted. If your cheque is dishonoured Kiwi Property may reject your Application, cancel your allotment of New Shares and pursue any other remedies available to it at law.

Application Monies received will be held in a trust account with the Registrar until the corresponding New Shares are allotted or the Application Monies are refunded. Interest earned on the Application Monies will be for the benefit, and remain the property, of Kiwi Property and will be retained by Kiwi Property whether or not the issue of New Shares takes place. Any refunds of Application Monies will be made within 10 Business Days of allotment (or the date that the decision not to accept an Application is made, as the case may be).

**returning your entitlement and acceptance form**

Completed forms, direct debit instructions and cheques or bank drafts are required to be returned to Kiwi Property c/o Link Market Services Limited in one of the following ways:

**mail**

Place in the reply paid envelope provided (if mailing from within New Zealand), or if mailing from outside New Zealand place in an envelope, affix the necessary postage and address to: PO Box 91976, Auckland 1142, New Zealand

**deliver**

Level 11, Deloitte Centre, 80 Queen Street, Auckland

**fax (for direct debit payments only)**

+64 9 375 5990

**email (for direct debit payments only)**

applications@linkmarketservices.co.nz (please include 'KPG Entitlement Offer' as the subject of the email)

**Applications must arrive no later than 5.00pm (NZ time), on 10 July 2017**, or if sent to any NZX Firm, in sufficient time to be forwarded to, and received by, the Registrar no later than 5.00pm (NZ time), on 10 July 2017.

Kiwi Property may accept late Applications and Application Monies, but has no obligation to do so. Kiwi Property may accept or reject (at its discretion) any Entitlement and

Acceptance Form which it considers to have been completed incorrectly, and may correct any errors or omissions on any Entitlement and Acceptance Form.

Once submitted, an Application may not be withdrawn without Kiwi Property's prior consent.

**actions to be taken by eligible institutional shareholders**

The Joint Lead Managers will seek to contact Eligible Institutional Shareholders (other than Approved U.S. Shareholders) to inform them of the terms and conditions of participation in the Institutional Entitlement Offer and seek confirmation of their Entitlements under the Offer. Kiwi Property will separately contact Approved U.S. Shareholders in connection with the U.S. Private Placement. The Joint Lead Managers are not managing the U.S. Private Placement.

**decision to participate in the offer**

The information in this Offer Document does not constitute a recommendation to acquire New Shares or financial product advice. This Offer Document has been prepared without taking into account the investment objectives, financial or taxation situation or particular needs of any Applicant.

**further information**

Enquiries about the Offer can be directed to an authorised financial adviser, an NZX Firm, or your solicitor, accountant or other professional adviser. If you have any questions about the number of New Shares shown on your Entitlement and Acceptance Form that accompanies this Offer Document, or how to complete your Entitlement and Acceptance Form, please contact the Registrar.



SECTION 4

## business overview



# we are kiwi property

## our vision

**To deliver New Zealand's best retail and workplace experiences.**

Kiwi Property (NZX: KPG) is the largest listed property company on the NZX Main Board and is a member of the NZX15 Index.

We are a leading owner of shopping centres and office buildings in New Zealand with a diversified property portfolio valued at \$3.0 billion. We also manage approximately \$400 million of properties on behalf of third parties.

We have a proud history of developing best-in-class shopping centres and landmark office towers and we remain committed to creating exceptional places that engage people through great experiences. Our shopping centres offer a contemporary retail mix and vibrant social experiences, while our office buildings connect people beyond a simple place of work.

## our objective

To provide investors with a reliable investment in New Zealand property, targeting superior, risk-adjusted returns over time through the ownership and active management of a diversified high-quality portfolio.

## our investment strategy

We invest in a diversified portfolio of retail and office assets that are expected to consistently attract high levels of tenant demand.

A diversified portfolio reduces the volatility of income returns and enables greater consistency of income performance through property cycles – which differ between retail and office sectors. Our diversified model also provides flexibility to allocate capital to individual sector opportunities that have the superior business case at any given time, and to recycle capital out of appropriate assets at opportune times within the property cycle.

## our goals

**long-term  
Total Returns**

**>9%**

per annum

**pre-tax funds from operations<sup>1</sup>  
per share growth**

**>2%**

per annum

1. FFO is an alternative performance measure used by Kiwi Property to assist investors with assessing Kiwi Property's underlying operating performance, and for determining income available for distribution. FFO is calculated in accordance with the Voluntary Best Practice Guidelines issued by the Property Council of Australia.



## our core portfolio

We focus on the growth and enhancement of a core investment property portfolio.

### we have a strong bias to Auckland

We favour Auckland given its superior prospects for economic, population and employment growth.

### we have a strong retail bias

We target:

- dominant regional shopping centres
- large format retail centres

that are in:

- the 'golden triangle', comprising Auckland (in particular locations favoured by the Auckland Unitary Plan), the Waikato and the Bay of Plenty
- regions outside of Auckland with positive growth prospects

