

30 September 2016

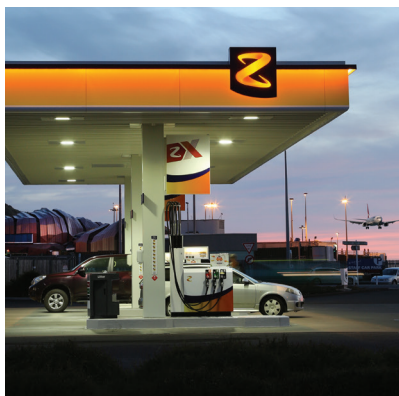


# Z Energy Indicative Terms Sheet

## For the offer of fixed rate bonds

five year bonds maturing on  
1 November 2021 (2021 Bonds)

seven year bonds maturing on  
1 November 2023 (2023 Bonds)



Joint Lead Managers



Co-Managers



# Important Notice

This Indicative Terms Sheet sets out the key terms of the offer (**Offer**) by Z Energy Limited (Z or Issuer) of up to \$350,000,000 of fixed rate bonds (**Bonds**) in two separate series:

- five year bonds maturing on 1 November 2021 (**2021 Bonds**); and
- seven year bonds maturing on 1 November 2023 (**2023 Bonds**).

The 2021 Bonds and 2023 Bonds will be issued under the master trust deed dated 11 August 2010 (as amended from time to time) (**Trust Deed**) as modified and supplemented by the supplemental trust deed in respect of the 2021 Bonds dated 30 September 2016 and the supplemental trust deed in respect of the 2023 Bonds dated 30 September 2016 (together, **Supplemental Trust Deeds**) entered into between Z and Trustees Executors Limited (**Supervisor**). The Trust Deed and the Supplemental Trust Deeds are together the **Trust Documents**. Unless the context otherwise requires, capitalised terms used in this Indicative Terms Sheet have the same meaning given to them in the Trust Documents.

Investors should refer to the Trust Documents for the full terms of the Bonds.

The offer of Bonds by Z is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**).

The offer contained in this Indicative Terms Sheet is an offer of bonds that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as Z's bonds maturing on 15 November 2019, which have a fixed interest rate of 6.50 per cent per annum and are currently quoted on the NZX Debt Market under the ticker code ZEL030 (**Existing Bonds**).

Accordingly, the 2021 Bonds and 2023 Bonds are the same class as the Existing Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

Z is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) for the purpose of that information being made available to participants in the market. That information can be found by visiting [www.nzx.com/companies/ZEL](http://www.nzx.com/companies/ZEL).

The Existing Bonds are the only debt securities of Z that are currently quoted and in the same class as the 2021 Bonds and 2023 Bonds.

Investors should look to the market price of the Existing Bonds referred to above to find out how the market assesses the returns and risk premium for those bonds.

# Key terms of the Bonds

<b>Issuer</b>	Z Energy Limited (Z)	
<b>Description</b>	<p>The Bonds will constitute unsubordinated, secured obligations of the Issuer and rank equally with each other and with the Issuer's existing unsubordinated, secured series of bonds.</p> <p>Bondholders and Z's banks share the same security over the Guarantors' (as described under Guarantors below) assets on an equal ranking basis. Both groups rank behind security held by the Issuer's suppliers over crude oil products and refined fuel products, and their proceeds, in each case to the extent that the supplier has not received payment of the purchase price for them, and behind statutorily preferred creditors.</p>	
<b>Guarantee</b>	The Bonds will be fully and unconditionally guaranteed by the Guarantors. This guarantee is secured over all assets of the Guarantors, except for certain excluded assets (which are not material).	
<b>Purpose</b>	Z will use the net proceeds of the Offer for the refinance of some of its existing debt funding, including the 2016 Bonds (as defined below) and Chevron acquisition debt.	
<b>Credit Rating</b>	The Bonds will be unrated.	
<b>Offer Amount</b>	The offer is for up to \$350,000,000 across two series of Bonds. The offer consists of two separate parts – a General Offer and an Exchange Offer (as each is defined below).	
	Maximum Issue Amount in each Series	\$200,000,000
<b>Series</b>	<b>2021 Bonds</b>	<b>2023 Bonds</b>
<b>Maturity Date</b>	Monday, 1 November 2021	Wednesday, 1 November 2023
<b>General Offer</b>	Z is offering up to \$250,000,000 of Bonds to New Zealand retail and institutional investors ( <b>General Offer</b> ) across both Series. In addition, should any Bonds be available from a shortfall under the Exchange Offer, the Issuer may at its sole discretion, offer any such bonds under the General Offer.	
<b>Exchange Offer</b>	<p>Z is offering New Zealand holders of its fixed rate bonds maturing on 15 October 2016 quoted on the NZX Debt Market under the ticker code ZEL010 (<b>2016 Bonds</b>) the opportunity to exchange all or some of their 2016 Bonds for 2021 Bonds and/or 2023 Bonds (<b>Exchange Offer</b>) on a first-in first-served basis.</p> <p>The Exchange Offer will be for up to \$100,000,000. The amount available under the Exchange Offer in each Series will be determined following a firm book build process for the General Offer for up to \$250,000,000. These details will be announced via the NZX.</p>	
<b>Issue Price</b>	Each Bond has a principal amount of \$1.00.	

