

ARVIDA GROUP LIMITED

PRODUCT DISCLOSURE STATEMENT

OFFER OF 7 YEAR SECURED
FIXED RATE BONDS

ISSUED BY ARVIDA GROUP LIMITED | 28 JANUARY 2021

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.companiesoffice.govt.nz/disclose

Arvida Group Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.



01 KEY INFORMATION SUMMARY

WHAT IS THIS?

This is an offer (**Offer**) of secured unsubordinated fixed rate bonds (**Bonds**). The Bonds are debt securities issued by Arvida Group Limited (the **Issuer**). You give the Issuer money, and in return the Issuer promises to pay you interest and repay the money at the end of the term. If the Issuer runs into financial trouble, you might lose some or all of the money you invested.

ABOUT ARVIDA

Arvida includes the Issuer and the companies that it owns. Arvida builds, buys, owns and operates retirement villages that provide quality retirement village living and aged care services to older New Zealanders.

Arvida is one of the larger owners and operators of retirement villages in New Zealand. More than 4,750 residents live in an Arvida retirement village, and Arvida employs approximately 2,600 staff.

PURPOSE OF THIS OFFER

The proceeds of this Offer will be used to subscribe for additional equity in Arvida Limited (a Guarantor). Arvida Limited will use that equity capital to repay a portion of Arvida's existing drawn bank debt (in an amount equal to the net proceeds of the Offer), providing Arvida with some diversification of funding sources and tenor. See also section 4 of this product disclosure statement (**PDS**) for a further description on use of Offer proceeds (*Purpose of the Offer*).

KEY TERMS OF THE OFFER

ISSUER	Arvida Group Limited.
DESCRIPTION OF THE BONDS	Secured unsubordinated fixed rate bonds.
TERM	7 years maturing on 22 February 2028.
OFFER AMOUNT	Up to \$75 million (with the ability to accept oversubscriptions of up to an additional \$50 million at the Issuer's discretion).
INTEREST RATE	<p>The Bonds will pay a fixed rate of interest until the Maturity Date.</p> <p>The Interest Rate will be no lower than a minimum Interest Rate. This minimum Interest Rate and the indicative Issue Margin will be determined by the Issuer in conjunction with the Joint Lead Managers and announced via NZX on the Opening Date (9 February 2021).</p> <p>The Interest Rate will be determined by the Issuer in conjunction with the Joint Lead Managers on the Rate Set Date (12 February 2021) and will be the greater of:</p> <ul style="list-style-type: none">• the minimum Interest Rate; and• the sum of the Swap Rate on the Rate Set Date and the Issue Margin. <p>The Issue Margin will be determined by the Issuer in conjunction with the Joint Lead Managers following a bookbuild on the Rate Set Date. The Interest Rate will be announced via NZX on the Rate Set Date.</p>
INTEREST PAYMENT DATES	Quarterly in arrear in equal payments on 22 February, 22 May, 22 August and 22 November 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 22 May 2021. As the First Interest Payment Date is a Saturday, interest is payable on Monday, 24 May 2021 instead.
FURTHER PAYMENTS, FEES OR CHARGES	<p>Taxes may be deducted from interest payments on the Bonds. See section 7 of this PDS (<i>Tax</i>) for further details.</p> <p>You are not required to pay brokerage or any other fees or charges to the Issuer to purchase the Bonds. However, you may have to pay brokerage to the firm from whom you receive an allocation of Bonds. Please contact your broker for further information on any brokerage fees.</p>

SELLING RESTRICTIONS	The Offer is subject to certain selling restrictions and you will be required to indemnify certain people if you breach these. More information on this can be found in section 5 of this PDS (<i>Key features of the Bonds</i>).
OPENING DATE	9 February 2021.
CLOSING DATE	12 February 2021 at 12.00pm.
ISSUE DATE	22 February 2021.
MINIMUM APPLICATION AMOUNT	\$5,000 and multiples of \$1,000 thereafter.

WHO IS RESPONSIBLE FOR REPAYING YOU?

The Issuer as issuer of the Bonds is responsible for repaying, and paying interest on, the Bonds.

Payments on the Bonds are guaranteed by the Guarantors under a guarantee (the **Guarantee**) contained in the General Security Deed described below. At the date of this PDS, all the subsidiaries of the Issuer are Guarantors. Village at the Park, a joint venture in which Arvida has a 50% interest, is not a subsidiary of the Issuer and is not a Guarantor.

Subsidiaries of the Issuer may become (or cease to be) Guarantors from time to time.

More information on the Guarantee can be found in section 5 of this PDS (*Key features of the Bonds*).

HOW YOU CAN GET YOUR MONEY OUT EARLY

Neither you nor the Issuer are able to redeem the Bonds before the Maturity Date. However, the Issuer may be required to repay the Bonds early if there is an Event of Default (as described below).

The Issuer intends to quote these Bonds on the NZX Debt Market. This means you may be able to sell them on the NZX Debt Market before the end of their term if there are interested buyers. If you sell your Bonds, the price you get will vary depending on factors such as the financial condition of Arvida and movements in the market interest rates. You may receive less than the full amount that you paid for them.

HOW BONDS RANK FOR REPAYMENT

The Bonds are secured on an equal ranking basis with certain other secured creditors, including Arvida's bank lenders and hedge providers, under a security trust deed (the **Security Trust Deed**). On a liquidation of the Issuer as issuer of the Bonds, the Bonds will rank:

- below liabilities which are preferred by law and liabilities secured by any limited permitted security interests granted by the Issuer (such

as certain security taken in collateral by a seller securing the obligation to pay all or part of the purchase price of that collateral);

- equally with (and will be repaid at the same time and pro rata with) other liabilities secured under the Security Trust Deed, such as those owing to other Bondholders and Arvida's bank lenders and hedge providers; and
- ahead of any other unsecured liabilities and shareholders of the Issuer.

Further important information on the ranking of the Bonds can be found in section 5 of this PDS (*Key features of the Bonds*). In particular, if an Operator Guarantor (being each Guarantor that operates a Registered Retirement Village) goes into liquidation, claims against that Operator Guarantor will generally rank below amounts owing to the relevant Statutory Supervisor and retirement village residents. Outside of liquidation or insolvency, other liabilities secured under the Security Trust Deed may be reduced or repaid while the Bonds are outstanding.

WHAT ASSETS ARE THESE BONDS SECURED AGAINST?

The Bonds are secured, under the Security Trust Deed, by the following Security:

- Mortgages over Land (which includes permanent buildings and improvements) owned or leased by the Issuer or any Guarantor in favour of the Security Trustee (**Mortgages**), including:
 - Second Registered Mortgages in respect of Land used for the purposes of a Registered Retirement Village (**Retirement Village Land**). The Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of enforcement of each such Mortgage, and first ranking mortgages in favour of the relevant Statutory Supervisor are also registered ahead of the Security Trustee.
 - First Registered Mortgages over Land that is not Retirement Village Land.

- General security, under a composite guarantee and general security deed (the **General Security Deed**), over all the assets of the Issuer and the Guarantors, except that Arvida's joint venture interest in Village at the Park is not subject to the Security. The Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of security enforcement against the Operator Guarantors and also generally hold general security (ranking below the General Security Deed) over the assets of the Operator Guarantors.

The Statutory Supervisors hold their security in connection with their appointment under the Deeds of Supervision and the Retirement Villages Act, to protect the interests of residents and intending residents of the Registered Retirement Villages. More information on the Security can be found in section 5 of this PDS (*Key features of the Bonds*).

KEY RISKS AFFECTING THIS INVESTMENT

Investments in debt securities have risks. A key risk is that the Issuer does not meet its commitments to repay you or pay you interest (credit risk). Section 6 of this PDS (*Risks of investing*) discusses the main factors that give rise to the risk. You should consider if the credit risk of these debt securities is suitable for you.

The interest rate for these Bonds should also reflect the degree of credit risk. In general, higher returns are demanded by investors from businesses with higher risk of defaulting on their commitments. You need to decide whether the offer is fair.

The Issuer considers that the most significant risk factors are:

- **Pandemic risks and COVID-19:** Risks arising from the outbreak of infectious disease, including the ongoing COVID-19 pandemic are particularly relevant to Arvida as a provider of retirement living and aged care services. Those aged over 70 years and/or living with comorbidities are understood to be at higher risk of complications and serious health consequences if infected. These risks may have a significant effect on the future financial position and performance of Arvida and therefore increase the risk that the Issuer may default on its obligations under the Bonds.
- **Regulation and Government reform risk:** Arvida operates in a highly regulated industry, where ongoing compliance is vital from both a legal and reputational perspective. Failure to maintain compliance could prevent the relevant retirement

village or aged care facility from continuing to operate and serve its residents, or offer licences to occupy units at the relevant retirement village. This would have significant financial and reputational impacts for Arvida, adversely affecting its financial position and performance. Future regulatory changes to the retirement village or aged care industry or public review of industry practices may also have an adverse impact on Arvida and the way it provides care to residents or develops and operates retirement villages and aged care facilities.

- **Development risk:** Arvida has an active development programme that involves the construction of more than 1,500 retirement village units over a period of 6-7 years, delivering significant future growth on execution of that programme. Development risks such as project delay, participant default and materials and labour shortages (including as a result of COVID-19 restrictions) may lead to increased overall costs, lower or delayed returns, and inability to complete or progress developments and realise cash incurred. This may significantly impact on Arvida's business, adversely affecting its financial position and performance.

This summary does not cover all of the risks of investing in the Bonds. You should also read section 6 of this PDS (*Risks of investing*) and section 5 of this PDS (*Key features of the Bonds*).

NO CREDIT RATING

The Issuer's credit worthiness has not been assessed by an approved rating agency. This means that the Issuer has not received an independent opinion of its capability and willingness to repay its debts from an approved source.

