

INDICATIVE TERMS SHEET

6 SEPTEMBER 2019

Secured Fixed Rate Bonds
Maturing 30 September 2026

Metlifecare 

Indicative terms sheet for an issue of up to \$75,000,000 secured fixed rate bonds (plus up to an additional \$25,000,000 of oversubscriptions) due Wednesday, 30 September 2026.

The product disclosure statement for the Bonds (**PDS**), which contains full details of the offer, is available at www.metlifecare.co.nz/investor-centre/bonds or can be obtained from the Joint Lead Managers, or your usual financial advisor. Investors must obtain a copy of the PDS before they apply for Bonds.

Capitalised terms used but not defined in this Terms Sheet have the meaning given to them in the PDS.

ISSUER	Metlifecare Limited (Metlifecare)
DESCRIPTION	Secured unsubordinated fixed rate bonds (Bonds)
GUARANTEE	<p>Payments on the Bonds are guaranteed by Metlifecare Holdings Limited, Metlifecare Pohutukawa Landing Limited, Metlifecare Orion Point Limited and Metlifecare Botany Limited under a guarantee contained in the General Security Deed described below. At the date of the PDS, no other members of the Metlifecare Group are Guarantors.</p> <p>More information on the Guarantee can be found in section 5 of the PDS (<i>Key features of the Bonds</i>).</p>
PURPOSE	The proceeds of this offer are expected to be used to repay a portion of Metlifecare's existing bank debt, to provide diversity of funding and tenor.
SECURITY	<p>The Bonds are secured on an equal ranking basis with Metlifecare's bank lenders. The Bonds have the benefit of:</p> <ul style="list-style-type: none"> • the Guarantee; • the General Security Deed which secures all assets of Metlifecare and the Guarantors (including the shares in each Retirement Village Company); and • the Security Trust Mortgages over land owned by Metlifecare and the Guarantors, including bare land and land that is under development and not yet used for operational retirement village companies. <p>The Security Trustee holds the Security for all creditors entitled to their benefit. This includes (in addition to the Bond Supervisor and the Bondholders) Metlifecare's bank lenders and hedging providers.</p> <p>To support the security described above, each Retirement Village Company (being a member of the Metlifecare Group that is or will in the near future be the operator of a fully operational retirement village) has granted security interests to Metlifecare and Metlifecare Holdings Limited (as applicable). This includes mortgages over the land owned by each retirement village, ranking below the mortgages provided to the relevant Statutory Supervisor of the retirement village securing amounts and obligations owing to village residents. Each Retirement Village Company has also provided a negative pledge in favour of Bondholders.</p> <p>Refer to the PDS for more detail on the Security.</p>
FINANCIAL COVENANTS	<p>Loan to Valuation Ratio</p> <p>Metlifecare agrees to ensure that the total principal amount of all indebtedness secured under the Security Trust Deed is not more than 50% of the total valuation of the Retirement Village and Care Home Portfolio on 30 June and 31 December in each year.</p> <p>Distribution Stopper</p> <p>Under the Trust Deed Metlifecare is not permitted to make any distribution if an Event of Default is continuing or if it would result in an Event of Default.</p> <p>Refer to the Trust Deed for more detail on covenants that will apply to the Bonds.</p>

