

DEXUS Property Group (ASX: DXS)

ASX release

6 January 2014

Further developments relating to DEXUS Offer for CPA

DEXUS Funds Management Limited, in its capacity as Trustee of the DEXUS Office Trust Australia ("DEXUS") refers to the Bidder's Statement lodged by DEXUS Property Group ("DXS") and Canada Pension Plan Investment Board ("CPPIB") (together the "Consortium") on 19 December 2013 in relation to an off-market takeover bid for all of the Units in the Commonwealth Property Office Fund ("CPA") ("DEXUS Offer").

DEXUS Offer open for acceptance and provides greater choice

As advised earlier today, the DEXUS Offer is now open for acceptance.

There is no minimum acceptance condition and the DEXUS Offer is scheduled to close on 7 February 2014, unless extended.

As a result of developments set out below, the Consortium is now able to offer CPA Unitholders an additional choice of cash/scrip consideration mix.

CMIL independent directors unanimously reject GPT Offer

The Consortium also notes the release of CPA's target statement in relation to the GPT Offer on 24 December 2013 in which the independent directors of Commonwealth Managed Investments Limited ("CMIL") unanimously recommend that CPA Unitholders DO NOT ACCEPT the GPT Offer because, amongst other things, the DEXUS Offer is superior to the GPT Offer.

Proposed asset sales to GPT Wholesale Office Fund ("GWOFF")

In section 7.2 of the Bidder's Statement, the Consortium detailed its intention, in circumstances where it acquired a relevant interest of 90% or more of CPA Units, to offer to the responsible entity of GWOFF the opportunity to acquire, on market terms, certain CPA assets, being CPA's:

- 100% interest in 750 Collins Street, Melbourne; and
- 50% interest in 2 Southbank Boulevard, Melbourne (subject to compliance with applicable pre-emptive provisions).

The Consortium has today entered into a Memorandum of Understanding ("MOU") with GPT Funds Management Limited ("GPT FM") in its capacity as responsible entity of GWOFF, in relation to the sale of the CPA assets referenced in section 7.2 of the Bidder's Statement.

In addition, the parties have agreed that GPT FM will also have the opportunity to acquire a further two CPA assets, being CPA's:

- 100% interest in 655 Collins Street, Melbourne; and
- 50% interest in 10 Shelley Street, Sydney (subject to compliance with applicable pre-emptive provisions).

The aggregate value ascribed to these CPA assets is \$679 million with GWOFF having the ability to acquire all or any of the assets. The CPA assets are offered for sale on an 'as is, where is' basis.

The MOU does not in any way limit or restrict the actions that either the Consortium or The GPT Group might take in respect of their respective takeover bids for CPA.

The MOU sets out a process under which the parties will negotiate and enter into formal option deeds attaching contracts of sale. The option deeds will contain a call option (in favour of GWOFF) and a put option (in favour of the Consortium) over each of the CPA assets mentioned above.

The call option will not be exercisable unless the Consortium acquires 90% of CPA Units under the terms of the DEXUS Offer and becomes entitled to proceed to compulsory acquisition. Once that occurs, GPT FM may only exercise the option by the period ending on the latter of:

- the final day of the DEXUS Offer; and
- 5 business days after the Consortium notifies GPT FM that it is entitled to proceed to compulsory acquisition.

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If GPT FM does not exercise the call option, the put option may be exercised for a period of 5 business days after the period for exercising the call option expires.

The option deed in respect of a property will be terminable by either party if an option is not exercised by 30 September 2014. It will also automatically terminate, and a key condition will not be satisfied, if GPT FM has not obtained a statement of no objections in relation to the acquisition of the relevant property under the *Foreign Acquisitions and Takeovers Act 1975 (Cwlth)* by 30 June 2014 (“**FIRB Approval**”).

The sales contracts, which will come into effect automatically if the put or call options are validly exercised, will be subject to usual conditions for similar contracts (including a 5% deposit payable on exercise of the option) and the following additional conditions:

- consent of the relevant counterparty or compliance with relevant pre-emptive provisions under applicable asset-level documents that apply to the property or an owner of the property (such as those arising under the co-owner arrangements at 10 Shelley Street and 2 Southbank Boulevard);
- satisfaction of all conditions precedent under any applicable asset-level document; and
- the Consortium procuring all consents, waivers and documentation that are required under any applicable law or regulation or document to complete the sale of a property without breaching any applicable law, regulation, document or duty (including as a fiduciary).

Completion will occur 10 business days after the latter of exercise of the option or satisfaction of conditions precedent.

Neither the exercise of the options nor completion of the sale of any one property is dependent on exercise or completion in respect of the other properties.

A copy of the MOU is attached to this release.

MOU in relation to Northland

The Consortium also notes that CPPIB has entered into a MOU with GPT FM, as responsible entity of the GPT Wholesale Shopping Centre Fund No. 1 (“**GWSCF**”).

Under that MOU, CPPIB has agreed to a sales process for its 50% interest in the Northland Shopping Centre, Victoria (“**Northland**”) and the conditions and timing of the sale are similar to the conditions and timing of the CPA asset sales described above.

The MOU for the CPA assets and the MOU for Northland are not interdependent.

DEXUS Offer consideration composition - change to cash and scrip mix

As a consequence of the intended additional asset sales, the Consortium has determined to vary the DEXUS Offer to give CPA Unitholders the opportunity to elect to receive an alternative cash/scrip mix comprised of a larger proportion of cash (per CPA Unit) as set out below:

- \$0.8496 cash; and
- 0.3801 DEXUS Securities.

A formal variation notice will be sent to CPA Unitholders shortly.

Under the DEXUS Offer, CPA Unitholders will still be able to choose the existing cash/scrip mix (of \$0.7745 and 0.4516 DEXUS Securities per CPA Unit).

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The table below sets out the two DEXUS cash/scrip mix alternatives available to CPA Unitholders based on the last trading price for DEXUS securities as at 3 January 2014.

	Alternative DEXUS Cash / Scrip Mix	Original DEXUS Cash / Scrip Mix
Structure	Off-market takeover	Off-market takeover
Minimum acceptance condition	n/a	n/a
New Scrip Ranking	Equal	Equal
Scrip ratio	0.3801 securities	0.4516 securities
Security price (3 January 2014)	\$1.020	\$1.020
Scrip consideration	\$0.3877	\$0.4606
Cash consideration	\$0.8496	\$0.7745
Offer price	\$1.237	\$1.235
Add: CPA distribution (31 December 2013) ¹	\$0.035	\$0.035
Total value to CPA Unitholders	\$1.272	\$1.270

Details of the alternative cash/scrip mix and its impact on the merged group will be set out in a Second Supplementary Bidder's Statement.