WHERE YOU CAN FIND OTHER MARKET INFORMATION ABOUT THE ISSUER

This is a short form offer document that the Issuer is permitted to use because these Bonds rank in priority to existing quoted financial products of the Issuer. The existing quoted financial products are ordinary shares in the Issuer, which are traded on the NZX Main Board. The Issuer is subject to a disclosure obligation that requires it to notify certain material information to the NZX for the purpose of that information being made available to participants in the market. The Issuer's page on the NZX website, which includes information made available under the disclosure obligation referred to above, can be found at www.nzx.com/companies/ARV.

CONTENTS

1	Key information summary	2
	Letter from the Chair	6
2	Key dates and offer process	8
3	Terms of the Offer	8
4	Purpose of the Offer	11
5	Key features of the Bonds	11
6	Risks of investing	19
7	Tax	23
8	Who is involved?	23
9	How to complain	24
10	Where you can find more information	24
11	How to apply	25
12	Contact information	25
	Glossary	26

LETTER FROM THE CHAIR



Dear Investor

I am pleased to present the opportunity to invest in secured unsubordinated fixed rate bonds to be issued by Arvida Group Limited.

Arvida is one of New Zealand's larger owners and operators of retirement villages providing quality retirement village living and aged care services to older New Zealanders. Arvida operates 33 retirement villages at locations across New Zealand¹ with plans to continue to add further retirement villages through its development and acquisition activities.

The Issuer is listed on the NZX Main Board. As at close of the Business Day before the date of this PDS, it had a market capitalisation on NZX of approximately \$971 million.

Arvida has grown rapidly since listing on NZX. Between 18 December 2014 to 30 September 2020, Arvida:

- Increased the number of retirement villages from 18 to 33.
- Increased the total number of retirement village units and aged care beds from 1,764 to 4,211.
- Increased the asset value from \$355 million to \$2,025 million.
- Increased the resident numbers from approximately 1,800 to more than 4,750.

This growth has come through both the acquisition of existing retirement villages and the development of brownfield opportunities and greenfield sites. The strategy includes the acquisition of complementary retirement villages and development of quality retirement villages. This strategy has delivered a track record of growth.

Arvida is committed to delivering further growth. Drawn debt is therefore expected to increase over time, with bank debt typically applied to fund new land purchases, new retirement village development and, in combination with the issue of new equity capital, retirement village purchases.

At 30 September 2020, Arvida had total assets of approximately \$2,025 million and drawn bank debt (before receipt of the Bond proceeds) of \$359 million. This bank debt primarily related to development projects, comprising undeveloped land, vacant new stock and construction work in progress across development sites.

Bank debt is utilised to fund the development of a retirement village and is typically drawn over the period of the development. This debt is typically repaid by the time the development is completed and new retirement village units sold down. Debt is used across multiple developments at any point in time, and once debt is repaid from one project it is generally reinvested into subsequent new developments. A portion of bank debt also relates to

¹ Includes the 50% interest held in Village at the Park which is operated by Arvida.

acquisition activities where debt is utilised to fund the acquisition of retirement villages, mostly in combination with the issue of new equity. This debt is typically repaid through cash flows generated from the operations acquired, resale of the existing retirement village units and cash flows generated from development activities. Arvida has a total bank facility limit of \$475 million.

The Offer is seeking to raise \$75 million, with the ability to accept up to an additional \$50 million of oversubscriptions. The proceeds of the Offer will be used to repay a portion of Arvida's drawn bank debt.

There are risks associated with the Bonds that may affect your returns and repayment of your investment. An overview of these risks is set out in this PDS. I encourage you to seek financial, investment or other advice from a qualified professional adviser as you take time to consider this Offer.

On behalf of the Board, I welcome your participation in the Offer and your support of Arvida. For more information, please visit our website: www.arvida.co.nz/investors/bonds.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter Wilson', followed by a period.

Peter Wilson
Chair, Arvida Group Limited

02 KEY DATES AND OFFER PROCESS

Opening Date	9 February 2021 The minimum Interest Rate and indicative Issue Margin will be determined and announced on this date.
Closing Date	12 February 2021 at 12.00pm
Rate Set Date	12 February 2021
Issue Date and allotment date	22 February 2021
Expected date of initial quotation and trading of the Bonds on the NZX Debt Market and earliest expected mailing of holding statements	23 February 2021
Interest Payment Dates	22 February, 22 May, 22 August and 22 November in each year.
First Interest Payment Date	22 May 2021. As the First Interest Payment Date is a Saturday, interest is payable on Monday, 24 May 2021 instead.
Maturity Date	22 February 2028

The timetable is indicative only and subject to change. The Issuer 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.

The Issuer 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.

03 TERMS OF THE OFFER

ISSUER	Arvida Group Limited.
DESCRIPTION OF THE BONDS	Secured unsubordinated fixed rate bonds.
TERM	7 years, maturing on 22 February 2028.
OFFER AMOUNT	Up to \$75 million (with the ability to accept oversubscriptions of up to an additional \$50 million at the Issuer's discretion).
ISSUE PRICE	\$1.00 per Bond, being the Principal Amount of each Bond.
INTEREST RATE	The Bonds will pay a fixed rate of interest until the Maturity Date. The Interest Rate will be no lower than a minimum Interest Rate. This minimum Interest Rate and the indicative Issue Margin will be determined by the Issuer in conjunction with the Joint Lead Managers and announced via NZX on the Opening Date (9 February 2021).

The Interest Rate will be determined by the Issuer in conjunction with the Joint Lead Managers on the Rate Set Date (12 February 2021) and will be the greater of:

- the minimum Interest Rate; and
- the sum of the Swap Rate on the Rate Set Date and the Issue Margin.

The Issue Margin will be determined by the Issuer in conjunction with the Joint Lead Managers following a bookbuild on the Rate Set Date. The Interest Rate will be announced via NZX on the Rate Set Date.

INTEREST PAYMENT DATES	Quarterly in arrear on 22 February, 22 May, 22 August and 22 November 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 22 May 2021. As the First Interest Payment Date is a Saturday, interest is payable on Monday, 24 May 2021 instead.
INTEREST PAYMENTS AND ENTITLEMENT	<p>Regular scheduled payments of interest will be of equal quarterly amounts. Any other payment of interest on the Bonds will be calculated based on the number of days since the last Interest Payment Date and the total number of days in the current Interest Period.</p> <p>On Interest Payment Dates interest will be paid to the person registered as the Bondholder as at the record date immediately preceding the relevant Interest Payment Date.</p> <p>The record date for interest payments is 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.</p>
OPENING DATE	9 February 2021.
CLOSING DATE	12 February 2021 at 12.00pm.
SCALING	The Issuer may scale applications at its discretion, but will not scale any application to below \$5,000 or to an amount that is not a multiple of \$1,000.
MINIMUM APPLICATION AMOUNT	\$5,000 and multiples of \$1,000 thereafter.
HOW TO APPLY	<p>Application instructions are set out in section 11 of this PDS (<i>How to apply</i>).</p> <p>The Issuer reserves the right to refuse all or any part of any application for Bonds under the Offer without giving a reason.</p>
NO UNDERWRITING	The Offer is not underwritten.
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 this 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 this PDS. NZX is a licensed market operator, and the NZX Debt Market is a licensed market, under the FMCA.</p> <p>NZX ticker code ARV010 has been reserved for the Bonds.</p>
TRANSFER RESTRICTIONS	The Issuer 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.

<p>RANKING</p>	<p>The Bonds are secured on an equal ranking basis with certain other secured creditors, including Arvida's bank lenders and hedge providers, under the Security Trust Deed. On a liquidation of the Issuer as issuer of the Bonds, the Bonds will rank:</p> <ul style="list-style-type: none"> • below liabilities which are preferred by law and liabilities secured by any limited permitted security interests granted by the Issuer (such as certain security taken in collateral by a seller securing the obligation to pay all or part of the purchase price of that collateral); • equally with (and will be repaid at the same time and pro rata with) other liabilities secured under the Security Trust Deed, such as those owing to other Bondholders, the Arvida's bank lenders and hedge providers; and • ahead of any other unsecured liabilities and shareholders of the Issuer. <p>Further important information on the ranking of the Bonds can be found in section 5 of this PDS (<i>Key features of the Bonds</i>). In particular, if an Operator Guarantor goes into liquidation, claims against that Operator Guarantor will generally rank below amounts owing to the relevant Statutory Supervisor and retirement village residents. Outside of liquidation or insolvency, other liabilities secured under the Security Trust Deed may be reduced or repaid while the Bonds are outstanding.</p>
<p>GUARANTEE AND SECURITY</p>	<p>The Bonds have the benefit of:</p> <ul style="list-style-type: none"> • the Guarantee provided by the Guarantors; • the Security, which includes: <ul style="list-style-type: none"> - Mortgages in favour of the Security Trustee, including: <ul style="list-style-type: none"> • Second Registered Mortgages over the Retirement Village Land. The Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of enforcement of each such Mortgage; and • First Registered Mortgages over Land that is not Retirement Village Land; and - the General Security Deed, in respect of which the Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of security enforcement against the Operator Guarantors. Arvida's joint venture interest in Village at the Park is not included in the General Security Deed. <p>The Statutory Supervisors hold their security in connection with their appointment under the Deeds of Supervision and the Retirement Villages Act, to protect the interests of residents and intending residents of the Registered Retirement Villages. More information on the Guarantee and the Security can be found in section 5 of this PDS (<i>Key features of the Bonds</i>).</p>
<p>FINANCIAL COVENANT (LOAN TO VALUATION RATIO)</p>	<p>The Issuer agrees to ensure that, on each Semi-annual Test Date, the total amount of financial indebtedness secured against the Land subject to the Security is not more than 50% of the valuation of that Land, as described further in section 5 of this PDS (<i>Key features of the Bonds</i>).</p>
<p>EARLY REDEMPTION</p>	<p>Neither you nor the Issuer are able to redeem the Bonds before the Maturity Date. However, the Issuer may be required to repay the Bonds early if there is an Event of Default (as described below). See section 5 of this PDS (<i>Key features of the Bonds</i>) for further details.</p>
<p>EVENTS OF DEFAULT</p>	<p>If an Event of Default occurs, and is continuing, the Bond Supervisor may in its discretion, and must in certain circumstances including upon being directed to do so by an Extraordinary Resolution of Bondholders, declare the Bonds to be immediately due and payable.</p> <p>The Events of Default are set out in condition 18 of the Bonds (as set out in Schedule 1 of the Trust Deed, a copy of which is contained on the Disclose Register) and are summarised in section 5 of this PDS (<i>Key features of the Bonds</i>).</p>

FURTHER PAYMENTS, FEES OR CHARGES	Taxes may be deducted from interest payments on the Bonds. See section 7 of this PDS (<i>Tax</i>) for further details. You are not required to pay brokerage or any other fees or charges to the Issuer to purchase the Bonds. However, you may have to pay brokerage to the firm from whom you receive an allocation of Bonds. Please contact your broker for further information on any brokerage fees.
SELLING RESTRICTIONS	The Offer is subject to certain selling restrictions and you will be required to indemnify certain people if you breach these. More information on this can be found in section 5 of this PDS (<i>Key features of the Bonds</i>).
GOVERNING LAW	New Zealand.
BOND SUPERVISOR	The New Zealand Guardian Trust Company Limited.
SECURITY TRUSTEE	NZGT Security Trustee Limited.
SECURITIES REGISTRAR	Computershare Investor Services Limited.

