

Dexus (ASX: DXS)

ASX release



18 March 2019

Enhanced Cleansing Notice

Dexus provides its Enhanced Cleansing Notice relating to the issue of exchangeable notes originally announced to the Australian Securities Exchange on 12 March 2019.

For further information please contact:

Investor Relations
Rowena Causley
+61 2 9017 1390
+61 416 122 383
rowena.causley@dexus.com

Media Relations
Louise Murray
+61 2 9017 1446
+61 403 260 754
louise.murray@dexus.com

About Dexus

Dexus is one of Australia's leading real estate groups, proudly managing a high quality Australian property portfolio valued at \$28.9 billion. We believe that the strength and quality of our relationships is central to our success, and are deeply committed to working with our customers to provide spaces that engage and inspire. We invest only in Australia, and directly own \$13.9 billion of office and industrial properties. We manage a further \$15.0 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$5.2 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. With 1.7 million square metres of office workspace across 53 properties, we are Australia's preferred office partner. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (trading code: DXS) and is supported by 27,000 investors from 19 countries. With more than 30 years of expertise in property investment, development and asset management, we have a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for investors. www.dexus.com

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

18 March 2019

Notice under section 1012DA(12C)(e) of the Corporations Act 2001

This notice is given by Dexus Funds Management Limited (ACN 060 920 783) as responsible entity of the four trusts which comprise Dexus (ASX: DXS) (“RE”) as well as Dexus Finance Pty Limited (ACN 110 473 786) (“Issuer”) pursuant to section 1012DA(12C)(e) of the Corporations Act 2001 (Cth) (“Corporations Act”) as inserted by *ASIC Instrument 19-0200* (“ASIC Specific Exemption”).

This notice is important and should be read in its entirety.

1. Background

Further to its announcement of 12 March 2019, the Issuer will issue exchangeable notes each having a face value of at least A\$200,000¹ (“Notes”) to professional and sophisticated investors to raise approximately A\$425 million (the “Offer”). The Notes will be exchangeable into stapled securities in Dexus (“Stapled Securities”), being securities in each of:

- Dexus Diversified Trust (ARSN 089 324 541) (“DDT”);
- Dexus Office Trust (ARSN 090 768 531) (“DOT”);
- Dexus Operations Trust (ARSN 110 521 223) (“DXO”); and
- Dexus Industrial Trust (ARSN 090 879 137) (“DIT”),

(each a “Trust” and together, “Dexus”).

All shares in the Issuer are owned by the RE. The Notes will be issued on 19 March 2019 with value being received by Dexus on 20 March 2019.

2. Explanation and Purpose of this Notice

This notice is given in accordance with section 1012DA (12C)(e) of the Corporations Act as inserted by the ASIC Specific Exemption which is, in form, substantially similar to *ASIC Instrument 2016/82* (“ASIC General Exemption”).

The ASIC General Exemption is general relief which has been given by the Australian Securities and Investments Commission (“ASIC”), from the on-sale restrictions of the Corporations Act so that any ordinary securities issued on conversion of convertible securities (such as the Notes) can be on-sold without a prospectus or product disclosure statement provided that a cleansing notice containing certain prescribed information is provided to ASX Limited (ABN 98 008 624 691) (“ASX”) at or just prior to the time the convertible securities are issued.

The RE and Issuer have obtained relief which is in form substantially similar to the ASIC General Exemption, save that it allows both the Issuer and the RE to give a cleansing notice, in circumstances in which the issuer of the convertible securities is different to the issuer of the underlying securities. The ASIC Specific Exemption is necessary as the ASIC General Exemption does not provide for relief in these circumstances. This notice is a cleansing notice as contemplated by the ASIC Specific Exemption.

No offer or invitation is made pursuant to this notice for any person to subscribe for or apply to acquire any of the Notes, or other securities issued by the Issuer or the RE. You are not required to do anything in response to this notice. Neither ASIC nor ASX takes any responsibility for the contents of this notice.

Additionally, the information in this notice is general information only, and does not take into account any investor’s individual investment objectives, financial situation or needs. Investors should consider whether the information in this notice is appropriate in light of their objectives, financial situation and needs.

