

# DEXUS Property Group (ASX: DXS)

ASX release

8 November 2013

## Recommended proposal to acquire Commonwealth Property Office Fund

DEXUS Property Group (“DEXUS”) refers to its announcement on 11 October 2013 in relation to the indicative, non-binding proposal (the “**Proposal**”) made jointly with Canada Pension Plan Investment Board (“**CPPIB**”) (together the “**Consortium**”) to Commonwealth Managed Investments Limited (“**CMIL**”) the Responsible Entity of the Commonwealth Property Office Fund (“**CPA**”) to acquire all of the issued units in CPA<sup>1</sup>.

DEXUS today announced that:

1. The Consortium has revised its Proposal put forward on 11 October 2013 in the manner described below - which the Independent Directors of CMIL have confirmed they will recommend, in the absence of a superior proposal and subject to an independent expert opinion that the proposal is in the best interests of CPA Unitholders (“**Recommended Proposal**”)
2. The Consortium has entered into a Process Agreement (“**Process Agreement**”) with CMIL in relation to progressing the Recommended Proposal, and
3. It has entered into a Confidentiality and Exclusivity Agreement with the Commonwealth Bank of Australia (“**CBA**”) with respect to an ancillary proposal.

## Summary of the Recommended Proposal

The Recommended Proposal provides for the following cash and DEXUS scrip consideration (expressed per CPA Unit):

- A cash payment equal to 71 cents plus an amount equivalent to 75% of FFO per CPA Unit for the period from 1 January 2014 to the Implementation Date, plus
- 0.4516 DEXUS stapled securities.

CPA's current distribution guidance of 6.65 cents per CPA Unit for the year ending 30 June 2014 assumes a payout ratio of 75% of FFO. Based on an assumed implementation date of 31 March 2014, the total cash consideration component of the Recommended Proposal is estimated to be 72.65 cents per CPA Unit. The actual total cash payment may be higher or lower than 72.65 cents per CPA Unit, depending on the operating performance of CPA and the actual implementation date.

CPA Unitholders will be entitled to receive and retain the CPA distribution for the six months ending 31 December 2013, which is expected to be approximately 3.3 cents per CPA Unit. If the Recommended Proposal is implemented, this will be the final distribution paid by CPA to CPA Unitholders.

DEXUS stapled securities issued to CPA Unitholders under the Recommended Proposal will have a pro-rata entitlement to DEXUS distributions for the period to 30 June 2014 from the date of issue of the DEXUS stapled securities under the Recommended Proposal, and will rank equally with all other DEXUS stapled securities for subsequent distribution periods.

The pro-forma earnings and NTA impact of the Recommended Proposal on DEXUS's key financial metrics is expected to remain within the ranges provided in the announcement of the initial Proposal on 11 October 2013 (adjusting for the change in the assumed implementation date from 31 December 2013 to 31 March 2014 and the announced CPA property revaluations<sup>2</sup>). DEXUS will provide financial forecasts in conjunction with the release of a Scheme booklet following execution of a binding Implementation Agreement between DEXUS and CMIL.

<sup>1</sup> Other than those to which DEXUS is already entitled under DEXUS's forward contract with Deutsche Bank AG, announced to the ASX on 25 July 2013. If the Recommended Proposal proceeds, DEXUS currently intends to take early delivery of those CPA Units under the forward contract. However, DEXUS reserves the right to cash settle the forward instead of taking early delivery. If it does so, the Recommended Proposal will relate to 100% of the units in CPA.

<sup>2</sup> On 23 October 2013 CPA released revaluations completed across six properties and subsequently on 5 November 2013 announced draft revaluations across 16 properties. The combined expected increase against prior book values is estimated to be \$74 million.

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	Estimated consideration value
DEXUS scrip consideration <sup>3</sup>	\$0.4787
Total cash consideration (assuming an implementation date of 31 March 2014)	\$0.7265
Recommended Proposal value per CPA Unit	<b>\$1.2052</b>
Recommended Proposal represents a premium to CPA's:	
- Closing price on 7 November 2013 (\$1.190)	1.3%
- Closing price on 23 July 2013 <sup>a</sup> (\$1.085)	11.1%
- 30 day VWAP on 23 July 2013 <sup>a</sup> (\$1.071)	12.5%
- Stated 30 June 2013 NTA (\$1.150)	4.8%

a. The day prior to CMIL's announcement that it had received a preliminary internalisation proposal from CBA, which was released to the ASX on 24 July 2013.

The Consortium believes this Recommended Proposal is compelling and, if implemented, provides CPA Unitholders with an attractive premium for their units and on-going participation in the benefits associated with an investment in DEXUS.

## Process Agreement with CMIL

The Consortium has entered into a conditional Process Agreement with CMIL (see copy attached) under which the parties must negotiate in good faith to agree a binding Implementation Agreement by mid December 2013.

Under the Process Agreement, CMIL has granted the Consortium a period of exclusivity to conduct due diligence. The parties currently expect that due diligence will be completed within four weeks followed by entry into a binding Implementation Agreement.

The independent directors of CMIL have confirmed that, if the Recommended Proposal proceeds, they will recommend that CPA Unitholders vote in favour of it at any meeting in the absence of a superior proposal and subject to an independent expert opinion that the Recommended Proposal is in the best interests of CPA Unitholders.

The Process Agreement confirms that the Recommended Proposal is subject to a number of conditions, including:

- the Consortium completing satisfactory due diligence
- CPA Unitholder approval of a trust scheme, and
- approvals from regulators (including FIRB and ACCC).

<sup>3</sup> Based on the closing price of DEXUS Stapled Securities as at 7 November 2013 of \$1.06.

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## Agreement with CBA

In its announcement on 11 October 2013, DEXUS announced that it had submitted to CBA an indicative and non-binding ancillary proposal outlining a potential facilitation of the Proposal and transition of the management of CPA (**"Ancillary Proposal"**).

DEXUS and CBA have now agreed an indicative term sheet for the Ancillary Proposal, including a facilitation payment of \$41 million and that CBA will grant DEXUS due diligence in relation to the management arrangements of CPA.

DEXUS and CBA have today entered into a Confidentiality and Exclusivity Deed (**"Deed"**). The Deed, including the term sheet for the Ancillary Proposal (a copy of which is also attached) sets out the terms of the arrangements between the parties, including exclusivity arrangements in favour of DEXUS that extend until 24 December 2013.

The Ancillary Proposal is subject to implementation of the Recommended Proposal, due diligence and execution of a binding Facilitation Deed.

## Attachments

- Process Agreement with CMIL
- Confidentiality and Exclusivity Deed with CBA

**Note:** Australian Dollars (AUD) have been used as the reference currency for this release.



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# DEXUS Property Group (ASX: DXS)

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For further information please contact:

## DEXUS

### Investor queries

David Yates

T: +61 2 9017 1424

M: +61 418 861 047

E: david.yates@dexus.com

## DEXUS

### Media queries

Martin DeBelle,  
Citadel

T: +61 2 9290 3033

M: +61 409 911 189

E: mdebelle@citadelpr.com.au

## CPPIB

### Media queries

Canada

Linda Sims

T: +1 416 868 8695

E: lsims@cpbib.com

## CPPIB

### Media queries

Australia

Nigel Kassulke,  
Cannings

T: +61 2 8284 9990

M: +61 407 904874

E: nkassulke@cannings.net.au

## About DEXUS

DEXUS Property Group (DEXUS) is one of Australia's leading real estate groups, investing directly in high quality Australian office and industrial properties. With a total of \$13 billion of assets under management, DEXUS also actively manages office, industrial and retail properties located in key Australian markets on behalf of third party capital partners. DEXUS manages an office portfolio of over 900,000 square metres across Sydney, Melbourne, Brisbane and Perth and is one of the largest institutional owners of office buildings in the Sydney CBD, Australia's largest office market. DEXUS is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange under the stock market trading code 'DXS' and is supported by more than 18,000 investors from 15 countries. With over 25 years of experience in commercial property investment, development and asset management, DEXUS has a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns to investors. [www.dexus.com](http://www.dexus.com)

Download the DEXUS IR app to your preferred mobile device to gain instant access to the latest stock price, ASX Announcements, presentations, reports, webcasts and more.



DEXUS Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for DEXUS Property Group (ASX: DXS)

## About Canada Pension Plan Investment Board

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 18 million Canadian contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in London and Hong Kong, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At June 30, 2013, the CPP Fund totalled C\$188.9 billion of which C\$20.9 billion represents real estate investments. For more information about CPPIB, please visit [www.cpbib.com](http://www.cpbib.com)

CPPIB has agreed to the statements made by and references to CPPIB in this release. However, CPPIB has not authorised any of the statements made by DEXUS or the references to or concerning DEXUS Property Group in this release.



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PROPERTY GROUP

# Process Agreement

Dated 8 NOVEMBER, 2013

DEXUS Funds Management Limited (ABN 24 060 920 783) ("**DEXUS RE**") in its capacity as responsible entity of DEXUS Diversified Trust (ARSN 089 324 541) ("**DDF**"), DEXUS Industrial Trust (ARSN 090 879 137) ("**DIT**"), DEXUS Office Trust (ARSN 090 768 531) ("**DOT**") and DEXUS Operations Trust (ARSN 110 521 223) ("**DXO**") (together, the "**DEXUS Property Group**")

Canada Pension Plan Investment Board ("**CPPIB**")

(together, the "**Consortium**")

Commonwealth Managed Investments Ltd (ACN 084 098 180) ("**CPA RE**") in its capacity as responsible entity of Commonwealth Property Office Fund (ABN 65 976 185 490) ("**CPA**").