<b>Opening Date</b>	Friday, 30 September 2016		
<b>Rate Set Date</b>	Friday, 7 October 2016		
<b>Exchange Offer Closing Date</b>	Friday, 14 October 2016 at 5.00pm		
<b>General Offer Closing Date</b>	Friday, 28 October 2016 at 5.00pm		
<b>Issue/Allotment Date</b>	<p>Tuesday, 1 November 2016</p> <p>NZX has provided Z with a waiver in respect of Listing Rule 7.11.1 to permit Z to allot Bonds subscribed for under the Exchange Offer on this date. Repayments of principal in relation to 2016 Bonds not being exchanged will be made on 17 October.</p>		
<b>Interest Rate</b>	<p>The Interest Rate applicable to each Series will be the sum of the relevant Issue Margin and the relevant Base Rate. However, Z has agreed the Interest Rate will not be lower than the relevant Minimum Interest Rate.</p> <p>The Interest Rate applicable to each Series will be announced by Z via the NZX on or shortly after the Rate Set Date.</p>		
<b>Minimum Interest Rate</b>	<b>2021 Bonds</b>	<b>2023 Bonds</b>	
	3.95 per cent per annum.	4.20 per cent per annum.	
<b>Indicative Issue Margin</b>	<b>2021 Bonds</b>	<b>2023 Bonds</b>	
	1.75 – 1.85 per cent per annum.	1.85 – 1.95 per cent per annum.	
<b>Base Rate</b>	<p>The mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the relevant Maturity Date as calculated by the Arranger in consultation with Z, according to market convention, with reference to Reuters page ICAPKIWISWAP1 (or any successor page) on the Rate Set Date and expressed on a quarterly basis (rounded to two decimal places, if necessary, with 0.005 being rounded up).</p>		
<b>Interest Payment Dates</b>	<p>Quarterly in arrears in four equal payments on 1 November, 1 February, 1 May and 1 August of each year, until and including the relevant Maturity Date. The first Interest Payment Date is scheduled to be 1 February 2017.</p> <p>If an Interest Payment Date is not a Business Day, the due date for the payment will be the following Business Day and no adjustment will be made to the amount payable as a result of the delay in payment.</p>		
<b>Brokerage</b>	<b>Series</b>	<b>2021 Bonds</b>	<b>2023 Bonds</b>
	<b>General Offer</b>	0.50 per cent plus 0.35 per cent on firm allocations.	0.75 per cent plus 0.40 per cent on firm allocations.
	<b>Exchange Offer</b>	0.50 per cent.	0.50 per cent.
	Such amounts will be distributed as appropriate to Primary Market Participants and approved financial intermediaries.		

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**Early Bird Interest****General Offer**

The Issuer will pay Early Bird Interest, on each accepted General Offer application, at the applicable Interest Rate from (and including) the date on which application money is banked into the Offer trust account to (but excluding) the Issue Date. Any Early Bird Interest will be paid no later than five Business Days after the Issue Date.

