



INVESTORE PROPERTY LIMITED

SPECIAL MEETING OF SHAREHOLDERS

Notice is given that a Special Meeting of Shareholders of Investore Property Limited will be held in the Quarterdeck Room, Royal Yacht Squadron, 181 Westhaven Marina, Auckland, at 10.30am on Thursday, 8 February 2018.

investore

Managed by Stride Investment
Management Limited

23 January 2018

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Important Note

This Notice of Special Meeting is an important document and requires your attention. It should be read in its entirety. This Notice of Special Meeting has been prepared to advise you of the upcoming Special Meeting and to assist you in understanding the resolution to be put to shareholders for consideration. The Directors encourage you to read this Notice of Special Meeting and exercise your right to vote.

If you do not understand any part of this document or are in doubt as to how to deal with it, you should consult your broker or other professional adviser as soon as possible.

Please also feel free to call Investore's Share Registrar on +64 9 488 8777 if you have any queries.

Forward-looking statements

This document may contain forward-looking statements. Forward-looking statements are predictive in nature, they are subject to a number of known and unknown uncertainties, assumptions and risks, performance or achievements that could result in the proposed transaction being materially different from those expressed or implied by such forward-looking statements. Matters not yet known to Investore or not currently considered material by Investore may impact upon these forward-looking statements. The statements in this Notice of Special Meeting reflect views held as at the date of this Notice of Special Meeting. In light of these uncertainties, assumptions and risks, the forward-looking statements discussed in the document may not occur. Given these conditions, shareholders are cautioned not to place undue reliance on such forward-looking statements.

Subject to any continuing obligations under applicable law or any relevant Listing Rules, Investore expressly disclaims any obligation to disseminate after the date of this Notice of Special Meeting any updates or revisions to any such forward-looking statements to reflect any change in expectations or events, conditions or circumstances upon which any such statements are based.

23 January 2018

Dear Shareholder

We are pleased to invite you to attend a Special Meeting of Shareholders of Investore Property Limited, which will be held in the Quarterdeck Room at the Royal Yacht Squadron, 181 Westhaven Marina, Auckland, commencing at 10.30am on 8 February 2018.

Background and Overview of the Bunnings Transaction

At the Special Meeting, shareholders will be given the opportunity to vote on the proposed acquisition of three Bunnings properties from Stride Property Limited ('Stride'), located in Hamilton, Palmerston North and Rotorua, for \$78.5 million (exclusive of GST), which if approved at the Special Meeting, will settle on 28 February 2018 ('Bunnings Transaction').

The Bunnings Transaction will complete the final phase of Investore's foundational strategic programme, initially signalled in the Investore Product Disclosure Statement ('PDS')¹. While the PDS set out Stride's intention to transfer its remaining large format retail properties to Investore prior to Investore's listing on 12 July 2016, ownership of the identified assets was retained by Stride, as the terms of transfer for the properties could not be agreed with the tenant within the timeframe required to align the divestment of assets with the Investore IPO.

As discussed with shareholders at Investore's inaugural 2017 Annual Meeting held on 8 September 2017, one of the key strategies identified for the remainder of the year ended 31 March 2018 ('FY18') was centered on sourcing further investment opportunities. We are pleased to report that the Bunnings Transaction delivers on this strategy by:

- Providing a positive step in securing investment opportunities in a segment of the market that provides unique investment attributes.
- Rebalancing the existing portfolio to ensure performance is consistent with Investore's primary investment objectives.
- Supporting the goal to deliver total returns to shareholders over the medium to long term that are typically highly resilient across a wide range of market conditions.

Some key features of the Bunnings Transaction are set out in the insert below.

Material Transaction with a Related Party and IAR

As advised in Investore's market announcement to NZX on 13 November 2017, the Bunnings Transaction will be a Material Transaction for the purposes of the related party rules of the NZX Main Board/Debt Market Listing Rules ('Listing Rules'), and therefore subject to Investore shareholder approval.

Consistent with the requirements of the Listing Rules, Northington Partners has been engaged by Investore to prepare an Independent Appraisal Report ('IAR') for the benefit of shareholders (other than those Investore shareholders associated with Stride), and have assessed the Bunnings Transaction and all of its key elements to be fair to those Investore shareholders not associated with Stride.