## King & Wood Mallesons

Level 61

Governor Phillip Tower

1 Farrer Place

Sydney NSW 2000

Australia

T +61 2 9296 2000

F +61 2 9296 3999

DX 113 Sydney

[www.kwm.com](http://www.kwm.com)

DLF:SEH:DJN:AJI 02-5506-3283

# Process Agreement

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# Process Agreement

## Details

Parties	DEXUS RE, CPPIB and the CPA RE	
DEXUS RE	Name	DEXUS Funds Management Limited in its capacity as responsible entity of DEXUS Diversified Trust, DEXUS Industrial Trust, DEXUS Office Trust and DEXUS Operations Trust.
	ABN	24 060 920 783
	Address	Level 25, Australia Square, 264 George Street, Sydney NSW 2000
	Telephone	+61 2 9017 1120
	Fax	+61 2 9017 1102
	Attention	John Easy
CPPIB	Name	Canada Pension Plan Investment Board
	Address	One Queen Street East, Suite 2500, Toronto, Ontario, M5C 2W5, Canada
	Fax	+1 416 868 5046
	Attention	Graeme Eadie
CPA RE	Name	Commonwealth Managed Investments Limited, as responsible entity of the Commonwealth Property Office Fund
	ABN	33 084 098 180
	Address	Ground Floor, Tower 1, 201 Sussex St, Sydney NSW 2000
	Telephone	+61 2 9303 3186
	Fax	+61 2 9287 0303
	Attention	Michelle Brady
Recitals	A	The Consortium has submitted a proposal to the CPA RE under which the Consortium would acquire 100% of the CPA Units (excluding CPA Units underlying the forward contract between DEXUS RE and Deutsche Bank, AG).



- B** Subject to the terms and conditions of this agreement, the CPA RE and the Consortium have agreed to negotiate with a view to finalising an implementation agreement for the proposal. That agreement will contain the key terms set out in clause 1.3 of this agreement (along with other customary terms).

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<b>Governing law</b>	New South Wales
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<b>Date of agreement</b>	See Signing page
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# Process Agreement

## General terms

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### 1 Timing and Key Terms of Proposed Transaction

#### 1.1 CPA RE independent directors' recommendation

Subject to clause 6, the CPA RE undertakes that its independent directors will unanimously recommend that the CPA Unitholders vote in favour of the Scheme at the Meeting, in the absence of a superior proposal and subject to the Independent Expert concluding that the Proposed Transaction is in the best interests of Scheme Participants.

#### 1.2 Conditions

- (a) Subject to clause 1.2(c) and clause 6, the CPA RE and the Consortium agree during the Exclusivity Period to negotiate in good faith with a view to finalising an implementation agreement to implement the Proposed Transaction ("**Implementation Agreement**"), which will contain the key terms set out in clause 1.3 and other customary terms and conditions to be agreed by the parties.
- (b) The Consortium will provide a first draft of the Implementation Agreement to the CPA RE as soon as practicable after the date of this agreement.
- (c) Without limiting clause 6.1(c), entry into the Implementation Agreement by the Consortium is conditional on the completion of the due diligence referred to in clause 3 to the satisfaction of the Consortium (which is expected to be completed by no later than 4 weeks after the Due Diligence Provision Date).

The Consortium members agree that they will use reasonable endeavours and negotiate in good faith in order to satisfy conditions (b) and (c).

#### 1.3 Key terms

The parties agree that the Implementation Agreement will incorporate the following:

- (a) (**Trust Scheme**) The Proposed Transaction is to be effected by way of a trust scheme in accordance with 'Guidance Note 15: Listed Trusts and Managed Investment Scheme Mergers' issued by the Takeovers Panel of Australia, under which the Consortium would acquire all of the CPA Units held by Scheme Participants (the "**Scheme**"), that is facilitated by amendments to CPA's constitution set out in the Supplemental Deed and a resolution pursuant to section 611 item 7 of the Corporations Act.
- (b) (**Consideration**) The consideration to be provided is a combination of cash and DEXUS Property Group Securities for every CPA Unit as follows:
  - (i) A cash payment equal to 71 cents plus an amount equivalent to 75% of FFO per CPA Unit for the period from 1 January 2014 to the Implementation Date (rounded to the nearest one-hundredth of a cent); plus

- (ii) 0.4516 DEXUS Property Group Securities.
- (c) **(Distribution)** Unless otherwise agreed, the CPA RE will not pay or determine to pay a distribution between the date the Implementation Agreement is executed and the date the Scheme is implemented other than any CPA Distribution.
- (d) **(CPA RE independent directors' recommendation)** Provisions relating to the recommendation of the CPA RE independent directors in relation to the Proposed Transaction which are consistent with clause 1.1.
- (e) **(Conditions)** The Scheme will be subject to the satisfaction of the conditions set out in the Schedule.
- (f) **(Conduct of business)** The CPA RE must conduct CPA's business in a manner to be agreed to in the Implementation Agreement which will include a requirement to conduct its business in the ordinary course and consistent with past practice, with certain exceptions including for matters which have previously been disclosed to ASX or to the Consortium.
- (g) **(Exclusivity and break fee arrangements)** Customary exclusivity arrangements for a period that is no longer than is reasonable having regard to relevant regulatory policies. A break fee of \$28 million is payable by the CPA RE in circumstances where a majority of the directors of the CPA RE recommend a Competing Transaction, where a Competing Transaction substantially completes within the period from the date of the Implementation Agreement to the date that falls 6 months after the Sunset date (as defined in clause 1.3(h) below) or where the Implementation Agreement is terminated because the CPA RE is in material breach of its terms.
- (h) **(Sunset date)** Each party to have the right to terminate the Implementation Agreement if the Scheme has not become Effective by 31 May 2014 (or by a later date as may be agreed).
- (i) **(Retirement)** Appropriate arrangements for the retirement and/or removal of the CPA RE, as responsible entity of CPA.

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## 2 Exclusivity

### 2.1 Internalisation Proposal

Notwithstanding any other provision of this clause 2, until the end of the Exclusivity Period, the CPA RE will suspend all work on any Internalisation Proposal.

### 2.2 No existing discussions

The CPA RE represents and warrants that it has ceased negotiations and/or discussions in respect of any Competing Transaction with any other person.

### 2.3 No-shop

During the Exclusivity Period, the CPA RE must ensure that neither it nor any of its Representatives directly or indirectly:

- (a) solicits, invites, encourages or initiates any enquiries, negotiations or discussions; or

- (b) communicates any intention to do any of these things,

with a view to obtaining any offer, proposal or expression of interest from any person in relation to a Competing Transaction.

## **2.4 Presentations**

Nothing in clauses 2.1 or 2.3 prevents the CPA RE from continuing to make normal presentations to, and to respond to enquiries from, brokers, portfolio investors and analysts in the ordinary course in relation to the Proposed Transaction or its business generally.

## **2.5 No-talk**

Subject to clause 2.9, during the Exclusivity Period, the CPA RE must ensure that neither it nor any of its Representatives:

- (a) negotiates or enters into; or
- (b) participates in negotiations or discussions with any other person regarding,

a Competing Transaction or any agreement, understanding or arrangement that may be reasonably expected to lead to a Competing Transaction, even if that person's Competing Transaction was not directly or indirectly solicited, invited, facilitated, encouraged or initiated by the CPA RE or any of its Representatives or the person has publicly announced the Competing Transaction.

## **2.6 No due diligence**

Subject to clause 2.9, during the Exclusivity Period, the CPA RE must ensure that neither it nor any of its Representatives solicits or enables any person without the prior written consent of the Consortium to undertake due diligence investigations on the CPA RE or CPA for the purposes of obtaining, or which may reasonably be expected to lead to a Competing Transaction.

## **2.7 Notification of Competing Transaction**

Subject to clause 2.9, during the Exclusivity Period, the CPA RE must:

- (a) promptly inform the Consortium if any of its Representatives receives any approach with respect to any actual or potential Competing Transaction and must disclose to the Consortium:
  - (i) the fact that the approach has been made;
  - (ii) subject to any obligation of confidentiality, the identity of the relevant person or persons involved and the nature of any Competing Transaction (to the extent known); and
  - (iii) all reasonable details of the Competing Transaction, including details of the value of the Competing Transaction, to allow the Consortium to properly exercise its right under clause 2.8; and
- (b) as soon as practicable notify the Consortium if the CPA RE proposes to provide confidential information of the CPA RE or CPA to any third party in relation to any Competing Transaction, and in any event no later than 1

Business Day after the CPA RE's Board resolves to consider the proposal,

but nothing in this clause 2.7 limits the obligations of the CPA RE under clauses 2.3, 2.5 and 2.6.

## **2.8 Consortium's opportunity to match**

If the CPA RE or any of its Representatives receives an unsolicited approach with respect to a Competing Transaction during the Exclusivity Period, the Consortium may (in its sole discretion) either itself match, or procure a Controlled Entity of the Consortium or a Consortium member to match, that Competing Transaction by giving written notice to the CPA RE of the offer by the date which falls 3 Business Days after:

- (a) the notification under clause 2.7; or
- (b) in the absence of such notification under clause 2.7, the end of the Exclusivity Period.

## **2.9 Exceptions**

Clauses 2.5, 2.6 and 2.7 do not apply to the extent that they restrict the CPA RE or the CPA RE Board from taking or refusing to take any action with respect to a bona fide Competing Transaction (which was not solicited, invited, encouraged or initiated by the CPA RE in contravention of clause 2.3) provided that the CPA RE Board has determined:

- (a) in good faith; and
- (b) acting reasonably; and
- (c) after consultation with its external financial advisor and after receiving advice from its external legal advisor,

that failing to respond to that bona fide Competing Transaction would be reasonably likely to constitute a breach of the CPA RE Board's fiduciary or statutory obligations.

## **2.10 Equal access to information**

If the CPA RE provides any information relating to the CPA Group or any of their businesses or operations to any person in connection with or for the purposes of a current or future Competing Transaction (which for the avoidance of doubt, does not include the Internalisation Proposal that was the subject of the ASX announcement made by CPA RE on 24 July 2013), it must promptly provide the Consortium with access to, or a copy of, that information.

## **2.11 Legal advice**

The CPA RE acknowledges that it has received legal advice on this agreement and the operation of this clause 2.