The Second Supplementary Bidder's Statement will be accompanied by a revised Acceptance Form that will enable CPA Unitholders to elect to receive the alternative cash/scrip mix. If CPA Unitholders would like to receive a revised Acceptance Form earlier, please contact the DEXUS Offer Information Line on 1800 220 771 (callers in Australia) or +61 1800 220 771 (callers outside Australia) between 8.30am and 5.30pm (Sydney time) on Business Days. The revised form will be sent to CPA Unitholders as soon as the DEXUS Offer is formally varied.

¹ The CPA 31 December 2013 distribution is included to show the total value of the DEXUS Offer on a like-for-like basis to the total value described in the bidder's statement dated 19 December 2013. The record date for the distribution was 31 December 2013.

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For further information please contact:

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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 over \$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 19,000 investors from 19 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

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 September 30, 2013, the CPP Fund totalled C\$192.8 billion of which C\$22.0 billion represents real estate investments. For more information about CPPIB, please visit www.cppib.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.

Memorandum of Understanding



6 January 2014

GPT Funds Management Limited
as responsible entity of the
GPT Wholesale Office Fund No. 1
Level 51
MLC Centre
19 Martin Place
Sydney NSW 2000

Attention: Anthony Lenehan

Dear Sir

Commonwealth Property Office Fund (CPA) – DEXUS, CPPIB, BID TRUST AND GWOF MOU

1. Background

- (a) DEXUS and CPPIB, through the Bid Trust, have made the Bid.
- (b) The Properties are owned by CPA or sub trusts that are owned and controlled by CPA.
- (c) The relevant Vendor's interest in certain of the Properties is the subject of pre-emptive rights in favour of third parties.
- (d) Subject to the terms of this MOU, Bid Trust, DEXUS and CPPIB have agreed to procure the responsible entity of CPA (or the trustee of the relevant sub trust, as applicable) to sell each Property to GWOF on an 'as is, where is' basis for its respective Price. The Parties intend this MOU to be binding and enforceable.
- (e) In this MOU capitalised terms will have the meaning given to them in Annexure A unless otherwise expressly provided.

2. Parties' Commitments

DEXUS, Bid Trust, CPPIB and GWOF agree that:

- (a) this MOU constitutes a binding agreement and is executed and operates as a deed;
- (b) without affecting the binding nature of this MOU:

- (i) the terms set out in Annexure B will be restated in a more complete and precise manner in each Option Deed and the terms set out in Annexure C will be restated in a more complete and precise manner in each Contract for Sale;
 - (ii) the Parties must use their best endeavours and act in good faith to procure the successful negotiation and execution of an Option Deed and Contract for Sale for each Property within 1 month of the date of this MOU;
 - (iii) Bid Trust must procure its lawyers to prepare and submit to GWOFF, the Option Deeds and Contracts for Sale for each Property within 2 weeks of the date of the MOU;
 - (iv) subject to the terms of this MOU, each Property is to be sold on an 'as is, where is' basis, with all faults and defects which exist at Completion and subject to all Asset Documents existing at Completion; and
 - (v) none of DEXUS, CPPIB or Bid Trust make any representation or give any warranties in relation to any of the Properties, CPA or any sub trust that owns a Property;
- (c) notwithstanding clause 2(b)(i), where a Property is co-owned and owned by a sub trust, GWOFF, CPA, DEXUS, CPPIB and Bid Trust (each acting in good faith and reasonably with regard to the risks for each Party) may agree to structure the sale of that Property by way of a sale and purchase of all of the interests in the relevant sub trust. If the Parties cannot agree on such structure the sale must proceed as a real property sale pursuant to the Option Deed and Contract for Sale. If agreement between the Parties to structure the sale of a Property by way of a sale and purchase of the interests in a relevant sub trust occurs:
- (i) the terms set out in Annexure B and Annexure C will instead be restated (with necessary amendments to reflect the structure of the sale) in a more complete and precise manner in an option deed and unit sale and purchase agreement for the interests in the relevant sub trust;
 - (ii) the principles set out in paragraphs 2(b)(iv) and (v) above will be maintained and reflected in the option deed and unit sale and purchase agreement; and
 - (iii) paragraph 2(b)(ii) above will apply in relation to the negotiation and execution of the option deed and unit sale and purchase agreement; and
- (d) subject to clause 16, nothing in this MOU limits or restricts the actions of DEXUS, CPPIB or Bid Trust or the GPT Group in relation to their respective takeover bids for CPA.

3. FIRB

- (a) The Parties acknowledge that the acquisition of each Property by GWOFF is subject to GWOFF obtaining FIRB Approval in relation to it, and accordingly each Contract for Sale will be conditional on FIRB Approval or the Treasurer ceasing to be

empowered to make an order or decision about the purchase of that Property by GWOF.

- (b) GWOF must, to the extent within its control, use its best endeavours to obtain FIRB Approval in relation to the acquisition of each Property as soon as reasonably practicable after the date of this MOU, and must promptly notify each of the other Parties of the Treasurer's response to GWOF's application for FIRB Approval.

4. Confidentiality

- (a) Confidentiality

Subject to clause 4(b) of this MOU, each Party must not disclose to any person, and must keep confidential, the terms of this MOU and any other information which is disclosed by a Party to another in connection with this MOU.

- (b) Exceptions

A Party may make any disclosures in relation to the matters specified in clause 4(a) of this MOU as, in its absolute discretion, it thinks necessary to:

- (i) its professional advisers, bankers, financial advisers, financiers and insurers for the purpose of giving full effect to this MOU and the transactions contemplated by it, if those persons undertake to keep information disclosed confidential;
- (ii) comply with any applicable law or requirement of any authority (including the listing rules of any applicable stock exchange);
- (iii) any of its employees to whom it is necessary to disclose the information, if that employee undertakes to keep the information confidential; or
- (iv) if, and to the extent, the information is or becomes part of the public domain otherwise than through a breach of confidence owed under this MOU.

- (c) Public announcements

- (i) The Parties agree that following execution of this MOU, each of DEXUS and CPPIB and the GPT Group will issue the Announcements.
- (ii) Except as required by applicable law or the requirements of any authority, all other press releases and other public announcements (but not Supplementary Bidder's Statements) relating to the transactions dealt with by this MOU must be in terms first agreed in writing by the Parties (other than to the extent that any such public announcement repeats terms that have previously been agreed in writing by the Parties).