The IAR accompanies this Notice of Special Meeting. Shareholders should read and consider the IAR before voting on Resolution 1.

Bunnings Transaction

- Acquire three properties
- Initial yield 6.13%
- 100% occupancy
- Weighted Average Lease Term 11.75 years as at the expected Settlement Date
- Net rental of \$4.81m p.a.

¹ For the initial public offering ('IPO') of ordinary shares in Investore dated 10 June 2016.

Independent Process

Due to the relationship between Investore and Stride Property Group, the management of perceived and actual conflicts of interest is an integral feature of Investore's governance practices and was discussed in significant detail in Investore's PDS. Throughout the negotiation of the Bunnings Transaction, the Board was cognisant of adopting an independent and robust transaction process, delivering the best outcome for Investore and its shareholders. The standing conflicts protocols of Stride Investment Management Limited ('SIML'), as manager of Investore, was applied in negotiating the Bunnings Transaction with Stride. The Board implemented the following measures in order to ensure a thoroughly independent process:

- The independent Directors of Investore, being Kate Healy and Mike Allen, managed the negotiation of the sale and purchase agreement with the Board of Stride.
- Independent valuations on each of the three properties were obtained from Jones Lang LaSalle, with the valuations supporting the \$78.5 million acquisition price.
- Separate legal advisers were appointed for each of Investore, Stride and SIML (the manager of both Stride and Investore).
- As required by the Listing Rules, the non-independent Investore Directors Tim Storey and John Harvey, abstained from voting on the matter.

Bunnings Transaction Delivers

The proposed acquisition of the Bunnings Properties will provide diversification of Investore's tenant mix, reducing the General Distributors (Countdown) concentration from 81% of portfolio gross Contract Rental² (as at 30 September 2017) to 73%, with the acquisition of the Bunnings Properties equating to 10% of the portfolio gross Contract Rental going forward.

The Bunnings Properties were recently leased on new twelve-year lease terms and provide a higher proportion of structured growth into Investore's portfolio with a fixed 2.5% per annum rental uplift. Following the completion of the Bunnings Transaction, Investore will have a long weighted average lease term ('WALT') of 13.6 years across its property portfolio on a pro-forma basis as at 30 September 2017.

After the acquisition of the Bunnings Properties, the bank loan to value ratio ('LVR') will increase from approximately 39% to 46%. Although this is below Investore's targeted maximum LVR ratio of 48%, Investore is planning on disposing up to three properties to provide balance sheet capacity for future activities, including capital expenditure works.

The independent Directors consider the acquisition of the Bunnings Properties to be consistent with Investore's strategy to acquire large format retail properties that deliver total returns to shareholders over the medium to long term and that are typically highly resilient across a wide range of market conditions.

With an expected settlement date for the Bunnings Transaction of 28 February 2018, being one month prior to year-end, the Board reconfirms dividend guidance of 7.46 cents per share for FY18.

I encourage all shareholders to read this Notice of Special Meeting in its entirety, including the enclosed IAR from Northington Partners.

Yours sincerely



Mike Allen
Independent Chairman of Investore Property Limited

² Contract Rental is the amount of rent payable by each tenant, plus other amounts payable by that tenant under the terms of the relevant lease as at 30 September 2017, annualised for the 12 month period on the basis of the occupancy level for the relevant property as at 30 September 2017, and assuming no default by the tenant.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

The Board of Directors of Investore Property Limited (**'Investore'** or **'the Company'**) is pleased to call a Special Meeting of Shareholders to present the resolution below for the proposed acquisition of three Bunnings stores from Stride Property Limited, with the detail of the Bunnings Transaction set out in the Explanatory Notes to the Notice of Special Meeting. The Bunnings Transaction will:

- Provide a positive step in securing investment opportunities that are consistent with the Company's investment mandate.
- Rebalance the existing portfolio to ensure performance is consistent with Investore's primary investment objectives.
- Support Investore's goal to deliver total returns to shareholders over the medium to long term that are typically highly resilient across a wide range of market conditions.