**Exchange Offer**

The Issuer will pay Early Bird Interest, on each accepted Exchange Offer application, at the applicable Interest Rate from (and including) 15 October 2016 to (but excluding) the Issue Date. Any Early Bird Interest will be paid no later than five Business Days after the Issue Date.

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**Interest to registered holder**

Interest paid on the Bonds will be paid to the person who is the registered holder on the relevant Record Date.

Clause 6.4 of the Trust Deed does not apply in respect of the Bonds.

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**Record Date**

In respect of determining an entitlement to be paid interest, a date no less than 10 days prior to the relevant Interest Payment Date, provided that if this is not a Business Day, the Record Date shall be the preceding Business Day.

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**Business Day**

A day (other than a Saturday or a Sunday) on which registered banks are open for general banking business in Auckland and Wellington, and on which NZX is open for trading.

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**Minimum Application Amount**

The minimum application amount for each Series is \$5,000, with multiples of \$1,000 thereafter (unless holders of the 2016 Bonds elect to exchange all their 2016 Bonds).

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**Minimum Holding**

In each Series, Bonds with an aggregate principal amount of \$5,000.

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**Financial covenant**

The ratio of Total Debt (which excludes working capital drawings) to replacement cost operating EBITDA (annualised to reflect the Z/Chevron combined business) of the Z Energy Group shall not exceed the lower of (i) 4.0x or (ii) the equivalent ratio for Z's bank facilities at the relevant time plus 0.5 (being as at the date of this Indicative Terms Sheet 4.25x (3.75 + 0.5)). The financial covenant will be tested on 31 March 2017 and following that date, every six months, each on a rolling 12 month basis.

No Event of Default will occur unless the covenant is breached on two successive test dates.

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**Guarantors**

Any member of the Z Energy Group (being the Issuer and its subsidiaries) that from time to time guarantees, and gives security for, Z's bank debt is obliged to guarantee the Bonds. The current Guarantors are the Issuer, Z Energy 2015 Limited, Challenge Petroleum Limited and Harbour City Property Investments Limited.

The Total Tangible Assets and replacement cost operating EBITDA of the Guarantors must comprise at least 95 per cent of the Z Energy Group's Total Tangible Assets and replacement cost operating EBITDA. This is the same guarantor coverage ratio agreed with the banks. If the banks agree to a change to the guarantor coverage ratio for the bank debt, then the guarantor coverage ratio in the Trust Documents will change accordingly, upon two Z directors certifying the new ratio to the Supervisor.

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**Distribution Stopper**

While a breach of the financial covenant continues, or any event of default under the Trust Documents or Z's bank facilities is continuing, no distributions may be declared or made by any Guarantor to a non-Guarantor.

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## Prior Ranking Security for Working Capital

The security structure is intended to give preference to the Issuer's suppliers in respect of crude oil products and refined fuel products they have supplied, and their proceeds, in each case that have not been paid for. After this, Bondholders and banks rank equally.

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## Indemnity

Under the Supplemental Trust Deeds the Supervisor receives the benefit of an indemnity from each Bondholder for any amount for which the Supervisor is liable under certain provisions of the Security Trust Deed in respect of the Bonds (**Indemnified Amount**). In practice, Z expects this would only occur if the Supervisor was unable to recover such amounts from Z's assets. Each Bondholder's liability under this indemnity is limited to the same proportion of the Indemnified Amount as the Principal Amount held by it bears to the total Principal Amount of the Bonds.

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## How to apply

You can apply for Bonds from the Opening Date to the Closing Date for the relevant Offer.

Applications to subscribe for the Bonds under the General Offer must be made on the **General Offer application form** attached to this Indicative Terms Sheet.

Applications to subscribe for Bonds under the Exchange Offer must be made on the **Exchange Offer application form. This will be distributed by the Registrar to existing holders of the 2016 Bonds in New Zealand on or about the Opening Date. If you are an existing holder of 2016 Bonds and you do not receive this please contact your financial advisor.** Once you submit a completed Exchange Offer application form you will no longer be able to sell or otherwise transfer your 2016 Bonds designated in that application form.