DOCUMENTS

The terms of the Bonds, and other terms key to the Offer, are set out in:

- the Trust Deed, as supplemented by the Supplemental Deed;
- the General Security Deed (which includes the Guarantee); and
- the Security Trust Deed.

You should read these documents. Copies may be obtained from the Disclose Register at www.companiesoffice.govt.nz/disclose.

04 PURPOSE OF THE OFFER

The proceeds of the Offer will be used to subscribe for additional equity in Arvida Limited (a Guarantor). Arvida Limited will use that equity capital to repay a portion of Arvida's existing drawn bank debt (in an amount equal to the net proceeds of the Offer), providing some diversification of funding sources and tenor. This purpose will not change, irrespective of the total amount that is raised.

The Offer is not underwritten.

05 KEY FEATURES OF THE BONDS

A number of key features of the Bonds are described in section 3 of this PDS (*Terms of the Offer*). The other key features of the Bonds are described below.

THE BOND SUPERVISOR

A Bond Supervisor is appointed to act as supervisor and trustee for the Bondholders on the terms contained in the Trust Deed.

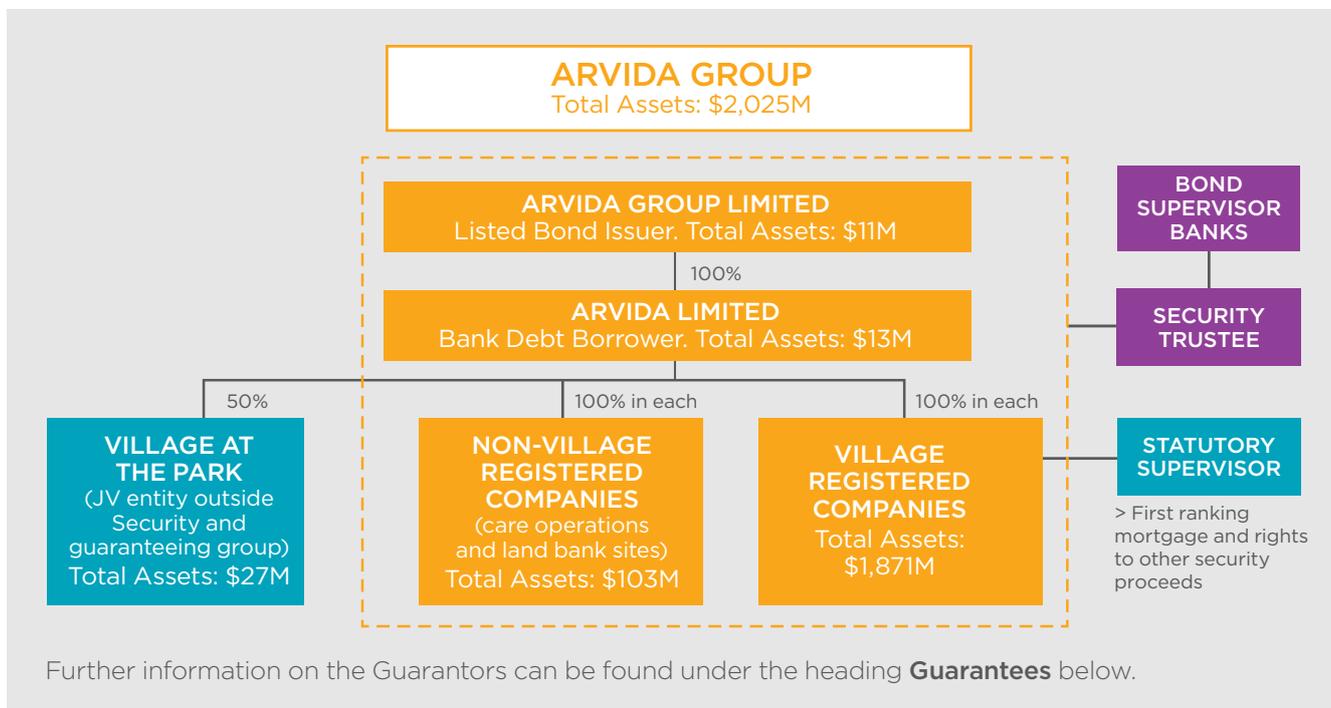
You can only enforce your rights under the Bonds, and under the Guarantee, the Security and other arrangements described below, through the Bond Supervisor. However you can enforce your rights under the Bonds only (but not the Guarantee, Security or other arrangements) against the Issuer directly if the Bond Supervisor is obliged to enforce but has failed to do so within a reasonable period.

RANKING AND SECURITY

THE SECURITY STRUCTURE

The below simplified diagram of Arvida's structure provides a summary of the Security at the date of this PDS. The figures in the diagram below are as at 30 September 2020.

Figure 1: ARVIDA SECURITY STRUCTURE



RANKING

The ranking of the Bonds on a liquidation of Arvida is summarised in the diagram below. The diagram is a summary of indicative amounts only and in the event of a liquidation of Arvida, the actual priority amounts will differ.

Figure 2: RANKING OF BONDS

	Ranking on liquidation of Arvida	Type of liability/equity	Amount ^{1, 2}
Higher ranking / Earlier priority	Liabilities that rank above the Bonds	Liabilities preferred by law (for example, Inland Revenue for certain unpaid taxes) ³	\$18 million
		Liabilities to the Statutory Supervisors (including amounts owing to Registered Retirement Village residents) ⁴	\$802 million
Lower ranking / Later priority	Liabilities that rank equally with the Bonds ⁵	Bonds	\$75 million
		Other unsubordinated liabilities that have the benefit of the Security, including Arvida's bank debt and hedging	\$291 million
		Unsubordinated and unsecured liabilities ⁶	\$33 million
	Liabilities that rank below the Bonds	Subordinated liabilities	Nil
	Equity ⁷	Shares, reserves and retained earnings	\$751 million

NOTES:

- 1 Amounts shown above are indicative based on the financial position of Arvida as at 30 September 2020, adjusted for the expected issue proceeds of the Bonds. They are subject to rounding adjustments.*
 - 2 A liability amount of \$55 million is excluded from Figure 2 of the above diagram. The liability represents deferred management fees which have been contractually earned, but are required to be spread over a longer period in accordance with accounting standards. This amount will be recorded as income over the balance of the residents expected occupancy period or upon termination of the occupational right agreement.*
 - 3 Liabilities that may, depending on the source of payment, rank above the Bonds on liquidation include employee entitlements for unpaid salaries and wages, holiday pay and bonuses, and PAYE, and amounts owing to the Inland Revenue for unpaid taxes and goods and services tax. There are typically other liabilities which are preferred by law or secured, including enforcement costs and similar, which arise when a company is in liquidation which are not possible to foresee and cannot therefore be quantified.*
 - 4 On liquidation the Statutory Supervisors have the benefit of first ranking mortgages over Retirement Village Land and also have first rights to the proceeds of the Security Trustee's enforcement of Second Registered Mortgages and General Security Deed against the Operator Guarantors.*
 - 5 Assuming \$75 million of Bonds are issued under the Offer. The final size of the Offer will not materially impact this amount as the proceeds of the Offer will be used for the purpose of repaying a portion of bank debt which ranks equally with the Bonds. Outside of liquidation or insolvency, other liabilities secured under the Security Trust Deed may be reduced or repaid while the Bonds are outstanding.*
 - 6 Unsubordinated and unsecured liabilities are shown as ranking below the Bonds because, although they are not legally subordinated to the Bonds (or other secured debt), they do not have the benefit of the Security. In effect the Bonds (and other secured debt, including bank debt) would have priority over unsubordinated and unsecured liabilities if the Security was enforced, to the extent of the Security proceeds the Security Trustee is entitled to.*
 - 7 The amount of equity stated above includes an amount in relation to the Issuer's existing quoted equity securities (i.e. the Issuer's ordinary shares).*
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THE SECURITY

The Issuer and the Guarantors provide the following Security:

- Second Registered Mortgages in respect of the Retirement Village Land. The Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of enforcement of each such Mortgage under the Security Sharing Deeds, and first ranking mortgages in favour of the relevant Statutory Supervisor are typically also registered ahead of the Security Trustee.
- First Registered Mortgages over Land that is not Retirement Village Land.
- General security, under the General Security Deed, over all the assets of the Issuer and the Guarantors, except that Arvida's joint venture interest in Village at the Park is not subject to the Security. Under the Security Sharing Deeds the Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of security enforcement against the Operator Guarantors and also generally hold general security (ranking below the General Security Deed) over the assets of the Operator Guarantors.

The Statutory Supervisors hold their security in connection with their appointment under the Deeds of Supervision and the Retirement Villages Act, to protect the interests of residents and intending residents of the Registered Retirement Villages.

The Security is provided to the Security Trustee, and Bondholders (and other relevant secured creditors) have its benefit under the Security Trust Deed.

