



PROPERTY FOR INDUSTRY LIMITED
DIVIDEND REINVESTMENT SCHEME
OFFER DOCUMENT 26 APRIL 2016

**DIRECTLY
INCREASE
YOUR
INVESTMENT.**



YOUR INDUSTRIAL
PROPERTY EXPERTS



**THIS IS AN
IMPORTANT
DOCUMENT.**

YOU SHOULD
READ THE
WHOLE
DOCUMENT
BEFORE
MAKING ANY
DECISIONS.
IF YOU ARE IN
ANY DOUBT
AS TO WHAT
YOU SHOULD DO,
YOU SHOULD
CONSULT YOUR
FINANCIAL
ADVISER
OR BROKER.



INTRODUCTION

This document outlines the terms of the current Dividend Reinvestment Scheme being offered to all shareholders in Property For Industry Limited ("PFI") with effect from 26 April 2016. It replaces the offer document dated 10 February 2015 which set out the terms of the scheme as modified from that date.

If you have previously completed an Application to participate in the Scheme, you do not need to do anything further to benefit from the terms of the Scheme (as amended). You will continue to receive shares instead of cash, in accordance with your Application. If you wish to change your previous participation, you will need to complete a new Application.

A Dividend Reinvestment Scheme is an arrangement whereby a shareholder elects to receive shares instead of a cash payment for dividends.

Our research indicates that Dividend Reinvestment Schemes are popular in both Australia and New Zealand.

A Dividend Reinvestment Scheme benefits shareholders who do not require cash dividends because it allows them to reinvest in PFI without incurring transaction costs.

A Dividend Reinvestment Scheme may also be viewed as a form of compulsory saving. However, if you join the scheme and find you need cash in the future you can always sell some shares or withdraw from the scheme.

If you want to enter the Scheme, you can elect to have either:

- all of your shares; or
- a fixed number of your shares; or
- a fixed proportion of your shares,

eligible for the Scheme.

If you do not want to enter the Scheme simply do nothing.

Shares issued in lieu of dividends will be issued at the weighted average market price of the shares in the five trading days after the shares go "ex" the relevant dividend. If there are no share sales over that period, the purchase price will be calculated on the Net Asset Value per share on the next trading day after the "ex" dividend date. All dividend reinvestment shares will rank equally with existing shares and can be sold at any time. As an incentive to shareholders wishing to take advantage of this Scheme, the Board will offer a discount of up to 5% of the purchase price of the re-investment shares.

This offer is entirely optional and PFI recommends that you seek the advice of your financial adviser or broker before committing to a course of action.

Participation in the Scheme is open to all shareholders with a registered address in New Zealand or Australia. If you wish to participate in the Dividend Reinvestment Scheme you should make an application online at www.investorcentre.com/nz or on the Application / Withdrawal Form available from the Share Registrar and at the back of this booklet. Your Application must be received by the Share Registrar prior to the relevant Record Date in respect of which you wish to participate.

TERMS AND CONDITIONS

1 Introduction

This Offer Document contains the terms and conditions of the PFI Dividend Reinvestment Scheme.

The Scheme is available to you if, subject to sections 3 and 4, you are the holder of ordinary shares in PFI.

Under the Scheme, you may elect to reinvest the net proceeds of cash dividends payable or credited on all or some of your fully paid Shares by acquiring Additional Shares.

The Record Date for determining your entitlement to Additional Shares under the Scheme is 5:00pm on the date fixed by PFI for determining entitlements to dividends payable or credited on Shares.

This Offer Document has been prepared as at 26 April 2016.

2 Available Options

You may elect to participate in the Scheme by exercising one of the following options:

- (a) **Full Participation** – If you choose full participation, the Scheme will apply to the cash dividends payable or credited from time to time in respect of all Shares registered in your name.
- (b) **Partial Participation** – If you choose partial participation, the Scheme will only apply to the cash dividends payable or credited from time to time in respect of your nominated percentage of Shares registered in your name or your nominated number of Shares. If you hold less than the nominated number of Shares, then the Scheme will apply to all of the Shares you hold.

If you do not wish to participate in the Scheme and instead wish to receive any dividends payable or credited in respect of your Shares from time to time in cash, you do not need to do anything.