Full details of the application process are included in the respective application forms.

There is no public pool for the Bonds and you should contact a Joint Lead Manager, a Co-Manager, Primary Market Participant or your financial advisor in order to get an allocation in the General Offer. You can find a Primary Market Participant by visiting [www.nzx.com/investing](http://www.nzx.com/investing).

Your completed application form for the General Offer must be returned to a Joint Lead Manager, a Co-Manager or your financial advisor in time for them to send your application to the Registrar by 5.00pm on the General Offer Closing Date. Applications delivered directly to the Registrar without a stamp from one of these parties may be accepted or rejected at Z's sole discretion.

Completed Exchange Offer application forms can be sent directly back to the Registrar, or your financial advisor, in time for the application to be received by the Registrar prior to 5.00pm on the Exchange Offer Closing Date.

Each investor's financial advisor will be able to advise them as to what arrangements will need to be put in place for the investors to trade the Bonds including obtaining a common shareholder number (CSN), an authorisation code (FIN) and opening an account with a Primary Market Participant as well as the costs and timeframes for putting such arrangements in place.

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## ISIN

### 2021 Bonds

### 2023 Bonds

NZZELD0040L6

NZZELD0050L5

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## NZX quotation

Z will take any necessary steps to ensure that the Bonds are quoted on the NZX Debt Market immediately after issue. Application has been made to the NZX for permission to quote the Bonds on the NZX Debt Market and all the requirements of the NZX relating thereto that can be complied with on or before the distribution of this Indicative Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in this Indicative Terms Sheet. NZX is a licensed market operator and the NZX Debt Market is a licensed market under the FMCA.

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**Transfers**

Bondholders are entitled to sell or transfer their Bonds at any time subject to the terms of the Trust Documents and applicable securities laws and regulations. Z may decline to register a transfer of Bonds for the reasons set out in the Trust Documents.

NZX has provided Z with approval under Listing Rule 11.1.5 to enable Z to decline to accept or register a transfer of Bonds if the transfer would result in the transferor or the transferee holding or continuing to hold Bonds of a single Series with a Principal Amount of less than \$5,000 (if not zero) or if the transfer is not in multiples of \$1,000.

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**NZX Debt Market Ticker Code****2021 Bonds****2023 Bonds**

ZEL040

ZEL050

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**Expected Date of Initial Quotation on the NZX Debt Market**

2 November 2016

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**Selling restrictions**

It is a term of the offer of Bonds that the following selling restrictions apply.

The Bonds may only be offered for sale or sold in New Zealand in conformity with all applicable laws and regulations in New Zealand. No Bonds may be offered for sale or sold in any other country or jurisdiction except with the prior consent of Z and in conformity with all applicable laws and regulations of that country or jurisdiction and the selling restrictions contained in this Indicative Terms Sheet.

This Indicative Terms Sheet may not be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction and the selling restrictions contained in this Indicative Terms Sheet.

By applying for Bonds, each Bondholder agrees to indemnify Z, the Supervisor, the Lead Managers and Co-Managers in respect of any loss, cost, liability or expense sustained or incurred by as a result of the breach by the Bondholder of the selling restrictions set out above.

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**Arranger and Organising Participant**

ANZ Bank New Zealand Limited (“ANZ”)

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**Joint Lead Managers**

ANZ, Deutsche Craigs Limited, First NZ Capital Securities Limited and Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch).

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**Co-Managers**

Bank of New Zealand and Forsyth Barr Limited

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**Registrar**

Link Market Services Limited

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**Supervisor**

Trustees Executors Limited

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**Security Trustee**

Bank of New Zealand

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**Governing Law**

New Zealand

# Other Information

The dates set out in this Indicative Terms Sheet are indicative only and are subject to change. Z has the right in its absolute discretion and without notice to close the Offer early, to accept late applications, to extend the General Offer Closing Date or to choose not to proceed with the Offer. If the General Offer Closing Date is extended, subsequent dates may be extended accordingly.