5. Notices

Any Notice given or made under this MOU:

- (a) must be in writing;

- (iii) the time that the Notice is first opened or read by an employee or officer of the recipient,
- (e) but if the result is that a Notice would be taken to be given or made on a day that is not a Business Day in the place to which the Notice is sent or is later than 5pm (local time) it will be conclusively taken to have been duly given or made at the start of business on the next Business Day in that place.

6. Limitation of Liability of DEXUS

6.1 Application of this clause

Subject to clause 6.4, the limitation of the liability of DEXUS in this clause 6 applies despite any other provision of this MOU and extends to all liabilities and obligations of DEXUS in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this MOU.

6.2 Limitation of liability

DEXUS enters into this MOU only in its capacity as trustee of the DEXUS Trust and in no other capacity. A liability of DEXUS arising under or in connection with this MOU can be enforced only to the extent:

- (a) of rights of DEXUS against the assets of the DEXUS Trust; and
- (b) otherwise to which DEXUS is entitled to be and is in fact indemnified for that liability out of the assets of the DEXUS Trust.

DEXUS is not liable in its personal capacity in contract, tort or otherwise for any loss suffered in any way relating to the DEXUS Trust, except to the extent that the Corporations Act or the constitution of the DEXUS Trust impose a liability of that nature.

6.3 No other actions

The other Parties may not sue DEXUS personally or seek the appointment of a liquidator, receiver or similar person to DEXUS or prove in any liquidation, administration or arrangement of or affecting DEXUS.

6.4 Exceptions

The provisions of this clause 6 shall not apply to any obligation or liability of DEXUS to the extent that it is not satisfied out of the assets of the DEXUS Trust, or if there is a reduction in the extent of the Trustee's indemnification out of the assets of the DEXUS Trust, which in either case is a result of the DEXUS' fraud, gross negligence, breach of trust or improper performance of duties.

6.5 Other party acknowledgment

Each other party acknowledges and agrees that:

- (a) DEXUS incurs its obligations under this MOU solely in its capacity as trustee of the DEXUS Trust and that DEXUS will cease to have any obligation under this MOU if DEXUS ceases for any reason to be the trustee of the DEXUS Trust; and

- (b) no attorney, agent or such other person appointed by DEXUS has authority to act on behalf of DEXUS in such manner as to expose DEXUS to any personal liability.

6.6 No obligation

The Parties acknowledge and agree that, despite any other provision of this MOU, DEXUS is not obliged to execute any document, or take or refrain from taking any action under this MOU, or exercise or refrain from exercising any power under this MOU, unless its liability is limited in the manner set out in this clause 6.

7. Limitation of Liability of Bid Trust

7.1 Application of this clause

Subject to clause 7.4, the limitation of the liability of Bid Trust in this clause 7 applies despite any other provision of this MOU and extends to all liabilities and obligations of Bid Trust in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this MOU.

7.2 Limitation of liability

Bid Trust enters into this MOU only in its capacity as trustee of the DEXUS Office Trust Australia and in no other capacity. A liability of Bid Trust arising under or in connection with this MOU can be enforced only to the extent:

- (a) of rights of Bid Trust against the assets of the DEXUS Office Trust Australia; and
- (b) otherwise to which Bid Trust is entitled to be and is in fact indemnified for that liability out of the assets of the DEXUS Office Trust Australia.

Bid Trust is not liable in its personal capacity in contract, tort or otherwise for any loss suffered in any way relating to the DEXUS Office Trust Australia, except to the extent that the Corporations Act or the constitution of the DEXUS Office Trust Australia impose a liability of that nature.

7.3 No other actions

The other Parties may not sue Bid Trust personally or seek the appointment of a liquidator, receiver or similar person to Bid Trust or prove in any liquidation, administration or arrangement of or affecting Bid Trust.

7.4 Exceptions

The provisions of this clause 7 shall not apply to any obligation or liability of Bid Trust to the extent that it is not satisfied out of the assets of the DEXUS Office Trust Australia, or if there is a reduction in the extent of the Trustee's indemnification out of the assets of the DEXUS Office Trust Australia, which in either case is a result of the Bid Trust's fraud, negligence, breach of trust or improper performance of duties.

7.5 Other party acknowledgment

Each other party acknowledges and agrees that:

- (a) Bid Trust incurs its obligations under this MOU solely in its capacity as trustee of the DEXUS Office Trust Australia and that Bid Trust will cease to have any

obligation under this MOU if Bid Trust ceases for any reason to be the trustee of the DEXUS Office Trust Australia; and

- (b) no attorney, agent or such other person appointed by Bid Trust has authority to act on behalf of Bid Trust in such manner as to expose Bid Trust to any personal liability.

7.6 No obligation

The Parties acknowledge and agree that, despite any other provision of this MOU, Bid Trust is not obliged to execute any document, or take or refrain from taking any action under this MOU, or exercise or refrain from exercising any power under this MOU, unless its liability is limited in the manner set out in this clause 7.

8. Limitation of Liability of GPTFM

8.1 Capacity of GPTFM

GPTFM's liability under this MOU is limited to its capacity as responsible entity/trustee of the GPT Wholesale Office Fund No.1 and GPTFM is not liable in any other capacity.

8.2 Limitation

Subject to clause 8.4, the liability of GPTFM in respect of any cause of action, Claim or loss arising:

- (a) under or in connection with this MOU;
- (b) in connection with any transaction, conduct or any other agreement contemplated by this MOU; or
- (c) under or in connection with (to the extent permitted by law) any representation or undertaking given or to be given in connection with this MOU,

(each, a **Trust Claim**), is limited to the assets of the GPT Wholesale Office Fund No. 1 (**GWOF Assets**). The right of any party to recover any amount in respect of any (and all) Trust Claims is limited to a right to recover an amount not exceeding the amount which GPTFM is entitled and able to recover from the GWOF Assets (after taking account of the costs of exercising their right of indemnity or exoneration) and if, after exercise of those rights, any such amount remains outstanding, no further Trust Claim may be made against GPTFM personally.

8.3 Acknowledgment of limitations

A party must not, in respect of any Trust Claim:

- (a) subject to clause 8.4, bring proceedings against GPTFM in its personal capacity;
- (b) seek to appoint an administrator or liquidator to GPTFM;
- (c) commence the winding-up, dissolution, official management or administration of GPTFM; or
- (d) appoint a receiver, receiver and manager, administrative receiver or similar official to all or any of the assets of GPTFM,

except to the extent that the steps taken affect any GWOFF Assets or GPTFM's right of recourse against, and indemnity from, the GWOFF Assets and nothing else.