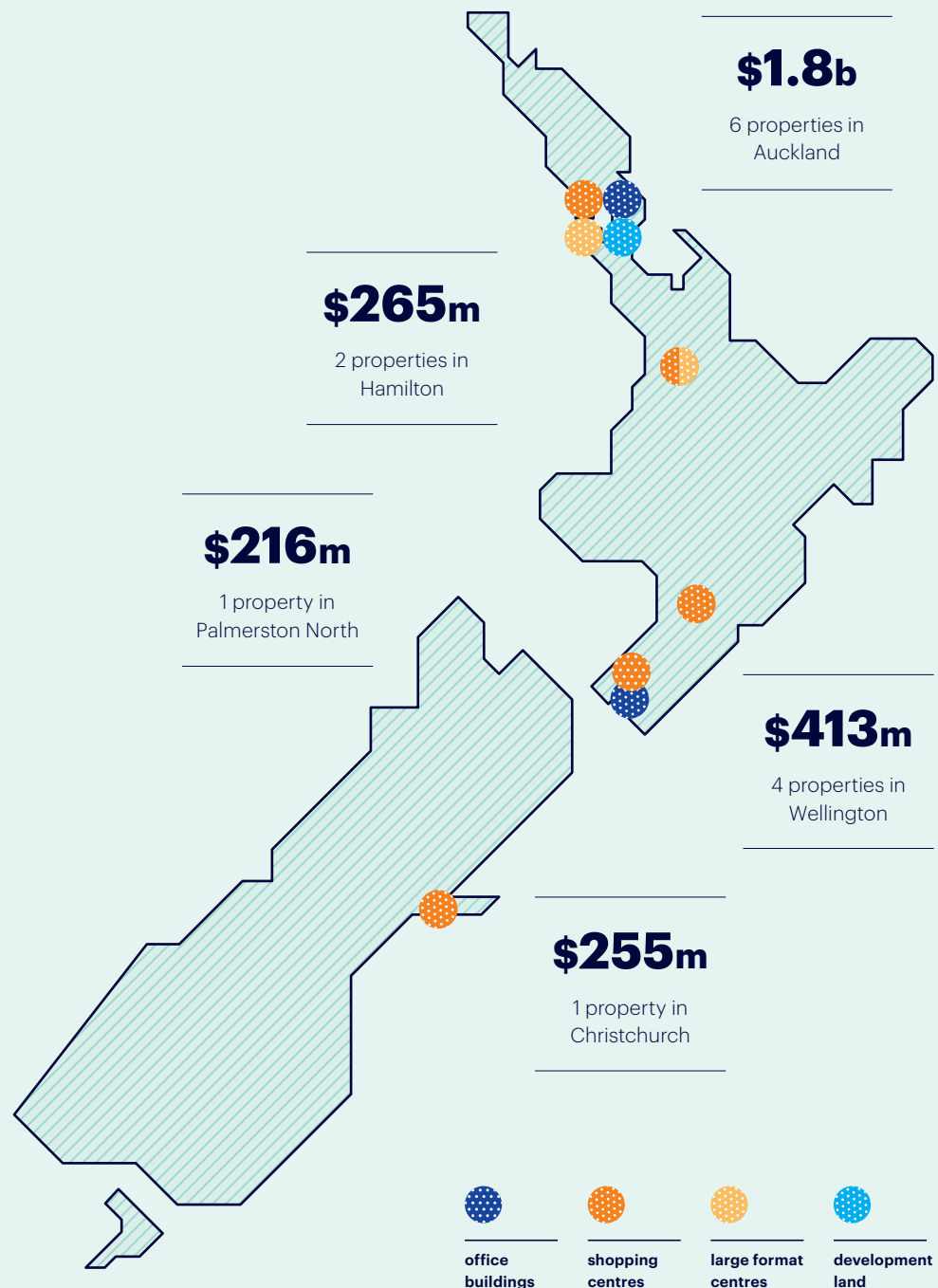
### our office portfolio

We prefer:

- prime-grade assets in Auckland
- office buildings in Wellington with long-term leases to the Crown

### third party management

We also manage properties for third parties and joint owners to diversify our revenue streams and leverage our management platform.



## our portfolio

### our retail portfolio

We are the largest owner of retail properties in New Zealand. Our portfolio consists of seven shopping centres and two large format retail centres valued at \$2.0 billion. The properties house over 950 tenants and generate \$1.7 billion of retail sales per annum.

### our office portfolio

We own five office buildings valued at \$879 million. The properties accommodate some of New Zealand's most respected companies and government departments.

### we are home to over 1,000 tenants

Our tenant base is well diversified by tenant type and industry. In our retail portfolio, we offer a broad and contemporary retail mix to ensure we satisfy shopper demand, with a strategic focus on providing a greater range of food, entertainment and retail services. In our office portfolio, we remain well diversified by industry.

Our top 20 tenant list comprises respected banks, insurance companies, professional services firms, government, supermarkets, department stores and retail chains. Overall, our top 20 tenants occupy 47% of the portfolio by area, account for 38% of gross income received and have a weighted average lease term (WALT) of eight years.

### we have long-term, locked-in revenues

Active leasing activity over recent years has resulted in an overall portfolio WALT of 5.6 years as at 31 March 2017.

Within the office portfolio, we benefit from long-term leases of between 12 and 18 years in three of our office buildings (ASB North Wharf, The Aurora Centre and 44 The Terrace). Our office portfolio WALT is 10.1 years – providing long-term certainty of income.

Growth across our portfolio is underpinned by fixed or CPI-related annual rent increases being in place for almost 90% of our tenants.

### our dividend policy

Kiwi Property's dividend policy aims to provide Shareholders with a consistent and stable dividend stream while maintaining financial flexibility through the property cycle. The Company's policy is to pay out up to 100% of Funds from Operations (FFO)<sup>1</sup>.

To provide sufficient flexibility for dividends to be maintained, despite variations in economic conditions or volatility of earnings arising from property specific matters such as a development or redevelopment, income may be retained from time to time and used to normalise future dividends.

In fixing a dividend for any period, consideration will be given to, amongst other things, current and forecast earnings and operating cash flows, capital requirements, the Company's gearing position, general business and financial conditions, and the Companies Act 1993 solvency requirements.

In May 2017, the Board provided guidance for the cash dividend for the year ending 31 March 2018 at 6.85 cents per share, subject to a continuation of reasonable economic conditions. The Board confirms that following the completion of the Offer, this guidance remains unchanged.

The Company's Dividend Reinvestment Plan (DRP) has been suspended in respect of the final dividend for the six months ended 31 March 2017, payable 22 June 2017, due to the timing of this Offer. Shareholders who normally participate in the DRP, who are Eligible Shareholders, will have the opportunity to achieve the intended objective of participating in the DRP by applying the cash dividend received into Kiwi Property shares through participation in the Entitlement Offer. The Board will continue to assess whether to operate or suspend the DRP on a half-yearly basis as Kiwi Property's capital needs dictate.

## outlook

Over the past year, we have successfully completed over \$500 million in property transactions in line with our investment strategy, positioning us to continue to grow underlying operating cashflows from a more robust portfolio of property assets.

Our focus in the year ahead will be to progress our current and planned development projects at Sylvia Park – as we move to realise our world-class town centre vision for that site. We will also continue our planning for potential redevelopments at Northlands and The Base, and in the longer term at Drury.

We will continue to optimise the performance of our investment portfolio, pursue investment and divestment activities in line with strategy, and pursue further opportunities to grow our asset management business.

To assist in financing the execution of its investment strategy, Kiwi Property intends to source funding from the Offer, debt facilities and by recycling capital through selective asset sales.

1. FFO is an alternative performance measure used by Kiwi Property to assist investors with assessing Kiwi Property's underlying operating performance, and for determining income available for distribution. FFO is calculated in accordance with the Voluntary Best Practice Guidelines issued by the Property Council of Australia.

## SECTION 5

# details of the offer

### the offer

The Offer is an offer of New Shares to Eligible Shareholders under a pro rata entitlement issue. Under the Offer, Eligible Shareholders are entitled to subscribe for 1 New Share for every 11 Existing Shares held at 5.00pm (NZ time) on the Record Date. The New Shares will be the same class as, and will rank equally with, Existing Shares that are quoted on the NZX Main Board. It is a term of the Offer that Kiwi Property will take any necessary steps to ensure that the New Shares are, immediately after issue, quoted on the NZX Main Board.

The maximum number of New Shares being offered under the Offer is 118,132,021.

Kiwi Property will raise a total of approximately \$161 million through the Offer, which is fully underwritten by Goldman Sachs New Zealand Limited and Forsyth Barr Group Limited.

New Shares will, from the date they are allotted, rank equally with Existing Shares. New Shares will be entitled to all dividends paid after they are allotted. The New Shares will be allotted after payment of the final dividend for the six months ended 31 March 2017 (3.375 cents per share), payable on 22 June 2017, therefore will not participate in that dividend. The next dividend will be paid on 20 December 2017 in respect of the six month period commencing on 1 April 2017 and ending 30 September 2017.

The issue of New Shares pursuant to the Offer is not expected to have any effect or consequence on the control of Kiwi Property.