The Issuer estimates that as at 30 September 2020:

- The total amount of liabilities secured by the Security was approximately **\$366 million**, with all secured creditors under the Security Trust Deed ranking equally. The issue of the Bonds will not materially impact this amount, as the proceeds of the issue will be used for the purpose of repaying existing bank debt which also has the benefit of the Security. After the issuance, this amount will include the Bonds and amounts owed to Arvida's bank lenders (as described in the ranking diagram on page 12).
- As discussed further in the table below, the total value of:
 - the assets subject to the Security was approximately **\$1,998 million**; and
 - the assets subject to the Security, after deducting amounts preferred by law and amounts to which the Statutory Supervisors or other secured creditors are entitled ahead of the Security Trustee as described above, was approximately **\$1,178 million**.

VALUE OF SECURED ASSETS

Details of the value of the secured assets at 30 September 2020, as determined by the Issuer, are as follows. Asset values are shown based on market values.

Description	Value
Land and assets in which the Statutory Supervisors have first ranking interests This includes: <ul style="list-style-type: none">- Retirement Village Land and other assets of the Operator Guarantors: \$1,871 million These assets are secured in favour of the Security Trustee under the General Security Deed and (in the case of the Retirement Village Land) under the Second Registered Mortgages. As described under the heading “The Statutory Supervisors and Security Sharing Deeds” below, Registered Retirement Villages may only be disposed of as a going concern except in limited circumstances.- Less: first ranking interests of the Statutory Supervisors to the Retirement Village Land and Retirement Village Assets: \$802 million The Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of enforcement of each Second Registered Mortgage over Retirement Village Land, and to the proceeds of security enforcement against the Operator Guarantors.	\$1,871 million before deducting first ranking interests of the Statutory Supervisors. \$1,069 million after deducting first ranking interests of the Statutory Supervisors.
Mortgaged Land other than Retirement Village Land Land that is not Retirement Village Land (including Land held for development) is subject to first ranking mortgages in favour of the Security Trustee.	\$103 million
Other assets Assets of the Issuer and Guarantors other than the Operator Guarantors are also secured under the General Security Deed in favour of the Security Trustee, except that Arvida’s joint venture interest in Village at the Park is not subject to the Security. The Statutory Supervisors do not have first rights to enforcement of such assets.	\$24 million
Less: Liabilities preferred by law Liabilities that may, depending on the source of payment, rank above the Bonds on liquidation include employee entitlements for unpaid salaries and wages, holiday pay and bonuses, and PAYE, and amounts owing to the Inland Revenue for unpaid taxes and goods and services tax.	\$18 million
Total	\$1,178 million

THE SECURITY TRUSTEE

A Security Trustee (currently NZGT Security Trustee Limited) holds the Security for all creditors entitled to its benefit. This currently includes (in addition to the Bond Supervisor and the Bondholders) Arvida’s bank lenders and hedging providers. It is likely that further creditors will become entitled to the benefit of this Security in the future.

The basis on which the Security Trustee holds the Security, and otherwise acts for the creditors entitled to its benefit, is set out in the Security Trust Deed. Where there is a Major Default, the Bond Supervisor can require the Security Trustee to enforce the Security (unless other creditors give conflicting instructions (as to how, but not

whether to enforce the Security) in accordance with the Security Trust Deed). In other circumstances consent of the majority creditors (as determined under the Security Trust Deed) is required to instruct the Security Trustee to enforce the Security. More information on the Security Trust Deed can be found below under the heading “Other relevant information about the Trust Deed and the Security Trust Deed”.

THE STATUTORY SUPERVISORS AND SECURITY SHARING DEEDS

Each Operator Guarantor is required to appoint a licensed statutory supervisor in respect of each Registered Retirement Village in accordance with the Retirement Villages Act. Covenant Trustee

Services Limited and Anchorage Trustee Services Limited are appointed as the Statutory Supervisor for various Registered Retirement Villages of Arvida.

The Statutory Supervisor for each Registered Retirement Village is appointed under a Deed of Supervision to protect the interest of residents and intending residents of that Registered Retirement Village, and is responsible for:

- providing a stakeholder facility for intending residents and residents who pay deposits or progress payments in respect of an occupation right agreement or uncompleted retirement village units or facilities at the Registered Retirement Village;
- monitoring the financial position of the Registered Retirement Village;
- reporting annually to the Registrar of Retirement Villages and residents on the performance of its duties and the exercise of its powers; and
- performing any other duties imposed on it from time to time under the Retirement Villages Act.

Under the relevant Security Sharing Deed, each Statutory Supervisor has first rights (ahead of the Security Trustee and Bondholders) to the proceeds of security enforcement over the Retirement Village Land and other assets of the Operator Guarantors for various amounts owing to that Statutory Supervisor or to any resident of a relevant Registered Retirement Village including under an occupation right agreement. These amounts secured in favour of the Statutory Supervisors include the Net Refundable Amount for each resident of the Registered Retirement Village. The Statutory Supervisors also generally hold general security over the assets of the Operator Guarantors, ranking below the General Security Deed under the relevant Security Sharing Deed. Further details of the payment of amounts received on enforcement are set out in each Security Sharing Deed.

However, each Statutory Supervisor's mortgages and entitlements under the relevant Security Sharing Deed are granted on a "village by village" basis. This means that the relevant Statutory Supervisor's mortgages and entitlements in respect of each Registered Retirement Village only secure amounts owing to the relevant Statutory Supervisor and residents in relation to that particular Registered Retirement Village. They do not secure amounts owing in relation to other Registered Retirement Villages.

In addition to the Statutory Supervisors' security, the Retirement Villages Act requires a memorial to be placed on the title of any property or premises of each Guarantor used for any Registered Retirement

Villages. This means that, unless all residents of the retirement village have received independent legal advice and at least 90% of those residents have consented in writing, the holder of a security interest or any receiver or liquidator or statutory manager of property comprising the Registered Retirement Village or of any operator of the Registered Retirement Village must not exercise any right to:

- dispose of the Registered Retirement Village other than as a going concern; or
- disclaim any occupation right agreement relating to the Registered Retirement Village as onerous property; or
- evict any resident or exclude any resident from the use of any facilities or any part of the Registered Retirement Village to which that resident is ordinarily entitled.

The Security Trustee is required to follow the procedures set out in the relevant Security Sharing Deed when enforcing the Security over Retirement Village Land or other assets of the Operator Guarantors, including:

- giving 10 business days' notice to the relevant Statutory Supervisor of the proposed appointment of any receiver, and consulting with the relevant Statutory Supervisor in respect of any such appointment;
- if the Security Trustee decides to enforce the Security by the exercise of any power of sale, giving 21 days' notice to the Statutory Supervisor. The Security Trustee and any receiver appointed by the Security Trustee must also obtain the prior approval of the relevant Statutory Supervisor for any proposed purchaser of a Registered Retirement Village and any agreement for sale and purchase in relation to a Registered Retirement Village; and
- keeping the Statutory Supervisor informed of actions taken.

Furthermore, any sale of a Registered Retirement Village by the Security Trustee:

- must be conditional upon such approval and upon complying with other conditions relating to notification to residents. The Statutory Supervisor's approval cannot be unreasonably or arbitrarily withheld. In giving its approval, the Statutory Supervisor will require the purchaser to:
 - enter into a Deed of Supervision and comply with the Retirement Villages Act; and
 - ensure that any financier of the purchaser enters into a similar deed to the Security Sharing Deed; and

- will be subject to the Statutory Supervisor's mortgages and will be subject to the rights of and benefits of residents arising under occupation right agreements and under the relevant Deed of Supervision.

FURTHER BORROWING AND SECURITY

After the issue of the Bonds, Arvida may (without the consent of Bondholders) borrow money or otherwise incur liabilities from time to time that:

- rank equally with the Bonds on liquidation of Arvida. This may include, for example, further bank lending to Arvida or further bonds issued by the Issuer; or
- rank above the Bonds on liquidation of Arvida. This may include, for example, amounts owing to residents of retirement villages and secured in favour of a Statutory Supervisor, other borrowings with permitted security as described below and liabilities preferred by law.

The financial covenants and other terms described below limit the ability of Arvida to:

- borrow money that ranks equally with, or above, the Bonds; or
- grant security which ranks equally with, or above, the Security.

RESTRICTIONS ON BORROWING

The Loan to Valuation Ratio in the Bonds limits the Issuer's ability to borrow money which is secured by the Security, based on the valuation of the Land subject to Security. Under the Loan to Valuation Ratio, the Issuer agrees to ensure that, on each Semi-annual Test Date, the total amount of financial indebtedness secured against the Land subject to the Security is not more than 50% of the valuation of that Land. Arvida's joint venture interest in Village at the Park is not included in the Loan to Valuation Ratio.

Further details of the Loan to Valuation Ratio are set out in condition 14 of the Bonds (as set out in Schedule 1 of the Trust Deed).

If there is a breach of the Loan to Valuation Ratio:

- the Issuer must, within 6 months of the date of a Semi-annual Compliance Report being delivered setting out that breach (or the date on which it should have been delivered, if earlier), remedy the breach or (if not remedied within 6 months) give notice to the Bond Supervisor within 20 Business Days after such date of its plan to remedy the breach (by selling assets, repaying bank lending or other secured debt, effecting a capital restructuring and/or other action); and

- if the breach is not remedied within 6 months of the date of that notice (or the date on which it should have been delivered, if earlier), an Event of Default will occur.

Therefore, a continued breach of the Loan to Valuation Ratio will be an Event of Default (approximately) 13 months after that breach is disclosed to the Bond Supervisor in a Semi-annual Compliance Report. The Loan to Valuation Ratio and/or the Issuer's financial position and the value of the Security may worsen, and other liabilities secured under the Security Trust Deed such as bank debt may be reduced or repaid both before the Semi-annual Compliance Report is delivered and during the 13-month period described above (although an immediate Event of Default will occur under the Bonds if bank debt, or other liabilities, of more than \$5 million are called up for early repayment as a result of a default, as described below). In addition, the restriction on distributions contained in the Trust Deed (see *Distribution restriction* below) would not prevent the Issuer from making a distribution during that 13-month period before an Event of Default occurs.