3 Overseas Shareholders

PFI may, in its absolute discretion, elect not to offer participation in the Scheme to shareholders whose address is outside New Zealand if PFI considers that to do so would risk breaching the laws of any other jurisdiction and it would be unduly onerous to ensure that the laws of those jurisdictions are complied with. As at the date of this Offer Document, the Scheme is only available to holders of Shares who have an address in New Zealand or Australia. However, the Board may amend this policy at any time, in its sole discretion.

If you do not reside in New Zealand or any other jurisdiction in respect of which the Scheme is made available and you participate in the Scheme through a nominee resident in New Zealand or any other such jurisdiction you will be deemed to represent and warrant to PFI that you can lawfully participate through your nominee. PFI accepts no responsibility for determining whether any person is able to participate in the Scheme under laws applicable outside of New Zealand or any other jurisdiction in respect of which the Scheme is made available.

4 Exclusion where Liens or Charges over Shares

If you hold any Shares over which PFI has a lien or charge, those Shares will not be eligible to participate in the Scheme.

5 Application

To participate in the Scheme you must make an Application in one of the following ways:

- (a) **Online Application** – by visiting the website of PFI's Share Registrar, Computershare Investor Services: www.investorcentre.com/nz.

Go to www.investorcentre.com/nz, select 'Payments enquiry' and log in. Then select 'Update My Details' and click on 'Reinvestment Plans' in the dropdown box. Select Property For Industry Limited in the holding line and follow the instructions. You will need your CSN/Investor Number and FIN to log in. If you don't have this information available you can email enquiry@computershare.co.nz or phone +64 9 488 8777; or

- (b) **Application / Withdrawal Form** – by completing the Application / Withdrawal Form available from the Share Registrar and at the back of this booklet and returning it to PFI's Share Registrar in one of the following manners:

Mail

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
Fax: +64 9 488 8787

Scan and email

enquiry@computershare.co.nz

Fax +64 (9) 488 8787

or such other person or address as PFI may determine from time to time.

You can make your Application at any time while this Scheme is in effect by following one of the steps above. Application / Withdrawal Forms can be obtained from PFI's Share Registrar at any time.

If your Application does not specify your degree of participation in the Scheme, you will be deemed to have chosen full participation if your Application is otherwise correctly completed and signed.

6 Participation Applies from First Record Date

Net proceeds of cash dividends payable or credited on your Participating Shares will be reinvested in Additional Shares from the first Record Date which occurs after receipt by PFI of a properly completed Application.

7 Formula for Calculation of Additional Shares and Strike Price

If you choose to participate in the Scheme, the number of Additional Shares you will be allotted will be calculated in accordance with the following formula:

$$N = \frac{PS \times D}{\text{Strike Price}}$$

Where:

N is the number of Additional Shares you will receive (where the number of new shares calculated in accordance with the preceding formula includes a fraction which is exactly one half or greater, the number will be rounded up to the next whole number, but where it is less than one half, the number will be rounded down to the previous whole number)

PS is the number of your Participating Shares

D is the net proceeds of cash dividends paid or credited per Share by PFI (expressed in cents and fractions of cents, including any applicable supplementary dividends in respect of Participating Shares payable to non-resident shareholders but excluding any tax credits and after deduction of any withholding or other taxes, if any)

Strike Price is the volume weighted average sale price in New Zealand dollars (expressed in cents and fractions of cents) for a Share calculated on all trades of Shares which took place through the NZX Main Board over the period of 5 trading days immediately following the Ex Date less a percentage discount (if any) determined by the Board in its absolute discretion, provided that any such discount shall not exceed 5%. If no sales of Shares occur during those 5 trading days, then the Strike Price will be deemed to be the Net Asset Value per Share on the trading day immediately following the Ex Date. The Strike Price may be reasonably adjusted by PFI to allow for any bonus

issue or dividend or other distribution expectation. If, in the opinion of the Board, any exceptional or unusual circumstances (including any unusual or irregular trades) have artificially affected the Strike Price, PFI may make such adjustment to that price as it considers reasonable. Any percentage discount determined by the Board shall be notified to NZX Limited in accordance with the NZX Main Board Listing Rules.

The price at which your Additional Shares will be allotted will be the Strike Price. The determination of the Strike Price by the Board, or by some other person nominated by the Board, will be binding on all participants in the Scheme.