AGENDA

A. Chairman's Introduction and Address

Attendance, Voting Rights and Proxies

B. Formal Business and Ordinary Resolution

Shareholders can vote on Resolution 1, as follows:

Resolution 1: To consider and, if thought fit, pass the following ordinary resolution for the purposes of NZX Main Board/Debt Market Listing Rule ('Listing Rules') 9.2.1(a):

That the purchase of three Bunnings properties located in Hamilton, Palmerston North and Rotorua for \$78.5 million (excluding GST) by Investore Property Limited from Stride Property Limited (as described in further detail in the Explanatory Notes within the Notice of Special Meeting dated 23 January 2018), be approved.

The Board (constituted by the independent Directors) recommend shareholders vote in favour of Resolution 1.

Directors Tim Storey and John Harvey have abstained from making this recommendation, on the basis that they are also directors of Stride Property Limited (**'Stride'**), a 19.9% cornerstone shareholder in Investore and seller of the Bunnings Properties to Investore (as defined in more detail within the Explanatory Notes to this Notice of Special Meeting).

- **In Person:** Attend the meeting and vote.
- **By Proxy:** Appoint a proxy to attend the meeting and vote in your place. If you wish to appoint a proxy, please complete and return the Proxy Voting Form which is enclosed with this Notice of Special Meeting, or lodge your proxy preference online at www.investorvote.co.nz (see the Explanatory Notes to this Notice of Special Meeting for further details on appointing a proxy). To be effective, the Proxy Voting Form must be received by Investore's share registrar or the online appointment completed through Investorvote, no later than 10.30am on Tuesday 6 February 2018.

By order of the Board



Louise Hill
Company Secretary

23 January 2018



Hamilton - 446 Te Rapa Road

Net Lettable Area (m2) – 12,763
WALT at Settlement – 11.75 years
Valuation – \$28,000,000
Market Cap – 5.88%
Contract Yield – 5.96%



Palmerston North – Corner Tremaine Avenue and Railway Road

Net Lettable Area (m2) – 13,730
WALT at Settlement – 11.75 years
Valuation – \$26,250,000
Market Cap – 5.75%
Contract Yield – 6.05%



Rotorua - 26-48 Old Taupo Road

Net Lettable Area (m2) – 13,940
WALT at Settlement – 11.75 years
Valuation – \$25,250,000
Market Cap – 6.00%
Contract Yield – 6.14%

For more information and key metrics on each of the Bunnings Properties, refer to Sections 5.1 and 6.1 of the IAR.

EXPLANATORY NOTES

1. Details of the Bunnings Transaction

Property Description

On 13 November 2017, Investore Property Limited ('Investore') entered into a conditional sale and purchase agreement (the '**Sale and Purchase Agreement**') with Stride Property Limited ('Stride') to acquire three large format retail Bunnings operated properties owned by Stride at the following locations:

- 446 Te Rapa Road, Hamilton, with a total net lettable area of 12,763 m²;
- The Corner of Tremaine Avenue and Railway Road, Palmerston North, with a net lettable area of 13,730 m²;
- 26-48 Old Taupo Road, Rotorua, with a net lettable area of 13,940 m²;

(the three properties together referred to as the '**Bunnings Properties**').

Terms and Conditions of Sale

The purchase price for the Bunnings Properties is \$78.5 million (excluding GST) in aggregate, with the purchase price allocated across the individual properties, being a price supported by independent valuations commissioned by Investore and undertaken by Jones Lang LaSalle.

All conditions to settlement of the transaction have been satisfied as at the date of this Notice of Special Meeting, other than Investore's shareholder approval of the Bunnings Transaction.

The Sale and Purchase Agreement is conditional on Investore shareholders approving the Bunnings Transaction by way of ordinary resolution, which will be sought at the Special Meeting of shareholders on 8 February 2018. If approved by shareholders, the Bunnings Transaction will become unconditional following the payment of a \$5 million deposit by Investore to Stride, with the remainder of the purchase price payable on the settlement date, which is expected to occur on 28 February 2018 ('**Settlement Date**').