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## 3 Standstill

### 3.1 Definitions

In this clause 3:

- (a) **associate** has the meaning given in section 12(2) of the Corporations Act;
- (b) **voting power** has the meaning given in Chapter 6 of the Corporations Act; and
- (c) **Standstill Period** means the period from the Due Diligence Provision Date until the end of 12 months from that date (or any other date agreed in writing by the parties).

### 3.2 Current holding

The Consortium members represent and warrant to CPA RE that, as a result of:

- (a) the forward contract entered into between DEXUS RE and Deutsche Bank AG (announced to the ASX on 25 July 2013) ("**Forward Contract**"); and
- (b) the terms agreed between DEXUS RE and CPPIB by way of a letter dated 11 October 2013 as announced to the ASX on 11 October 2013,

the following is true and accurate as at the date of this agreement:

- (c) DEXUS RE has a right to acquire 350,000,000 CPA Units from Deutsche Bank AG in accordance with the terms of the Forward Contract;
- (d) to the best of the Consortium members' knowledge and belief, the total number of CPA Units in which Deutsche Bank AG currently has a relevant interest is 318,135,354 CPA Units;
- (e) therefore, to the best of the Consortium members' knowledge and belief:
  - (i) DEXUS RE has a relevant interest in 318,135,354 CPA Units; and
  - (ii) therefore DEXUS RE and its associates (including CPPIB) have voting power in CPA of 13.55%.

The CPA RE acknowledges that CPPIB's representation and warranty in this clause 3.2 is:

- (f) based on information it received:
  - (i) from DEXUS RE; and
  - (ii) in response to enquiries it made of CPPIB Investees, up to and including 11 October 2013 (the date on which CPPIB made a substantial holder filing in respect of CPA Units). CPPIB has not refreshed those enquiries for the purpose of giving this representation and warranty; and
- (g) limited to its awareness of relevant interests and voting power, based on the information described in clause 3.2(f).

### **3.3 Standstill obligation**

Subject to clause 3.4, during the Standstill Period, each Consortium member must not and must ensure its associates do not:

- (a) acquire a relevant interest in any CPA Units; or
- (b) enter into any agreement, arrangement or understanding involving the conferring of rights on a Consortium member its associate, the economic effect of which is equivalent, or substantially equivalent, to the Consortium member or associate acquiring or holding CPA Units, other than an agreement, arrangement or understanding between the Consortium members.

### **3.4 Exceptions**

Clause 3.3 does not apply:

- (a) to the Proposed Transaction;
- (b) in respect of anything done with the prior written consent or agreement of the CPA RE;
- (c) after any Competing Transaction in relation to CPA is announced;
- (d) to any dealing by DEXUS RE in respect of the Forward Contract (including an acquisition of a relevant interest by DEXUS RE that arises because DEXUS RE takes delivery of CPA Units under that contract); or
- (e) to any acquisition, agreement, arrangement or understanding undertaken or entered into by a CPPIB Investee which CPPIB does not have awareness of or does not have the authority to prevent or is not taken with CPPIB's consent, solicitation, initiation or encouragement. CPPIB's obligations under clause 3.3 in respect of an acquisition, agreement, arrangement or understanding by a CPPIB Investee which CPPIB has awareness of and the authority to prevent are limited to taking all reasonable steps within its control to prevent the relevant action.

### **3.5 Notification obligation**

A party must immediately notify the CPA RE if it becomes aware of a breach of clause 3.3.

### **3.6 Association**

It is acknowledged by the parties to this agreement that:

- (a) neither Consortium member is an associate of the CPA RE as a result of the obligations under this agreement or otherwise; and
- (b) it is not intended at any stage that a Consortium member would become an associate of the CPA RE as a result of the obligations under this agreement or otherwise.

### **3.7 Other obligation**

Nothing in this clause 3 in any way modifies the operation of clause 9.8.

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## 4 Due Diligence

### 4.1 Provision of information

- (a) The CPA RE will provide the Consortium with access to all of the information set out in the Due Diligence Index and marked for "Immediate Release" within 2 Business Days of the date of this agreement.
- (b) Without limiting clause 4.1(a), before the end of the Exclusivity Period, the CPA RE will use reasonable endeavours to:
  - (i) provide the Consortium with access to any information set out in the Due Diligence Index or any other Due Diligence Information; and
  - (ii) procure consents from relevant third parties to the provision of any information set out in the Due Diligence Index or that, otherwise, is Due Diligence Information.

### 4.2 Conduct of Due Diligence

The Consortium will conduct due diligence enquiries on CPA and its assets. The parties acknowledge that this is expected to be completed by no later than 4 weeks after the Due Diligence Provision Date.

### 4.3 CPA RE due diligence

The CPA RE may conduct due diligence enquiries on DEXUS Property Group and its assets in connection with the DEXUS Property Group Securities comprising part of the consideration for the Proposed Transaction as described in clause 1.3(b). The parties acknowledge that information provided by DEXUS Property Group for the purpose of the due diligence enquiries will be provided on the terms and conditions of this agreement including clause 9 (Confidentiality).

### 4.4 Consents

- (a) During the conduct of its diligence enquiries, the Consortium will use reasonable endeavours to promptly identify those third party consents or approvals which it considers are essential for implementation of the Scheme ("**Third Party Consents**").
- (b) If any Third Party Consent cannot be obtained prior to entry into the Implementation Agreement, the CPA RE acknowledges that the Consortium may, acting reasonably, require that the consent or approval is a condition to implementation of the Scheme.
- (c) The parties must, in good faith, act co-operatively in seeking to obtain Third Party Consents as soon as practicable.

### 4.5 Approach

To the extent that the Consortium or a Consortium member wishes to approach any property co-owner or tenant (not including Commonwealth Bank of Australia Limited or its Related Bodies Corporate) for the purpose of obtaining any Third Party Consent, then it must first give the CPA RE:

- (a) reasonable notice of the intended approach; and
- (b) the opportunity to be present.



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## 5 Breach

### 5.1 Material breach

If:

- (a) the CPA RE materially breaches this agreement and a Consortium member terminates the agreement in accordance with clause 6.1(c); or
- (b) a Consortium member materially breaches this agreement and the CPA RE terminates the agreement in accordance with clause 6.1(d); or
- (c) the CPA RE or a Consortium member discovers a material breach of this agreement after this agreement has terminated or terminates in accordance with clause 6.1(a),

the party that has materially breached this agreement (**Party in Breach**) must pay as liquidated damages to the other party (**Terminating Party**) (in the case of CPA RE, to each member of the Consortium and in the case of the Consortium members, the obligation being joint and several) an amount equal to the reasonably demonstrated costs and expenses of the Terminating Party incurred in respect of the Proposed Transaction since the date of this document (up to a cap of \$5 million which for avoidance of doubt includes payments to both Consortium members) and the Terminating Party will have no further remedy against the Party in Breach in respect of that material breach (other than in respect of a breach of clause 3 or 9).

### 5.2 Consortium payment for withdrawal from Proposed Transaction

If a Consortium member terminates the agreement pursuant to clause 6.1(c) in circumstances where:

- (a) the CPA RE has not materially breached the agreement; and
- (b) the agreement is terminated because either:
  - (i) the Consortium members have formed the view that they are unable to enter into definitive agreements in relation to the Consortium as described in paragraph 2(a) of the Co-operation Letter; or
  - (ii) a Consortium member is unable to obtain sufficient financing for the Proposed Transaction,

the Consortium members must pay as liquidated damages the CPA RE its reasonably demonstrated costs and expenses (up to a cap of \$5 million) incurred in respect of the Proposed Transaction since the date of this document. The obligation of the Consortium members under this clause 5.2 is joint and several.

### 5.3 Payment

If any amount is payable by a party under this clause 5, that party must pay that amount without set-off or withholding within 10 Business Days of receipt from the other party of reasonable evidence of the amount of the costs and expenses actually incurred.

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## **6 Termination**

### **6.1 Timing of termination**

Subject to clause 6.2, this agreement, and the parties' obligations under it, will terminate upon the earliest of the following to occur:

- (a) the end of the Exclusivity Period, provided that in the event that subclause 2.8 applies in respect of a notification that is given on the last day of the Exclusivity Period or if no notification is given at all, such date shall be extended to 3 Business Days after the end of the Exclusivity Period (or a later date as may be agreed between the parties);
- (b) the entry by the parties into an Implementation Agreement;
- (c) DEXUS RE or CPPIB provide written notice, at any time and in their sole discretion, that they do not wish to proceed with the Proposed Transaction. DEXUS RE and CPPIB may only provide this notice if they have complied with their obligations under clause 1.2(a). Without limitation, the parties acknowledge that it would not be a breach of clause 1.2(a) for a member of the Consortium to terminate this agreement in circumstances in which the CPA RE is in material breach of it;
- (d) the CPA RE provides written notice that it wishes to terminate the agreement in circumstances in which a Consortium member is in material breach of it; or
- (e) the CPA RE provides written notice that it does not wish to proceed with the Proposed Transaction in circumstances where the Consortium does not match a Competing Transaction pursuant to clause 2.8.

### **6.2 Payment for breach**

Any obligation on a Party In Breach to pay an amount under clause 5 which arises in connection with a breach which occurs prior to termination of this agreement under clause 6.1 survives termination of this agreement.

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## **7 Announcements**

### **7.1 Initial announcement**

As soon as reasonably practicable after the entry into this agreement, the CPA RE and the DEXUS RE must release to ASX the form of announcement initialled by both of them for identification on or around the date of this agreement, with such announcement to include a copy of this agreement as an attachment to the announcement. CPPIB can also make a media release in substantially similar terms to the initial announcement after entry into this agreement.

### **7.2 Further announcements**

Where a party is required by law, the Listing Rules or a memorandum of understanding with a Regulatory Authority to make any announcement relating to a matter the subject of the Proposed Transaction, it may do so only after it has given the other party as much notice as practically possible and has consulted to the fullest extent practically possible in the circumstances with the other party and its legal advisers.