### application price

The Application Price is \$1.36 per New Share. The Application Price must be paid in full on application. Payment of the Application Price must be made, for the Retail Entitlement Offer, together with a completed Entitlement and Acceptance Form, and delivered to the Registrar in accordance with the instructions set out on the reverse of that form. Alternatively, Applications may be made online, in accordance with the instructions on page 5. Kiwi Property may accept late Applications and Application Monies, but has no obligation to do so. Kiwi Property may accept or reject (at its discretion) any Entitlement and Acceptance Form which it considers to have been completed incorrectly, and may correct any errors or omissions on any Entitlement and Acceptance Form. Once submitted an Application may not be withdrawn without Kiwi Property's prior consent.

Application Monies received will be held in a trust account with the Registrar until the corresponding New Shares are allotted or the Application Monies are refunded. Interest earned on the

Application Monies will be for the benefit, and remain the property, of Kiwi Property and will be retained by Kiwi Property whether or not the issue of New Shares takes place. Any refunds of Application Monies will be made within 10 Business Days of allotment (or the date that the decision not to accept an Application is made, as the case may be).

### withdrawal

Kiwi Property reserves the right to withdraw the Offer (or any of the Institutional Entitlement Offer, Institutional Bookbuild, Retail Entitlement Offer, Retail Bookbuild or U.S. Private Placement, and irrespective of whether or not all of them are withdrawn) at any time at its absolute discretion. If any Application is not accepted, all applicable Application Monies will be refunded.

### overview of the offer

#### the institutional entitlement offer

The Joint Lead Managers will seek to approach Eligible Institutional Shareholders (other than Approved U.S. Shareholders), who may take up all, part or none of their Entitlements.

#### the institutional bookbuild

New Shares attributable to Entitlements which are not taken up by Eligible Institutional Shareholders (together with those attributable to Entitlements of Ineligible Institutional Shareholders which will automatically lapse) will be offered to Institutional Investors (which may include Eligible Institutional Shareholders, whether or not they took up their full Entitlement under the Offer).

#### the U.S. private placement

Concurrently with the Offer, Kiwi Property will conduct the U.S. Private Placement, under which Approved U.S. Shareholders will be invited to subscribe for New Shares as part of the Institutional Entitlement Offer, the Institutional Bookbuild and the Retail Bookbuild. The Joint Lead Managers are not managing the U.S. Private Placement.

#### the retail entitlement offer

Eligible Retail Shareholders are sent this Offer Document together with a personalised Entitlement and Acceptance Form and may take up all, part or none of their Entitlements.

#### the retail bookbuild

New Shares attributable to Entitlements which are not taken up by Eligible Retail Shareholders (together with those attributable to Entitlements of Ineligible Retail Shareholders which will automatically lapse) will be offered to Institutional Investors (which may include Eligible Institutional Shareholders, whether or not they took up their full Entitlement under the Offer).

## **purpose of the offer**

Kiwi Property intends that the net proceeds of the Offer will initially be used to pay down bank debt and reduce gearing, before being used to fund potential future investment and development opportunities, including the potential expansion and improvement projects at Sylvia Park, Northlands, The Base, and in the longer term at Drury.

## **the retail entitlement offer**

### **overview of the retail entitlement offer**

Kiwi Property is offering Eligible Retail Shareholders the opportunity to subscribe for 1 New Share for every 11 Existing Shares held as at 5.00pm (NZ time) on the Record Date, at an Application Price of \$1.36 per New Share. This ratio and the Application Price are the same as for the Institutional Entitlement Offer.

The Retail Entitlement Offer opens at 10.00am (NZ time) on 22 June 2017 and closes at 5.00pm (NZ time) on 10 July 2017 (subject to Kiwi Property's right to modify these dates).

Entitlements will not be listed and cannot be traded on the NZX Main Board or privately transferred. However, Ineligible Retail Shareholders, and Eligible Retail Shareholders who have not taken up their full Entitlement, may receive some value in respect of those New Shares not taken up if a Retail Premium is achieved under the Retail Bookbuild. There is no guarantee that any premium will be achieved, and any Retail Premium may be different from any Institutional Premium.

### **eligibility under the retail entitlement offer**

The Retail Entitlement Offer is only open to Eligible Retail Shareholders. Eligible Retail Shareholders are those persons who:

- are registered as Shareholders at 5.00pm (NZ time) on the Record Date
- have a registered address in New Zealand or Australia at 5.00pm (NZ time) on the Record Date
- are not in the United States and are not acting for the account or benefit of a person in the United States, and
- are not Eligible Institutional Shareholders or Ineligible Institutional Shareholders.

If you sell any Shares (and that sale settles) prior to 5.00pm (NZ time) on the Record Date, then the Entitlements attributable to those Shares will accrue to the holder of those Shares as at 5.00pm (NZ time) on the Record Date. If you have acquired Shares (and that sale settles) after the Record Date, you will not receive any Entitlements in relation to those Shares.

The Retail Entitlement Offer does not constitute an offer to any person who is not an Eligible Retail Shareholder including any

Eligible or Ineligible Institutional Shareholder, or any Ineligible Retail Shareholder. Any person allocated New Shares under the Institutional Entitlement Offer or Institutional Bookbuild does not have any entitlement to participate in the Retail Entitlement Offer in respect of those New Shares.

Kiwi Property reserves the right to reject any Application for New Shares under the Retail Entitlement Offer that it considers comes from a person who is not an Eligible Retail Shareholder.

### **acceptance of entitlement under the retail entitlement offer**

The Entitlement and Acceptance Form distributed to Eligible Retail Shareholders with this Offer Document sets out an Eligible Retail Shareholder's Entitlement to participate in the Retail Entitlement Offer. Applications for New Shares by Eligible Retail Shareholders can only be made on the personalised Entitlement and Acceptance Form sent with this Offer Document, or via the online process. Applications in excess of an Eligible Retail Shareholder's Entitlement will not be accepted. Entitlements are not rounded up to a minimum holding. The number of New Shares to which an Eligible Retail Shareholder is entitled under an Entitlement will, in the case of fractions of New Shares, be rounded down to the nearest whole number.

Eligible Retail Shareholders are not obliged to subscribe for any or all of the New Shares to which they are entitled under the Offer. They may take up some or all of their Entitlement or allow some or all of their Entitlement to lapse.

Any person outside New Zealand or Australia who takes up an Entitlement in the Retail Entitlement Offer (and therefore applies for New Shares) through a New Zealand or Australian resident nominee, and their nominee, will be deemed to have represented and warranted to Kiwi Property that the Offer can be lawfully made to their nominee pursuant to this Offer Document. None of Kiwi Property, the Joint Lead Managers, the Underwriters, the Registrar or any of their respective directors, officers, employees, agents, or advisers accept any liability or responsibility to determine whether a person is eligible to participate in this Offer.

### **the retail bookbuild**

New Shares that are attributable to Entitlements that are not taken up by Eligible Retail Shareholders under the Retail Entitlement Offer (together with those attributable to Entitlements of Ineligible Retail Shareholders) will be offered under the Retail Bookbuild to Institutional Investors (which may include Eligible Institutional Shareholders whether or not they took up their full Entitlement under the Offer). Kiwi Property may also invite Approved U.S. Shareholders to subscribe for New Shares under the Retail Bookbuild as a further element of the U.S. Private Placement. The Retail Bookbuild is expected to take place on 12 July 2017.