Copies of the Trust Documents are available at Z's website at [z.co.nz/bonds2016](http://z.co.nz/bonds2016)

Any internet site addresses provided in this Indicative Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Indicative Terms Sheet.

You should seek qualified independent financial and taxation advice before deciding to invest. In particular, you should consult your tax advisor in relation to your specific circumstances. You will also be personally responsible for ensuring compliance with relevant laws and regulations applicable to you (including any required registrations).

For further information regarding Z, visit [www.nzx.com/companies/ZEL](http://www.nzx.com/companies/ZEL).

## Contact details

### Issuer

**Z Energy Limited**  
3 Queens Wharf  
Wellington 6011

### Registrar

**Link Market Services Limited**  
Level 11, Deloitte Centre  
80 Queen Street  
Auckland 1010  
PO Box 91976  
Auckland 1142

### Arranger, Organising Participant

**ANZ Bank New Zealand Limited**  
ANZ Centre, Level 10  
171 Featherston Street  
Wellington 6140  
0800 269 476

### Joint Lead Managers

#### ANZ Bank New Zealand Limited

**Deutsche Craigs Limited**  
Level 36, Vero Centre  
48 Shortland Street  
Auckland 1010  
0800 226 263

#### First NZ Capital Securities Limited

ANZ Centre, Level 14  
171 Featherston Street  
Wellington 6011  
0800 005 678

#### Westpac Banking Corporation

New Zealand Branch  
Westpac on Takutai Square  
Level 8, 16 Takutai Square  
Auckland 1010  
0800 942 822

### Co-Managers

#### Bank of New Zealand

Level 6, Deloitte Centre  
80 Queen Street  
Auckland 1010  
0800 284 017

#### Forsyth Barr Limited

Level 9, Forsyth Barr House  
The Octagon  
Dunedin 9054  
0800 367 227

### Supervisor

#### Trustees Executors Limited

Level 5, 10 Customhouse Quay  
Wellington 6011

### Security Trustee

#### Bank of New Zealand

### Legal advisors to Z

#### Chapman Tripp

Level 17  
10 Customhouse Quay  
Wellington 6011



# General Offer Application Form Instructions

The General Offer is available to new and existing investors. There is no public pool for the Bonds so you should contact a Joint Lead Manager, a Co-Manager or your financial advisor in order to apply for an allocation of Bonds.

Capitalised terms in this General Offer Application Form have the same meaning given to them in the attached Terms Sheet.

An application will constitute an irrevocable offer by the applicant to subscribe for the aggregate amount of Bonds specified in the General Offer Application Form (or such lesser amount which Z may determine) on the terms set out in the Terms Sheet, the Trust Documents and the General Offer Application Form.

## A = Investor Details

Please complete all relevant sections in the General Offer Application Form in CAPITAL LETTERS.

**Full name details:** Insert your full name. Applications must be in the name(s) of natural persons, companies or other legal entities, up to a maximum of three names per application.

**Postal address details:** Insert your postal address for correspondence. All communications to you from Z will be mailed to the person(s) at the address shown (unless you provide an email address in section F of the General Offer Application Form). For joint applicants, only one address is to be provided.

**Telephone numbers:** Insert your telephone number(s) in case the Registrar or Z needs to contact you in relation to your application.

By supplying **your mobile number** you will enable the Registrar to advise you by TXT Alerts of any changes on your holding balance, or if your bank account details or your address on the register change, or if a new / replacement FIN has been requested. This feature provides additional security to you as an investor. You may unsubscribe at any time for this TXT Alert service.

## B = Application Payment Details

Please enter the aggregate \$ amount for each Series of Bond you wish to apply for. The principal amount of each Bond is \$1.00. An application to subscribe for Bonds must be for a minimum amount per Series of \$5,000 and thereafter in multiples of \$1,000.

Payment must be made by direct debit, cheque (or, if the application is for an aggregate subscription amount of \$500,000 or more, by a bank cheque) or (by prior arrangement with the Registrar) through the NZClear System.