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## 8 Warranties

Each party represents and warrants to the other that, at the date of this agreement:

- (a) **(status)** it is validly existing under the laws of its place of incorporation;
- (b) **(power)** it has the power to enter into and comply with all of the terms and conditions of this agreement;
- (c) **(authorisations)** all approvals and authorities that may be required to permit the party to enter into this agreement and to perform its obligations under this agreement in accordance with its terms have been obtained and remain valid and subsisting; and
- (d) **(validity of obligations)** this agreement is a valid and binding obligation on the party.

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## 9 Confidentiality

### 9.1 Disclosure of Confidential Information

None of the parties may disclose:

- (a) the Confidential Information to third parties except in accordance with the relevant terms of this agreement;
- (b) the existence or terms of this agreement; or
- (c) the content of any communications between the parties concerning the Proposed Transaction or this agreement,

except as permitted by clause 7.1, 9.2 or, subject to clause 7.2 where relevant, as requested or required by law or by any securities exchange, Regulatory Authority or by any court or after obtaining the other party's prior written consent.

### 9.2 Disclosure to Third Party Recipients

- (a) Each Recipient may only disclose the Confidential Information to its Third Party Recipients, and must ensure that the Third Party Recipients only use it or disclose it as required in connection with the Proposed Transaction, and then only on a confidential basis.
- (b) The Recipient must ensure that any person to whom it discloses the Confidential Information complies with the terms of this clause 9 and clause 10.
- (c) Each Recipient agrees that it is liable for any damage suffered by the Discloser or any of its Representatives which is caused by an act or omission of Third Party Recipient which, had it been an act or omission of the Recipient, would have breached this clause 9.
- (d) This clause 9 does not give a Recipient or any person to whom it discloses the Confidential Information any right, title or interest in the Confidential Information.

### 9.3 Use of Confidential Information

- (a) Each Recipient must use the Confidential Information solely for the evaluation, negotiation, financing and/or consummation of the Proposed Transaction and for no other purpose.
- (b) The Recipient must not use or exploit the Confidential Information for any other purpose, or allow its Third Party Recipients to do so without the prior written consent of the relevant Discloser.

### 9.4 Protection of Confidential Information

Each Recipient must:

- (a) protect the Confidential Information and keep it within its control, possession or custody and secure from unauthorised persons;
- (b) immediately take all steps to prevent or stop any suspected or actual breach of this agreement;
- (c) comply with any reasonable direction issued by the Discloser from time to time regarding any suspected or actual breach of this agreement; and
- (d) not unreasonably challenge the Discloser's ownership of the Confidential Information.

### 9.5 Notice of breach or compulsory disclosure

- (a) Each Recipient must inform the relevant Discloser as soon as practicable and legally permissible if the Recipient:
  - (i) becomes aware or suspects that there has been a breach of clauses 9 or 10; or
  - (ii) is required or requested to disclose the Confidential Information by law, any Regulatory Authority, any securities exchange or by any court (**Requirement**).
- (b) Before the Recipient makes any disclosure under clause 9.5(a)(ii), it must (to the extent legally permissible):
  - (i) provide the Discloser with prompt written notice of the Requirement to enable the Discloser to challenge the proposed disclosure; and
  - (ii) seek an appropriate protective order or take steps to resist or narrow the scope of the Requirement.

When making any disclosure under clause 9.5(a)(ii), the Recipient must only disclose the minimum Confidential Information which is, in the Recipient's or Representative's reasonable opinion, necessary to comply with the Requirement.

- (c) The Recipient must not, and must procure that its Representatives and Third Party Recipients (and their respective Representatives) do not, do anything which would trigger a Requirement to disclose the Confidential Information.

## **9.6 Return of Confidential Information**

If the Proposed Transaction is not pursued, or if the relevant Discloser asks for it earlier, each Recipient must either return the Confidential Information to the Discloser, together with all copies, notes and memoranda relating to it, or the Recipient must destroy the information, and the Recipient must certify that it has been destroyed or returned (as applicable).

Nothing in this clause 9.6 requires the return or destruction of any board committee papers of a Recipient prepared in connection with the Proposed Transaction or where the information is located in an off-site server as a result of the automatic back-up of data in the usual operations of the Recipient (for example, archive, disaster recovery or other purposes) and is not readily available to, or in the control of, the Recipient. Notwithstanding the foregoing, each Recipient may retain one (1) copy of the Confidential Information to the extent required to be kept for compliance with any internal document retention or corporate governance policy.

## **9.7 Excluded Information**

A Recipient does not have to treat as confidential, and clauses 9 and 10 do not otherwise apply to, the Excluded Information.

## **9.8 Insider trading prohibition**

Each party acknowledges that the Confidential Information may contain material price sensitive information, which is not otherwise publicly available, and each party agrees that they will not deal, or cause another person to deal in any securities to which the Confidential Information relates contrary to Part 7.10, Division 3 of the Corporations Act.

## **9.9 Remedy for breach**

Each party understands that if it breaches its obligations under this clause 9, damages may not be an adequate remedy to the other parties and its Related Bodies Corporate and that the other parties may apply to a court for an order preventing the defaulting party from breaching its obligations and seek any other appropriate remedy, whether in law or equity.

## **9.10 No obligation**

The parties acknowledge and agree that, unless specifically provided for under this agreement, a party may not make a claim for breach of this agreement solely because another party does not make any information (including Confidential Information) available to the other parties.

## **9.11 End date**

The obligations of the parties under this clause 9 in respect of Confidential Information terminate on the date that falls 2 calendar years after the date of this agreement.

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# **10 No representations for accuracy of information**

Except as otherwise agreed by the parties in the Implementation Agreement, each Recipient acknowledges that:

- (a) neither the relevant Discloser nor any of its Related Bodies Corporate have made or makes any representation or warranty, express or implied,

as to the accuracy, content or completeness of the Confidential Information;

- (b) the relevant Discloser is under no obligation, by this agreement, to notify the Recipient, or provide any further information to the Recipient, if it becomes aware of any inaccuracy, incompleteness or change in the Confidential Information; and
- (c) it must make its own assessment of all Confidential Information provided to it and satisfy itself as to the accuracy, content or completeness of that information, including any financial information or forecasts;
- (d) without limiting this clause 10, to the extent that the Confidential Information includes any projections, forecasts, statements, estimates or opinions with respect to anticipated future performance or other forward looking information (together **Forward Looking Information**), the Forward Looking Information:
  - (i) has been prepared for the Discloser's internal management purposes and has not been independently verified;
  - (ii) depends on certain key assumptions which are matters of opinion only and may not be reasonable or prove to be correct (and some of which are unstated or hypothetical);
  - (iii) depends on a number of matters which involve subjective opinions; and
  - (iv) is subject to significant uncertainties and contingencies, many of which are outside the Discloser's control,and accordingly no representation or warranty (express or implied) is made in relation to the Forward Looking Information; and
- (e) except to the extent that exclusion of liability is not permitted by law, none of the Discloser nor its respective Representatives is liable (whether on the basis of negligence or otherwise) or accepts responsibility for any loss or damage that the Recipient, a Third Party Recipient or anyone else may suffer or incur as a result of using, relying on or disclosing any Confidential Information.

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## 11 Notices

### 11.1 Form of all communications

Unless expressly stated otherwise in this agreement, all notices, certificates, consents, approvals, waivers and other communications in connection with this agreement must be:

- (a) in writing;
- (b) signed by the sender (if an individual) or an Authorised Officer of the sender; and
- (c) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

## **11.2 When received**

A notice, consent, request or any other communication is taken to be received:

- (a) if by delivery, when it is delivered;
- (b) if a letter, 3 days after posting (7, if posted to or from a place outside Australia); and
- (c) if a facsimile, at the time of despatch if the sender received a transmission report which confirms that the facsimile was sent in its entirety to the facsimile number of the relevant party.

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## **12 Miscellaneous**

### **12.1 Discretion in exercising rights**

A party may exercise a right or remedy or give or refuse its approval or consent in any way it considers appropriate (including by imposing conditions), unless this agreement expressly states otherwise.

### **12.2 Partial exercising of rights**

If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

### **12.3 Approvals and consents**

By giving its approval or consent a party does not make or give any warranty or representation as to any circumstance relating to the subject matter of the consent or approval.

### **12.4 Variation and waiver**

A provision of this agreement or a right created under it, may not be waived or varied except in writing, signed by the party or parties to be bound.

### **12.5 Further steps**

Each party agrees, at its own expense, to do anything another party asks (such as obtaining consents, signing and producing documents and getting documents completed and signed):

- (a) to bind the party and any other person intended to be bound under this agreement; or
- (b) to show whether the party is complying with this agreement.

### **12.6 Costs**

Subject to clause 4, the parties agree to pay their own legal and other costs and expenses in connection with the preparation, execution and completion of this agreement and other related documentation except for stamp duty.

### **12.7 Survival**

Subject to clause 12.8(b), clauses 3 (Standstill), 6.2 (Payment for breach), 9 (Confidentiality), 10 (No representations for accuracy of information), 11 (Notices)

and 12 (Miscellaneous) survive expiry of the Exclusivity Period and termination of this agreement.

## **12.8 Entire agreement**

- (a) This agreement constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.
- (b) The parties acknowledge that it is their intention that an Implementation Agreement will be entered into that will supersede this agreement.
- (c) The parties acknowledge that DEXUS Property Group and CPPIB have previously entered into written confidentiality arrangements in relation to the Proposed Transaction. To the extent of any inconsistency between those arrangements and this agreement as they apply to any rights or obligations between DEXUS Property Group and CPPIB only, those arrangements prevail.

## **12.9 Assignment**

A party may not assign or otherwise deal with its rights under this agreement or allow any interest in them to arise or be varied in each case, without the consent of each other party.

## **12.10 Governing law**

This agreement is governed by the law in force in the place specified in the Details. Each party submits to the non-exclusive jurisdiction of the courts of that place.

## **12.11 Counterparts**

This agreement may be executed in counterparts. All counterparts when taken together are to be taken to constitute one instrument.

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# **13 Defined Terms and Interpretation**

## **13.1 Defined terms**

In this agreement, the following definitions apply unless the context requires otherwise.