8 Compliance with Laws, Listing Rules and Constitution

The Scheme will not operate to the extent that the allotment of Additional Shares under the Scheme would breach any applicable law, the NZX Main Board Listing Rules or any provision of the Constitution.

If, for any reason, PFI cannot allot your Additional Shares, the relevant dividend on your Participating Shares will be paid or distributed to you in the same manner as to shareholders not participating in the Scheme. You will not be paid interest on any such payment.

9 Issue of Additional Shares

PFI will allot your Additional Shares in accordance with sections 7 to 8 on the day that you would otherwise have been paid a dividend.

10 Share Price Information Publicly Available

PFI will ensure that at the time the Strike Price is set under section 7 it will have no information that is not publicly available that would, or would be likely to, have a material adverse affect on the realisable price of the Shares if it was publicly available.

11 Terms of Issue and Ranking of Additional Shares

Your Additional Shares will be allotted on the terms set out in this Scheme, subject to the rights of termination, suspension and modification set out in section 14. Your Additional Shares will, from the date of allotment, rank equally in all respects with each other and with all other Shares on issue as at that date. Your Additional Shares will, from the date of allotment, be subject to the same rights as all other Shares on issue as at the date.

12 Source of Additional Shares

Your Additional Shares may, at the Board's discretion, be:

- (a) new Shares issued by PFI;
- (b) existing Shares acquired by PFI or a nominee or agent of PFI; or
- (c) any combination of (a) and (b) above.

13 Statements

If you choose to participate in the Scheme, PFI will send a statement to your address or electronic mail address (if you have elected to receive communications electronically) as set out in PFI's share register within 5 trading days of the allotment of Additional Shares detailing:

- (a) the number of your Participating Shares as at the Record Date;
- (b) the amount of your cash dividend reinvested in Additional Shares and the amount paid in respect of any of your Shares that are not participating in the Scheme (if applicable);
- (c) the Strike Price and number of Additional Shares you were allotted under the Scheme;
- (d) the amount of any tax deductions or withholdings, imputations or other taxation credits in respect of the cash dividend; and
- (e) such other matters required by law with respect to dividends and/or reinvestment.

14 Termination, Suspension and Modification

The Board may, in its sole discretion, at any time:

- (a) terminate, suspend or modify the Scheme. If the Scheme is modified, your Application will be deemed to be an Application under the modified Scheme unless you withdraw or modify your Application in accordance with section 16;
- (b) resolve that some or all of a dividend will be paid in cash only instead of the Scheme applying;
- (c) resolve that in the event of the subdivision, consolidation or reclassification of the Shares into one or more new classes of shares, your Application will be deemed to be an Application in respect of the shares as subdivided, consolidated or reclassified unless you withdraw or modify your Application in accordance with section 16;
- (d) resolve that your Application will cease to be of any effect; or
- (e) determine that Additional Shares may be issued at a discount to the market price of Shares and the amount of any such discount.

15 Prior Notice

You will be sent written notice by PFI of any modification or termination to the Scheme at your address or electronic mail address (if you have elected to receive communications electronically) as set out in PFI's share register at least seven days prior to the Record Date on which any modification or termination will take effect, unless PFI:

- (a) modifies or terminates the Scheme to comply with any applicable law, the listing rules of any stock exchange on which the Shares are quoted or any provision of the Constitution; or
- (b) makes minor amendments to the Scheme where such amendments are of an administrative or procedural nature,

in which case no notice need be given.

16 Variation or Termination

You may at any time:

- (a) increase or decrease the number of your Participating Shares by making a new Application in accordance with section 5; or
- (b) terminate your participation in the Scheme by completing the relevant boxes on the Application / Withdrawal Form and sending it to PFI's Share Registrar at the address set out in section 5.

Such variation or termination will take effect on the first Record Date after receipt by PFI's Share Registrar of the new Application or the written termination notice, as the case may be.

17 Partial Dispositions

If you dispose of any of your Participating Shares, you will be deemed to have terminated your participation in the Scheme with respect to the Participating Shares you disposed of from the date PFI's Share Registrar registers a transfer of those Participating Shares. If you have elected to participate by nominating a number of Shares (rather than nominating a percentage of Shares), then, unless you notify PFI otherwise in writing, for the purposes of the Scheme, the Shares disposed of will be:

- (a) firstly, your non-participating Shares; and
- (b) secondly, your Participating Shares to the extent that you have disposed of a number of Shares greater than your number of non-participating Shares.