If you choose the **direct debit option**, you must tick the box authorising the Registrar to direct debit once only the bank account nominated on the General Offer Application Form on the day the General Offer Application Form is received by the Registrar for the amount applied for on the General Offer Application Form. You cannot specify any other direct debit date and you must ensure that:

- the bank account details supplied are correct;
- you have sufficient funds in the bank account for direct debit available on the day the Registrar receives the General Offer Application Form;
- you have the authority to operate the account solely/jointly; and
- the bank account you nominate is a transactional account eligible for direct debit transactions.

If you are uncertain, you should contact your bank or financial Institution. Should your direct debit fail, your application may be rejected. The Registrar will not be able to process your direct debit if you do not sign and date the General Offer Application Form. If requested, the Registrar will provide you with a direct debit authority form.

**Cheques** must be in New Zealand dollars and drawn on a New Zealand branch of a registered bank. Cheques must be made payable to "Z Bond Offer", crossed "Not Transferable" and must not be post-dated.

Your cheque will be banked upon receipt into a designated bank trust account pending allotment of the Bonds. Staple your cheque to the completed General Offer Application Form.

The banking or direct debit of application moneys does not constitute confirmation of allotment of any Bonds or acceptance of an application for the offer to subscribe for Bonds.

If your cheque or direct debit is dishonoured, Z may cancel your allotment of Bonds and pursue any other remedies available to it at law.

Investors who are members of **NZClear** may, by prior arrangement with the Registrar, settle their applications for the Bonds on the relevant Issue Date of the Bonds through the NZClear System.

## C = Holder Number Details

If you have other investments registered under a Common Shareholder Number ("**CSN**") please supply your CSN in the space provided. The name and address details on your General Offer Application Form must correspond with the registration details under that CSN.

## D = Interest and Redemption Payments

If you currently receive interest or dividend payments on other Z investments from the Registrar by direct credit, and wish your payments in respect of the Bonds to be direct credited to the same account, then you do not need to complete section D of the General Offer Application Form. Otherwise please complete option 1 or option 2 as interest and maturity payments will only be made to your bank account by direct credit.

If you wish to be paid by direct credit and the Registrar does not already hold your bank account details or you wish to have payments credited to another bank account, please tick the box for option 1 and enter the details of the bank account.

If payment to your cash management account with a Primary Market Participant is selected, tick the box for option 2, insert the name of the Primary Market Participant where your cash management account is held and provide your cash management client account number.

## E = Provide your IRD number and tick the relevant RWT box

Please enter your IRD number and tick the resident withholding tax ("**RWT**") rate that applies to you (or, if you are exempt from RWT, tick the exempt box and attach a photocopy of your RWT exemption certificate).

## F = Electronic Investor Correspondence

By supplying your email address Z will be able to deliver your investor correspondence to you electronically where possible. This is a much more environmentally friendly, cost effective and timely option than paper based investor mail outs.

## G = Signing and Dating

Read the Terms Sheet and the General Offer Application Form carefully and sign and date the General Offer Application Form.

The General Offer Application Form must be signed by each of the applicant(s) personally, (in the case of a company) by two directors of the company (or one director if there is only one director, whose signature must be witnessed), or in either case by a duly authorised attorney or agent.

If the General Offer Application Form is signed by an attorney, the power of attorney document is not required to be lodged, but the attorney must complete the certificate of non-revocation of power of attorney at the end of the General Offer Application Form.

If the General Offer Application Form is signed by an agent, the agent must complete the certificate of non-revocation of agent at the end of the General Offer Application Form.

## H = General Offer Closing Date and Delivery

The General Offer will close at 5.00 p.m. on 28 October 2016. You should remember that the Closing Date may be changed at the sole discretion of Z. Changes will be advised by NZX announcement. Z reserves the right to refuse to accept any applications, including those received by the Registrar after 5.00 p.m. on the Closing Date of the General Offer.

Your completed General Offer Application Form must be returned to a Joint Lead Manager, a Co-Manager or your financial advisor in time for them to send your application to the Registrar by 5.00 p.m. on the Closing Date. Applications delivered directly to the Registrar without a stamp from one of these parties may be accepted or rejected at Z's sole discretion.