Consistent with what would typically be expected in a commercial transaction of this nature and size, other key terms of the Sale and Purchase Agreement include:

- Vendor warranties which include; title to the Bunnings Properties, the buildings on each property, the three leases, and there being no litigation or disputes associated with each of the properties;
- Leasing management obligations on the vendor in relation to any proposed assignment, subletting or rent review of the Bunnings Properties, which requires the vendor to obtain Investore's approval for any such lease transaction once the acquisition of the Bunnings Properties is unconditional;
- Vendor settlement responsibilities and deliverables which are usual for this type of transaction; and
- Liability provisions and thresholds for claims by Investore as the purchaser post settlement, and the requirement that any claim should be brought within 12 months of settlement, except where there is a breach of the corporate warranty or title warranty.

The Sale and Purchase Agreement also includes a provision which specifies what happens in the event of any of the Bunnings Properties being damaged prior to settlement and that damage not being reinstated by the Settlement Date. In this case, settlement of the specific property is deferred for 40 working days to assess the feasibility of reinstatement, with the balance of the remaining properties to settle as anticipated. Investore is obliged to settle on the relevant property, notwithstanding damage, if it can obtain the required consents to perform the reinstatement work and Stride (as the vendor) and its insurers, agree to pay to Investore the insurance proceeds to reimburse the restoration costs and loss of rent, with the necessary financial adjustment to the purchase price to occur on settlement.

The Bunnings Properties have been inspected by Investore and Jones Lang LaSalle (Investore's appointed independent valuers), who confirm within the relevant valuation reports that the Bunnings Properties have been well maintained, with no deferred maintenance requirements evident and no known environmental issues.

Key Lease Terms

The Bunnings Properties, which comprise a total net lettable area of 40,433 m², are currently leased to Bunnings Limited, with each site trading as a 'Bunnings Warehouse' store.

Stride, as the current owner of the Bunnings Properties, has recently renegotiated the terms of the existing leases with Bunnings and entered into new lease agreements. The key lease terms under these new lease agreements are as follows:

- The commencement date of each lease is 1 December 2017 for an initial term of 12 years, expiring 30 November 2029.
- Bunnings has the right to renew the lease for 8 further terms of 6 years each (i.e., a further 48 years).
- Combined annual net Contract Rental is \$4.81 million for all leases, with structured rental growth of 2.5% per annum over the 12 year initial term, following which market reviews will be undertaken at the commencement of the first further term and every second further term thereafter (i.e., every 12 years).
- Bunnings has a first right of refusal in the event of a proposed sale of any of the Bunnings Properties.
- Bunnings has the right to acquire any (or all) of the Bunnings Properties during the sixth further term (i.e. in year 48), on the assumption that a new six year lease term is in place.
- Bunnings may require at any time during the initial term and any subsequent term of the lease (but only once during any relevant term), upgrade works be undertaken at the landlord's cost, capped at \$6 million (increasing at CPI). Any such works undertaken will increase the rent by 6.25% of the cost of the works until any subsequent market rent review.
- Bunnings is responsible for the payment of rates, insurance premiums and other operating expenses.
- Bunnings is entitled to a payment of \$18 million in connection with the renegotiation of the leases. This payment has been met in full by Stride and no part of that cost is to be paid by Investore.

For a more fulsome overview of the Bunnings Transaction, refer to section 5.0 of the IAR.

2. Impact of the Bunnings Transaction

If the Bunnings Transaction is approved, the impact for Investore will be as follows:

- The transaction provides a higher proportion of structured growth within the Investore portfolio, with a fixed 2.5% per annum rental uplift.

- It provides diversification to the tenant mix, reducing the Countdown concentration from 81% of portfolio gross Contract Rental (as at 30 September 2017) to 73%, with gross Contract Rental from the Bunnings Transaction post settlement equating to 10% of Investore's total portfolio gross Contract Rental, with Bunnings becoming the second largest tenant of Investore.
- On completion of the Bunnings Transaction, the WALT for Investore's portfolio will be 13.6 years on a pro-forma basis as at 30 September 2017.
- It enhances geographic diversification by increasing Investore's exposure to regional North Island locations, with total geographic exposure outside the main centres of Auckland, Wellington and Christchurch increasing from approximately 38% to 43%.