18 Dispositions of all of your Participating Shares

If you dispose of all of your Participating Shares, you will be deemed to have terminated your participation in the Scheme from the date PFI's Share Registrar registers a transfer of those Shares.

19 Taxation

For New Zealand tax purposes, if you reinvest the net proceeds of your cash dividends to acquire Additional Shares, you should be treated in the same way as if you had not participated in the Scheme. This means that if you participate in the Scheme, you should derive dividend income of the same amount that you would have derived had you not participated in the Scheme. The taxation summary above is based on New Zealand taxation laws as at the date of this Offer Document and is, of necessity, general. It does not take into account your individual circumstances and the specific tax consequences of your participation or non-participation in the Scheme, which may vary considerably. You should not rely on this general summary but should seek your own tax advice. PFI does not accept any responsibility for the financial or taxation effects of your participation or non-participation in the Scheme.

20 Costs

You will not be charged for participation or withdrawal from the Scheme. You will not incur any brokerage charges on the allotment of your Additional Shares.

21 Quotation of Additional Shares

The Shares have been accepted for quotation on the NZX Main Board, and it is expected that the Additional Shares will be quoted upon completion of allotment procedures. However, NZX Limited accepts no responsibility for any statement in this Offer Document.

You cannot trade in any Additional Shares allotted to you pursuant to the Scheme, either as principal or agent, until official quotation of the Additional Shares on the NZX Main Board in accordance with the NZX Main Board Listing Rules. PFI expects that the Additional Shares will commence trading on the NZX Main Board on the trading day on which the Additional Shares are allotted.

22 Listing Rules

The Scheme is subject to the NZX Main Board Listing Rules and to any rules for clearing and/or settlement which apply to the NZX Main Board from time to time (together, the "Rules") and in the event of any inconsistency between the Scheme and the Rules, the Rules will apply.

23 Governing Law

The Scheme and its operation will be governed by the laws of New Zealand.

24 Dividend Policy

You can find PFI's current dividend policy in PFI's most recent annual or interim report.

25 Other Information

You can download an electronic copy of PFI's most recent Annual Report and PFI's most recent financial statements (and any auditor's report on those financial statements) from PFI's website at <http://www.pfi.co.nz>

Alternatively, you can request a copy of these documents free of charge by writing to PFI's registered office at:

Property For Industry Limited

Shed 24, Prince's Wharf
147 Quay Street
Auckland 1010
New Zealand

DEFINITIONS

ADDITIONAL SHARES	means the Shares to be issued or transferred to you pursuant to the Scheme.
APPLICATION	means your chosen participation in the Scheme, made in one of the ways specified in section 5 of this Offer Document.
APPLICATION/ WITHDRAWAL FORM	means the form of application/ withdrawal form available from the Share Registrar.
BOARD	means PFI's board of directors.
CONSTITUTION	means PFI's constitution.
EX DATE	means the first Business Day before the relevant Record Date, unless NZX determines otherwise
NZX MAIN BOARD	means the main board equity security market operated by NZX Limited.
OFFER DOCUMENT	means this booklet which sets out the terms and conditions of the Scheme.
PARTICIPATING SHARES	means the Shares, if any, in respect of which you have made a valid Application at each Record Date.
PFI	means Property for Industry Limited.
SCHEME	means PFI's Dividend Reinvestment Scheme established by the Board on the terms and conditions set out in this Offer Document, as amended from time to time.
RECORD DATE	means 5:00pm on the date fixed by PFI for determining entitlements to dividends payable or credited on Shares.
SHARE REGISTRAR	means Computershare Investor Services Limited.
SHARES	means ordinary shares in PFI.
STRIKE PRICE	means the price at which Additional Shares will be issued to you, calculated in accordance with section 7 of this Offer Document.