8.4 Exception

If GPTFM acts negligently, with wilful misconduct or in breach of trust with a result that:

- (a) GPTFM's right of indemnity, exoneration or recoupment of the GWOFF Assets; or
- (b) the actual amount recoverable by GPTFM in exercise of those rights,

is reduced in whole or in part or does not exist, then to the extent that such right or the amount so recoverable is reduced or does not exist, GPTFM may be personally liable.

9. Limitation of liability of CPPIB

9.1 Application of this clause

Subject to clause 9.4, the limitation of the liability of CPPIB in this clause 9 applies despite any other provision of this MOU and extends to all liabilities and obligations of CPPIB in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this MOU.

9.2 Limitation of liability

CPPIB enters into this MOU only in its capacity as trustee of the CPPIB Trust and in no other capacity. A liability of CPPIB arising under or in connection with this MOU can be enforced only to the extent:

- (a) of rights of CPPIB against the assets of the CPPIB Trust; and
- (b) otherwise to which CPPIB is entitled to be and is in fact indemnified for that liability out of the assets of the CPPIB Trust.

CPPIB is not liable in its personal capacity in contract, tort or otherwise for any loss suffered in any way relating to the CPPIB Trust, except to the extent that the Corporations Act or the constitution of the CPPIB Trust impose a liability of that nature.

9.3 No other actions

The other Parties may not sue CPPIB personally or seek the appointment of a liquidator, receiver or similar person to CPPIB or prove in any liquidation, administration or arrangement of or affecting CPPIB.

9.4 Exceptions

The provisions of this clause 9 shall not apply to any obligation or liability of CPPIB to the extent that it is not satisfied out of the assets of the CPPIB Trust, or if there is a reduction in the extent of the Trustee's indemnification out of the assets of the CPPIB Trust, which in either case is a result of CPPIB's fraud, gross negligence, breach of trust or improper performance of duties.

9.5 Other party acknowledgment

Each other party acknowledges and agrees that:

- (a) CPPIB incurs its obligations under this MOU solely in its capacity as trustee of the CPPIB Trust and that CPPIB will cease to have any obligation under this MOU if CPPIB ceases for any reason to be the trustee of the CPPIB Trust; and
- (b) no attorney, agent or such other person appointed by CPPIB has authority to act on behalf of CPPIB in such manner as to expose CPPIB to any personal liability.

9.6 No obligation

The Parties acknowledge and agree that, despite any other provision of this MOU, CPPIB is not obliged to execute any document, or take or refrain from taking any action under this MOU, or exercise or refrain from exercising any power under this MOU, unless its liability is limited in the manner set out in this clause 9.

10. Governing Law and Jurisdiction

This MOU is governed by the laws in force in New South Wales, Australia. In relation to it and related non-contractual matters each Party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

11. Costs

Each Party must bear its own costs in relation to the negotiation, preparation and completion of this MOU, each Option Deed and each Contract for Sale. GWOFF must pay all duty (including fines and penalties) that is payable in respect of this MOU, any Option Deed or Contract for Sale, and any transaction or transfer that occurs under any of them.

12. Counterparts

This MOU may be executed in any number of counterparts, each signed by one or more of the Parties. All counterparts together will be taken to constitute one instrument.

13. Severability of Provisions

Any paragraph or term of this MOU that is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate the remaining paragraphs or terms of this MOU nor affect the validity or enforceability of that paragraph or term in any other jurisdiction.

14. Further assurances

Each Party must do anything necessary or desirable (including executing agreements and documents, acting in good faith to resolve any disputes) to give full effect to this MOU, the Announcements and the transactions contemplated by both this MOU and the Announcements.

Each of DEXUS and CPPIB agree to do all things within their respective power and control to procure the performance by Bid Trust of its obligations under this MOU.

15. No Merger

The rights and obligations of the Parties will not merge on entry into or the completion of any transaction contemplated by this MOU.

16. Good faith

Without limiting clause 14, the parties acknowledge that they have acted reasonably and in good faith in entering into this MOU and will continue to do so, for the purpose of implementing the transactions contemplated by this MOU.

17. No partnership or agency

Nothing contained or implied in this MOU constitutes a Party the partner, agent, or legal representative of another Party or of CPA for any purpose or creates any partnership, agency or trust, and no Party has any authority to bind another Party or CPA in any way.

18. Obligations several

The obligations of each Party under this MOU bind each of them severally. Failure by a Party to perform its obligations under this MOU does not affect the obligations of any other Party under this MOU. No Party is responsible for the obligations of any other Party under this MOU.

19. Dealing with interests

No Party may assign or otherwise deal with its rights under this MOU or any Option Deed or Contract for Sale, nor allow any interest in any of them to arise or be varied, in each case without the other Parties' prior written consent.

20. No caveats

GWOF acknowledges and agrees that:

- (a) nothing in this MOU operates to transfer to or vest in GWOF or any other person any estate or interest in any Property (or any other land or property of a Vendor);
- (b) it does not have a caveatable interest in any Property; and
- (c) it must not lodge (or procure or allow any other person to lodge) a caveat pursuant to or otherwise in connection with this MOU.

21. Recovery of GST

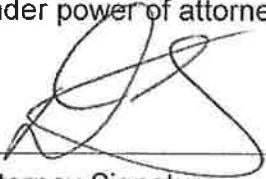
- (a) If GST is payable, or notionally payable, on a supply made under or in connection with this MOU, the party providing the consideration for that supply must pay as additional consideration an amount equal to the amount of GST payable, or notionally payable, on that supply (the **GST Amount**). Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time that the other

consideration for the supply is provided. If a tax invoice is not received prior to the provision of that other consideration, the GST Amount is payable within 10 days of the receipt of a tax invoice.

- (b) Unless the context requires otherwise, words and phrases used in this clause that have a specific meaning in the GST law (as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth)) shall have the same meaning in this clause.


Executed and delivered as a deed in Sydney.