(ATTACH CHEQUE HERE)

BROKER STAMP	Broker code
	Advisor code

# General Offer Application Form

This General Offer Application Form is issued with the Terms Sheet dated and prepared as at 30 September 2016 ("Terms Sheet"), issued by Z Energy Limited ("Z"), in respect of the General Offer described in the Terms Sheet. Please complete this General Offer Application Form and return it to a Joint Lead Manager, a Co-Manager or your financial advisor in time for them to send your application to the Registrar by 5.00 p.m. on the General Offer Closing Date (28 October 2016). Before completing this General Offer Application Form, you must read the Terms Sheet.

## A. Application Details and Information – please print in block letters

First Name(s):	<input type="text"/>	Family Name:	<input type="text"/>
First Name(s):	<input type="text"/>	Family Name:	<input type="text"/>
First Name(s):	<input type="text"/>	Family Name:	<input type="text"/>
Corporate Name or <<On Account>>	<input type="text"/>		
Postal Address:	<input type="text"/>		
Telephone (day):	<input type="text"/>	Mobile	<input type="text"/>

## B. Application Payment – important

Applications for each Series must be for a minimum of \$5,000 and, thereafter, in multiples of \$1,000. Z may accept or reject all or part of this application without giving reason.

You may apply for both Series of Bonds or just one. Please specify the amount for each Series you apply for (at an issue price of \$1.00 per Bond) below.

2021 Bonds: \$       2023 Bonds: \$

You may choose only ONE of the options below. **Please tick the box next to your selected option (✓):**

**Option 1:** The Registrar is authorised to direct debit my bank account for the amount of Bonds applied for (or any lesser amount as determined by Z). The Registrar will direct debit from the bank account provided below on the date the General Offer Application Form is received.

Name of Bank	<input type="text"/>	Name of Account	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Bank	Branch	Account No.	Suffix

**Please Note:** The Registrar is not able to direct debit a Cash Management Account.

**Option 2:** Please find attached my cheque made payable to "Z Bond Offer" and crossed "Not Transferable"

**Option 3:** Payment will be made by NZClear as arranged with the Registrar (authorised institutional investors only).

NZClear mnemonic:

## C. Common Shareholder Number (CSN)

Please note that the application must be in the same name as the CSN below otherwise the application will be deemed to be made without a CSN and a new CSN will be allocated. If you currently have a Common Shareholder Number (CSN), please enter it here:

## D. Interest and Redemption Payments

You may choose only ONE of the options below. Please tick the box next to your selected option (✓ one):

**Option 1:** Direct credit to a New Zealand bank account. If the account you wish to have your interest paid into is the same as the account you provided above for direct debit purposes you need not to complete the bank details again.

**Please pay my interest to the account provided above for direct debit purposes**

**OR Please pay my interest payments into the account nominated below.**

Name of Bank	<input type="text"/>	Name of Account	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Bank	Branch	Account No.	Suffix

**Option 2:** Direct credit to my cash management account.

Name of Primary Market Participant where Cash Management Account is held:

Cash Management Client Account number:

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## E. IRD Number & Resident Withholding Tax

IRD number (only one IRD number is required in respect of joint applications):

Deduct resident withholding tax from all my/our interest payments at the following rate (✓ only one):

10.5%\*  17.5%  28%\*\*  30%  33%  Exempt\*\*\*

\*Only available for an individual that reasonably expects their income for the income year to be \$14,000 or less and trustees of certain testamentary trusts.

\*\* Available for companies only.

\*\*\*If you are exempt from resident withholding tax, you must attach a copy of your RWT exemption certificate for noting.

If you are a non-resident, select one of the options below by ticking the appropriate box (✓ only one):

I/we am/are a non-resident for New Zealand tax purposes.  
 I/we am/are a non-resident for New Zealand tax purposes and I/we am/are engaged in business in New Zealand through a fixed establishment in New Zealand. (Please provide your IRD number and rate of RWT above.)

Please state your country of tax residency if not New Zealand

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## F. Electronic Correspondence & Reporting

To enable Z to provide you with your investor correspondence in relation to your holding in this security electronically, please complete your email address below. If you do not provide an email address, investor correspondence will be mailed to you at the address provided on this General Offer Application Form.