CREDIT RATING	The Bonds will not be rated.
OFFER AMOUNT	Up to \$75,000,000 (with the ability to accept oversubscriptions of up to an additional \$25,000,000 at Metlifecare's discretion).
NO PUBLIC POOL	All Bonds, including any oversubscriptions, have been reserved for subscription by clients of the Joint Lead Managers, NZX Firms and other approved financial intermediaries invited to participate in the bookbuild conducted by the Joint Lead Managers.
INTEREST RATE	<p>The Interest Rate will be determined by Metlifecare in conjunction with the Joint Lead Managers following a bookbuild. It will be announced via NZX on the Rate Set Date.</p> <p>The Interest Rate will be equal to the sum of:</p> <ul style="list-style-type: none"> • the Issue Margin determined following the bookbuild and announced via NZX on the Rate Set Date; and • the Swap Rate on the Rate Set Date, <p>but in any case will be no less than the minimum Interest Rate. The minimum Interest Rate and indicative Issue Margin will be announced via NZX on the opening date (16 September 2019).</p>
ISSUE MARGIN	Determined following the bookbuild for the offer as announced by Metlifecare via NZX on the Rate Set Date.
SWAP RATE	The mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with Metlifecare, according to market convention, with reference to Bloomberg page 'ICNZ4' (or any successor page) on the Rate Set Date and expressed on a quarterly basis (rounded to 2 decimal places, if necessary, with 0.005 being rounded up).
INTEREST PAYMENTS	Quarterly in arrear in equal payments on 30 March, 30 June, 30 September and 30 December in each year (or if that day is not a Business Day, the next Business Day) until and including the Maturity Date, with the First Interest Payment Date being 30 December 2019.
ISSUE PRICE	\$1.00 per Bond, being the Principal Amount of each Bond.
MINIMUM APPLICATION AMOUNT	\$5,000 and multiples of \$1,000 thereafter.
RECORD DATE	5.00pm on the date that is 10 days before the relevant scheduled Interest Payment Date (prior to any adjustment to the Interest Payment Date to fall on a Business Day). If the record date falls on a day which is not a Business Day, the record date will be the immediately preceding Business Day.
ISIN	NZMETDT001C2
QUOTATION	<p>Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating to that quotation that can be complied with on or before the date of distribution of the PDS have been duly complied with. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in the PDS. NZX is a licensed market operator, and the NZX Debt Market is a licensed market, under the FMCA.</p> <p>NZX ticker code MET010 has been reserved for the Bonds.</p>

TRANSFER RESTRICTIONS	Metlifecare may decline to accept or register a transfer of the Bonds if the transfer would result in the transferor or the transferee holding or continuing to hold Bonds with a Principal Amount of less than \$5,000 (if not zero) or if the transfer is not in multiples of \$1,000.
ARRANGER	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) (Westpac)
JOINT LEAD MANAGERS	Deutsche Craigs Limited, Forsyth Barr Limited, Jarden Securities Limited and Westpac.
BOND SUPERVISOR	Public Trust
SECURITY TRUSTEE	New Zealand Permanent Trustees Limited
SECURITIES REGISTRAR	Computershare Investor Services Limited
BROKERAGE	0.50% brokerage plus 0.50% on firm allocations paid by Metlifecare.
GOVERNING LAW	New Zealand
SELLING RESTRICTIONS	<p>Metlifecare does not intend that the Bonds be offered for sale, and no action has been taken or will be taken to permit a public offering of Bonds, in any jurisdiction other than New Zealand. You may only offer for sale or sell any Bond in conformity with all applicable laws and regulations in any jurisdiction in which it is offered, sold or delivered. This Terms Sheet may not be published, delivered or distributed in or from any country other than New Zealand.</p> <p>By subscribing for or otherwise acquiring any Bonds, you agree to indemnify, among others, Metlifecare, the Bond Supervisor and the Joint Lead Managers for any loss suffered as a result of any breach by you of these selling restrictions.</p>

IMPORTANT DATES

OPENING DATE	Monday, 16 September 2019
CLOSING DATE	Friday, 20 September 2019 at 12.00pm
RATE SET DATE	Friday, 20 September 2019
ISSUE DATE AND ALLOTMENT DATE	Monday, 30 September 2019
EXPECTED DATE OF INITIAL QUOTATION	Tuesday, 1 October 2019
MATURITY DATE	Wednesday, 30 September 2026

The timetable is indicative only and subject to change. Metlifecare may, in its absolute discretion and without notice, vary the timetable (including by opening or closing the offer early, accepting late applications and extending the Closing Date).

If the Closing Date is extended, the Rate Set Date, the Issue Date, the expected date of initial quotation and trading of the Bonds on the NZX Debt Market, the Interest Payment Dates and the Maturity Date may also be extended. Any such changes will not affect the validity of any applications received.

Metlifecare reserves the right to cancel the offer and the issue of the Bonds, in which case any application monies received will be refunded (without interest) as soon as practicable and in any event within 5 Business Days of the cancellation.

Metlifecare 

metlifecare.co.nz