¹ With any amount above A\$200,000 being in increments of A\$100,000.



2.1. Details of the issue

Each of the subscribers for the Notes (“**Noteholders**”) is:

- (a) a professional or sophisticated investor within the meaning of sections 708(8) and 708(11), who is also a wholesale investor for the purposes of section 761G(7) or 761GA of the Corporations Act; or
- (b) an investor located in a jurisdiction outside of Australia.

The Notes are being issued to further diversify Dexus’s funding sources, with the proceeds from the issue of the Notes being utilised for general corporate purposes (including to fund the acquisition of an additional 25% interest in the MLC Centre announced to the market on 12 March 2019). The Notes are exchangeable into Stapled Securities and are to be listed on the open market of the Frankfurt Stock Exchange.

See Appendix A for the terms and conditions of the Notes, Appendix E for a description of the financial impact of the issue of Notes on Dexus and Dexus’s announcement to the ASX of the launch of the Notes issue dated 12 March 2019.

2.2. Information on Dexus

The following is the information about Stapled Securities required by the ASIC Specific Exemption to be included in this notice.

Information has not been included to the extent that information can be found in:

- the annual report lodged by the RE with ASX for Dexus for the period ending 30 June 2018;
- the half-yearly report lodged by the RE with ASX for Dexus for the period ending 31 December 2018; and
- continuous disclosure notices lodged by Dexus since 30 June 2018.

| Information required | Description | Further information |
|--|---|---|
| Name and contact details of the RE and Issuer | <p>Dexus Funds Management Limited (ACN 060 920 783) (AFSL 238163) is the responsible entity of each of the Trusts.</p> <p>Dexus Finance Pty Limited (ACN 110 473 786) is the issuer of the Notes.</p> <p>The registered office of the RE and the Issuer is:</p> <p>Level 25, Australia Square 265 George Street, Sydney NSW 2000 Phone: +61 2 9017 1100 Fax: +61 2 9017 1011 Email: ir@dexus.com www.dexus.com</p> | N/A |
| Information about significant benefits to which a holder of Stapled Securities (“ Stapled Security holder ”) will or may become entitled, the circumstances in which and times at which those benefits will or may be provided, and the way in which those benefits will or may be required | <p>There are a number of benefits to which a Stapled Security holder will or may become entitled.</p> <p>These include distributions to which holders may become entitled from time to time and other rights associated with a holding of Stapled Securities.</p> <p>Appendix B sets out general information about Dexus, including the benefits and rights associated with holding Stapled Securities.</p> | Appendix B, Part 1 at page 61-64 and Part 3 at page 69-71 |



| Information required | Description | Further information |
|--|--|----------------------------------|
| Information about any significant risks associated with holding the Stapled Securities | There are a number of risks associated with holding Stapled Securities, including risks specific to Dexus, general risks of holding interests in A-REITs and other general market risks. These are described in Appendix B. | Appendix B, Part 2 at page 64-69 |
| Certain prescribed information about fees and expenses associated with a holding of Stapled Securities | Fees and costs disclosure is set out in Appendix C. | Appendix C at page 72. |
| Information about significant characteristics or features of the product or of the rights, terms conditions and obligations attaching to the Stapled Securities | There are a number of rights and liabilities that arise from a holding of Stapled Securities. These arise under the Corporations Act, the constitutions of each Trust or at general law. A summary of the rights and liabilities is set out in Appendix B. | Appendix B, Part 3 at page 69-71 |
| Information about the extent to which labour standards or environmental, social or ethical considerations are taken into account in the selection retention or realisation of investments of Dexus | The RE's investment decisions in respect of Dexus are primarily based on economic factors and they do not specifically take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments. | Appendix B, Part 1 at page 62 |
| Information about the dispute resolution system that covers complaints by Stapled Security holders | <p>If a Stapled Security holder would like to make a complaint, the RE can be contacted at the following address:</p> <p>Investor Relations, Dexus PO Box R1822 Email: ir@dexus.com</p> <p>The RE is also a member of the Australian Financial Complaints Authority (“AFCA”), an independent dispute resolution scheme. If you are not satisfied with the resolution of your complaint, you may refer your complaint to AFCA:</p> <p>Australian Financial Complaints Authority GPO Box 3 Melbourne VIC 3001 Phone: 1800 931 678 Email: info@afca.org.au</p> | N/A |
| Information about significant tax implications of the Stapled Securities | Information about tax implications of a holding of Stapled Securities (in addition to tax implications of holding Notes) is set out in Appendix D. | Appendix D at page 77 |
| Information about how information relating to Dexus is made available to Stapled Security holders | See Section 2.4 below. | N/A |
| Cooling off period | No cooling off regime applies to the exchange of Notes into Stapled Securities. | N/A |