Executed by DEXUS Funds Management Limited in its capacity as trustee of the DOT Subtrust No. 2 under power of attorney:

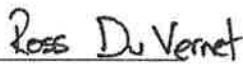


Attorney Signature





Attorney/Witness Signature

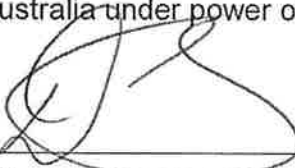
DARREN STEINBERG 

Print Name

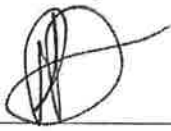
RACHEL BIANCA CARALIS

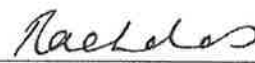
Print Name

Executed by DEXUS Funds Management Limited in its capacity as trustee of DEXUS Office Trust Australia under power of attorney:




Attorney Signature





Attorney/Witness Signature

DARREN STEINBERG 

Print Name

RACHEL BIANCA CARALIS

Print Name

Executed in accordance with
section 127 of the *Corporations Act*
2001 by CPPIB Australian Holdings
No. 1 Pty Ltd in its capacity as
trustee of the CPPIB DOTA Trust:

Andrew Simi

Director Signature

James Millar

Director/Secretary Signature

ANDREW SIMI

Print Name

JAMES MILLAR

Print Name

Executed in accordance with
section 127 of the *Corporations Act*
2001 by **CPPIB Australian Holdings**
No. 1 Pty Ltd in its capacity as
trustee of the CPPIB DOTA Trust:

Director Signature

Director/Secretary Signature

Print Name

Print Name

Executed in accordance with
section 127 of the *Corporations Act*
2001 by **GPT Funds Management**
Limited as responsible entity of the
GPT Wholesale Office Fund No.1:



Director Signature



Director/Secretary Signature

CARMEL HOURIGAN

Print Name

Anthony Lenehan

Print Name

Annexure A

Definitions

Annexure means an annexure to this MOU.

Announcements means the public announcements to be made by DEXUS and CPPIB and the GPT Group in the form attached as Annexure E to this MOU.

Asset Document means any lease (whether registered or not), co-owner agreement, licence, site management, maintenance or service agreement, construction agreement, agreement made under section 173 of the *Planning and Environment Act 1987* (Vic) or other agreement, document or instrument setting out rights or obligations that applies to a Property or any owner of a Property at the date of the Contract for Sale.

associate has the meaning given in the Corporations Act.

Bid means the takeover bid to acquire the issued ordinary units in CPA on the terms set out in a Bidder's Statement lodged by Bid Trust with ASIC on 19 December 2013, amended as described in the announcement (annexed at Annexure E) lodged by DEXUS with ASX on or about the date of this MOU and Supplementary Bidder's Statement to be lodged with ASIC relating to those amendments (including the consideration payable to acquire a CPA Unit) together with any other amendments to the Bid as made by the Bid Trust prior to the Compulsory Acquisition Date other than a Material Amendment.

Bid Trust means the entity used by the consortium of DEXUS and CPPIB to make the Bid being DEXUS Funds Management Limited (ABN 24 060 920 783) in its capacity as trustee of the DEXUS Office Trust Australia.

Business Days means any day except Saturday or Sunday or a day that is a public holiday in Sydney, New South Wales.

Call Option Period means, subject to the terms of the Option Deed, the period commencing on the date of notification of the Compulsory Acquisition Date by Bid Trust to GWOFF under the Option Deed and expiring at 4.00 pm on the date that is the later of:

- (a) the final day of the Offer Period; and
- (b) 5 Business Days after the date on which Bid Trust gives notification of the Compulsory Acquisition Date by Bid Trust to GWOFF under the Option Deed.

Compulsory Acquisition Date means the date on which Bid Trust is entitled to proceed to compulsory acquisition of all outstanding CPA Units under Part 6A.1 of Chapter 6A of the Corporations Act as a consequence of the Bid.

Contract for Sale means a contract for sale for a Property attached to an Option Deed for that Property containing the terms set out in Annexure C and any other terms which the Parties agree in writing.

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

CPA means the Commonwealth Property Office Fund.

CPA Unit means an ordinary unit in CPA.

CPPIB means CPPIB Australian Holdings No. 1 Pty Ltd (ACN 1331 698 176) in its capacity as trustee of the CPPIB Trust.

CPPIB Trust means CPPIB DOTA Trust.

DEXUS means DEXUS Funds Management Limited (ACN 060 920 783) in its capacity as trustee of the DEXUS Trust.

DEXUS Trust means DOT Subtrust No. 2.

FIRB Approval means an unconditional letter issued by the Treasurer under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) to the effect that there is no objection to the acquisition of a Property by GWOFF.

GPTFM means GPT Funds Management Limited.

GWOFF means GPTFM as responsible entity of the GPT Wholesale Office Fund No.1 (ARSN 120 538 212).

Material Amendment means an amendment which materially increases the value of the consideration payable.

MOU means this memorandum of understanding.

Notice means any notice, demand, consent or other communication.

Offer Period means the period under which the offers under the Bid remain open in accordance with the Corporations Act.

Option Deed means a put and call option deed for a Property between Bid Trust and GWOFF on the terms set out in Annexure B and any other terms which the Parties agree in writing (and includes any replacement of such deed made between a Vendor and GWOFF pursuant to the terms of the deed).

Parties means the parties to this MOU and **Party** means each of them individually.

Price means, in respect of a Property, the price allocated to the Property set-out in the definition of Property.

Property means each of the following properties that at the date of this MOU are owned by CPA or a sub trust that is owned and controlled by CPA:

Property	Interest	Price
KPMG Tower, 10 Shelley St, Sydney	50%	(a) \$130,600,000
655 Collins St, Melbourne	100%	(b) \$102,200,000
750 Collins St, Melbourne	100%	(c) \$249,500,000
2 Southbank Boulevard, Melbourne	50%	(d) \$196,700,000
TOTAL PRICE		\$679,000,000

and **Properties** means all of them.

Purchaser means the person that is the 'purchaser' under a Contract for Sale, being GWOF or a sub trust wholly owned by GWOF (and whose performance will be guaranteed by GWOF).

Put Option Period means the period of 5 Business Days starting from the day after the Call Option Period ends and expiring at 4.00 pm on the date that is 5 Business Days thereafter.

relevant interest has the meaning given in the Corporations Act.

Treasurer means the Treasurer of the Commonwealth of Australia.

Trustee means, as the context requires, the trustee from time to time of the:

- (a) CPPIB Trust; or
- (b) DEXUS Australia Office Trust; or
- (c) DEXUS Trust.

Vendor means, in respect of a Property, the registered proprietor of the Property at the time of the valid exercise of an option under an Option Deed for that Property.