Certain terms in the Bank Facility Agreement limit the ability of Arvida to borrow money (although Bondholders do not have the benefit of these, and they may be amended or waived by Arvida's bank lenders). These terms currently include:

- a maximum loan to valuation ratio (calculated and tested in the same way and with the same 50% limit as the Loan to Valuation Ratio under the Trust Deed, as described above);
- a minimum interest cover ratio, being (broadly) the ratio of adjusted EBITDA (a non-GAAP measure relating to earnings before interest, tax, depreciation and amortisation) of Arvida, to certain of their interest charges and financing costs of 2.25:1, on a semi-annual basis; and
- a requirement to obtain consent from Arvida's bank lenders before extending the Security to additional obligations under the Security Trust Deed.

Under the Deeds of Supervision, each Operator Guarantor is required to obtain the consent of the relevant Statutory Supervisor before borrowing any money (except for re-borrowing within facility limits and pursuant to a facility agreement already agreed to by the relevant Statutory Supervisor), varying the terms of any borrowing in any material way or guaranteeing or indemnifying the obligations of any other person. Bondholders do not have the benefit of these, and they may be amended or waived by the Statutory Supervisors.

RESTRICTIONS ON GRANTING SECURITY

Under condition 13.1 of the Bonds (as set out in Schedule 1 of the Trust Deed), the Issuer agrees that it will not create or permit to subsist (and will procure that each Guarantor will not create or permit to subsist) any security interest over its assets, except to the Security Trustee or in certain other limited permitted instances. The permitted instances include:

- security required to be granted in favour of the relevant Statutory Supervisor;
- liens arising by operation of law in the ordinary course of trading provided that the debt it secures is paid when due;
- set off and netting arrangements arising in the ordinary course of banking arrangements over deposited money;
- security taken in collateral (purchased in the ordinary course of business) by a seller securing the obligation to pay all or part of the purchase price of that collateral;
- security approved by or on behalf of the Bank Lenders under the Bank Facility Agreement; and
- other security that secures indebtedness not exceeding \$10 million in aggregate.

This summary does not cover all of the permitted instances. For full details see condition 13.1 of the Bonds (as set out in Schedule 1 of the Trust Deed).

Similar terms that limit the ability of Arvida to grant security are also contained in the Bank Facility Agreement (although these are not terms of the Bonds so Bondholders do not have the benefit of these, and they may be amended or waived by Arvida's bank lenders).

Under the Deeds of Supervision, the relevant Operator Guarantor is required to obtain the consent of the relevant Statutory Supervisor before using any assets of the retirement village as security or otherwise further encumbering its assets. Bondholders do not have the benefit of these covenants, and they may be amended or waived by the Statutory Supervisors.

GUARANTEES

The Issuer as issuer of the Bonds is responsible for repaying, and paying interest on, the Bonds. Payments on the Bonds are guaranteed by the Guarantors under the Guarantee contained in the General Security Deed. At the date of this PDS, all the subsidiaries of the Issuer are Guarantors. Village at the Park is not a subsidiary of the Issuer and is not a Guarantor. Subsidiaries of the Issuer may be added or removed as Guarantors from time to time.

Any person that becomes a guarantor of the Bank Facility Agreement under the General Security Deed will also be a Guarantor of the Bonds.

The Guarantors guarantee (jointly and severally) the payment of all amounts owed by the Issuer to you in respect of the Bonds. The Guarantee is not subject to any limits or conditions.

The Guarantee is a cross guarantee. A cross guarantee is a document under which each guarantor guarantees each other guarantor's liabilities. The Issuer is also a guarantor under the Guarantee in the General Security Deed (but, the Issuer as issuer of the Bonds, is not a Guarantor of the Bonds).

The obligations of any Guarantors under the Guarantee will be secured by the General Security Deed and the mortgages from the Guarantors, as described above. There is no limit on the amount secured by the Security. The Issuer believes that the Security is sufficient and is reasonably likely to be sufficient to:

- repay the liability under the Guarantee; and
- pay all other liabilities that a security interest over any of the property subject to the Security secures and that rank above, or equally with, the liability under the Guarantee.

EVENTS OF DEFAULT

The Events of Default are contained in the Trust Deed. They include:

- A failure by the Issuer to make a payment on the Bonds (subject to applicable grace periods).
- A breach of the Loan to Valuation Ratio which is not remedied within (approximately) 13 months of that breach being disclosed to the Bond Supervisor in a Semi-annual Compliance Report.
- A breach by the Issuer of a material term of the Trust Deed or the Bonds, or by the Issuer or a Guarantor of a material undertaking in the Security Trust Deed, the General Security Deed or the Security.
- A material misrepresentation by the Issuer or a Guarantor under the Trust Deed, the Bonds, the Security Trust Deed, the General Security Deed or the Security (subject to applicable remedy periods).
- Indebtedness of more than \$5 million in respect of other borrowed money of the Issuer or a Guarantor is not paid when due (or within any applicable grace period), or is called up as a result of a default.
- Insolvency events that affect the Issuer or a Guarantor.
- Termination of the Security Trust Deed, Guarantee or Security.

This summary does not cover all of the Events of Default. For full details of the Events of Default see condition 18 of the Bonds (as set out in Schedule 1 of the Trust Deed).

If an Event of Default occurs, the Bond Supervisor may in its discretion, and must in certain circumstances including upon being directed to do so by an Extraordinary Resolution of Bondholders, declare the Principal Amount and any accrued interest on the Bonds due and payable. If this occurs, the Issuer will need to repay the Principal Amount of the Bonds and any outstanding interest due. Outstanding interest will be calculated based on the number of days since the last Interest Payment Date and the total number of days in the current Interest Period.

Any enforcement of the Security must be by the Security Trustee, not the Bond Supervisor.

DISTRIBUTION RESTRICTION

Under the Trust Deed the Issuer is not permitted to make any distribution if an Event of Default has occurred and is continuing or would occur immediately after the making of the Distribution. As discussed above, in the case of a continued breach of the Loan to Valuation Ratio an Event of Default may not occur until (approximately) 13 months after that breach is disclosed to the Bond Supervisor in a Semi-annual Compliance Report.

OTHER RELEVANT INFORMATION ABOUT THE TRUST DEED AND THE SECURITY TRUST DEED

The Trust Deed for the Bonds contains a number of standard provisions, including in relation to the powers and duties of the Bond Supervisor, and the process for amending the Trust Deed. You can find a copy of the Trust Deed on the Disclose Register. You should read the Trust Deed for further information.

The Security Trust Deed sets out how the Security can be enforced by the Security Trustee on instructions from the Bond Supervisor and other secured creditors. In most circumstances the Security Trustee must act in accordance with instructions of the specified majority (being, for this purpose, more than 66.66%) of those creditors who have the benefit of the Security. As the specified majority of creditors is determined by respective credit exposures (which depending on the circumstances may be based on principal amount lent, or facility limits) Arvida's bank lenders currently constitute the majority creditors for the purpose of giving instructions to the Security Trustee.

This means that the Bond Supervisor and Bondholders may not be able to instruct the Security Trustee to enforce the Security if the bank lenders (assuming they constitute the specified majority of creditors) do not agree.

The Security Trust Deed contains a number of other important terms, including:

- The rules as to distribution of proceeds received by the Security Trustee on enforcement of the Security. To summarise, after paying costs (including those of the Security Trustee or any receiver), the creditors secured by the Security rank equally.
- The procedure by which Arvida may extend the benefit of the Security to new creditors, who would then rank equally with the Bonds. Arvida may generally do so provided it is permitted under existing secured finance documentation (including as described above) and a default does not exist.
- The ability of the majority creditors to require the Security Trustee to enforce the Security. In certain circumstances individual creditors or groups of creditors also have this right. An example of this is that, where there is a Major Default, the Bond Supervisor can require the Security Trustee to enforce the Security (unless other creditors give conflicting instructions (as to how, but not whether to enforce the Security) in accordance with the Security Trust Deed).
- The ability of the majority creditors to waive obligations under, or agree changes to, the Security Trust Deed (though if a waiver or change would have a material adverse effect on Bondholders as compared to its effect on other creditors, then approval of the Bondholders will be required).

SELLING RESTRICTIONS

The Issuer 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 PDS may not be published, delivered or distributed in or from any country other than New Zealand.

By subscribing for or otherwise acquiring any Bonds, you agree to indemnify, among others, the Issuer, the Bond Supervisor, the Arranger and the Joint Lead Managers and their respective directors, officers, employees and agents for any loss suffered as a result of any breach by you of the selling restrictions referred to in this section.

06 RISKS OF INVESTING

INTRODUCTION

This section 6 describes the following potential key risk factors:

- general risks associated with an investment in the Bonds; and
- specific risks relating to the Issuer's creditworthiness.

Key risks outlined in this section are based on an assessment of the probability of a risk occurring and its potential impact (individually or in combination with other key risks) at the date of this PDS. There is no guarantee or assurance that key risks will not change, alter in their significance or that other risks will not emerge.

You should carefully consider these risk factors (together with the other information in this PDS) before deciding to invest in the Bonds.

Before making any investment decision it is important that investors consider the suitability of an investment in the Bonds in light of their own individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues). The risks described in this section do not take account of the personal circumstances, financial position or investment requirements of any particular person other than Arvida.

GENERAL RISKS

An investment in the Bonds is subject to the following general risks.

CREDIT RISK ON ARVIDA

The risk that the Issuer (or another member of Arvida) becomes insolvent and is unable to meet its obligations under the Bonds. If the Security is insufficient to repay you in these circumstances, you might not recover the amount of your investment in the Bonds or receive the returns you expect.

SECONDARY MARKET RISK

The risk that, if you wish to sell your Bonds before maturity:

- you may be unable to find a buyer; or
- the price at which you are able to sell them is less than the amount you paid for them.