| Information required | Description | Further information |
|----------------------------|---|---|
| Consents | <p>The following persons are named in this notice and have given consent to the context in which their names appear:</p> <ul style="list-style-type: none">- Richard Sheppard (Chair and Independent Director);- Darren Steinberg (Chief Executive Officer);- Penny Bingham-Hall (Independent Director);- John Conde (Independent Director);- Tonia Dwyer (Independent Director);- Mark Ford (Independent Director);- Peter St George (Independent Director);- The Hon. Nicola Roxon (Independent Director); and- Brett Cameron (Company Secretary). | N/A |
| Other material information | <p>Other than information contained in this notice or already set out in:</p> <ul style="list-style-type: none">- The annual report lodged by the RE with the ASX for Dexus for the period ending 30 June 2018;- The half-yearly report lodged by the RE with ASX for Dexus for the period ending 31 December 2018; and- Continuous disclosure notices lodged since 30 June 2018, <p>the RE and Issuer consider that there is no other information that they are aware of that might reasonably be expected to have a material influence on the decision of a reasonable person, as a retail client, as to whether they acquire the product.</p> <p>Reference is also made to Appendix E which sets out the impacts of the issue of the Notes on Dexus.</p> | <p>Annual Report for Dexus for the period ending 30 June 2018</p> <p>Half-yearly report for Dexus for the period ending 31 December 2018</p> <p>Continuous disclosure notices lodged since 30 June 2018 including Dexus's announcement of the launch of the Notes on 13 March 2019</p> <p>Appendix E.</p> |

2.3. Terms and Conditions of the Notes

The terms and conditions of the Notes are detailed in Annexure A. The following is a summary of the key terms and conditions of the Notes. Note that the summary is not exhaustive, nor is it a definitive statement of the rights and liabilities of the Noteholders.