Annexure B

Put & Call Option Terms

Item	Term	Details
1.	Parties	Bid Trust and GWOFF, and subject to any replacement of an Option Deed as contemplated by item 12 below.
2.	Call Option	<p>GWOFF may exercise its call option over a Property by giving to Bid Trust at any time during the Call Option Period:</p> <ul style="list-style-type: none">(a) a properly completed, duly signed and dated notice of exercise (the form of which will be annexed to the Option Deed);(b) two original copies of a properly completed Contract for Sale that has been duly executed by the Purchaser;(c) a bank cheque in the amount of the deposit payable under the Contract for Sale; and(d) if the notice of exercise or Contract for Sale is signed under power of attorney, a copy of the power of attorney as registered in the State in which the relevant Property is situated. <p>If GWOFF properly exercises its call option, then:</p> <ul style="list-style-type: none">(e) the Contract for Sale will bind the Vendor and the Purchaser from the time that the items in paragraphs (a), (b), (c) and (d) (if applicable) are given to Bid Trust; and(f) the Contract for Sale will be dated with the date on which the items in paragraphs (a), (b), (c) and (d) (if applicable) are given to

Item	Term	Details
		<p>Bid Trust; and</p> <p>(g) within five Business Days after the items in paragraphs (a), (b), (c) and (d) (if applicable) are given to Bid Trust, Bid Trust must deliver to GWOF a counterpart of the Contract for Sale signed by the Vendor and dated the date specified in paragraph (f) above.</p> <p>The requirements for exercise of the call option must be strictly complied with, otherwise any purported exercise will be invalid.</p>
3.	Put Option	<p>Bid Trust may exercise its put option over a Property by giving to GWOF at any time during the Put Option Period:</p> <p>(a) a properly completed, duly signed and dated notice of exercise (the form of which will be annexed to the Option Deed);</p> <p>(b) two original copies of a properly completed Contract for Sale that has been duly executed by the Vendor; and</p> <p>(c) if the notice of exercise or Contract for Sale is signed under power of attorney, a copy of the power of attorney as registered in the State in which the relevant Property is situated.</p> <p>If Bid Trust properly exercises its put option, then:</p> <p>(e) the Contract for Sale will bind the Purchaser and the Vendor from the time that the items in in paragraphs (a), (b) and (c) (if applicable) are given to GWOF; and</p> <p>(f) within five Business Days after the items in</p>

Item	Term	Details
		<p>paragraphs (a), (b) and (c) (if applicable) are given to GWOFF, GWOFF must deliver to Bid Trust:</p> <ul style="list-style-type: none"> (i) one original copy of the Contract for Sale, signed by the Purchaser; and (ii) an unendorsed bank cheque drawn in favour of the depositholder for the amount shown as the deposit in the Contract for Sale (plus any GST payable in accordance with the Contract for Sale); and (iii) if applicable, a copy of the power of attorney, as registered, under which the Contract for Sale is signed by the Purchaser. <p>The requirements for exercise of the put option must be strictly complied with, otherwise any purported exercise will be invalid.</p>
4.	Contract for Sale binding	<p>The Contract for Sale will bind the Vendor and the Purchaser even though the Vendor does not comply with the requirements set out in paragraphs (e), (f) and (g) of item 2 above or the Purchaser does not comply with the requirements set out in paragraphs (e) and (f) of item 3 above.</p> <p>GWOFF may not delay in completing or rescind or terminate the Contract for Sale or take any action, or make any claim against Bid Trust, because of that non-compliance.</p>
5.	Notification	<p>Bid Trust must notify GWOFF in writing as soon as reasonably practicable following the occurrence of:</p> <ul style="list-style-type: none"> (a) the Compulsory Acquisition Date; or

Item	Term	Details
		(b) the end of the Offer Period.
6.	Call Option Fee and Put Option Fee	Nil
7.	Termination and Sunset Date	<p>An Option Deed over a Property will terminate if:</p> <ul style="list-style-type: none"> • there is a valid exercise and completion of acquisition by a co-owner exercising a pre-existing right to acquire that Property in accordance with an Asset Document; • the Grantee has not obtained FIRB Approval by 30 June 2014; • the deed is replaced with an option deed made between the Vendor and GWOFF as contemplated at item 12 below. <p>Either of Bid Trust or GWOFF may terminate an Option Deed by notice in writing to the other at any time after 30 September 2014 unless an option has been validly exercised under it beforehand.</p>
8.	Right to update	<p>Whilst there will be no due diligence period or materials provided, the Parties will do all things reasonably necessary to satisfy compulsory statutory vendor disclosure obligations.</p> <p>At any time before an option is exercised, Bid Trust may update any statutory disclosure documents, by serving them on GWOFF.</p>
9.	Asset Documents	<p>Subject to compliance with the terms of the Asset Documents and to obtaining the consent of any party whose consent to disclose is required under any duty or obligation of confidentiality otherwise binding on Bid Trust, Bid Trust shall to the extent within its reasonable control provide GWOFF with copies of any Asset Documents (or provisions of those that are relevant to or affect</p>

Item	Term	Details
		the transactions contemplated by an Option Deed) that are in its control or possession and that cannot otherwise be obtained through searches of public registers and records as soon as reasonably practicable following entry into the relevant Option Deed.
10.	Limitation of Liability	The Bid Trust's and GPTFM's standard limitation of liability clauses will be repeated in the Option Deed.
11.	FIRB	A clause materially consistent with clause 3 of the MOU will be inserted into the Option Deed with appropriate amendments.
12.	Parties and Re-Statement	<p>GWOF acknowledges that Bid Trust is not, and does not intend to become, the registered proprietor of the Properties but will, as at the date of commencement of the Call Option Period, control the appointment of the entity that does.</p> <p>If a Call Option is validly exercised then Bid Trust must procure the Vendor's performance of the Contract for Sale for the relevant Properties.</p> <p>If reasonably required by either party to the Option Deed replacement Option Deeds on materially the same terms can be entered into if required to give effect to the intent of the Option Deeds and to reflect the correct owners of a Property.</p> <p>GWOF and Bid Trust agree to do all things necessary or desirable to give full effect to each Option Deed. A clause materially consistent with clause 14 of the MOU will be inserted into the Option Deed with the appropriate amendments.</p>
13.	No caveats before commencement of Call Option Period	<p>GWOF acknowledges and agrees that, before the commencement of the Call Option Period:</p> <p>(a) nothing in the Option Deed will operate to</p>

Item	Term	Details
		<p>transfer to or vest in GWOFF or any other person any estate or interest in the Property (or any other land or property of the Vendor);</p> <p>(b) it does not have a caveatable interest in any Property; and</p> <p>(c) it must not lodge (or procure or allow any other person to lodge) a caveat pursuant to or otherwise in connection with the Option Deed.</p> <p>GWOFF will indemnify Bid Trust and the Vendor for any liability, cost, loss or damage suffered by Bid Trust or the Vendor as a consequence of any breach by GWOFF of its agreements in this item 13.</p>
14.	Not used	
15.	Not used	
16.	Pre-Emptive	<p>If a Property is subject to a valid pre-emptive right to an existing co-owner under an Asset Document while the Option Deed is in effect, Bid Trust must keep GWOFF fully informed of all material communication with that co-owner in relation that pre-emptive.</p>
17.	Nomination	<p>The Option Deed will, in relation to the Call Option contain nomination rights to enable GWOFF to nominate a wholly owned and controlled sub trust of GWOFF to be the purchaser of a Property. Notwithstanding any such nomination, GWOFF will continue to be responsible for the performance of its obligations as grantee under the Option Deed and the obligations of the Purchaser under the resulting Contract for Sale.</p>
18.	Completion of Contract	<p>The Option Deed will contain a provision entitling</p>

Item	Term	Details
	for Sale	the party exercising the option to complete the relevant details of the annexed form of Contract for Sale, including the date, the Purchaser's details and the correct Vendor details when submitting the Contract for Sale.
19.	Notices	A clause consistent with clause 5 of the MOU will be inserted into the Option Deed.
20.	Interdependency	There will be separate Options for each Property and they will not be interdependent.