The Clearing Price under the Retail Bookbuild will be equal to or above the Application Price.

If the Clearing Price in respect of the Retail Bookbuild is equal to the Application Price:

- Kiwi Property will receive the Application Price for all New Shares issued to Institutional Investors under the Retail Bookbuild, and
- no cash will be payable to any Eligible Retail Shareholder or Ineligible Retail Shareholder.

If the Clearing Price in respect of the Retail Bookbuild is above the Application Price:

- Kiwi Property will receive the Application Price for all New Shares issued to Institutional Investors under the Retail Bookbuild, and
- the Retail Premium will be paid by the Joint Lead Managers to the Registrar, who will remit the Retail Premium pro rata to:
  - each Eligible Retail Shareholder who did not take up their Entitlement in full (with respect to the part of the Entitlement they did not take up only), and
  - each Ineligible Retail Shareholder.

There is no guarantee that any value will be received from the Retail Bookbuild by either Eligible Retail Shareholders who did not take up their full Entitlements or Ineligible Retail Shareholders, and any Retail Premium may be different from any Institutional Premium. None of Kiwi Property, the Joint Lead Managers, the Underwriters, or any of their respective directors, officers, employees, agents, or advisers will be liable for a failure to achieve a price in the Retail Bookbuild that is greater than the Application Price.

Any Retail Premium achieved under the Retail Bookbuild will be announced by Kiwi Property over the NZX Market Announcement Platform.

## **the institutional entitlement offer**

### **overview of the institutional entitlement offer**

Kiwi Property is offering Eligible Institutional Shareholders the opportunity to subscribe for 1 New Share for every 11 Existing Shares held as at 5.00pm (NZ time) on the Record Date, at an Application Price of \$1.36 per New Share. This ratio and the Application Price are the same as for the Retail Entitlement Offer.

The Institutional Entitlement Offer opens on 19 June 2017 and closes on 20 June 2017 (subject to Kiwi Property's right to modify these dates).

Entitlements will not be listed and cannot be traded on the NZX Main Board or privately transferred. However, Ineligible Institutional Shareholders, and Eligible Institutional Shareholders

who have not taken up their full Entitlement, may receive some value in respect of those New Shares not taken up if an Institutional Premium is achieved under the Institutional Bookbuild. There is no guarantee that any premium will be achieved, and any Institutional Premium may be different from any Retail Premium.

### **eligibility under the institutional entitlement offer**

The Institutional Entitlement Offer is only open to Eligible Institutional Shareholders, being those Shareholders at 5.00pm (NZ time) on the Record Date with a registered address in New Zealand, Australia, Canada, France, Hong Kong, Japan, Luxembourg, the Netherlands, Norway, Singapore, Sweden, Switzerland or the United Kingdom and, in each case, who are Institutional Investors (or nominees of Institutional Investors). Kiwi Property will also offer certain institutional Shareholders in the United States that are Approved U.S. Shareholders the opportunity to take up their Entitlements as part of the U.S. Private Placement.

If you sell any Shares (and that sale settles) prior to 5.00pm (NZ time) on the Record Date, then the Entitlements attributable to those Shares will accrue to the holder of those Shares as at 5.00pm (NZ time) on the Record Date. If you have acquired Shares (and that sale settles) after the Record Date, you will not receive any Entitlements in relation to those Shares.

Kiwi Property reserves the right to reject any Application for New Shares under the Institutional Entitlement Offer that it considers comes from a person who is not an Eligible Institutional Shareholder.

### **acceptance of entitlement under the institutional entitlement offer**

The Joint Lead Managers will seek to contact Eligible Institutional Shareholders (other than Approved U.S. Shareholders) to inform them of the terms and conditions of participation in the Institutional Entitlement Offer and seek confirmation of their Entitlements under the Offer. Applications for New Shares by Eligible Institutional Shareholders (other than Approved U.S. Shareholders) can only be made in accordance with that process. Applications in excess of an Eligible Institutional Shareholder's Entitlement will not be accepted.

Entitlements are not rounded up to a minimum holding. The number of New Shares to which an Eligible Institutional Shareholder is entitled under an Entitlement will, in the case of fractions of New Shares, be rounded down to the nearest whole number.

### **the institutional bookbuild**

New Shares that are attributable to Entitlements that are not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer (together with those attributable

to Entitlements of Ineligible Institutional Shareholders) will be offered under the Institutional Bookbuild to Institutional Investors (which may include Eligible Institutional Shareholders whether or not they took up their full Entitlement under the Offer). The Institutional Bookbuild is expected to take place on 21 June 2017.

The Clearing Price under the Institutional Bookbuild will be equal to or above the Application Price.

If the Clearing Price in respect of the Institutional Bookbuild is equal to the Application Price:

- Kiwi Property will receive the Application Price for all New Shares issued to Institutional Investors under the Institutional Bookbuild, and
- no cash will be payable to any Eligible Institutional Shareholder or Ineligible Institutional Shareholder.

If the Clearing Price in respect of the Institutional Bookbuild is above the Application Price:

- Kiwi Property will receive the Application Price for all New Shares issued to Institutional Investors under the Institutional Bookbuild, and
- the Institutional Premium will be paid by the Joint Lead Managers to the Registrar, who will remit the Institutional Premium pro rata to:
  - each Eligible Institutional Shareholder who did not take up their Entitlement in full (with respect to the part of the Entitlement they did not take up only), and
  - each Ineligible Institutional Shareholder.

There is no guarantee that any value will be received from the Institutional Bookbuild by either Eligible Institutional Shareholders who did not take up their full Entitlements or Ineligible Institutional Shareholders, and any Institutional Premium may be different from any Retail Premium. None of Kiwi Property, the Joint Lead Managers, the Underwriters, or any of their respective directors, officers, employees, agents, or advisers will be liable for a failure to achieve a price in the Institutional Bookbuild that is greater than the Application Price.

Any Institutional Premium achieved under the Institutional Bookbuild will be announced by Kiwi Property over the NZX Market Announcement Platform.

## settlement of the institutional entitlement offer and the institutional bookbuild

Settlement of the Institutional Entitlement Offer and the Institutional Bookbuild will occur on the Institutional Settlement Date in accordance with arrangements advised by the Joint Lead Managers. Settlement of the U.S. Private Placement in relation to the Institutional Offer will also occur on the Institutional Settlement Date in accordance with arrangements advised by Kiwi Property.

## taxation treatment of the institutional premium and the retail premium

The following is a summary of New Zealand tax implications in relation to the Institutional Premium and the Retail Premium which may be payable under the Offer. This summary is limited to those aspects of the Offer and not the taxation implications of holding Existing Shares or New Shares, or any tax implications for Shareholders outside New Zealand.

Any Institutional Premium or Retail Premium payable to any Eligible Shareholders who do not take up their Entitlements under the Offer in full, or to any Ineligible Shareholders, will not be a dividend for New Zealand tax purposes. Therefore, any such Institutional Premium or Retail Premium will generally not be taxable to Shareholders.

