

FINAL TERMS SHEET

SECURED FIXED RATE BONDS
MATURING 19 OCTOBER 2027



OCEANIA
HEALTHCARE

Issued by Oceania Healthcare Limited

Date: 9 October 2020



Final terms sheet for an issue of \$125 million secured fixed rate bonds due 19 October 2027.

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

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

ISSUER	Oceania Healthcare Limited (Oceania Healthcare).
DESCRIPTION	Secured unsubordinated fixed rate bonds (Bonds).
GUARANTEE	<p>Payments on the Bonds are guaranteed by Oceania Healthcare, Oceania Village Company Limited, Oceania Care Company Limited and Oceania Group (NZ) Limited under a guarantee contained in the Global Security Deed described below.</p> <p>More information on the Guarantee can be found in section 5 of the PDS (<i>Key features of the Bonds</i>).</p>
PURPOSE	The proceeds of this offer are expected to be used to repay a portion of Oceania Healthcare's existing bank debt, providing Oceania Healthcare with diversity of funding and tenor and helping facilitate Oceania Healthcare's further growth.
SECURITY	<p>The Bonds are secured on an equal ranking basis with Oceania Healthcare's existing indebtedness. The Bonds will have benefit of:</p> <ul style="list-style-type: none">- Mortgages in favour of the Security Trustee, including:<ul style="list-style-type: none">• Second Registered Mortgages in respect of 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 typically also registered ahead of the Security Trustee.• First Registered Mortgages over certain Land that is not Retirement Village Land. This includes aged care facility freehold Land.- General security over all the assets of Oceania Healthcare and the Guarantors under the Global Security Deed. The Statutory Supervisors have first rights (ahead of the Security Trustee) to the proceeds of security enforcement against Retirement Village Assets. <p>The Security Trustee holds the Security for all creditors entitled to their benefit. This includes (in addition to the Bond Supervisor and the Bondholders) Oceania Healthcare's bank lenders and hedging providers.</p> <p>Refer to the PDS for more detail on the Security.</p>
FINANCIAL COVENANTS	<p>Loan to Valuation Ratio</p> <p>Oceania Healthcare agrees to ensure that, on each Semi-annual Test Date, the total principal amount of financial indebtedness secured under the Global Security Deed is not more than 50% of the valuation of all properties owned by Oceania Healthcare and its subsidiaries, as described further in the PDS.</p> <p>Distribution Restriction</p> <p>Under the Trust Deed Oceania Healthcare is not permitted to make any distribution if an Event of Default is continuing or if it would result in the occurrence of an Event of Default.</p> <p>Refer to the Trust Deed for more detail on covenants that will apply to the Bonds.</p>
CREDIT RATING	The Bonds will not be rated.
ISSUE AMOUNT	\$125 million.

NO PUBLIC POOL	All Bonds, including any oversubscriptions, have been reserved for subscription by clients of the Joint Lead Managers, NZX Firms and other approved financial intermediaries invited to participate in the bookbuild conducted by the Joint Lead Managers.
INTEREST RATE	<p>2.30% per annum. The Interest Rate for the Bonds has been set as the higher of:</p> <p>(a) the minimum Interest Rate of 2.30% per annum (as announced by Oceania Healthcare via NZX on 5 October 2020); and</p> <p>(b) the sum of the Issue Margin determined following the bookbuild and the Swap Rate on the Rate Set Date.</p> <p>The Issue Margin was determined by Oceania Healthcare in conjunction with the Joint Lead Managers at 2.00% per annum and the Swap Rate on the Rate Set Date was 0.26% per annum. Accordingly, the minimum Interest Rate of 2.30% per annum applies to the Bonds.</p>
ISSUE MARGIN	2.00% per annum.
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 Oceania Healthcare, according to market convention, with reference to Bloomberg page 'ICNZ4' (or any successor page) on the Rate Set Date and expressed on a quarterly basis (rounded to 2 decimal places, if necessary, with 0.005 being rounded up).
INTEREST PAYMENTS	Quarterly in arrear in equal payments on 19 January, 19 April, 19 July and 19 October 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 19 January 2021.
EARLY REDEMPTION	<p>Bondholders have no right to require Oceania Healthcare to redeem the Bonds prior to the Maturity Date, except in the case of an Event of Default (as described in the PDS and the Trust Deed).</p> <p>Oceania Healthcare may elect (at its discretion) to redeem all, but not some only, of the Bonds on any Interest Payment Date after the third anniversary of the Issue Date by giving not less than 20 Business Days' notice of the redemption date.</p> <p>If the Bonds are redeemed early in this manner, they will be redeemed for the greater of:</p> <ul style="list-style-type: none"> - their Principal Amount; and - their market price (excluding interest), calculated as the arithmetic average of the daily volume weighted average price (excluding interest) of Bonds traded through the NZX Debt Market over the 10 Business Days immediately prior to the date on which Oceania Healthcare gave the redemption notice (or, if the Bonds have not traded on the NZX Debt Market for at least half of such 10 Business Day period, the average price of the Bonds for that period will be determined by an independent adviser appointed in accordance with the Trust Deed (excluding interest)), in each case together with accrued interest.
ISSUE PRICE	\$1.00 per Bond, being the Principal Amount of each Bond.
MINIMUM APPLICATION AMOUNT	\$5,000 and multiples of \$1,000 thereafter.
RECORD DATE	5.00pm on the date that is 10 days before the relevant scheduled Interest Payment Date (prior to any adjustment to the Interest Payment Date to fall on a Business Day). If the record date falls on a day which is not a Business Day, the record date will be the immediately preceding Business Day.
ISIN	NZOCADT001C3.
QUOTATION	<p>Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating to that quotation that can be complied with on or before the date of distribution of the PDS have been duly complied with. However, NZX accepts no responsibility for any statement in the PDS. NZX is a licensed market operator, and the NZX Debt Market is a licensed market, under the FMCA.</p> <p>NZX ticker code OCA010 has been reserved for the Bonds.</p>

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

Important dates:

OPENING DATE	Monday, 5 October 2020.
CLOSING DATE	Friday, 9 October 2020 at 12.00pm.
RATE SET DATE	Friday, 9 October 2020.
ISSUE DATE AND ALLOTMENT DATE	Monday, 19 October 2020.
EXPECTED DATE OF INITIAL QUOTATION	Tuesday, 20 October 2020.
MATURITY DATE	Tuesday, 19 October 2027.

The timetable is indicative only and subject to change. Oceania Healthcare 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.

Oceania Healthcare 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.