Additional implications for Investore are as follows:

- Management fees incurred on the Bunnings Properties are estimated to be \$0.46 million per annum, which is calculated on the basis of a 0.55% asset management fee on the value of each property, in addition to a building management fee of \$10,000 per property, per annum.
- One-off transaction costs associated with the Bunnings Transaction are estimated to be approximately \$0.2 million which will be capitalised across the Bunnings Properties post settlement.

The Board reconfirms dividend guidance of 7.46 cents per share for FY18. Guidance for FY19 is expected to be provided contemporaneously with the announcement of Investore's FY18 results.

Further discussion on the financial and operational impact of the Bunnings Transaction on Investore is considered by Northington Partners in its pro-forma analysis, which is set out in Sections 6.2 and 6.3 of the IAR.

3. How will the Bunnings Transaction be Funded?

If approved by shareholders, the Bunnings Transaction will be funded through Investore's existing debt facilities.

Following settlement of these properties the bank loan to value ratio ('LVR') is expected to increase from approximately 39% to 46%, but remains below Investore's long-term target of 48% and is well within Investore's covenant limits of 65%.³

Investore is considering the potential divestment of up to three existing properties, to provide balance sheet capacity for future activities, including capital expenditure works. Updates on any divestments will be provided to the market and shareholders in due course.

On this basis, Investore will retain sufficient financial flexibility to effectively pursue its current strategy. (see the table below for further details).

For more information on the financial implications of the Bunnings Transaction, refer to Section 6.2 of the IAR.

4. Rationale for the Bunnings Transaction

Investore was initially established by Stride and listed in 2016 with a clear investment strategy to invest in large format retail properties, a segment of the market identified as offering unique investment attributes.

With this investment mandate clearly established, the Board's focus has been to look for further opportunities to expand Investore's portfolio and to enhance shareholder returns by optimising capital structure. The Bunnings Transaction is consistent with Investore's existing strategy of sourcing an investment pipeline of large format retail properties.

As signalled in Investore's PDS, had Stride been able to re-negotiate appropriate lease terms with Bunnings prior to Investore's IPO, it is likely the Bunnings Properties would currently be part of Investore's portfolio.

At 100% occupancy with a quality tenant, a long WALT and attractive lease terms, Investore's independent Directors believe that the Bunnings Properties are a complementary fit with Investore's existing property portfolio.

The Bunnings Transaction will complete the final phase of Investore's foundational strategic programme and will support the goal to deliver total returns to shareholders over the medium to long term that are typically highly resilient across a wide range of market conditions.

The Board (constituted by the independent Directors) recommend the Bunnings Transaction to shareholders for approval and encourage shareholders to vote in favour of Resolution 1. The independent Directors view the Bunnings Transaction as in the best interests of Investore and its shareholders.

5. Tax Considerations

After allowance for tax depreciation on the property improvements and other deferred tax adjustments, the Bunnings Transaction has a negligible impact on Investore's pro-forma tax liability in the FY18 period.

6. What are the Implications of the Bunnings Transaction not Proceeding?

The Sale and Purchase Agreement is conditional on Investore shareholders approving the Bunnings Transaction. Should the Bunnings Transaction not be approved by shareholders, the Bunnings Transaction will not complete. In such circumstances, there will be no financial penalties for Investore under the Sale and Purchase Agreement.

	As at 30 Sep 17	Acquisition Properties ¹	Post Acquisition ³
Portfolio Asset Valuation	\$662.7 million	\$79.5 million	\$742.2 million
Borrowings ²	\$261.0 million	\$78.7 million	\$339.7 million

Notes:

1. Acquisition properties includes the Bunnings Properties to be acquired for \$78.5 million and the acquisition of 6 and 8 Heaton Street, Timaru for \$957,280 on 8 November 2017.
2. Borrowings is before any refinancing prepayments, and assumes only the Bunnings Properties and transaction costs are funded with bank debt.
3. Pro-forma as at 30 September 2017 post the acquisitions.