However, the Institutional Premium or Retail Premium may be taxable if a Shareholder holds their Existing Shares on revenue account. A Shareholder will hold Existing Shares on revenue account if they acquired those Shares for the purposes of selling them or they are in the business of dealing in shares.

As Shareholders' individual circumstances will differ, Shareholders should consult a tax adviser on the taxation treatment of any Institutional Premium or Retail Premium.

## the new shares

Each Share confers the right to vote at meetings, subject to any voting restrictions imposed on Shareholders under Kiwi Property's constitution or the Listing Rules. On a show of hands or by voice, every Shareholder present in person or by proxy or representative has one vote for each Share they hold. On a poll, every Shareholder present in person or by proxy or representative has one vote for each Share they hold. Each Share confers a right to a pro rata share of any dividend authorised by the Board on Shares, and to any distribution of surplus assets of Kiwi Property on any liquidation.



Applicants for New Shares will be bound by Kiwi Property's constitution and the terms of the Offer set out in this Offer Document.

New Shares issued under the Institutional Entitlement Offer, the Institutional Bookbuild, the Retail Entitlement Offer and the Retail Bookbuild will rank equally with each other.

## listing

Entitlements will not be listed and cannot be traded on the NZX Main Board or privately transferred.

The New Shares have been accepted for quotation by NZX and will be quoted on the NZX Main Board upon completion of allotment procedures. The NZX Main Board is a licensed market under the Financial Markets Conduct Act 2013. However, NZX accepts no responsibility for any statement in this Offer Document. It is expected that trading on the NZX Main Board of the New Shares issued under:

- the Institutional Entitlement Offer and Institutional Bookbuild will commence on 30 June 2017, and
- the Retail Entitlement Offer and Retail Bookbuild will commence on 17 July 2017.

Holding statements for New Shares allotted under the Offer will be issued and mailed as soon as practicable after allotment.

Applicants under the Offer should ascertain their allocation before trading in the New Shares. Applicants can do so by contacting the Registrar, whose contact details are set out in the Directory.

Applicants selling New Shares prior to receiving a holding statement do so at their own risk. None of Kiwi Property, the Joint Lead Managers, the Underwriters, the Registrar, nor any of their respective directors, officers, employees, agents, or advisers, accept any liability or responsibility should any person attempt to sell or otherwise deal with New Shares before the holding statement showing the number of New Shares allotted to the Applicant is received by the Applicant for those New Shares.

## nominees

If you hold Existing Shares as nominee for more than one person, then you may (depending on the nature of each such person) be an Eligible Institutional Shareholder, an Ineligible Institutional Shareholder, an Eligible Retail Shareholder, or an Ineligible Retail Shareholder with regard to the Entitlement of each such person.

## overseas shareholders

The Retail Entitlement Offer is open only to Shareholders with a registered address in New Zealand or Australia at 5.00pm (NZ time) on the Record Date, who are not in the United States and are not acting for the account or benefit of a person in the United States, and who are not Eligible Institutional Shareholders or Ineligible Institutional Shareholders.

The Institutional Entitlement Offer is open only to Shareholders as at 5.00pm (NZ time) on the Record Date with a registered address in New Zealand, Australia, Canada, France, Hong Kong, Japan, Luxembourg, the Netherlands, Norway, Singapore, Sweden, Switzerland or the United Kingdom and, in each case, who are Institutional Investors (or nominees of an Institutional Investor). Kiwi Property will also offer certain institutional Shareholders in the United States that are Approved U.S. Shareholders the opportunity to take up their Entitlements as part of the U.S. Private Placement.

This Offer Document is intended for use only in connection with the Offer to Eligible Retail Shareholders with a registered address in New Zealand or Australia, Eligible Institutional Shareholders with a registered address in New Zealand, Australia, Canada, France, Hong Kong, Japan, Luxembourg, the Netherlands, Norway, Singapore, Sweden, Switzerland, the United Kingdom and Approved U.S. Shareholders and does not constitute an offer or invitation in any country in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

This Offer Document is not to be sent or given to any person outside New Zealand in circumstances in which the Offer or distribution of this Offer Document would be unlawful. The distribution of this Offer Document (including an electronic copy) outside New Zealand may be restricted by law. If you come into possession of this Offer Document, you should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Kiwi Property disclaims all liability to such persons.

The Offer is not open in other jurisdictions as Kiwi Property considers that it is unduly onerous for Kiwi Property to make the Offer into those jurisdictions. Shareholders with a registered address in those jurisdictions will not be able to take up their Entitlement.

New Shares attributable to the Entitlements of Ineligible Institutional Shareholders and Ineligible Retail Shareholders will be offered under the Bookbuilds. Whether Ineligible Shareholders receive any value following the Bookbuilds will depend on whether the Clearing Prices in those Bookbuilds are above the Application Price. For more information, see under the headings 'The Retail Bookbuild' and 'The Institutional Bookbuild' in this Section 5: Details of the Offer.

No person may purchase, offer, sell, distribute or deliver New Shares, or be in possession of, or distribute to any other person, any offering material or any documents in connection with the New Shares, in any jurisdiction other than in compliance with all applicable laws and regulations.

### Australia

This document and the offer of New Shares are being made available in Australia in reliance on the Australian Securities and Investments Commission Corporations (Foreign Rights Issues) Instrument 2015/356.

This document is not a prospectus, product disclosure statement or any other formal "disclosure document" for the purposes of the Australian Corporations Act 2001 ("Australian Corporations Act") and is not required to, and does not, contain all the information which would be required in a "disclosure document" under the Australian Corporations Act. This document has not been, and will not be, lodged or registered with the Australian Securities and Investments Commission or the Australian Securities Exchange and the issuer is not subject to the continuous disclosure requirements that apply in Australia.

Prospective investors should not construe anything in this document as legal, business or tax advice nor as financial product advice for the purposes of Chapter 7 of the Australian Corporations Act.

### Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the provinces of British Columbia, Ontario and Quebec (the 'Provinces') and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are 'accredited investors' within the meaning of NI 45-106 – Prospectus and Registration Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the Offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable

Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

Kiwi Property, as well as its directors and officers, may be located outside Canada, and as a result, it may not be possible for purchasers to effect service of process within Canada upon Kiwi Property or its directors or officers. All or a substantial portion of the assets of Kiwi Property and such persons may be located outside Canada, and as a result, it may not be possible to satisfy a judgement against Kiwi Property or such persons in Canada or to enforce a judgement obtained in Canadian courts against Kiwi Property or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in New Zealand dollars.

### STATUTORY RIGHTS OF ACTION FOR DAMAGES OR RESCISSION

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation.

Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a 'Canadian financial institution' or a 'Schedule III bank' (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against Kiwi Property if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against Kiwi Property. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the

Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against Kiwi Property, provided that (a) Kiwi Property will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, Kiwi Property is not liable for all or any portion of the damages that Kiwi Property proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than:

- a. in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or
- b. in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

#### **CERTAIN CANADIAN INCOME TAX CONSIDERATIONS**

Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

#### **LANGUAGE OF DOCUMENTS IN CANADA**

Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

#### **European Economic Area (Luxembourg and the Netherlands)**

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to publish a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- a. to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- b. to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- c. to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- d. to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

#### **France**

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

### Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the 'SFO'). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it.

Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

### Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the 'FIEL') pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires

New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

### Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to 'professional clients' (as defined in Norwegian Securities Regulation of 29 June 2007 No. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

### Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the 'SFA'), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of Kiwi Property's shares, (ii) an 'institutional investor' (as defined in the SFA) or (iii) a 'relevant person' (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## Sweden

This document has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this document may not be made available, nor may the New Shares be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument). Any offering of New Shares in Sweden is limited to persons who are "qualified investors" (as defined in the Financial Instruments Trading Act). Only such investors may receive this document and they may not distribute it or the information contained in it to any other person.

## Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the Six Swiss Exchange ('SIX') or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as Institutional Investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

## United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ('FSMA')) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to 'qualified investors' (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and these securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication

of a prospectus pursuant to section 86(1) of the FSMA.

This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Kiwi Property.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ('FPO'), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together 'relevant persons'). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

## United States

The Entitlements and New Shares described in this document have not been, and will not be, registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States (or for the account or benefit of a person in the United States) except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

## no guarantee

No person named in this Offer Document (nor any other person) guarantees the New Shares to be issued pursuant to the Offer or warrants the future performance of Kiwi Property or any return on any investment made pursuant to this Offer Document.

## underwriting agreement

Kiwi Property has requested that Goldman Sachs New Zealand Limited and Forsyth Barr Group Limited underwrite the Offer and the Underwriters have agreed to do so. This means that the Underwriters will subscribe at the Application Price for any New Shares that are not subscribed for by Shareholders or Institutional Investors under the Offer in accordance with the terms of the Underwriting Agreement.



A summary of the principal terms of the Underwriting Agreement are set out as follows:

- The Underwriters have each underwritten an agreed percentage of the underwriting commitment, which commitments are several (and not joint, nor joint and several).
- The Underwriters have the power to appoint sub-underwriters.
- The Underwriters will be paid an underwriting fee of 1.5%, and a lead management fee of up to 0.5%, of the total gross proceeds to be raised under the Offer.
- If the Underwriting Agreement is terminated by the Underwriters or Kiwi Property, a termination fee may be payable to the Underwriters. Any termination fee cannot exceed 100% of the underwriting fee.
- An Underwriter may terminate its obligations under the Underwriting Agreement on the occurrence of a number of events, including the following:
  - Certain New Zealand legal requirements failing to be satisfied on or prior to the date this Offer Document was distributed.
  - A Material Adverse Event (as defined in the Underwriting Agreement), which includes an event or events, or any matter or matters or information which occurs after the date of the Underwriting Agreement, and which in an Underwriter's reasonable opinion, has or is likely to have a material adverse effect on:
    - Kiwi Property or its business or prospects
    - the Offer or this Offer Document
    - the price at which the Existing Shares are traded, or New Shares will trade, on the NZX Main Board
    - the allotment of and payment for the New Shares to be issued
    - the ability of Kiwi Property to issue the New Shares at the Application Price
    - acceptance by Kiwi Property of valid Applications (as defined in the Underwriting Agreement) for the New Shares under the Offer
    - the quotation of the New Shares on the NZX Main Board, or
    - the transfer or disposition of the New Shares through the NZX Main Board, or otherwise.
  - The occurrence of certain events (including hostilities, changes in financial, economic and political conditions, a general moratorium on commercial banking activities, suspension of trading or listing) in certain countries or financial markets that are Material Adverse Events.
  - The occurrence of certain other specified events (including changes to this Offer Document, changes in law, prosecutions against Kiwi Property or a director, changes of directors or management, a default by Kiwi Property of any of its obligations under the Underwriting Agreement, changes to Kiwi Property's capital structure, an increase of 100 basis points or more in the yield of the 90-day bank bill or three-year New Zealand Government Bond rate, a Reserve Bank policy change, any regulatory action taken by a regulatory body in relation to the Offer or this Offer Document) that are Material Adverse Events.
  - Failure to ensure legal compliance of this Offer Document in a material respect.
  - The report of the committee established by Kiwi Property to carry out the due diligence investigations, or any other information supplied by or on behalf of Kiwi Property to the Underwriters in relation to Kiwi Property or the Offer being inaccurate, incomplete, misleading or deceptive (including by omission) in any material adverse respect.
  - There having been a certain decline in the NZX50 index whereby the index is at a level equivalent to 10% or more below its level as at 5.00pm (NZ time) on the Business Day prior to the date of the Underwriting Agreement, and which decline is maintained for a period of at least two consecutive Business Days.
  - Kiwi Property's Shares ceasing to be quoted on the NZX Main Board.
  - There being an Insolvency Event (as defined in the Underwriting Agreement) in respect of Kiwi Property.
  - A breach of any warranty given by Kiwi Property to the Underwriters which, if capable of being remedied, is not remedied within three Business Days after notification of the breach.
  - A delay in the timetable in respect of the Offer by two or more Business Days without the prior consent of the Underwriters.
  - Kiwi Property does not issue the New Shares when required for settlement of the Offer.
  - Any due diligence investigation of Kiwi Property or conducted by, in conjunction with, or on behalf of the Underwriters, revealing any matter of which an Underwriter was not previously aware and that is a Material Adverse Event.

- Kiwi Property may terminate the Underwriting Agreement at any time.
- Kiwi Property has agreed to indemnify the Underwriters in connection with the underwrite against certain losses incurred as a result of or in relation to the Offer, the allotment of the New Shares or the Underwriting Agreement.
- For a period of three months after the Retail Allotment Date, Kiwi Property may not, without the prior consent of the Underwriters:
  - offer for sale or accept an offer for any Shares or other equity securities issued by Kiwi Property
  - allot or issue any Shares or other equity securities of Kiwi Property
  - issue or grant any right or option that entitles the holder to call for the issue of Shares by Kiwi Property or that is otherwise convertible into, exchangeable for or redeemable by the issue of, Shares or other equity securities by Kiwi Property
  - create any debt instrument or other obligation which may be convertible into, exchangeable for or redeemable by, the issue of Shares or other equity securities by Kiwi Property
  - otherwise enter into any agreement whereby any person may be entitled to the allotment and issue of any Shares or other equity securities by Kiwi Property, or
  - make any announcement of an intention to do any of the foregoing

other than pursuant to its dividend reinvestment plan, an existing employee incentive scheme or the Offer.

- Kiwi Property may not, without the prior consent of the Underwriters, for a period of one month after the Retail Allotment Date:
  - dispose of or charge, or agree to dispose of or charge, the whole or any substantial part of its business, or
  - enter into any commitment or arrangement which is or may be material in the context of the Offer, the underwriting of any shortfall of the Offer or quotation except, in each case, as expressly contemplated in this Offer Document, or as disclosed on the NZX Main Board or in writing to the Underwriters prior to the date of the Underwriting Agreement.
- Warranties given by Kiwi Property in the Underwriting Agreement include warranties relating to the content of the Offer Document, compliance by Kiwi Property with relevant laws, the existence of no material litigation, the solvency of Kiwi Property, and the valid issue and allotment of New Shares.

