

# NEW ZEALAND RURAL LAND CO.

SUSTAINABLE AOTEAROA

## Fee Structure + Comparison

Initial Public Offering of Shares in  
New Zealand Rural Land Company Limited

16 November 2020

New Zealand Rural Land Company Limited is the issuer of shares under this offer. A product disclosure statement is available for this offer and it can be obtained online at: [www.nzrlcshareoffer.co.nz](http://www.nzrlcshareoffer.co.nz).

[www.nzrlc.co.nz](http://www.nzrlc.co.nz)

Listing on:



Lead Manager:



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New Zealand Rural Land Company Limited (“NZRLC”) is the issuer of the shares to be issued under the offer to which this advertisement relates (“Shares”). A product disclosure statement (PDS) for the offer, which sets out the terms and conditions of the offer, is available, and can be obtained at [www.companiesoffice.co.nz/disclose](http://www.companiesoffice.co.nz/disclose), offer number OFR12993.

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Application has been made to NZX Limited (“NZX”) for permission to quote the Shares on the NZX Market and all the requirements of NZX relating thereto that can be complied with on or before the date of this Document have been duly complied with. However, the Shares have not yet been approved for trading and NZX accepts no responsibility for any statement in this Document. NZX is a licensed market operator and the NZX Market is a licensed market, each regulated under the Financial Markets Conduct Act 2013.



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37B George Street, Newmarket, Auckland 1023, New Zealand | +64 9 379 6493

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WWW.NZRLC.CO.NZ

## Fee Structure

Fees	% Per Annum
Management Fee	0.50% per annum of <b>Net Asset Value</b>
Transaction Fee	1.25% of Acquisition / Divestment Values
Performance Fee	10% of NAV growth, calculated annually via independent valuations, paid in shares at NAV (50% escrowed for 5 years). High water mark applies.

- ### NZRLC costs should be limited to:

- ### NZRLM services provided under management contract:

- Please see next page for a comparison of NZRLC fees with other NZX Listed Property Vehicles and Agricultural Investments

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## NZX Listed Property Vehicles & MyFarm Orchard Offer vs NZRLC Fee Comparison

	<b>Asset Plus Ltd.</b> (NZX:APL)	<b>Goodman Property Trust</b> (NZX:GMT)	<b>Investore Property Ltd.</b> (NZX:IPL)	<b>Precinct Properties New Zealand Ltd</b> (NZX:PCT)	<b>Vital Healthcare Property Trust</b> (NZX:VHP)	<b>Colebrook Orchard MyFarm</b>	<b>NZRLC</b>
<b>Base Management Fee</b>	0.50% of total assets (less cash) up to \$500m, plus 0.40% thereafter	0.50% of total assets (other than cash, debtors and development land) up to \$500m, plus 0.40% thereafter	0.55% of property value up to \$750m, plus 0.45% thereafter	0.55% of property value up to \$1,000m, plus 0.45% between \$1,000 and \$1,500, plus 0.35% thereafter	0.65% of average total assets up to \$1bn, plus 0.55% to \$2bn, plus 0.45% to \$3bn, to 0.40% thereafter	0.50% of the value of assets under management.	0.50% of Net Asset Value
<b>Performance Fees</b>	10% of performance above the S&P/NZX gross property index, capped at 5% of annual outperformance. Both outperformance and underperformance is carried forward (max 2 years)	10% of performance above the S&P/NZX gross property index, capped at 5% of annual outperformance. Both outperformance and underperformance is carried forward (in perpetuity)	10% of total shareholder returns above 10% and below 15% with a cap of 0.2% of the value of investment properties. Both outperformance and underperformance is carried forward (max 2 years)	10% of total return outperformance above the S&P/NZX50 benchmark with a fee cap of 0.5% of market capitalisation. Both outperformance and underperformance is carried forward (max 2 years)	10% of the average annual increase in NTA of the Trust over the preceding two years. The management and incentive fees are capped at 1.75% of the gross value of the Trust	5% share of any capital gain on the sale of the Syndicate assets, if any.	10% of asset appreciation from cost basis calculated annually, paid in shares at NAV (50% escrowed for 5 years). High water mark applies.
<b>Performance Fee Benchmark</b>	Relative	Relative	Absolute	Relative	Absolute	Absolute	Absolute
<b>Performance Fee</b>	Cash	Paid in units	Cash	Cash	Paid in units	Cash	Paid in Shares (at prevailing NAV)
<b>General Additional Services</b>	Legal administration fees charged at applicable hourly rates (\$100-\$300) subject to a maximum amount of \$1,200 per deal	On agreed commercial terms	Accounting services fee of \$250,000 per year	Additional Services are not included within the base management fees. The fees for these services will be detailed within the Remuneration Report	Can charge other fees but this is subject to a cap of 1.75% of total assets	4.0% of the value of the amount underwritten (MyFarm reserves the right to take up to 50% of the underwrite). One-off set up expenses including legal costs, an independent evaluation, a horticultural consultant and other due diligence reports and advertising.	-
<b>Property Management Fee</b>	1.50% of gross property income	1.0% to 3.0% of gross annual rent depending on complexity of the property	\$10,000 per year per property	Separately agreed	1.0% to 2.0% of gross annual rent depending on the number of tenants at the property	-	-
<b>Transaction Fee</b>	1.0% on purchase price for acquisitions only	Between 0% to 1%, agreed by independent directors	0.50% of the sale price	1.0% (where no agent is involved) and up to 1.0% when an agent is involved	1.5% on purchase price and 1.0% on the sale price less any third party agent costs	4.15% of the price of purchasing the Orchard and Zespri Shares if any	1.25% on all acquisitions and divestments.
<b>Leasing Fees</b>	12-15% of gross rental dependent on lease term (12% for less than 3 years, +1% for an additional year, up to 15%)	New leases: 13% to 19% of gross rental. Existing customers and renewals reduce to 50%, or 25% if an agent is involved	8.0% of the annual gross rental payable under new lease arrangements	New leases: 11% to 20% of annual rental income. Renewals: 25%-75% of the level for new leases based on the level of engagement	New leases: 11-20% of annual rental income. Renewals: 50% of the level for new leases Market Reviews: 10% of first year rent increase	-	\$30,000 per lease. (Note: a lease may encompass multiple properties)
<b>Capital Expenditure Fees</b>	3.5% of development cost	3.5% of the total project cost, plus a project management fee of up to 1.5% of total cost	4.0% of the cost of any development, project or other work of capital nature (includes R&M)	Up to 4.0% of development cost	4.0% of project cost less any third party development management fees	-	-

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