³ In accordance with the Management Agreement between Investore and SIML, Investore is to have an LVR of not more than 50% or such lower LVR as set by the board of directors with the agreement of SIML. The board of directors has set a long term target LVR of approximately 48%.

7. Listing Rule Requirements

The negotiation of the Bunnings Transaction has been conducted at arm's length, with both Investore and Stride acting in their own best interests. The relationship between Investore and Stride, with Stride a 19.9% shareholder in Investore, results in the Bunnings Transaction being considered a Material Transaction with a Related Party of Investore, for the purposes of Listing Rule 9.2.

Key elements of this analysis are set out below:

- **Material Transaction:** A Material Transaction under Listing Rule 9.2 includes an acquisition of assets having an aggregate net value in excess of 10% of average market capitalisation. The Bunnings Transaction qualifies as a Material Transaction for Investore, because the average market capitalisation of Investore for this purpose is \$350.7 million (measured over the 20 trading days before the agreement for the Bunnings Transaction was entered into and announced on 13 November 2017). Consequently the \$78.5 million purchase price is in excess of 10% of the average market capitalisation of \$35 million.
- **Related Parties:** Investore and Stride are parties to the Bunnings Transaction and are Related Parties due to Stride having a 19.9% cornerstone shareholding in Investore. Despite being Related Parties, this does not necessarily mean Stride has influence over Investore, but under the Related Party regime of the Listing Rules, it is enough that the influence "could" exist.

NZX Listing Rule 9.2.1 provides that an issuer such as Investore cannot enter into a Material Transaction with a Related Party unless the transaction is approved by ordinary resolution of the issuer's shareholders (excluding any interested Related Party and Associated Persons of such Related Party). Accordingly, Investore must obtain approval of the Bunnings Transaction by ordinary resolution which is presented as 'Resolution 1'.

The Bunnings Transaction cannot proceed if this resolution is not approved by shareholders.

For more information on voting restrictions in relation to Resolution 1, please refer to the Procedural Notes and Other Information section of this Notice of Special Meeting.

8. Appraisal Report

Listing Rule 9.2.5 requires a Notice of Meeting for approval of a Related Party transaction to be accompanied by an Independent Appraisal Report ('IAR'). An IAR has been prepared by Northington Partners Limited for the benefit of Investore shareholders (other than those shareholders associated with Stride), in accordance with Listing Rules 1.7 and 9.2.5 and is enclosed with this Notice of Special Meeting.

Consistent with Listing Rule 1.7.2, Northington Partners have confirmed in the IAR that in its opinion, the purchase price of \$78.5 million and other terms and conditions of the Sale and Purchase Agreement is fair to the shareholders of Investore (other than those associated with Stride).

For more information on the scope of the IAR and Northington Partners' assessment of the Bunnings Transaction, refer to Sections 2.0 and 6.0 of the IAR.

9. NZX Approval

NZX has approved this Notice of Special Meeting but does not take any responsibility for any statement contained in this Notice of Special Meeting.

PROCEDURAL NOTES AND OTHER INFORMATION

Attendance, Voting Rights and Proxies

As a shareholder, you may attend the meeting and vote, or you may appoint a proxy to attend the Special Meeting and vote in your place. If you wish to appoint a proxy you should complete and return the Proxy Voting Form which is enclosed with this Notice of Special Meeting, or lodge your proxy preference online at www.investorvote.co.nz (see below for further details). A proxy need not be a shareholder of Investore. If you wish, you may appoint independent Directors Mike Allen or Kate Healy as proxy.

Lodging your proxy online will require you to enter your CSN Securityholder number and postcode/country of residence and the secure access control number that is located on the front of your Proxy Voting Form.

To be effective, the Proxy Voting Form must be received by Investore's share registrar or the online appointment completed through Investorvote, **no later than 10.30am on Tuesday 6 February 2018**.

Proxy Voting Forms must be returned to the office of Investore's share registrar, Computershare Investor Services Limited, either by:

- Mail in the enclosed pre-paid envelope, addressed to Private Bag 92 119, Auckland 1142;
- Fax to +64 9 488 8787; or
- Lodge your proxy appointment online at www.investorvote.co.nz.