**ACCC** means the Australian Competition and Consumer Commission.

**ASIC** means the Australian Securities and Investment Commission.

**ASX** means the Australian Securities Exchange.

**Authorised Officer** means, in respect of a party, a director or secretary of the party or any other person appointed by a party to act as an Authorised Officer under this agreement.

**Business Day** means a day not being a Saturday, Sunday or public holiday in Sydney, New South Wales.



**Co-operation Letter** means the letter dated 11 October 2013 between the DEXUS RE and CPPIB in relation to the Consortium arrangements.

**Competing Transaction** means a proposed transaction or arrangement which, (i) if entered into or completed substantially in accordance with its terms, would mean or (ii) as completed results in, a person (other than the Consortium or its Controlled Entities) whether alone or with another person:

- (a) directly or indirectly, acquiring, having a right to acquire or otherwise acquiring, an interest or Relevant Interest in or becoming the holder of:
  - (i) 25% or more of the CPA Units where the definition of Competing Transaction is used in clause 1.3(g);
  - (ii) 20% or more of the CPA Units where the definition of Competing Transaction is used other than in clause 1.3(g); or
  - (iii) all or a substantial part or a material part of the assets or business of CPA,  
  
including by way of takeover bid, informal trust scheme, capital or income distribution, sale of assets, sale of units or joint venture, but not as a custodian, nominee or bare trustee;
- (b) acquiring Control of CPA or a member of the CPA Group; or
- (c) otherwise acquiring or merging with (including by a reverse takeover bid or dual listed entity structure), or being stapled to, CPA,

or any proposal to implement an Internalisation Proposal.

**Confidential Information** means all information (regardless of its form) disclosed on or after the date of this agreement by the Discloser to the Recipient for the Proposed Transaction, unless it is Excluded Information.

**Consortium** means the DEXUS RE and CPPIB.

**Controlled Entity** means, in relation to an Entity, another Entity which is a Subsidiary of it, or which is Controlled by it.

**Control** has the meaning it has in the Corporations Act but ignoring section 50AA(4).

**Corporations Act** means the Corporations Act 2001 (Cth).

**CPA Confidential Information** means all confidential, non-public or proprietary information regardless of how the information is stored or delivered, relating to the business, assets or other affairs of CPA.

**CPA Distribution** means a distribution per CPA Unit for the 6 month period ending 31 December 2013 calculated as 75% of FFO per CPA Unit over the relevant period (rounded to the nearest one-hundredth of a cent).:

**CPA Group** means CPA and each of its Controlled Entities (which, for this purpose, is a reference to an Entity that is a Controlled Entity of the CPA RE by reason of the fact that the CPA RE is the responsible entity of CPA).

**CPA Unit** means a fully paid unit in CPA.

**CPA Unitholder** means a registered holder of one or more CPA Units.

**CPPIB Investee** means a fund, investee or portfolio entity in which or through which CPPIB invests and where such fund, investee or portfolio entity has an operator, manager, trustee, general partner or custodian then such term shall include such operator, manager, trustee, general partner or custodian of such entity.

**Deed of Retirement and Appointment** means the deed between the CPA RE and the Consortium under which the CPA RE retires as responsible entity of CPA and a new responsible entity nominated by the Consortium is appointed as the CPA RE's replacement.

**Deed Poll** means a deed in relation to the Scheme consideration.

**DEXUS Property Group Securities** means ASX-listed stapled securities consisting of one unit in each of DDF, DIT, DOT and DXO that will rank equally with all other DEXUS Property Group stapled securities on issue except that securities issued to CPA Unitholders under the Proposed Transaction will participate in the DEXUS distribution for the distribution period in which they are issued pro-rated for the number of days they are on issue in that period.

**Discloser** means a party who provides or discloses Confidential Information.

**Due Diligence Index** means the list of due diligence information set out in the due diligence index initialled by the CPA RE and the DEXUS RE on or about the date of this agreement.

**Due Diligence Information** means information which: is set out in the Due Diligence Index; or is necessary to obtain an understanding of information set out in the dataroom established by the CPA RE for the purpose of providing due diligence information contemplated in the Dataroom Index which CPA RE has reasonably agreed to provide; or CPA RE has agreed to provide following a reasonable request by the Consortium.

**Due Diligence Provision Date** means the date on which the CPA RE confirms in writing, acting reasonably, that it has provided the documents and information included in the Due Diligence Index and marked "For Immediate Release" to the Consortium.

**Effective** means the coming into effect of the Supplemental Deed under section 601GC(2) of the Corporations Act.

**Effective Date** means the date on which the Proposed Transaction becomes Effective.

**Entity** includes a natural person, a body corporate, a partnership, a trust and the trustee of a trust.

**Excluded Information** means information:

- (a) which is in or becomes part of the public domain, except information that is or becomes so because it has been disclosed in violation of this agreement;
- (b) which is lawfully known to it before the date of this agreement;
- (c) which is or becomes available to it from another person who is not known to the Recipient to be in possession of it unlawfully or to have made the disclosure in violation of any confidentiality obligations; or

- (d) which was or is independently developed by the Recipient or a Third Party Recipient without the use of the Confidential Information.

**Exclusivity Period** means the earlier of termination of this agreement and the date which falls 4 weeks after the Due Diligence Provision Date.

**Explanatory Memorandum** means the information booklet to be despatched to the CPA Unitholders in relation to the Proposed Transaction containing a notice of meeting and explanatory memorandum.

**FIRB** means the Foreign Investment Review Board.

**FFO** means "funds from operations" calculated in a manner that is consistent with the methodology for the calculation of "funds from operations" in financial statements for the relevant entity for the 12 months ended 30 June 2013. For the avoidance of doubt, in relation to CPA, it will be calculated without deducting any costs incurred in connection with the Internalisation Proposal or the Proposed Transaction.

**Implementation Agreement** has the meaning given in clause 1.2(a).

**Implementation Date** means the date that the Proposed Transaction is implemented.

**Independent Expert** means the independent expert to be engaged by the independent directors of the CPA RE in relation to the Scheme.

**Internalisation Proposal** means a proposal to internalise management of CPA, which may include the CPA RE (or a replacement responsible entity) directly or indirectly acquiring an interest in any of the shares in the CPA RE (or a replacement responsible entity) or any of the entities that provide investment property or asset management services to the CPA RE in respect of CPA or any transaction or arrangement that has an economically similar result.

**Listing Rules** means the listing rules of ASX.

**Meeting** means the meeting of CPA Unitholders to consider, and if thought fit, pass the resolutions in relation to the Proposed Transaction, and includes any adjournment of that meeting.

**Meeting Date** means the date on which the Meeting is held.

**Proposed Transaction** means the acquisition by the Consortium either directly or through a bid vehicle of all of the CPA Units (excluding CPA Units underlying the forward contract between DEXUS RE and Deutsche Bank, AG) on the key terms referred to in clause 1.3.

**Recipient** means a party who receives Confidential Information, and includes the Related Bodies Corporate of that party (excluding any investee or portfolio entity of CPPIB). Each Recipient agrees to procure that its Related Bodies Corporate (excluding any investee or portfolio entity of CPPIB) adhere to clauses 9 and 10 of this agreement as if they were named as a Recipient in it.

**Regulatory Authority** includes:

- (a) ASX, ACCC, FIRB and ASIC;

- (b) an Australian government or governmental, semi-governmental or judicial entity or authority;
- (c) an Australian minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any Australian regulatory organisation established under statute.

**Related Bodies Corporate** has the meaning given to that term in the Corporations Act except that the term "body corporate" in that meaning includes any entity or trust and the term "subsidiary" in that meaning has the meaning given to it in the Corporations Act, but so that:

- (a) an entity will also be taken to be a subsidiary of another entity if it is controlled by that entity pursuant to section 50AA of the Corporations Act;
- (b) a trust may be a subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share; and
- (c) an entity may be a subsidiary of a trust if it would have been a subsidiary if that trust were a corporation.

For the avoidance of any doubt, "entity" in this context includes a trust and the trustee of a trust. For the further avoidance of doubt, for the purposes of this agreement "Related Body Corporate" excludes any investee or portfolio entity of CPPIB.

**Relevant Interest** has the meaning given in the Corporations Act.

**Representative** means any person acting for or on behalf of a party including any Controlled Entity or any director, officer, employee, agent or professional advisor of a party or a Controlled Entity. For the avoidance of doubt, the references to CPA RE as a party means Commonwealth Management Investments Limited solely in its capacity as responsible entity of CPA.

**Scheme** has the meaning given in clause 1.3(a).

**Scheme Participants** mean all CPA Unitholders, as at the record date in relation to the Scheme, other than DEXUS RE, CPPIB or any of the Controlled Entities.

**Standstill Period** has the meaning given in clause 3.1(c).

**Subsidiary** has the meaning given in the Corporations Act.

**Supplemental Deed** means a deed setting out the amendments to CPA's constitution required to implement the Scheme.

**Third Party Recipients** means, in respect of a Recipient, the directors, officers, employees, attorneys, accountants, financing sources, consultants, agents or financial advisers of that Recipient.

## 13.2 Interpretation

Unless the contrary intention appears, a reference in this agreement to:

- (a) **(variations or replacement)** a document (including this agreement) includes any variation or replacement of it;

- (b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this agreement;
- (c) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(singular includes plural)** the singular includes the plural and vice versa;
- (e) **(person)** the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any Regulatory Authority;
- (f) **(executors, administrators, successors)** a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (g) **(2 or more persons)** an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (h) **(reference to a group of persons)** a group of persons or things is a reference to any two or more of them jointly and to each of them individually;
- (i) **(dollars)** Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (j) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (k) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (l) **(time of day)** time is a reference to Sydney time.

### 13.3 Consents and approvals

If the doing of any act, matter or thing under this agreement is dependent on the consent or approval of a party or is within the discretion of a party such consent or approval may be given or such discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion (unless this agreement specifies otherwise).