These outcomes may arise because of factors related to the Issuer's creditworthiness, or because of other factors. These other factors may include the following:

- The fact that a trading market for the Bonds may never develop, or, if it develops, is not very liquid. Although permission is expected to be granted

to quote the Bonds on the NZX Debt Market, this does not guarantee any trading market in the Bonds.

- The level, direction and volatility of market interest rates. For example, if market interest rates go up, the market value of the Bonds would typically be expected to go down and vice versa.
- The fact that Bondholders seeking to sell relatively small or relatively large amounts of Bonds may not be able to do so at prices comparable to those available to other Bondholders.

SPECIFIC RISKS RELATING TO THE ISSUER'S CREDITWORTHINESS

The Issuer considers that the circumstances which could significantly affect, either individually or in combination, the future financial position and performance of Arvida, and therefore significantly increase the risk that the Issuer may default on its obligations under the Bonds are as set out below. These circumstances, either individually or in combination, may affect the Issuer's ability to pay interest on, or repay, the Bonds.

PANDEMIC RISKS AND COVID-19

Risks arising from the outbreak of infectious disease, including the ongoing COVID-19 pandemic are particularly relevant to Arvida as a provider of retirement living and aged care services. Those aged over 70 years and/or living with comorbidities are understood to be at higher risk of complications and serious health consequences if infected. These risks may have a significant effect on the future financial position and performance of Arvida and therefore increase the risk that the Issuer may default on its obligations under the Bonds.

An outbreak of COVID-19 in any of the locations where Arvida operates may result in a delay in or stop to new admissions to the relevant aged care facility and therefore lead to a decline in the aged care facility's occupancy levels, which could adversely affect Arvida's financial performance. Such an outbreak, or a general reduction in demand for retirement villages that may arise from the ongoing impacts of the pandemic, may also reduce market appetite for retirement village living in the area (or nationally), and lead to difficulties in selling units in retirement villages affecting financial performance and cashflow.

These risks would be further compounded in the event of an outbreak within a retirement village (whether operated by Arvida or a competitor).

Such an event may lead to adverse publicity over management of an outbreak or allegations of improper care, which could create adverse publicity and reputational damage for the relevant operator and other retirement village and aged care providers (including Arvida) regardless of their regulatory compliance or robustness of infection control procedures.

An outbreak in an Arvida retirement village, or aged care facility in particular, may significantly increase costs and reduce revenues, including as a result of incurring additional expense to procure sufficient or elevated levels of personal protective equipment (PPE), which may be suffering shortages, as well as increased labour costs, inability to recruit sufficient or suitably qualified staff, and reduced or nil occupancy for a period.

Pandemic-related Government restrictions may also impact Arvida in a variety of ways, which (together or separately) may materially adversely affect Arvida's financial position and performance. This includes restrictions that delay construction and sales activity (see "Development risk" below), such as typically has occurred during national and regional 'lockdowns'. Such delays may be for an extended period, and could result in delay of completion and sell down of the development, adversely affecting cash flows. Further, a proportion of Arvida's workforce comprises foreign nurses and caregivers. Border and immigration controls restrict the availability of such qualified staff and may continue to do so for a considerable period. This may also be expected to increase Arvida's labour costs and limit capacity.

It is not possible to quantify the potential impact of pandemic-related risks as they are highly dependent on the nature, extent and duration of any future outbreak and the Government's response to such an outbreak. However, the effects could be significant.

Although it is not possible for Arvida to control many of the broader risks of COVID-19, Arvida seeks to mitigate the direct risks of COVID-19 to its retirement villages, and aged care facilities in particular, through appropriate pandemic and infection control protocols that are regularly reviewed, restrictions on visitor and external interactions with residents (depending on the level of community transmission risk), health declarations and appropriate PPE use by visitors and staff, additional security at entry and access points, a focus on providing high quality services, and active management of staff's personal household bubbles. The geographical spread of Arvida's retirement

villages and aged care facilities throughout New Zealand also mitigates the risks of smaller regional lockdowns.

REGULATION AND GOVERNMENT REFORM RISK

Arvida operates in a highly regulated industry, where ongoing compliance is vital from both a legal and reputational perspective. Key regulation includes:

- Each of Arvida's Registered Retirement Villages must be registered under the Retirement Villages Act, and comply with that Act (including disclosure standards) and its agreements with the relevant Statutory Supervisor.
- Arvida's aged care facilities must continue to meet the requirements of the Health and Disability Services (Safety) Act 2001 and be certified under it to provide care services (with periodic audits to ensure ongoing obligations are met and certification is continuing). Each aged care facility also has an age-related residential care services agreement with the relevant District Health Board to provide care services.

Breaches of the above requirements could lead to loss of certification or registration (as applicable) which would prevent the relevant Registered Retirement Village or aged care facility from continuing to operate and serve its residents, or offer licences to occupy units at the relevant Registered Retirement Village. This would have significant financial and reputational impacts for Arvida, adversely affecting its financial position and performance.

Future regulatory changes to the retirement village or aged care industry or public review of industry practices may also have an adverse impact on Arvida and the way it provides care to residents or develops and operates Registered Retirement Villages and aged care facilities. While it is not possible to predict the scope or extent of future regulatory changes, they could lead to material increased costs from additional consumer protection requirements or restrictions on the ability to earn revenue and generate sustainable cash flows. Changes to the entry and exit payment mechanisms from those currently prescribed could also adversely impact cash flow.

Arvida currently operates 28 Registered Retirement Villages (of which 20 have an aged care facility) and 5 standalone aged care facilities, with each satisfying its registration requirements separately. In relation to Arvida's aged care facilities, approximately 84% have attained four year certification from audits to Health and Disability

Services Standards, with Arvida's remaining aged care facilities attaining three year certification. Audits are performed across the portfolio on a rolling basis.

Arvida is also involved with the industry bodies New Zealand Aged Care Association and Retirement Villages Association, which assist to lobby Government on relevant sector issues and interests.

DEVELOPMENT RISK

Arvida incurred development related capital expenditure of \$135 million in the year to 31 March 2020 completing the construction of 210 new retirement village units. In the financial year to 31 March 2021, Arvida is targeting the completion of 247 new retirement village units. As at 30 September 2020, Arvida had a future development pipeline of 1,574 retirement village units and a programme to develop this pipeline at a rate of over 200 new units annually. Arvida's continued growth is reliant on execution of its development programme, which involves key construction and property development risks. These risks include:

- risks of material project delay, leading to increased holding costs and other increased expenses (particularly during periods of 'lockdown' and similar for COVID-19, as discussed above). Although Arvida uses fixed price construction contracts to mitigate the impact of delays, some risks cannot be passed on to the construction contractor and may ultimately cause project delays, creating increased costs. In cases where Arvida utilises its internal construction teams it may be better placed to manage and control these costs. Arvida currently has internal construction teams in Tauranga, Queenstown and Kerikeri;
- risk of default by participants in the development process, including construction contractors defaulting in the performance of their respective obligations, contractor (and sub-contractor) shortages and industrial disputes with suppliers and contractors. Such defaults can lead to significant further delays and costs;
- the risk that the timing of completion or quality of a village is impacted by insufficient project governance, poor quality design or delays in achieving required building and resource consents; and
- skilled labour and material shortages (including as a result of disrupted supply lines from COVID-19), including for a wide range of specialised projects including large apartment blocks, care and recreation facilities and retirement village units.

These risks may lead to increased overall costs, lower or delayed returns, and inability to complete in progress developments and realise cash incurred. To mitigate these risks, Arvida has established an experienced internal property development team, which allows Arvida to exercise a greater degree of governance over the development and construction process. Arvida also adopts a robust process for tendering projects and selecting skilled and qualified contractors, although variations and construction cost escalation may still occur throughout the lifecycle of construction activities. The use of its internal construction team can result in a more agile approach to construction risks.

PROPERTY MARKET RISK AND FLOW-ON EFFECTS OF MARKET CHANGES

Earnings generated through the construction and sale and resale of retirement village units in retirement villages makes up a significant portion of Arvida's cash flows and underlying earnings. This is as a result of new residents purchasing an occupation right to live in a Registered Retirement Village, which frequently involves the incoming resident first selling their existing property and using the proceeds to purchase the occupation right. Adverse changes in New Zealand property markets (including as have occurred, and may continue to occur, from COVID-19) are therefore a key risk for Arvida's business, with financial impact potentially arising from:

- The inability of an incoming resident to complete a sale of their existing property on favourable terms and within a reasonable timeframe could affect occupation right sales or occupancy levels, which could impact financial performance and cash flows.
- Changing property market conditions could have a flow on impact to the value of property assets, and the associated investment property valuation. This would impact both the financial position and performance of Arvida. A material reduction may impact the Issuer's ability to meet its Loan to Valuation Ratio.

This risk is particularly important for Arvida given its property portfolio and operating model. Sensitivities provided by the independent valuers of Arvida's investment property indicate a 0.5% increase in the discount rate (reflecting increased illiquidity in the property market to sell aged care and retirement villages businesses) would result in a \$23 million decrease in the value gain recorded in the income statement and fair value measurement in the balance sheet. Similarly, a 0.5% decrease in the long term property price growth

rate would result in a \$34 million decrease in the fair value gain recorded in the income statement and lower fair value measurement. Independent valuations prepared at 31 March 2020 comprised both increases to discount rates and decreases in property growth to primarily reflect uncertainties in the property market from an unknown COVID-19 impact. At 30 September 2020, these assumptions were updated in the independent valuations to partially reverse the prior period changes as the impacts of COVID-19 became clearer.

The risk is partially mitigated by the geographic disbursement of Arvida's retirement villages, as well as its diversification of the type of accommodation offered (with 1,836 independent living units, 685 assisted living units and 1,690 care beds). However more wide-ranging property market effects (such as those related to the pandemic) remain.

In addition, Arvida is not required to repay an outgoing resident the repayment sum under their occupation right agreement until the occupation right for the relevant retirement village unit is resold to an incoming resident. This limits the impact of negative cash flows occurring during an economic or property downturn. Further, as a partial mitigant to the potential adverse effects on cash flows, the difference between the current estimated sale price of each retirement village unit in the portfolio less its previous sale price and deferred management fee was approximately \$410 million in total as at 30 September 2020. Arvida is not able to influence the rate at which the embedded value is realised.