Annexure C

Contract for Sale Terms

Item	Term	Detail
1.	Property	All of the Vendor's interest in each of the Properties, including as shown in the definition of "Property", free of any registered mortgages, charges or writs of execution.
2.	Purchase Price	The Purchase Price for each Property is as shown in the third column in the definition of "Property" The Purchase Price is payable on completion.
3.	Deposit	5% on exchange, to be invested by the Vendor's solicitors or such other stakeholder agreed between the Parties in an interest bearing account with an Australian trading bank and with such amount to be applied towards payment of the Purchase Price on completion. Interest net of all proper government taxes and financial institution charges to be split equally.
4.	Interest Rate	GWOFF must pay interest on late payments of the Purchase Price at 7% per annum.
5.	Completion	Completion for the relevant Property will take place on the later of: (a) 10 Business Days after option exercise; (b) 10 Business Days after the satisfaction or waiver of the last of the conditions precedent set out in item 7 below.
6.	Informed	The Vendor and the Purchaser must keep each other fully informed of the progress towards, and any material communication regarding, the

Item	Term	Detail
		<p>satisfaction of the conditions in item 5 above.</p> <p>Clauses materially consistent with clause 3 of the MOU and item 16 of Annexure B will be inserted into the Contract for Sale with the appropriate amendments.</p>
7.	Conditions Precedent	<p>Completion of the sale of each Property is conditional on:</p> <ul style="list-style-type: none"> <li data-bbox="671 734 1369 904">(a) the waiver or non-exercise in the time allowed under the relevant Asset Document of any pre-emptive right applying in respect of the Property; <li data-bbox="671 936 1369 1240">(b) the satisfaction of any condition precedent (such as the waiver or obtaining of third party consents and approvals) that any relevant Asset Document requires to be satisfied before completion of the sale of a Property can occur without breaching any law or contract; and <li data-bbox="671 1272 1369 1576">(c) Bid Trust procuring all consents, waivers and documentation that are required under any applicable law or regulation or document to complete the sale of a Property without breaching any applicable law, regulation, document or duty (including as a fiduciary); <li data-bbox="671 1608 1369 1778">(d) the issue of FIRB Approval to the acquisition by the Purchaser of the Vendor's interest in that property within 45 days after option exercise. <p>The conditions in paragraphs (a), (b), (c) and (d) above will be for the benefit of the Vendor and the Purchaser.</p>
8.	Third party consents and	Bid Trust must at its cost, use its reasonable endeavours, to procure all consents, waivers and

Item	Term	Detail
	waivers	documentation that are required (including under any applicable law or Asset Document) to complete the sale of a Property lawfully and without breaching any applicable law, regulation, document or duty (including as a fiduciary) by Completion. The Purchaser will promptly execute all documentation reasonably required for that purpose.
9.	'As is, where is' sale	<p>Each Property is sold on an 'as is, where is' basis, with all faults and defects which exist at Completion and subject to all Asset Documents existing at Completion, subject to item 14 below.</p> <p>Neither GWOFF nor the Purchaser will be entitled to make any claim (including under statute), requisition, delay completion, rescind or terminate the Contract for Sale because of anything in connection with the state, condition or any other aspect of a Property, subject to item 14 below.</p>
10.	Management of Property	<p>From the date of the Contract for Sale until completion, Bid Trust must procure that each Property is managed in a prudent manner and professional manner and obtain the consent of GWOFF to any action that relates to any material dispute or which may have a material effect on value or involve capital expenditure for sums in excess of \$100,000 (excluding GST) in respect of either a single expense or cumulative expense (other than such expenditure that has been committed by the Vendor before the date of the Contract for Sale). Consent of GWOFF is required for any amount over \$100,000 in either circumstance.</p>
11.	No representations or warranty by Vendor	None of DEXUS, CPPIB, Bid Trust or the Vendor make any representation or give any warranties in relation to any of the Properties.

Item	Term	Detail
		<p>To the extent permitted by law, all warranties implied by law will be excluded. Neither GWOF nor the Purchaser will be entitled to make any claim (including under statute), requisition, delay completion, rescind or terminate the Contract for Sale in respect of any warranty or representation that cannot be excluded.</p> <p>GWOF will indemnify the Vendor for any liability, cost, loss or damage suffered by Bid Trust or the Vendor as a consequence of any claim made by the Purchaser in respect of any warranty or representation under the Contract for Sale.</p>
12.	Adjustments	<p>Rent, contributions to outgoings for the current month and rates and taxes will be adjusted to the extent actually paid at Completion, with any arrears of rent or outgoings contributions assigned to the Vendor. All rent received in respect of the Property after Completion will be applied first to current rental payments then to arrears (except where the relevant tenant specifies that the rent is to be applied to arrears, in which case it must be applied to those arrears first). The Vendor will be entitled to pursue the recovery of arrears owing to it after completion, and the Purchaser will, at the Vendor's reasonable cost, assist the Vendor with recovery of arrears if requested (including by notifying the Purchaser of any amounts received by the Purchaser after completion in respect of arrears).</p> <p>The Vendor will be liable for all committed and contracted payments whether paid before or payable after completion.</p> <p>Subject to delivery to GWOF or the Purchaser of satisfactory evidence of it at least 10 Business</p>