**EXECUTED** as an agreement

# Process Agreement

## Signing page

DATED: 8 NOVEMBER, 2013

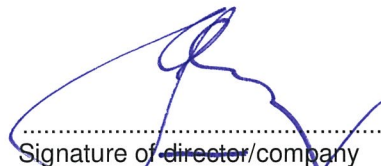
**EXECUTED by DEXUS FUNDS  
MANAGEMENT LIMITED** in  
accordance with section 127(1) of the  
Corporations Act 2001 (Cwlth) by  
authority of its directors:



Signature of director

**DARREN STEINBERG**

Name of director (block letters)



Signature of ~~director~~/company  
secretary\*

\*delete whichever is not applicable

**JOHN CAMPBELL EASY**

Name of ~~director~~/company secretary\*  
(block letters) **company**

\*delete whichever is not applicable

**EXECUTED by COMMONWEALTH  
MANAGED INVESTMENTS LIMITED**  
in accordance with section 127(1) of  
the Corporations Act 2001 (Cwlth) by  
authority of its directors:

Signature of director

Name of director (block letters)

Signature of director/company  
secretary\*

\*delete whichever is not applicable

Name of director/company secretary\*  
(block letters)

\*delete whichever is not applicable

# Process Agreement

## Signing page

DATED: 8 November 2013

EXECUTED by DEXUS FUNDS  
MANAGEMENT LIMITED in  
accordance with section 127(1) of the  
Corporations Act 2001 (Cwlth) by  
authority of its directors:

.....  
Signature of director

.....  
Name of director (block letters)

.....  
Signature of director/company  
secretary\*  
\*delete whichever is not applicable

.....  
Name of director/company secretary\*  
(block letters)  
\*delete whichever is not applicable

EXECUTED by COMMONWEALTH  
MANAGED INVESTMENTS LIMITED  
in accordance with section 127(1) of  
the Corporations Act 2001 (Cwlth) by  
authority of its directors:

.....  
Signature of director

Richard M. Hadlock  
Name of director (block letters)

.....  
Signature of director/company  
secretary\*  
\*delete whichever is not applicable

Michelle Tamara Brady  
Name of director/company secretary\*  
(block letters)  
\*delete whichever is not applicable

[illegible]

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# Schedule - Conditions Precedent

Condition	Benefit
<p><b>1 Regulatory Approvals</b></p> <p>Before 8.00am on the Meeting Date, all regulatory approvals from a Regulatory Authority that prior to the date of the Implementation Deed the parties reasonably agree are required for the Proposed Transaction have been obtained</p>	Both the CPA RE and the Consortium
<p><b>2. Scheme approval</b></p> <p>CPA Unitholders approve the resolutions in relation to the Scheme by the requisite majorities on the Meeting Date.</p>	Cannot be waived
<p><b>3. Judicial Advice</b></p> <p>Confirmation from the Court that CPA RE would be justified in convening the Meeting, implementing the Proposed Transaction and proceeding on the basis that amending the CPA Constitution as set out in the Supplemental Deed would be within the powers of alteration conferred by the CPA Constitution and section 601GC of the Corporations Act.</p>	Both the CPA RE and the Consortium
<p><b>4. Independent Expert</b></p> <p>The Independent Expert concluding that the Proposed Transaction is in the best interests of Scheme Participants before the date on which the Explanatory Memorandum is lodged with ASIC and the Independent Expert does not change its conclusion or withdraw its report prior to the Meeting.</p>	Both the CPA RE and the Consortium
<p><b>5. No CPA prescribed event</b></p> <p>No CPA prescribed event occurs between the date of this agreement and 8.00am on the Meeting Date.</p>	Consortium
<p><b>6. No CPA material adverse change</b></p> <p>No CPA material adverse change, being a negative impact (excluding mark to market movements relating to investment properties, financial derivatives and foreign exchange rates) on NTA of at least \$140 million or on FFO of at least \$11 million, occurs or becomes apparent between the date of this agreement and 8.00am on the Meeting Date.</p>	Consortium
<p><b>7. No DEXUS prescribed event</b></p>	The CPA RE

No DEXUS prescribed event occurs between the date of this agreement and 8.00am on the Meeting Date.

- |            |   |                                    |
|------------|---|------------------------------------|
| <b>8.</b>  | <b>No DEXUS material adverse change</b>   | The CPA RE                         |
|            | No DEXUS material adverse change, being a negative impact (excluding mark to market movements relating to investment properties, financial derivatives and foreign exchange rates) on NTA of at least \$243 million or on FFO of at least \$19 million, occurs or becomes apparent between the date of this agreement and 8.00am on the Meeting Date. |                                    |
| <b>9.</b>  | <b>No termination</b>   | Both the CPA RE and the Consortium |
|            | Before 8.00am on the Meeting Date the Implementation Agreement has not been terminated in accordance with its terms.  |                                    |
| <b>11.</b> | <b>Deed Poll</b>  | The CPA RE                         |
|            | Between the date of this agreement and the date of sending the Explanatory Memorandum to the CPA Unitholders, the Consortium signs and delivers the Deed Poll.  |                                    |
| <b>12.</b> | <b>CPA RE representations and warranties</b>  | Consortium                         |
|            | Before 8.00am on the Meeting Date, each of the representations and warranties and warranties given by the CPA RE under the Implementation Agreement remain true and correct in all material respects.   |                                    |
| <b>13.</b> | <b>Consortium representations and warranties</b>  | The CPA RE                         |
|            | Before 8.00am on the Meeting Date each of the representations and warranties and warranties given by the Consortium under the Implementation Agreement remain true and correct in all material respects.  |                                    |
| <b>14.</b> | <b>No restraints</b>  | Both the CPA RE and the Consortium |
|            | As at 8.00am on the Meeting Date or at 8.00am on the Effective Date, no temporary restraining order, permanent injunction or other legal restraint or prohibition restraining or prohibiting the Proposed Transaction, which have been enacted, enforced or issued by a Regulatory Authority, is in effect.   |                                    |
| <b>15.</b> | <b>Recommendation of the CPA RE Board</b>   | Consortium                         |
|            | The CPA RE Directors, other than those who consider they cannot do so for reasons of conflict or who are otherwise unavailable, unanimously recommend that CPA Unitholders approve the resolutions in relation to the Proposed Transaction and do not change that recommendation or support a superior proposal at or                                 |                                    |

before the Meeting.

- |            |   |                                    |
|------------|---|------------------------------------|
| <b>16.</b> | <b>The CPA RE material breach</b>   | Consortium                         |
|            | Before 8.00am on the Meeting Date, the CPA RE has not breached any material provision of the Implementation Agreement that remains unremedied.  |                                    |
| <b>17.</b> | <b>Consortium material breach</b>   | The CPA RE                         |
|            | Before 8.00am on the Meeting Date, the Consortium has not breached any material provision of the Implementation Agreement that remains unremedied.  |                                    |
| <b>18.</b> | <b>Execution and lodgment of the Supplemental Deed</b>  | The CPA RE                         |
|            | The CPA RE executes the Supplemental Deed and lodges a copy of the executed Supplemental Deed with ASIC.  |                                    |
| <b>19.</b> | <b>Closing certificates</b>   | Both the CPA RE and the Consortium |
|            | On or prior to 8.00am on the Meeting Date, the Consortium and the CPA RE provide to each other certificates in the form agreed between the parties that, where appropriate, the conditions have been satisfied or waived. |                                    |

## CONFIDENTIALITY AND EXCLUSIVITY DEED

<b>Parties</b>	<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p>DEXUS Funds Management Limited (ABN 24 060 920 783) ("DEXUS") in its capacity as responsible entity of DEXUS Industrial Trust (ARSN 090 879 137), DEXUS Office Trust (ARSN 090 768 531), DEXUS Operations Trust (ARSN 110 521 223) and DEXUS Diversified Trust (ARSN 089 324 541) Level 25, Australia Square 264 George Street Sydney NSW 2000 (together, the "DEXUS Property Group")</p> </div> <div style="width: 48%;"> <p>Commonwealth Bank of Australia (ABN 48 123 123 124) Tower 1 201 Sussex Street Sydney NSW 2000 ("CBA")</p> </div> </div>
<b>Confidential Information and Exclusivity</b>	<ol style="list-style-type: none"> <li>1 DEXUS has as part of a consortium with CPPIB, made a proposal to Commonwealth Managed Investments Limited ("CMIL") in relation to the acquisition of 100% of the units in the Commonwealth Property Office Fund (ARSN 086 029 736) ("CPA") to which DEXUS is not entitled under the forward contract it entered into with Deutsche Bank AG on 25 July 2013 ("Proposal").</li> <li>2 DEXUS has also approached CBA to discuss an ancillary proposal ("Ancillary Proposal") under which CBA (directly or indirectly through its subsidiaries) would be paid a single cash payment of \$41 million for amongst other things facilitating the transition of CPA management to DEXUS.</li> <li>3 A term sheet for the Ancillary Proposal is included in the Annexure to this deed. The Ancillary Proposal is conditional on completion of the Proposal (or a similar transaction through which DEXUS or the Consortium acquires control of CPA).</li> <li>4 The parties to this deed wish to exchange their, and their related bodies corporate, information in connection with discussions and investigations in relation to the Ancillary Proposal ("Purpose").</li> <li>5 Each party has agreed to disclose confidential information to the other on the basis set out in this deed. Each party agrees to keep the information confidential under the General terms scheduled to this deed. Each party gives the undertakings in this deed in consideration of the information being disclosed to it and the mutual confidentiality undertaking.</li> <li>6 In this deed each party is both a "Discloser" and a "Recipient" as appropriate.</li> <li>7 In order to further the Purpose, DEXUS wishes to commit resources to conducting due diligence on the management arrangements relating to CPA ("Due Diligence Investigations"). In consideration for DEXUS doing so, CBA has agreed to a period of exclusivity and other restrictions set out in clauses 8 to 10 of the General Terms scheduled to this deed.</li> </ol>
<b>Date of deed</b>	

**We accept this confidentiality deed**

SIGNED SEALED AND DELIVERED  
by DEXUS FUNDS MANAGEMENT  
LIMITED (ABN 24 060 920 783) by its  
duly authorised attorneys under Power  
of Attorney dated 11 April 2013 Book  
4647 No. 646 in the presence of:

  
Signature of Attorney

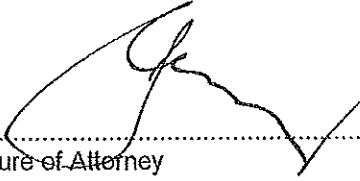
DARREN STEINBERG

Name (please print)

  
Signature of Witness

Katarina Robinson


Name (please print)

  
Signature of Attorney

JOHN CAMPBELL EASY


Name (please print)

SIGNED SEALED AND DELIVERED  
by Commonwealth Bank of Australia  
by its attorney:

  
Signature of Attorney

Edward Eason

Name (please print)

  
Signature of Witness

Nicole Underhill

Name (please print)

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## **Schedule: General terms of confidentiality**

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### **What is confidential?**

- 1 All information which will be provided by one party ("Discloser") to the other party ("Recipient") for the Purpose constitutes confidential information unless it is of a type described in clause 3.6 (including the terms of this deed or the content of, any communications between the parties concerning the Purpose) ("**Confidential Information**"). Each Recipient agrees to keep all Confidential Information confidential and not to disclose the Confidential Information provided by the other party to third parties, except in accordance with the terms of this deed.