DECLINE IN DEMAND FOR ARVIDA'S RETIREMENT VILLAGE UNITS AND AGED CARE SERVICES

In addition to the property market risks discussed above, Arvida is susceptible to the risk of a drop in demand for retirement village units and aged care facility occupancy as a result of the following key factors:

- **Reputational damage.** Adverse publicity, and particularly adverse publicity in relation to the care and welfare of Arvida's residents, health and safety matters or staffing, is likely to be viewed as a serious concern and could lead to a decline in demand (this may occur, for example, in relation to the COVID-19 pandemic as discussed above). Reputational demand risks are managed through

various controls including oversight by the Issuer's Board, certification audits, regular reviews of compliance with regulations, developed policies and procedures, monitoring of resident and staff experiences and expectations, and customer focused management of issues and complaints. Since listing on NZX in December 2014, there have been no instances that have caused a high level of concern regarding reputation risk. However, a single serious instance in the future may have a significant impact.

- **Industry disruption and oversupply.** Arvida's business is reliant on people seeking to move into a retirement village as they age. New, disruptive industry models, such as technologies that allow potential residents to delay or avoid moving to a retirement village, may reduce demand and, in turn, occupancy of Arvida's retirement villages and aged care facilities. Oversupply of new retirement village units may also occur if competitors increase their developments and acquisitions, reducing Arvida's occupancy rates and market share, and market prices. These industry demand risks are mitigated by barriers to entry such as regulation requirements and cost of supply, which may limit the ability for new offerings to enter the market.
- **Decline in aged care facility occupancy.** The financial performance of Arvida's aged care facilities is sensitive to the maintenance of consistently high occupancy levels. This is a result of the high cost basis of operating aged care facilities, particularly labour costs. For the year ended 31 March 2020, aged care facilities had an occupancy rate of 95% and generated revenue from care fees was \$107 million (being 66% of total revenue). A reduction in occupancy levels could lead to reduced financial performance and a potential breach of covenants under bank documents. Arvida is focused on providing a high quality of care to residents.

A decline in demand for retirement village units and/or aged care facility occupancy, whether as a result of these factors individually or cumulatively, will impact on Arvida's assets, liquidity and ability to obtain further funding. It could also lead to reduced cash flow following a build-up of inventory of retirement village units.

07 TAX

If you are tax resident in New Zealand or otherwise receive payments of interest on the Bonds that are subject to the resident withholding tax rules, resident withholding tax will be deducted from payments of interest to you, unless you notify the Securities Registrar that you have RWT-exempt status (as that term is defined in the Income Tax Act 2007) and that status remains valid on the record date for the relevant payment date.

If you receive payments of interest on the Bonds subject to the non-resident withholding tax rules, an amount equal to any approved issuer levy (**AIL**) payable will be deducted from payments of interest to you in lieu of deducting non-resident withholding tax (except where you elect otherwise and the Issuer agrees, or it is not possible under any law, in which case non-resident withholding tax will be deducted).

If the AIL regime applies, the Issuer will apply the zero rate of AIL if possible, and otherwise pay AIL at the applicable rate.

If the AIL regime changes, the Issuer reserves the right not to pay AIL. See the Trust Deed for further details.

INDEMNITY

If, in respect of any of your Bonds, the Issuer becomes liable to make any payment of, or on account of, tax payable by you, then you will be required to indemnify the Issuer in respect of such liability. Any amounts paid by the Issuer in relation to any such liability may be recovered from you by withholding the amount from further payments to you in respect of the Bonds. See the Trust Deed for further details.

GENERALLY

There may be other tax consequences from acquiring or disposing of the Bonds. If you have any queries relating to the tax consequences of the investment, you should obtain professional advice on those consequences.

The above generalised summary is based on the taxation laws in force in New Zealand as at the date of this PDS. Future changes to these or other laws may affect the tax consequences of an investment in the Bonds.

08 WHO IS INVOLVED?

	NAME	ROLE
Issuer	Arvida Group Limited	Issuer of the Bonds.
Bond Supervisor	The New Zealand Guardian Trust Company Limited	Holds certain covenants on trust for the benefit of the Bondholders, including the right to enforce the Issuer's obligations under the Bonds.
Arranger	ANZ Bank New Zealand Limited	Provides advice and assistance to the Issuer in arranging the Offer.
Joint Lead Managers	ANZ Bank New Zealand Limited Craigs Investment Partners Limited Forsyth Barr Limited Jarden Securities Limited	Assist with the bookbuild for the Offer, and marketing and distribution of the Offer. Except as described above, the Joint Lead Managers are not otherwise involved in the Offer. None of the Arranger, the Joint Lead Managers and their respective directors, employees, agents and advisers have independently verified the content of this PDS. This PDS does not constitute financial advice from the Arranger, any Joint Lead Manager or any of their respective directors, officers, employees, agents or advisers to purchase, any Bonds. You must make your own independent investigation and assessment of the financial condition and affairs of the Issuer before deciding whether or not to invest in the Bonds.

Securities Registrar	Computershare Investor Services Limited	Maintains the register of Bondholders.
Security Trustee	NZGT Security Trustee Limited	Holds the Security for all creditors entitled to its benefit (including the Bond Supervisor and the Bondholders).
Solicitors to Issuer	Chapman Tripp	Provides legal advice to the Issuer in respect of the Offer.
Solicitors to Bond Supervisor	Bell Gully	Provides legal advice to the Bond Supervisor in respect of the Offer.

09 HOW TO COMPLAIN

Complaints about the Bonds can be directed to:

Arvida Group Limited at:

Chief Financial Officer and Company Secretary
 39 Market Place
 Auckland Central
 Auckland, 1010
 New Zealand
 Telephone: 0800 278 432
 Email: info@arvida.co.nz

If for any reason the Issuer is unable to resolve your complaint, please contact:

The Bond Supervisor at:

The New Zealand Guardian Trust Company Limited
 Manager, Corporate Trusts
 Level 14, 191 Queen Street
 Auckland 1010
 Telephone: 0800 683 909
 Email: ct-auckland@nzgt.co.nz

The Bond Supervisor is a member of an external, independent dispute resolution scheme operated by Financial Services Complaints Limited (**FSCL**) and approved by the Ministry of Consumer Affairs. If the Bond Supervisor has not been able to resolve your issue, you can refer the matter to FSCL by emailing complaints@fscl.org.nz, or calling FSCL on 0800 347 257, or by completing the complaints form online at www.fscl.org.nz/complaints/complaint-form, or by writing to FSCL at PO Box, 5967, Wellington 6145.

The scheme will not charge a fee to any complainant to investigate or resolve a complaint.

Complaints may also be made to the Financial Markets Authority through their website www.fma.govt.nz.

10 WHERE YOU CAN FIND MORE INFORMATION

Further information relating to the Issuer and the Bonds is available on the online offer register maintained by the Companies Office known as 'Disclose'. The offer register can be accessed at www.companiesoffice.govt.nz/disclose.

A copy of the information on that register is also available on request to the Registrar of Financial Service Providers at registrar@fspr.govt.nz. The information contained on that register includes a copy of the Trust Deed (including the Supplemental Deed and the conditions of the Bonds) and copies

of the Security Trust Deed and the General Security Deed.

The Issuer is subject to a disclosure obligation in relation to its shares that requires it to notify certain material information to the NZX for the purpose of that information being made available to participants in the market. The Issuer's page on the NZX website, which includes information made available under the disclosure obligations referred to above, can be found at www.nzx.com/companies/ARV.

11

HOW TO APPLY

The Offer will be open to institutional investors and members of the public who are resident in New Zealand.

All of the Bonds offered under the Offer (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 a bookbuild conducted by the Joint Lead Managers.

There is no public pool for the Bonds. This means you can only apply for Bonds through a Primary Market Participant or approved financial intermediary who has obtained an allocation. You can find a Primary Market Participant by visiting www.nzx.com/investing/find-a-participant.

The Primary Market Participant or approved financial intermediary will:

- provide you with a copy of this PDS (if you have not already received a copy);
- explain what you need to do to apply for Bonds; and
- explain what payments need to be made by you (and by when).

The Primary Market Participant or approved financial intermediary can also explain what arrangements will need to be put in place for you 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.

You are recommended to seek advice from a financial adviser before making an investment decision.

12

CONTACT INFORMATION

ISSUER

Arvida Group Limited

39 Market Place
Auckland Central
Auckland, 1010
Telephone: 0800 278 432

SECURITIES REGISTRAR

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
Takapuna, Auckland 0622
Private Bag 92119, Auckland 1142
Telephone: +64 9 488 8777

ARRANGER

ANZ Bank New Zealand Limited

Level 10, ANZ Centre
171 Featherston Street, Wellington 6011
Telephone: 0800 269 476

JOINT LEAD MANAGERS

ANZ Bank New Zealand Limited

Level 10, ANZ Centre
171 Featherston Street, Wellington 6011
Telephone: 0800 269 476

Craigs Investment Partners Limited

Level 36, Vero Centre
48 Shortland Street, Auckland 1010
Telephone: 0800 226 263

Forsyth Barr Limited

Level 23, Lumley Centre
88 Shortland Street, Auckland 1010
Telephone: 0800 367 227

Jarden Securities Limited

Level 32, PwC Tower
15 Customs Street West
Commercial Bay, Auckland 1010
Telephone: 0800 005 678