Voting entitlements will be determined at **5.00pm on Friday 2 February 2018**. Registered shareholders at that time will be the only persons entitled to vote at the Special Meeting and only the shares registered in those shareholders' names at that time may be voted at the Special Meeting.

A corporate shareholder may appoint a person to attend the meeting as its representative in the same manner as it may appoint a proxy.

If you appoint a proxy, you may either direct your proxy how to vote for you or you may give your proxy discretion to vote as he/she sees fit. If you wish to give your proxy discretion, then you must mark the appropriate boxes on the Proxy Voting Form.

If you appoint Directors Mike Allen or Kate Healy as your proxy, and tick the Proxy's Discretion box, Directors Mike Allen and Kate Healy intend to vote in favour of Resolution 1. If you do not tick any box (either "For", "Against" or "Proxy's Discretion"), the Directors will not be permitted to act as your proxy.

If you are attending in person, please bring the enclosed Proxy Voting Form to the Special Meeting to assist with your registration.

Voting Restrictions

In accordance with Listing Rule 9.3.1, Investore will disregard any votes cast by Stride or its "Associated Persons" (as defined in the Listing Rules, which will include Directors Tim Storey and John Harvey and the other Stride Directors) on Resolution 1. Stride Property Limited and its Associated Persons may not vote as proxy for a person who is entitled to vote on Resolution 1 where such person gives the proxy holder discretion how to exercise the vote.

Ordinary Resolutions

Resolution 1 will be passed if approved by ordinary resolution of shareholders (excluding Stride and any of its directors who hold shares in Investore) not associated with the Related Party at the Special Meeting. An ordinary resolution means a resolution passed by a simple majority of the votes of those shareholders entitled to vote and voting on the resolution.

Defined Terms

Associated Person has the meaning given to that term in the Listing Rules;

Board means the board of directors of Investore Property Limited acting, for the purposes of the Bunnings Transaction, through and by the independent Directors;

Bunnings means Bunnings Limited who is in the business of operating 'Bunnings Warehouse' stores throughout New Zealand, with ASX listed Wesfarmers having ultimate ownership of the Bunnings brand;

Bunnings Properties means the three Bunnings-operated properties currently owned by Stride at the following locations:

- 446 Te Rapa Road, Hamilton, with a total net lettable area of 12,763 m²;
- The Corner of Tremaine Avenue and Railway Road, Palmerston North, with a net lettable area of 13,370 m² ;
- 26-48 Old Taupo Road, Rotorua, with a net lettable area of 13,940 m²;

Bunnings Transaction means the proposed acquisition by Investore of the Bunnings Properties from Stride for \$78.5 million (exclusive of GST), which, if approved by shareholders at the Special Meeting, is expected to settle on 28 February 2018;

Contract Rental means the amount of rent payable by each tenant, plus other amounts payable by that tenant under the terms of the relevant leases, annualised for the 12 month period on the basis of the occupancy level for the relevant property and assuming no default by the tenant;

IAR means the appraisal report prepared by Northington Partners Limited in relation to the Bunnings Transaction and enclosed with this Notice of Special Meeting;

Investore or the **Company** means Investore Property Limited;

IPO means the Initial Public Offering of shares in Investore on 12 July 2016;

Listing Rules means the NZX Main Board/Debt Market Listing Rules;

LVR means loan to value ratio;

Northington Partners means Northington Partners Limited;

NZX means NZX Limited;

PDS means Investore's Product Disclosure Statement in relation to the initial public offering of ordinary shares in Investore dated 10 June 2016;

Sale and Purchase Agreement means the sale and purchase agreement between Investore and Stride for the Bunnings Properties dated 13 November 2017;

Settlement Date means 28 February 2018;

SIML means Stride Investment Management Limited, which provides real estate investment management services to Investore;

Stride means Stride Property Limited;

Stride Property Group means the NZX listed stapled group comprising Stride Property Limited and Stride Investment Management Limited;

Special Meeting means the special meeting of Investore shareholders, and any adjournment of that meeting, to be held to consider and, if thought fit, approve the Bunnings Transaction;

WALT means weighted average lease term.