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### **Disclosure**

- 2.1 Neither party may disclose any Confidential Information except as permitted by this deed or as required by law or by any securities exchange or by any court, tribunal or similar (including the Takeovers Panel) or after obtaining the other party's prior written consent.
- 2.2 However, nothing in this deed prevents DEXUS, CBA, CPPIB or any of their respective directors, employees or advisers from disclosing to third parties:
  - (a) the existence of this deed;
  - (b) the following in relation to the terms of this deed:
    - (i) that the deed requires both DEXUS and CBA to keep the Confidential Information confidential;
    - (ii) that during the "Exclusivity Period", defined in clause 8.1 below, CBA but not CMIL has agreed to be bound by the obligations set out in clauses 8 and 9 below; and
    - (iii) that CBA agreed to the restrictions in clauses 8 and 9 below in consideration for DEXUS committing resources to conduct due diligence on the management arrangements relating to CPA;
  - (c) that DEXUS and CBA are in discussions, or not, in relation to the Ancillary Proposal; and
  - (d) any Confidential Information a party has received to any Minister (or their representative or delegate), government agency, regulatory body, court or tribunal (including ASIC, the ACCC, FIRB or the Takeovers Panel) in any formal or informal proceedings, investigation or regulatory process or in response to any inquiry by such a person in connection with the Proposal or Ancillary Proposal, provided that the Recipient uses all reasonable endeavours:
    - (i) to minimise disclosures to that which is necessary, having regard to the circumstances in which it is made;
    - (ii) to ensure to the maximum extent possible that the body to whom the information is disclosed has an obligation to keep it confidential; and
    - (iii) to provide a copy of any such disclosure to the other party or parties to this deed before it is made.

If a disclosure is made under this clause 2.2(d), the party that made the disclosure must provide a copy of the disclosure to the other party or parties (as relevant) to this deed if it has not already done so.

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### **How must a Recipient treat Confidential Information?**

- 3.1 Each Recipient must use the Confidential Information solely for the Purpose. The Recipient must not use or exploit the Confidential Information for any other purpose, or allow any other person to do so without the prior written consent of the relevant Discloser.
- 3.2 Each Recipient may only disclose the Confidential Information to the following:
  - (a) its directors;
  - (b) its employees;
  - (c) its advisers; and,
  - (d) in the case of DEXUS, CPPIB, a related body corporate of CPPIB or any of their directors, employees or advisers,(each a "**Third Party Recipient**"), and must ensure that the Third Party Recipients keep all Confidential Information confidential and only use it in connection with the Purpose and in accordance with this deed. The Recipient must ensure that any person to whom it discloses the Confidential Information complies with clauses 1, 2, 3, 4, 5 and 6.2 of this deed as if those obligations were imposed on the relevant Third Party Recipient. The parties acknowledge that it will be a breach of this deed by a Recipient if any of its Third Party Recipients does not comply with clauses 1, 2, 3, 4, 5 or 6.2 of this deed. This deed does not give a Recipient or any person to

whom it discloses the Confidential Information any right, title or interest in the Confidential Information.

- 3.3 Each Recipient must take reasonable steps to protect the Confidential Information and keep it secure from unauthorised persons.
- 3.4 Each Recipient must inform the relevant Discloser as soon as practicable if the Recipient:
  - (a) becomes aware or suspects that there has been a breach of these obligations; or
  - (b) is required to disclose the Confidential Information by law or by any securities exchange or by any court.
- 3.5 If the Purpose is not pursued, or if the relevant Discloser asks for it earlier, each Recipient must either return the Confidential Information to the Discloser, together with all copies, notes and memoranda relating to it, or the Recipient must destroy the information, and the Recipient must certify that it has been destroyed or returned (as applicable). The Recipient must procure that each firm, company or entity that is a Third Party Recipient promptly provides a certificate confirming the return or destruction of all Confidential Information. Nothing in this clause 3.5 requires the return or destruction of any board committee papers of a Recipient prepared in connection with the Purpose or where the information is located in an off-site server as a result of the automatic back-up of data in the usual operations of the Recipient (for example, archive, disaster recovery or other purposes) and is not readily available to, or in the control of, the Recipient ("**Retained Information**").
- 3.6 A Recipient does not have to treat as confidential, and this deed does not otherwise apply to, information:
  - (a) which is in or becomes part of the public domain, except information that is or becomes so because it has been disclosed without authority; or
  - (b) which is lawfully known to it before the date of this deed; or
  - (c) which is or becomes available to it from another person who is in possession of it lawfully and can disclose it to the party on a non-confidential basis.
- 3.7 Other than entry into this deed, the Recipient must use reasonable endeavours to ensure that it does not, and must use reasonable endeavours to procure that its Third Party Recipients do not, do anything which would trigger a requirement under any law, rules of any securities exchange or court to disclose any Confidential Information. However, nothing in this clause 3.7 limits in any way a party's ability to disclose information in accordance with this deed.
- 3.8 The parties agree that any Confidential Information in relation to CPA to be provided by or on behalf of CBA to DEXUS in connection with DEXUS's Due Diligence Investigations will be provided in accordance with protocols that are in a form to be agreed between the parties (acting reasonably).

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#### **No representations for accuracy of information**

- 4 Each Recipient acknowledges that:
  - (a) neither the relevant Discloser nor any of its related bodies corporate have made or makes any representation or warranty, express or implied, as to the accuracy, content or completeness of the Confidential Information, save as may otherwise be provided in any subsequent deed; and
  - (b) the relevant Discloser is under no obligation, by this deed, to notify the Recipient, or provide any further information to the Recipient, if it becomes aware of any inaccuracy, incompleteness or change in the Confidential Information; and
  - (c) it must make its own assessment of all Confidential Information provided to it and satisfy itself as to the accuracy, content or completeness of that information, including any financial information or forecasts and verify all information which it intends to rely on to its own satisfaction; and
  - (d) this deed does not oblige a party to disclose any Confidential Information to the other party; and
  - (e) to the extent permitted by law, the Discloser and its related body corporate are not liable, and the Recipient covenants not to make any claim or commence or pursue any proceedings against any of them, for any loss of any kind (including, without limitation, damages, costs, interest, loss of profits, or special loss or damage) arising from an error, inaccuracy, incompleteness or other defect in the Confidential Information, whether arising from default,

negligence or lack of care in relation to the preparation or provision of the Confidential Information or otherwise; and

- (f) any reliance by the Recipient, or its Third Party Recipients, or any use of any Confidential Information is solely at its own risk.

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### Each Recipient not to approach

- 5.1 Each Recipient must not, and must ensure that none of its employees or advisers engaged on the Purpose, without the prior written consent of the relevant Discloser:
  - (a) contact any client or supplier of the Discloser or a related body corporate to discuss the Purpose; or
  - (b) for a period of twelve months solicit, induce or encourage any director, employee or contractor, in the nature of an employee, to terminate his or her employment or engagement with the Discloser or a related body corporate.
- 5.2 Clause 5.1(b) does not prohibit a Recipient or any of its employees or advisers from hiring any employee of the relevant Discloser or a related body corporate where:
  - (a) that employee approached the Recipient on his or her own initiative without solicitation; or
  - (b) that employee was initially approached by an independent employment agency that was not directed to contact the employee by the Recipient; or
  - (c) that employee approached the Recipient as a result of general advertising not specifically directed to employees of the Discloser or its related bodies corporate.

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### Dealing in CPA units

- 6.1 Subject to clause 6.2, nothing in this deed prevents or in any way restricts DEXUS, CBA or any of their respective representatives from dealing, or causing another person to deal, in CPA units.
- 6.2 Each party acknowledges that the Confidential Information may contain material price sensitive information, which is not otherwise publicly available, and each party agrees that they will not deal, or cause another person to deal in any securities to which the Confidential Information relates contrary to Part 7.10, Division 3 of the Corporations Act 2001 (CwIth).

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### Term

- 7 This deed terminates on the earlier of:
    - (a) 24 December 2013; or
    - (b) the date that the parties enter into a further deed which contains provisions superseding the terms of this deed, whichever occurs first; or
    - (c) the date that DEXUS gives, in its absolute discretion, notice of termination to CBA; or
    - (d) the date notified by CBA to DEXUS in writing within 7 calendar days after DEXUS notifies CBA that the Co-Operation Letter between DEXUS and CPPIB dated 11 October 2013 has been terminated. DEXUS must make this notification within 48 hours of the agreement being terminated,
- ("Term").