## broker stamping fees

No investor will pay brokerage on taking up their Entitlement or as a subscriber for New Shares under the Offer.

A stamping fee of 0.5% of Application Monies on New Shares allotted will be paid to NZX Firms who submit a valid claim for a broker stamping fee on successful Applications, subject to a fee limit of \$300 per Shareholder. The aggregate fee payable on all successful Applications will be limited to \$125,000. In the event that total stamping fees payable exceeds \$125,000, the stamping fee payable per successful Application will be scaled back on a pro rata basis. This fee will be met by the Underwriters. Details of the claims process are to be separately communicated to NZX Firms by the Underwriters.

Following allotment, the sale of the New Shares may be subject to normal brokerage fees.

## privacy

Any personal information provided by Eligible Shareholders on the Entitlement and Acceptance Form or via the online application process will be held by Kiwi Property and/or the Registrar at the addresses set out in the Directory. The information will be used for the purposes of administering your investment in Kiwi Property. This information will only be disclosed to third parties with your consent or if otherwise required by law. Under the Privacy Act 1993, you have the right to access and correct any personal information held about you.

## governing law

This Offer Document, the Offer and any contract resulting from it are governed by the laws of New Zealand, and each Applicant submits to the exclusive jurisdiction of the courts of New Zealand.

## times, currency and laws

All references in this Offer Document to times and dates are to New Zealand, all references to currency are to New Zealand dollars, and all references to applicable statutes and regulations are (unless otherwise stated) references to New Zealand statutes and regulations.

## SECTION 6

**other information****NZX waivers**

NZX has granted Kiwi Property a waiver from Listing Rule 7.11.1 in respect of the Offer, subject to certain terms and conditions, to enable Kiwi Property to allot the New Shares under the Institutional Entitlement Offer and Institutional Bookbuild eight Business Days after the close of the Institutional Entitlement Offer.

Kiwi Property will rely on the NZX class waiver for accelerated entitlement offers, dated 13 June 2017, in respect of the Offer.

The following is a summary of each aspect of the class waiver relied on, and its corresponding conditions and effect:

- a. Waiver from Listing Rule 7.3.1(a), permitting Kiwi Property to not obtain Shareholder approval for the issue of New Shares in connection with the Offer. This waiver is subject to the condition that the issue be conducted in accordance with Listing Rule 7.3.4(a) (read in conjunction with Listing Rules 7.3.4(d) to 7.3.4(h)), except for the requirement in Listing Rule 7.4.3(a) that the Offer is renounceable (provided that

New Shares not taken up by Eligible Shareholders are offered under the Bookbuilds and that such Bookbuilds are undertaken in accordance with the Offer Document).

- b. Waiver from Listing Rule 7.10.1, enabling Eligible Institutional Shareholders to be notified of their Entitlement prior to the Record Date and enabling notification to occur by means other than physical letters of entitlement.
- c. Waiver from Listing Rule 7.10.2, to the extent it would otherwise require the Institutional Entitlement Offer to remain open for 12 Business Days, subject to the condition that Kiwi Property's announcement of the Offer, and this Offer Document, clearly state that a shorter than usual offer period will be available to Eligible Institutional Shareholders under the Institutional Entitlement Offer.
- d. Waiver from Listing Rule 7.10.8, to the extent it would otherwise require Kiwi Property to notify NZX of the Offer five Business Days prior to the ex-date for the Offer, subject to the condition that the Offer is notified to NZX in accordance with Listing Rule 7.10.8 no later than five Business Days before the ex-date for the Offer.



## SECTION 7

# glossary

**Applicant** means an investor whose application for New Shares has been received by the Registrar.

**Application** means an application to subscribe for New Shares under this Offer Document.

**Application Monies** means monies received from Applicants in respect of their Applications.

**Application Price** means \$1.36 per New Share.

**Approved U.S. Shareholder** means one of a limited number of institutional Shareholders in the United States that Kiwi Property has invited to participate in the U.S. Private Placement and has determined to be either:

- a. a "qualified institutional buyer" as that term is defined under Rule 144A of the US Securities Act of 1933 (QIBs) that is acting for its own account or for the account or benefit of one or more persons, each of whom is a QIB; or
- b. a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States that is acting for an account (other than an estate or trust) held for the benefit or account of persons that are not US Persons for which it has and is exercising investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act of 1933.

**Board** means the board of directors of Kiwi Property.

**Bookbuilds** means the Institutional Bookbuild and the Retail Bookbuild.

**Business Day** has the meaning given to that term in the Listing Rules.

**Clearing Price** means the price determined:

- a. in respect of the Institutional Bookbuild, through the Institutional Bookbuild process, and
- b. in respect of the Retail Bookbuild, through the Retail Bookbuild process

which will be equal to or above the Application Price.

**Closing Date** means 5.00pm (NZ time) on 10 July 2017.

**Eligible Institutional Shareholder** means a Shareholder who, as at 5.00pm (NZ time) on the Record Date:

- a. has a registered address in New Zealand, Australia, Canada, France, Hong Kong, Japan, Luxembourg, the Netherlands, Norway, Singapore, Sweden, Switzerland or the United Kingdom or a Shareholder in the United States that is an Approved U.S. Shareholder, and
- b. is an Institutional Investor (or the nominee of an Institutional Investor), and is invited to participate in the Institutional Entitlement Offer.

**Eligible Retail Shareholder** means a Shareholder of Kiwi Property with a registered address in New Zealand or Australia at 5.00pm (NZ time) on the Record Date, not in the United States and not acting for the account or benefit of a person in the United States, and not being an Eligible Institutional Shareholder or Ineligible Institutional Shareholder.

**Eligible Shareholder** means an Eligible Retail Shareholder or an Eligible Institutional Shareholder.

**Entitlement** means the right to subscribe for 1 New Share for every 11 Existing Shares at the Application Price.

**Entitlement and Acceptance Form** means the personalised entitlement and acceptance form provided to Eligible Retail Shareholders.

**Existing Share** means a fully paid ordinary share in Kiwi Property on issue at 5.00pm (NZ time) on the Record Date.

**Gearing Ratio** is calculated as finance debt (which includes secured bank debt and the face value of bonds) over total tangible assets (which excludes interest rate derivatives and deferred tax assets).

**Ineligible Institutional Shareholder** means a Shareholder who is not an Eligible Institutional Shareholder but who, if it (and/or the person for whom it holds Shares) had an address in any of the jurisdictions noted in the definition of Institutional Investor would, in the opinion of Kiwi Property, be an Eligible Institutional Shareholder.

**Ineligible Retail Shareholder** means a Shareholder who is not an Eligible Retail Shareholder, an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder.