Item	Term	Detail
		<p>Days prior to completion, an adjustment will be made on completion in favour of the Vendor in the amount of any capital expenditure on the Property that is paid, or incurred and payable, by the Vendor after the date of the Contract for Sale which is permitted under item 10 above or has been approved by GWOFF or the Purchaser</p>
13.	<p>Assignment of service contracts, warranties, approvals, bank guarantees and security deposits</p>	<p>With effect from Completion, the Vendor will assign to the Purchaser (to the extent permitted by law) any benefit held by it in all assignable:</p> <ul style="list-style-type: none"> (a) service contracts; and (b) defect liability rights, building or other warranties and all town planning and other approvals or consents held by the Vendor in respect of the Property; (c) securities including bank guarantees, personal and corporate guarantees; (d) Asset Documents, <p>which are current at Completion. An adjustment will also be made on Completion for any security deposits held by the Vendor in respect of the Property.</p> <p>If any of the Asset Documents, service contracts, warranties, approvals or securities are not assignable or, if consent to assign is required and at Completion consent has not been obtained, the Vendor will hold the benefit of all obligations owed to the Vendor under those things for the benefit of the Purchaser and shall enforce them as the Purchaser reasonably directs, at the Purchaser's reasonable cost.</p>
14.	Insurance risk	<p>Insurance risk shall pass to the Purchaser on Completion of each Property. The Vendor bears all insurance risk for the Property prior to</p>

Item	Term	Detail
		completion
15.	GST	Parties will use best endeavours to sell each Property as a going concern. If a sale is not treated as a going concern, the Purchaser must pay GST.
16.	Limitation of Liability	The Bid Trust's (or, if applicable, the Vendor's) and GWOFF's (or, if applicable, the Purchaser's) standard limitation of liability clauses will be repeated or included in the Contract for Sale. If a Vendor is a custodian, the then current RE of CPA (or the trustee of the sub trust that is owner of the relevant Property) must be made a party and covenant to procure the performance of the Vendor's obligations.
17.	Form	The parties will adopt the standard form contract, for the State in which the Property is situated amended in accordance with Annexure D, together with such additional clauses that are required to reflect the terms set out in this Annexure C.
18.	Accession Deeds	The Purchaser will sign any accession deed that is required under any Asset Document (including a co-owners agreement) in the form required under the relevant Asset Document.
19.	Notices	A notice clause consistent with the notice clause in clause 5 of the MOU will be inserted into the Contract for Sale.

Annexure D

Agreed Amendments to Standard Form of Contract

NSW

The printed conditions (clauses 1 to 29 inclusive) of the contract are amended as follows:

- (a) clauses 3 and 4.5 are deleted;
- (b) the definition of "bank" is deleted and replaced by the following:

"bank the Reserve Bank or a corporation which, on completion, is listed on the Australian Prudential Regulatory Authority's website under "Australian-owned Banks";"
- (c) the definition of "settlement cheque" is deleted and replaced with:

"settlement cheque an unendorsed cheque made payable to the person to be paid and drawn on its own funds by a bank or, if authorised in writing by the vendor or the vendor's solicitor, some other cheque;"; and
- (d) clause 4.3 is deleted and replaced with:

"The purchaser may not:
 - (a) *serve a form of transfer where the purchaser is not the transferee; or*
 - (b) *direct the vendor to sign this form of transfer."*
- (e) in clause 4.4, "benefited" is deleted and replaced with "or authority benefited and the land burdened"; and
- (f) the first line of clause 7.1 is deleted and replaced with:

"The vendor can rescind (and need not establish reasonable grounds for doing so) if in the case of claims that are not claims for delay - "; and
- (g) "10%" is deleted from clause 7.2.1 and replaced with "5%"; and
- (h) clause 7.2.6 is deleted and replaced with:

"if the parties do not appoint an arbitrator and neither party requests the President to appoint an arbitrator within 3 months

after completion, the claims lapse and the amount held and the interest earned on it (less all proper government taxes and financial institution charges) is to be paid to the vendor.”; and

- (i) the first line of clause 10.1 is deleted and replaced with:

“The purchaser cannot make a claim or requisition or delay completion or rescind or terminate in respect of - ”; and

- (j) clause 10.1.8 is deleted and replaced with:

“any easement, positive covenant or restriction on use the existence of any of which is disclosed in this contract or any non-compliance with the easement, positive covenant or restriction on use; or”; and

- (k) clause 10.1.9 is amended by replacing “substance” with “existence”; and

- (l) clause 10.1.9 is amended by replacing “.” with “; or” and a new clause 10.1.10 is inserted as follows:

“10.1.10 any claim, grant, notice, order or declaration in connection with native title, land rights or heritage protection under law the existence of which is disclosed in this contract.”; and

- (m) clause 10.2 is deleted;

- (n) clauses 12.1 and 12.2.1 are deleted;

- (o) “, the registered proprietor” is inserted after “vendor” in clause 14.4.1; and

- (p) in clause 16.5, the words plus another 20% of that fee are deleted;

- (q) clause 16.6 is deleted and replaced by the following:

(a) If, not less than seven days before the completion date, the Purchaser serves on the Vendor a land tax certificate showing a charge on any of the land, on completion the Vendor must give the Purchaser a land tax certificate showing the charge is no longer effective.

(b) If, less than seven days before the Completion Date, the Purchaser serves on the Vendor a land tax certificate showing a charge on any of the land, the Purchaser must complete despite the charge but the Vendor must cause the charge to be removed within seven days of receipt of the certificate. This clause will not merge on completion of this Contract.

- (r) clause 16.8 is deleted;

- (s) clause 20.6.5 is deleted;

- (t) in clause 23.13, the words at least 7 days are deleted;
- (u) clause 23.14 is deleted;
- (v) in clause 24.3.1, the words and audited are deleted;
- (w) clauses 24.3.2 and 24.3.3 are deleted;
- (x) at the start of clause 24.4.3 insert the words to the extent they are in the vendor's possession or control ;
- (y) in clause 24.4.5, delete the words is disclosed in this contract and ;
and
- (z) clause s 28 and 29 are deleted.

VICTORIA

The General Conditions are amended as follows:

- (a) in General Condition 1.1(b), add the following after the word 'reservations':
 , exceptions and conditions (if any);
- (b) delete clause 2.4 and the words "and 2.4" in clause 2.5;
- (c) in General Condition 7.2, replace the words and figures 'and 7.4' with ', 7.4 and 7.8';
- (d) General Condition 8 (Builder Warranty Insurance) is deleted;
- (e) in General Condition 10.1(b)(i), add the following after the word 'things':
 which are usual and reasonably
- (f) in General Condition 11.1(b), delete the words 'if there is no estate agent';
- (g) in General Condition 12.1(a), insert the words 'acting reasonably' after the word 'purchaser';
- (h) in General Condition 12.1(a)(ii), delete the words '80% of';
- (i) General Condition 13 (GST) is deleted;
- (j) General Condition 18 (Nominee) is deleted;
- (k) General Condition 19 (Liability of signatory) is deleted;
- (l) General Condition 20 (Guarantee) is deleted; and
- (m) General Conditions 24.4, 24.5 and 24.6 are deleted.

22.

Annexure E

Announcements