GLOSSARY

\$	New Zealand dollars.
ARRANGER	ANZ Bank New Zealand Limited.
ARVIDA	The Issuer and the companies it owns.
BANK FACILITY AGREEMENT	The facilities agreement dated 10 July 2017 (as amended or supplemented from time to time) between (among others) the Issuer, the Guarantors and ANZ Bank New Zealand Limited as facility agent.
BOND SUPERVISOR	The New Zealand Guardian Trust Company Limited or such other supervisor as may hold office as supervisor under the Trust Deed from time to time.
BONDHOLDER	A person whose name is entered in the Register as a holder of a Bond.
BONDS	The bonds constituted and issued pursuant to the Trust Deed and offered pursuant to this PDS.
BUSINESS DAY	A day (other than a Saturday or Sunday) on which registered banks are generally open for business in Auckland and Wellington, except that in the context of the Listing Rules it means a day on which the NZX Debt Market is open for trading.
CLOSING DATE	12 February 2021 at 12.00pm.
DEED OF SUPERVISION	A deed under which a Statutory Supervisor is appointed in respect of each Registered Retirement Village.
DISCLOSE REGISTER	The online offer register maintained by the Companies Office known as 'Disclose'.
EVENT OF DEFAULT	Each event set out in condition 18 of the Bonds (as set out in Schedule 1 of the Trust Deed), which are summarised in section 5 of this PDS (<i>Key features of the Bonds</i>).
EXTRAORDINARY RESOLUTION	A resolution passed with the support of Bondholders holding not less than 75% of the aggregate Principal Amount of Bonds held by those persons voting.
FIRST INTEREST PAYMENT DATE	22 May 2021. As the First Interest Payment Date is a Saturday, interest is payable on Monday, 24 May 2021 instead.
FIRST REGISTERED MORTGAGE	A first ranking registered mortgage over Land that is not Retirement Village Land, in favour of the Security Trustee.
FMCA	Financial Markets Conduct Act 2013.
GENERAL SECURITY DEED	The composite guarantee and general security deed dated 17 December 2014 (as amended, amended and restated, or supplemented from time to time, including as most recently amended and restated on 25 January 2021 between (among others) the Issuer, the Guarantors and the Security Trustee.
GUARANTEE	The cross guarantee contained in the General Security Deed.
GUARANTORS	Each person (other than the Issuer) who provides the Guarantee under the General Security Deed. As at the date of this PDS, the Guarantors are the Operator Guarantors and Arvida Limited, Aria Gardens Limited, Aria Bay Senior Living Limited, Aria Park Senior Living Limited, Ashwood Park Lifecare (2012) Limited, Bainlea House (2013) Limited, Bainswood House Rest Home Limited, Glenbrae Resthome and Hospital Limited, Ilam Senior Living Limited, Lansdowne Park Village Limited, The Maples Lifecare (2005) Limited, Mayfair Lifecare (2008) Limited, Molly Ryan Lifecare (2007) Limited, Oakwoods Lifecare (2012) Limited, Olive Tree Holdings Limited, Park Lane Lifecare Limited, Rhodes on Cashmere Healthcare

Limited, St Albans Lifecare Limited, St Allisa Rest Home (2010) Limited, Views Lifecare Limited, Waikanae Country Lodge Limited, The Wood Lifecare (2007) Limited, Wendover Retirement Village 2006 Limited, Wendover Rest Home 2006 Limited, Mary Doyle Healthcare Limited, Strathallan Healthcare Limited, Copper Crest Living Well Limited, Good Friends (2020) Limited, and Waimea Plains Living Well Limited.

Subsidiaries of the Issuer may become (or cease to be) Guarantors from time to time.

INLAND REVENUE	The New Zealand Inland Revenue Department.
INTEREST PAYMENT DATES	22 February, 22 May, 22 August and 22 November in each year (or if that day is not a Business Day, the next Business Day) until and including the Maturity Date.
INTEREST PERIOD	Each period beginning on, and including, an Interest Payment Date (or the Issue Date) and ending on, but excluding, the next Interest Payment Date (or the Maturity Date).
INTEREST RATE	The interest rate for the Bonds, as announced by the Issuer via NZX on the Rate Set Date.
ISSUE DATE	22 February 2021.
ISSUE MARGIN	The issue margin determined by the Issuer in conjunction with the Joint Lead Managers following the bookbuild for the Offer as announced by the Issuer via NZX on the Rate Set Date.
ISSUER	Arvida Group Limited.
JOINT LEAD MANAGERS	ANZ Bank New Zealand Limited, Craigs Investment Partners Limited, Forsyth Barr Limited and Jarden Securities Limited.
LAND	Any estate or interest in land and real property owned or leased by the Issuer or a Guarantor (and includes the permanent buildings and improvements on such land).
LISTING RULES	The listing rules applying to the NZX Debt Market.
LOAN TO VALUATION RATIO	The undertaking in condition 14 of the Bonds (as set out in Schedule 1 of the Trust Deed) under which the Issuer agrees to ensure that, on each Semi-annual Test Date, Arvida's financial indebtedness secured against the Land subject to security is not more than 50% of the valuation of that Land.
MAJOR DEFAULT	<p>An Event of Default that is a Major Default as defined in the Security Trust Deed, and in relation to the Bonds includes:</p> <ul style="list-style-type: none"> • A failure by the Issuer to make a payment of principal or interest on the Bonds. • The insolvency of the Issuer or a Guarantor. • Certain events relating to security occur (as determined by the Security Trustee acting on the instructions of the majority creditors), including that the Security is invalid or unenforceable. • Breach of the Loan to Valuation Ratio which is not remedied within (approximately) 13 months of that breach being disclosed to the Bond Supervisor in a Semi-annual Compliance Report.
MATURITY DATE	22 February 2028.
NET REFUNDABLE AMOUNT	The amount the relevant Operator Guarantor is obliged to repay a resident after the resident leaves his or her unit and the unit has been re-licensed to an incoming resident. This amount is equal to the occupation licence payment paid by the resident on entry less certain deductions (including deferred management fees and outstanding fees).

NZX	NZX Limited.
NZX DEBT MARKET	The debt security market operated by NZX.
NZX MAIN BOARD	The main registered market for trading equity securities operated by NZX.
OFFER	The offer of Bonds made by the Issuer under this PDS.
OPENING DATE	9 February 2021.
OPERATOR GUARANTOR	A Guarantor that operates a Registered Retirement Village. As at the date of this PDS, the Operator Guarantors are Aria Bay Retirement Village Limited, Aria Park Retirement Village Limited, Ashwood Park Retirement Village (2012) Limited, Bainswood Retirement Village Limited, The Cascades Retirement Resort Limited, Copper Crest Retirement Village Limited, Glenbrae Village Limited, Ilam Lifecare Limited, Lansdowne Developments Limited, Lauriston Park Retirement Village Limited, The Maples Retirement Village (2005) Limited, Mayfair Retirement Village (2008) Limited, Molly Ryan Retirement Village (2007) Limited, Oakwoods Retirement Village (2012) Limited, Olive Tree Village (2008) Limited, Olive Tree Apartments Limited, Park Lane Retirement Village Limited, Rhodes on Cashmere Lifecare Limited, St Albans Retirement Village Limited, Waikanae Country Lodge Village Limited, Te Puna Waiora RV Limited, The Wood Retirement Village (2007) Limited, Waimea Plains Retirement Village Limited, Mary Doyle Trust Lifecare Complex Limited, Strathallan Lifecare Village Limited, Bethlehem Country Club Village Limited, Bethlehem Shores Retirement Village Limited, and Queenstown Country Club Village Limited.
PDS	This product disclosure statement for the Offer dated 28 January 2021.
PRIMARY MARKET PARTICIPANT	Has the meaning given to that term in the NZX Participant Rules as amended from time to time.
PRINCIPAL AMOUNT	\$1.00 per Bond.
RATE SET DATE	12 February 2021.
REGISTER	The register in respect of the Bonds maintained by the Securities Registrar.
REGISTERED RETIREMENT VILLAGE	A retirement village (including care suites) registered under the Retirement Villages Act.
RETIREMENT VILLAGE LAND	Land used for the purposes of a Registered Retirement Village.
RETIREMENT VILLAGES ACT	Retirement Villages Act 2003.
SECOND REGISTERED MORTGAGE	A registered mortgage over Retirement Village Land in favour of the Security Trustee. For each Second Registered Mortgage: <ul style="list-style-type: none"> the relevant Statutory Supervisor has first rights (ahead of the Security Trustee) to the proceeds of enforcement; and a first ranking mortgage in favour of the relevant Statutory Supervisor is also registered over the relevant Retirement Village Land, ranking ahead of the Security Trustee.
SECURITIES REGISTRAR	Computershare Investor Services Limited.

SECURITY	The General Security Deed and each mortgage granted by the Issuer or a Guarantor in favour of the Security Trustee.
SECURITY SHARING DEED	Each security sharing deed between a Statutory Supervisor, the Security Trustee and one or more Operator Guarantors as operator of a Registered Retirement Village.
SECURITY TRUST DEED	The security trust deed dated 17 September 2020 (as amended, amended and restated, or supplemented from time to time, including as most recently amended and restated on 25 January 2021 between (among others) the Issuer, the Guarantors and NZGT Security Trustee Limited as the Security Trustee.
SECURITY TRUSTEE	NZGT Security Trustee Limited or such other person as may hold office as security trustee under the Security Trust Deed from time to time.
SEMI-ANNUAL COMPLIANCE REPORT	Compliance report delivered under the Trust Deed after each Semi-annual Test Date, at the same time as delivery of the latest annual report or half-year financial statements.
SEMI-ANNUAL TEST DATE	31 March and 30 September each year.
STATUTORY SUPERVISOR	Such statutory supervisor as may be appointed from time to time as statutory supervisor in respect of a Registered Retirement Village pursuant to the Retirement Villages Act.
SUPPLEMENTAL DEED	The supplemental deed dated 28 January 2021 between the Issuer and the Bond Supervisor setting the terms and conditions of the Bonds (as amended or supplemented from time to time).
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 the Issuer, 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).
TRUST DEED	The master trust deed dated 28 January 2021 between the Issuer and the Bond Supervisor pursuant to which certain bonds may be issued (as amended or supplemented from time to time), and where the context requires includes the Supplemental Deed.
VILLAGE AT THE PARK	Village at the Park Lifecare Limited and Village at the Park Care Limited. Village at the Park is not a subsidiary of the Issuer and is not a Guarantor.



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