DIRECTORY

ISSUER

Property for Industry Limited

Shed 24, Prince's Wharf
147 Quay Street
PO Box 1147
Auckland 1140
Tel: +64 9 303 9450
Fax: +64 9 303 9657
propertyforindustry.co.nz
info@propertyforindustry.co.nz

DIRECTORS

Peter Masfen (Chairman)
Anthony Beverley
Humphry Rolleston
John Waller
Gregory Reidy

MANAGER

PFIM Limited

Shed 24, Prince's Wharf
147 Quay Street
PO Box 1147
Auckland 1140
Tel: +64 9 303 9450
Fax: +64 9 303 9657

GENERAL MANAGER

Simon Woodhams
Tel: +64 9 303 9652
woodhams@propertyforindustry.co.nz

CHIEF FINANCIAL OFFICER / COMPANY SECRETARY

Craig Peirce
Tel: +64 9 303 9651
peirce@propertyforindustry.co.nz

AUDITORS

PWC

188 Quay Street
Private Bag 92162
Auckland 1142
Tel: +64 9 355 8000
Fax: +64 9 355 8001

CORPORATE LEGAL ADVISOR

Chapman Tripp

23 Albert Street
PO Box 2206
Auckland 1140
Tel: +64 9 357 9000
Fax: +64 9 357 9099

VALUATION PANEL

CBRE Limited
Colliers International New Zealand Limited
Jones Lang LaSalle Limited

BANKERS

ANZ Bank New Zealand Limited
Bank of New Zealand
Commonwealth Bank of Australia
Westpac New Zealand Limited

SHARE REGISTRAR

Computershare Investor Services

159 Hurstmere Road
Takapuna, Auckland
Private Bag 92119
Auckland 1142
Tel: +64 9 488 8777
Fax: +64 9 488 8787
www.investorcentre.com/nz

DIVIDEND REINVESTMENT SCHEME (“DRS”)

Shareholders who know their CSN/Holder Number and FIN can apply or withdraw online at www.investorcentre.com/nz

APPLICATION*/WITHDRAWAL* FORM

This document is important. Should you have any doubts about how to deal with it, please consult your legal, taxation or financial advisers immediately.

Name and Address

Holder No.

Shares Held

Registered Holder/s

Participation in*/ Withdrawal from* the DRS

I/we apply to participate in*/ withdraw from* the DRS according to the following participation level.

Full (100%) – If you wish all of your shares to participate at the time of each dividend, please tick Box A.

A.

Partial (Number of Shares) – If you wish a specific number of your shares to participate at the time of each dividend, please insert the number in Box B. This must be less than all of the shares you hold.

B.

Partial (Percentage) – If you wish a specific percentage of your shares to participate at the time of each dividend, please insert the percentage in Box C. This must be less than 100%.

C.

Withdrawal from the DRS – If you wish to terminate your participation in the DRS, please tick Box D.

D.

EXECUTION

By signing this form I/we:

- (a) agree that I/we have received the booklet containing the terms and conditions of the DRS, and read in its entirety;
- (b) agree to be bound by the terms and conditions of the DRS (as amended from time to time); and
- (c) acknowledge that I/we may only withdraw or vary my/our participation by notification in the approved form in accordance with the terms and conditions of the DRS.

Please sign here: This section must be signed for your instructions to be executed.

Shareholder 1 (individual):

Companies: Director

Joint Shareholder 2:

Other:

Joint Shareholder 3:

Other:

Date:

SIGNING INSTRUCTIONS

For your application or withdrawal to be valid, you must sign this form in the spaces provided above in accordance with the following instructions:

Joint Holding

Where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney

If signed under a Power of Attorney, you must attach a certified photocopy of the Power of Attorney, together with a certificate of non-revocation, to this form when you return it.

Companies

Companies must sign in accordance with the Companies Act 1993, or the Australian Corporations Act (as applicable), and their constitution. Please indicate the office held when signing the appropriate space.

PLEASE FORWARD YOUR COMPLETED DRS APPLICATION/WITHDRAWAL FORM TO:

The Registrar, Property For Industry Limited,
C/- Computershare Investor Services Limited, Level 2,
159 Hurstmere Road Takapuna, Auckland Private Bag 921119, Auckland 1142

PLEASE DIRECT ANY QUERIES TO:

The Registrar, Computershare Investor Services Limited
By telephone on (+64 9) 488 8777
Or by email enquiry@computershare.co.nz

*strikeout whichever is not applicable