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### Exclusivity

- 8.1 During the period commencing on the date of this deed and ending on 24 December 2013 ("Exclusivity Period"), CBA must ensure that neither it nor any of its related bodies corporate, directors, employees or advisers (each a "Representative") directly or indirectly:
  - (a) solicits, invites, encourages or initiates any enquiries, negotiations or discussions ; or
  - (b) communicates any intention to do any of these things,with a view to obtaining any offer, proposal or expression of interest from any person in relation to a transaction for the management of CPA ("Competing Transaction"). For these purposes "a transaction for the management of CPA" includes any transaction under which any entity that currently provides responsible entity or management services to CPA: (i) is acquired; or (ii) sub-delegates its obligations to a third party that is not, or is not intended to remain, a member of the CBA group of entities. It does not, however, include any current internalisation proposal that CBA has put to CMIL.
- 8.2 During the Exclusivity Period, CBA must ensure that neither it nor any of its Representatives:
  - (a) negotiates or enters into; or
  - (b) participates in negotiations or discussions with any other person regarding,



a Competing Transaction, even if that person's Competing Transaction was not directly or indirectly solicited, invited, encouraged or initiated by CBA or its Representatives or the person has publicly announced the Competing Transaction.

- 8.3 During the Exclusivity Period, CBA must ensure that neither it nor any of its Representatives solicits or enables any person without the prior written consent of DEXUS to undertake due diligence investigations for the purposes of obtaining, or which may reasonably be expected to lead to a Competing Transaction.
- 8.4 Clauses 8.1 to 8.3 do not apply to the extent that they restrict CBA or a Representative from taking or refusing to take any action with respect to a bona fide Competing Transaction (which was not solicited, invited, encouraged or initiated by CBA or any Representative in contravention of clause 8.3) provided that the relevant board has determined:
- (a) in good faith; and
  - (b) acting reasonably; and
  - (c) after consultation with its external financial advisors; and
  - (d) after receiving written legal advice from its external legal advisor,
- that failing to respond to that bona fide Competing Transaction would be likely to constitute a breach of that board's fiduciary or statutory obligations.
- 

### **Unsolicited proposal**

- 9.1 During the Exclusivity Period, CBA must promptly inform DEXUS if it, or any of its Representatives, receives any unsolicited approach with respect to a Competing Transaction and must disclose to DEXUS all material details of the Competing Transaction.
- 9.2 If CBA or a Representative receives an unsolicited approach with respect to a Competing Transaction during the Exclusivity Period, DEXUS or a related body corporate of DEXUS may (in its sole discretion) match that Competing Transaction by giving written notice to CBA of the offer anytime within 5 Business Days of the receipt of the notification given by CBA or a Representative under clause 9.1. If:
- (a) DEXUS or the related body corporate gives notice of an offer under this clause 9.2 to CBA; and
  - (b) DEXUS or its related body corporate's offer, in CBA's reasonable opinion:
    - (i) is reasonably capable of being completed on a timely basis (or, in any event, on no less timely basis than the Competing Transaction); and
    - (ii) on terms no less favourable to the relevant CBA group entity, taken as a whole, than the Competing Transaction,
- taking into account all of their respective terms and conditions, CBA must not enter into or complete the Competing Transaction.
- 

### **Exclusions**

- 10 Clauses 8 to 10 do not apply to CMIL in its personal capacity or in its capacity as responsible entity or trustee.
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### **Expiry**

- 11.1 Subject to clauses 11.2 and 11.3, each Recipient's obligations under this deed expire at the end of the Term.
- 11.2 The Recipients' rights and obligations under clauses 3.2, 3.3, 3.4, 3.5, 4, 5, 6.2, this clause 11 and clause 12 continue after the expiry of the Term.
- 11.3 Despite the expiry of the Term, each Recipient's obligations under this deed continue for a period of 2 years from expiry of the Term in relation to Retained Information:
- (a) which:
    - (i) the Discloser informs the Recipient to be;
    - (ii) the Recipient knows to be or ought reasonably suspect to be; or
    - (iii) is self-evidently;subject to a duty of confidentiality; or
  - (b) which is "personal information" of any "individual" (as those terms are defined in the Privacy Act 1988 (Cth)) ("Privacy Act"), provided that it will not be a breach of this deed if such personal information is dealt with by the Recipient or Representative in compliance with the Privacy Act.

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## General

- 12.1 This deed may be varied only if both parties agree in writing. If a Discloser does not exercise a right at any time in connection with a default under this deed, this does not mean that it has waived the right or cannot exercise it later.
- 12.2 References in this deed to a Recipient include the related bodies corporate (other than, in the case of CBA only, CMIL) of the Recipient, and each Recipient agrees to procure that its related bodies corporate adhere to this deed as if they were named as a Recipient in it. Without limiting the foregoing, any reference to a related body corporate of CBA (including where CBA is a Discloser or Recipient) does not include a reference to CMIL in any capacity.
- 12.3 Each Recipient understands that if it breaches its obligations under this deed, damages will not be an adequate remedy to the relevant Discloser and its related bodies corporate and that the Discloser may apply to a court for an order preventing the Recipient from breaching its obligations and seek any other appropriate remedy, whether in law or equity.
- 12.4 Each Recipient agrees and acknowledges that each Discloser enters into this deed for itself and for the benefit of the Discloser's related bodies corporate which make Confidential Information available.
- 12.5 The Recipient agrees that, to the extent any Confidential Information of a related body corporate of the Discloser is disclosed to the Recipient, this deed applies to such information and the Discloser may enforce this deed in relation to any loss or damage suffered by the Discloser's related body corporate caused by a breach of this deed in relation to such Confidential Information as if the Discloser itself had suffered that loss or damage.
- 12.6 This deed is covered by the laws of New South Wales, Australia. The parties submit to the non-exclusive jurisdiction of its courts and courts of appeal from them.
- 12.7 This deed may be executed in counterparts. All counterparts when taken together are to be taken to constitute one instrument.
- 12.8 For the purposes of this deed:
- (a) subject to clause 12.8(b), "related body corporate" has the same meaning as is given to that term in the Corporations Act 2001 (Cwth);
  - (b) in the case of DEXUS and CPPIB, the term "body corporate" in the meaning of "related body corporate" includes any entity and the term "subsidiary" in that meaning has the meaning given to it in the Corporations Act, but so that:
    - (i) an entity will also be taken to be a subsidiary of another entity if it is controlled by that entity pursuant to section 50AA of the Corporations Act;
    - (ii) a trust may be a subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share; and
    - (iii) an entity may be a subsidiary of a trust if it would have been a subsidiary if that trust were a corporation.
- For the avoidance of any doubt, "entity" in this context includes a trust and the trustee of a trust.

## Annexure: Ancillary Proposal term sheet

Parties	CBA DEXUS
Facilitation Payment	<p>CBA to receive a payment of \$41 million ("<b>Facilitation Payment</b>") for agreeing to use its reasonable endeavours to assist DEXUS in relation to the transition of the management of CPA and for giving up the rights to receive responsible entity, funds management, property management and other fee income in relation to the management of CPA (as described below).</p> <p>The Facilitation Payment will be payable in cash to CBA on the date of implementation of a trust scheme involving CPA ("<b>CPA Trust Scheme</b>") or the date the Consortium otherwise obtains control of CPA.</p>
Areas of Facilitation	<p>In recognition of the Facilitation Payment, CBA will use its reasonable endeavours to assist DEXUS in connection with the following:</p> <ul style="list-style-type: none"> <li>• the appointment of DEXUS or a member of the DEXUS Property Group, as the responsible entity of CPA and the transfer of know-how, books, and records of CMIL as they relate to CPA;</li> <li>• procuring termination of all arrangements (including, without limitation, all long term management agreements between CBA Group Members and CPA) that entitle CBA Group Members to receive: <ul style="list-style-type: none"> <li>◦ any funds management fees and performance fees under CPA's constitution;</li> <li>◦ any property management fees derived from asset management, leasing, and development management agreements related to CPA-owned properties; and</li> <li>◦ any other fee streams or benefits derived from the management relationship with CPA;</li> </ul> </li> <li>• enabling DEXUS to obtain an understanding of the operations of the CBA Group's funds and property management businesses associated with CPA in order to allow and facilitate the development and the implementation of the plans of DEXUS for the management of CPA following a change of responsible entity;</li> <li>• the preparation of the financial reports, taxation returns, tax statements and other taxation reporting requirements relating to CPA for the financial year ended 30 June 2014; and</li> <li>• reasonable assistance and advice in relation to DEXUS or the Consortium obtaining any change of control consents or waivers required in respect of agreed material contracts in connection with the Proposal or the Ancillary Proposal (including CPA facilities and related derivative contracts and co-ownership arrangements).</li> </ul>
Facilitation Deed	<p>The terms and conditions relating to the matters noted above (and other ancillary and related matters) will be documented in a facilitation deed ("<b>Facilitation Deed</b>").</p> <p>The Facilitation Deed will include standard no shop, no talk, notification and matching right conditions.</p>

	<p>The Facilitation Deed will be signed contemporaneously with the Consortium (or their nominee/s) and CMIL entering into a scheme implementation deed (or other similar documentation).</p> <p>The Facilitation Deed will be conditional on the implementation of the CPA Trust Scheme or the Consortium (or DEXUS) otherwise obtaining control of CPA by 31 May 2014.</p>
CPA Units	Nothing in this term sheet prevents or in any way restricts DEXUS, CBA or any of their respective representatives from dealing, or causing another person to deal, in CPA units.
Approvals and conditions	<p>Execution of the Facilitation Deed, will be subject to:</p> <ul style="list-style-type: none"> <li>• final agreement of key transaction terms, structure and binding legal documentation;</li> <li>• DEXUS undertaking satisfactory due diligence;</li> <li>• CBA Board approval;</li> <li>• DEXUS Board approval; and</li> <li>• CMIL and the Consortium having entered into a scheme implementation deed (or other similar documentation) pursuant to which the CMIL Board recommends the CPA Trust Scheme to CPA unitholders.</li> </ul>
Nature of term sheet	This term sheet is not legally binding, is indicative and is subject to due diligence.