**Ineligible Shareholders** means Shareholders other than Eligible Shareholders.

**Institutional Bookbuild** means the bookbuild process conducted by the Joint Lead Managers under which New Shares attributable to Entitlements that are not taken up by Eligible Institutional Shareholders, together with New Shares attributable to Entitlements of Ineligible Institutional Shareholders, are offered to Institutional Investors (which may include Eligible Institutional Shareholders, whether or not they took up their full Entitlement under the Offer).

**Institutional Entitlement Offer** means the offer of New Shares to Eligible Institutional Shareholders.

**Institutional Investor** means a person:

- a. in New Zealand, who Kiwi Property considers is an institutional, habitual, or sophisticated investor
- b. in Australia, who Kiwi Property considers is a person to whom an offer of shares for issue may lawfully be made without disclosure under Part 6D.2 of the Corporations Act 2001 (Australia) (as modified by any applicable regulatory instrument)

- c. in Canada, who Kiwi Property considers is an accredited investor as defined in Section 1.1 of National Instrument 45-106 – Prospectus and Registration Exemptions of the Canadian Securities Administrators
- d. in the European Economic Area (Luxembourg and the Netherlands), who Kiwi Property considers is a qualified investor within the meaning of the Prospectus Directive (Directive 2003/71/EC) as amended and implemented in the applicable country
- e. in France, who Kiwi Property considers is a qualified investor as such term is defined in Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11 and D.533-13 of the French Monetary and Financial Code
- f. in Hong Kong, who Kiwi Property considers is a professional investor as defined in the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong
- g. in Japan, who Kiwi Property considers is a ‘qualified institutional investor’ (as defined in article 2, paragraph 3 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948))
- h. in Norway, who Kiwi Property considers is a professional client as defined in Norwegian Securities Regulation of 29 June 2007 No. 876
- i. in Singapore, who Kiwi Property considers is an institutional investor or relevant person as such terms are defined in the Securities and Futures Act, Chapter 289 of Singapore
- j. in Sweden, who Kiwi Property considers is a qualified investor (as defined in Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument))
- k. in Switzerland, who Kiwi Property considers is a qualified investor as defined in Swiss legislation to include regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations
- l. in the United Kingdom, who Kiwi Property considers is (i) a qualified investor within the meaning of section 86(7) of the Financial Services and Markets Act 2000, as amended, (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or
- m. in the United States, who is an Approved U.S. Shareholder and, in each case (other than paragraph (m)), who is not acting for the account or benefit of a person in the United States.

**Institutional Premium** means the cash excess (if any) of the Clearing Price in the Institutional Bookbuild over the Application Price.

**Institutional Settlement Date** means the date of settlement and allotment of New Shares under the Institutional Entitlement Offer and Institutional Bookbuild, expected to be 30 June 2017.

**Joint Lead Managers** means Goldman Sachs New Zealand Limited and Forsyth Barr Limited.

**Kiwi Property** means Kiwi Property Group Limited.

**Listing Rules** means the listing rules of the NZX Main Board, as amended from time to time and for so long as Kiwi Property is admitted to the official list of such exchange.

**New Share** means an ordinary share in Kiwi Property offered under the Offer of the same class as (and ranking equally in all respects with) Existing Shares at the time of allotment of the New Shares.

**NZ\$ or \$** means the lawful currency of New Zealand.

**NZX** means NZX Limited.

**NZX Firm** means an entity designated as an NZX Firm under the Participant Rules of NZX.

**NZX Main Board** means the main board equity securities market operated by NZX.

**Offer** means the offer of New Shares pursuant to the Institutional Entitlement Offer, Institutional Bookbuild, U.S. Private Placement, Retail Entitlement Offer and Retail Bookbuild.

**Offer Document** means this document.

**Record Date** means 21 June 2017.

**Registrar** means Link Market Services Limited.

**Retail Allotment Date** means the date for allotment of New Shares under the Retail Entitlement Offer and Retail Bookbuild, expected to be 17 July 2017.

**Retail Bookbuild** means the bookbuild process conducted by the Joint Lead Managers under which New Shares attributable to Entitlements that are not taken up by Eligible Retail Shareholders, together with New Shares attributable to Entitlements of Ineligible Retail Shareholders, are offered to Institutional Investors (which may include Eligible Institutional Shareholders whether or not they took up their full Entitlement under the Offer).

**Retail Entitlement Offer** means the offer of New Shares to Eligible Retail Shareholders.

**Retail Premium** means the cash excess (if any) of the Clearing Price in the Retail Bookbuild over the Application Price.

**Share** means one fully paid ordinary share in Kiwi Property.

**Shareholder** means a registered holder of Shares on issue.

**Total Return** means the return to Shareholders including share price appreciation and the reinvestment of all cash dividends and imputation credits.

**Underwriters** means Goldman Sachs New Zealand Limited and Forsyth Barr Group Limited.

**Underwriting Agreement** means the agreement entered into between Kiwi Property and the Underwriters, a summary of the principal terms of which are set out in Section 5: Details of the Offer under the heading ‘Underwriting Agreement’.

**United States or U.S.** means the United States of America.

**U.S. Private Placement** means the offer of New Shares by Kiwi Property to Approved U.S. Shareholders as part of the Institutional Entitlement Offer, the Institutional Bookbuild and the Retail Bookbuild. The Joint Lead Managers are not managing the U.S. Private Placement.

## SECTION 8

# directory

### ISSUER

#### **Kiwi Property Group Limited**

Level 14, DLA Piper Tower

205 Queen Street

AUCKLAND 1010

or

PO Box 2071

Shortland Street

AUCKLAND 1140

**T:** 64 9 359 4000

**W:** [kp.co.nz](http://kp.co.nz)

**E:** [info@kp.co.nz](mailto:info@kp.co.nz)

#### **Directors of Kiwi Property Group Limited**

Mark Ford Independent Chair

Mary Jane Daly Independent Director

Richard Didsbury Independent Director

Jane Freeman Independent Director

Joanna Perry Independent Director

Mike Steur Independent Director

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### REGISTRAR

#### **Link Market Services Limited**

Level 11, Deloitte Centre

80 Queen Street

AUCKLAND 1010

or

PO Box 91976

Victoria Street West

AUCKLAND 1142

**Toll free:** 0800 377 388

**T:** 64 9 375 5998

**W:** [linkmarketservices.co.nz](http://linkmarketservices.co.nz)

**E:** [enquiries@linkmarketservices.co.nz](mailto:enquiries@linkmarketservices.co.nz)

### JOINT LEAD MANAGERS AND UNDERWRITERS

#### **Goldman Sachs New Zealand Limited**

Level 39, Vero Centre

48 Shortland Street

AUCKLAND 1010

or

PO Box 887

Shortland Street

AUCKLAND 1140

#### **Forsyth Barr Limited (Joint Lead Manager)**

#### **Forsyth Barr Group Limited (Underwriter)**

Level 23, Lumley Centre

88 Shortland Street

Auckland

or

PO Box 97

Shortland Street

AUCKLAND 1140

---

### LEGAL ADVISERS

#### **Russell McVeagh**

Level 30, Vero Centre

48 Shortland Street

AUCKLAND 1010

or

PO Box 8

Shortland Street

AUCKLAND 1140



[kprightsoffer.co.nz](http://kprightsoffer.co.nz)