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## G. Signature(s) of Applicant(s)

I/We hereby acknowledge that I/we have received and read the Terms Sheet, and apply for the New Zealand dollar amount of Bonds set out above and agree to accept such Bonds (or such lesser number as may be allotted to me/us) on, and subject to, the terms and conditions set out in the Terms Sheet, the Trust Documents and this General Offer Application Form. All applicants on this General Offer Application Form must sign.

Date:  /  / 2016

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## H. Send General Offer Application Form and cheque (if applicable) to your financial adviser or market participant from whom you received this document – to be forwarded to, and received by, Link Market Services no later than 5.00 PM on 28 October 2016

### TERMS AND CONDITIONS:

By submitting this General Offer Application Form, I/we agree that I/we:

- have received, read and understood the Terms Sheet.
- agree to subscribe for Bonds upon and subject to the terms and conditions of the Terms Sheet, this General Offer Application Form and the Trust Documents, and I/we agree to be bound by the provisions hereof.
- declare that all details and statements made by me/us in this General Offer Application Form are complete and accurate.
- certify that, where information is provided by me/us in this General Offer Application Form about another person, I/we are authorised by such person to disclose the information to Z and the Registrar.
- acknowledge that an application cannot be withdrawn or revoked once it has been submitted.
- warrant that I/we received this offer in New Zealand and I/we are eligible to participate in the offer. I/we agree to indemnify Z, the Supervisor, the Joint Lead Managers, the Co-Managers and their respective directors, officers, employees and agents in respect of any loss, cost, liability or expense sustained or incurred by any of them as a result of me/us breaching that warranty or the selling restrictions described in the Terms Sheet.

This General Offer Application Form, the General Offer and any contract arising out of its acceptance are each governed by New Zealand law. Under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, you may be required to produce evidence of your identity. I/we agree that my/our financial adviser may provide Z and its agents any information it has received (in connection with this offer or previously) to satisfy any such obligations.

The information in this General Offer Application Form is provided to enable Z and the Registrar to process your application, and to administer your investment. By signing this General Offer Application Form, you authorise Z and the Registrar to disclose information in situations where Z or the Registrar are required or permitted to do so by any applicable law or by a governmental, judicial or regulatory entity or authority in any jurisdiction. Personal information provided by you will be held by Z and the Registrar at their respective addresses shown in the address details section of the Terms Sheet or at such other place as is notified upon request. This information will be used for the purpose of managing your investment. If you are an individual under the Privacy Act 1993, you have the right to access and correct any of your personal information. You can also access your information on the Registrar's website ([www.linkmarketservices.co.nz](http://www.linkmarketservices.co.nz)). You will be required to enter your CSN and FIN.

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## I. Certificate of Non-revocation of Power of Attorney:

(Complete this section if you are acting on behalf of the Applicant on this General Offer Application Form for whom you have power of attorney)

I  (full name)  
Of  (place and country of residence)  
 (occupation)

CERTIFY:

THAT by  (date of instrument creating the power  
deed dated  of attorney)  
 (full name of person/body corporate  
which granted the power of attorney\*\*)  
appointed me  (his/her/its) attorney;

- THAT I have executed the application for Bonds printed on this General Offer Application Form under that appointment and pursuant to the powers thereby conferred on me; and
- THAT I have not received notice of any event revoking the power of attorney.

Signed at  this  day of  (month/year)  Signature of attorney

\*\* If donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated

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## J. Certificate of Non-revocation of Agent:

(Complete this section if you are acting as Agent on behalf of the Applicant on this General Offer Application Form)

I  (full name)  
Of  (place and country of residence)  
 (occupation)

CERTIFY:

THAT by  (date of instrument creating the agency)  
deed dated   
 (full name of person/body corporate  
which appointed you as agent\*\*)  
appointed me  (his/her/its) agent;

- THAT I have executed the application for Bonds printed on this General Offer Application Form under that appointment and pursuant to the powers thereby conferred on me; and
- THAT I have not received notice of any event revoking my appointment as agent.

Signed at  this  day of  (month/year)  Signature of agent

\*\* If donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.