| Issuer | Dexus Finance Pty Limited (ACN 110 473 786) | | | | | | | | | | | | | | | | | | |
|----------------------------------|---|----------------------------------|------------------------|---------------|-----------------------|---------------|----------|---------------|----------|---------------|----------|---------------|----------|---------------|----------|---------------|----------|---------------|----------|
| Guarantors | The Guarantors are the same Guarantors for Dexus's existing Australian Dollar MTNs and USPP bonds | | | | | | | | | | | | | | | | | | |
| Currency | AUD | | | | | | | | | | | | | | | | | | |
| Issue size | A\$425 million | | | | | | | | | | | | | | | | | | |
| Status | Direct, unsubordinated and unsecured obligations of the Issuer and Guarantors (pari passu with all other unsecured and unsubordinated obligations of the Issuer and Guarantors) | | | | | | | | | | | | | | | | | | |
| Maturity | On or about 19 June 2026 | | | | | | | | | | | | | | | | | | |
| Investor Put | On or about 19 March 2024 | | | | | | | | | | | | | | | | | | |
| Coupon | 2.30% per annum, payable quarterly in arrears | | | | | | | | | | | | | | | | | | |
| Exchange premium | Approximately 20% premium to Dexus's closing price on 12 March 2019 | | | | | | | | | | | | | | | | | | |
| Exchange Period | Exchangeable into Stapled Securities at the option of Stapled Security holders anytime starting 41 days from closing until 10 days prior to maturity | | | | | | | | | | | | | | | | | | |
| Distribution protection | <p>Adjustment to the Exchange Price in the event of an Extraordinary Distribution. Extraordinary Distribution is the amount by which the total cash distribution in a financial year exceeds on a per unit of the Stapled Securities basis, the following amounts:</p> <table border="1"> <thead> <tr> <th>In respect of Financial Year end</th> <th>Threshold Amount (AUD)</th> </tr> </thead> <tbody> <tr> <td>June 30, 2019</td> <td>50 cents²</td> </tr> <tr> <td>June 30, 2020</td> <td>52 cents</td> </tr> <tr> <td>June 30, 2021</td> <td>54 cents</td> </tr> <tr> <td>June 30, 2022</td> <td>56 cents</td> </tr> <tr> <td>June 30, 2023</td> <td>59 cents</td> </tr> <tr> <td>June 30, 2024</td> <td>61 cents</td> </tr> <tr> <td>June 30, 2025</td> <td>64 cents</td> </tr> <tr> <td>June 30, 2026</td> <td>66 cents</td> </tr> </tbody> </table> | In respect of Financial Year end | Threshold Amount (AUD) | June 30, 2019 | 50 cents ² | June 30, 2020 | 52 cents | June 30, 2021 | 54 cents | June 30, 2022 | 56 cents | June 30, 2023 | 59 cents | June 30, 2024 | 61 cents | June 30, 2025 | 64 cents | June 30, 2026 | 66 cents |
| In respect of Financial Year end | Threshold Amount (AUD) | | | | | | | | | | | | | | | | | | |
| June 30, 2019 | 50 cents ² | | | | | | | | | | | | | | | | | | |
| June 30, 2020 | 52 cents | | | | | | | | | | | | | | | | | | |
| June 30, 2021 | 54 cents | | | | | | | | | | | | | | | | | | |
| June 30, 2022 | 56 cents | | | | | | | | | | | | | | | | | | |
| June 30, 2023 | 59 cents | | | | | | | | | | | | | | | | | | |
| June 30, 2024 | 61 cents | | | | | | | | | | | | | | | | | | |
| June 30, 2025 | 64 cents | | | | | | | | | | | | | | | | | | |
| June 30, 2026 | 66 cents | | | | | | | | | | | | | | | | | | |
| Cash Alternative Election | Yes, the Issuer may, in full or in part, elect to make payment of the Cash Alternative Amount to exchanging Stapled Security holders in lieu of delivering Stapled Securities. | | | | | | | | | | | | | | | | | | |
| Covenants / Provisions | Standard provisions including negative pledge, anti-dilution protection, change of control, and cross default. | | | | | | | | | | | | | | | | | | |
| Listing Exchange | Application will be made to list on the Open Market segment of the Frankfurt Stock Exchange. | | | | | | | | | | | | | | | | | | |

² Inclusive of A\$0.272 already paid.

2.4. Compliance with Regular Reporting and Continuous Disclosure Obligations

Each of the Trusts is a disclosing entity for the purposes of the Corporations Act and, as such, subject to regular reporting and disclosure obligations. These obligations include compliance with the requirements of the ASX Listing Rules and the Corporations Act concerning notification of information to ASX. Copies of documents lodged with ASIC in relation to Dexus may be obtained from or inspected at, an office of ASIC. Copies of announcements made to the ASX by Dexus may be viewed on the ASX website.

The RE will provide a copy of any of the following documents free of charge to any person on request:

- (a) a copy of its annual financial report for the financial year ended 30 June 2018;
- (b) the half-yearly report for the half-year period ended 31 December 2018; and
- (c) any continuous disclosure notices given by Dexus after the lodgement of its most recent annual financial report and before the lodgement of this notice as detailed below:

| Date Lodged | Subject of Announcement |
|-------------|---|
| 15/8/2018 | 2018 Financial Statements |
| 15/8/2018 | 2018 Property Synopsis |
| 15/8/2018 | Appendix 4G and Corporate Governance Statement |
| 15/8/2018 | Update – Dividend/Distribution – DXS |
| 17/8/2018 | Appendix 3Y |
| 20/9/2018 | Change in substantial holding |
| 21/8/2018 | Settlement of 32 Flinders Street Melbourne |
| 23/8/2018 | Change in substantial holding |
| 30/8/2018 | 30 June 2018 distribution payment |
| 19/9/2018 | Dexus 2018 Notice of Annual General Meeting |
| 19/9/2018 | Dexus secures prime development site in Melbourne CBD |
| 2/10/2018 | Investor roadshow presentation |
| 5/10/2018 | Dexus extends presence in healthcare sector |
| 16/10/2018 | Ceasing to be a substantial holder |
| 24/10/2018 | September 2018 quarter portfolio update |
| 24/10/2018 | 2018 Annual General Meeting |
| 24/10/2018 | 2018 Annual General Meeting results |
| 31/10/2018 | Settlement of acquisition of 60 Collins Street Melbourne |
| 31/10/2018 | Amendment to Constitutions |
| 6/11/2018 | Appendix 3Y |
| 7/11/2018 | Perth Property Tour |
| 26/11/2018 | Dexus establishes JV with GIC for wholesale logistics trust |
| 27/11/2018 | Change in substantial holding |
| 30/11/2018 | Settlement of seed portfolio for JV with GIC |
| 10/12/2018 | Settlement of industrial acquisition |
| 14/12/2018 | Dividend/Distribution – DXS |
| 14/12/2018 | Distribution details for the six months to 31 December 2018 |
| 14/12/2018 | \$405 million uplift achieved across Dexus portfolio |
| 21/12/2018 | New investor secured for Dexus Industrial Partnership |
| 31/12/2018 | Becoming a substantial holder |
| 6/2/2019 | HY19 Appendix 4D and Financial Statements |

| | |
|-----------|---|
| 6/2/2019 | Update – Dividend/Distribution – DXS |
| 6/2/2019 | HY19 Results release |
| 6/2/2019 | HY19 Results presentation |
| 6/2/2019 | Appointment of Company Secretary |
| 14/2/2019 | Appendix 3Y |
| 25/2/2019 | Sale of 11 Talavera Road Macquarie Park |
| 28/2/2019 | 31 December 2018 distribution payment |
| 12/3/2019 | Dexus and DWPF acquire remaining interest in MLC Centre |
| 13/3/2019 | GPT: Sale of 50% interest in MLC Centre for \$800 million |
| 13/3/2019 | Pricing of \$425 million exchangeable notes offering |

Yours faithfully,

Dexus Funds Management Limited



Brett Cameron
Company Secretary

Enclosure

Appendix A - Terms and Conditions of the Notes

Terms and Conditions of the Notes

The following, and save for the paragraphs in italics, is the text of the Terms and Conditions of the Notes.

If the Notes were to be issued in definitive form, the terms and conditions set out on the reverse of each of such Notes (as the case may be) would be as follows. While the Notes are represented by a Global Certificate, they will be governed by the same terms and conditions except to the extent that such terms and conditions are appropriate only to securities in definitive form or are expressly varied by the terms of such Global Certificate.

The issue of the A\$425,000,000 million 2.30 per cent. Guaranteed Exchangeable Notes due 2026 (the “**Notes**”, which expression shall, unless otherwise indicated, include any Further Notes), was (save in respect of any such Further Notes) authorised by a resolution of the board of directors of Dexus Finance Pty Ltd (ACN 110 473 786) (the “**Issuer**”) passed on 12 March 2019.

The issue of the Stapled Securities (comprising one unit in each of the Head Trusts) on exchange of the Notes and the issue of the Guarantees were approved by Dexus Funds Management Limited in its capacity as responsible entity for each of the Head Trusts (the “**RE**”) on 12 March 2019.

The Notes are constituted by a trust deed dated 19 March 2019 (as amended or supplemented from time to time, the “**Trust Deed**”) between the Issuer, each Initial Guarantor and The Bank of New York Mellon, London Branch (the “**Trustee**”, which expression shall include all persons for the time being appointed as the trustee or trustees under the Trust Deed) as trustee for the holders (as defined below in Condition 3) of the Notes. The statements set out in these Terms and Conditions (the “**Conditions**”) are summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Notes. The Noteholders (as defined below in Condition 3) are entitled to the benefit of and are bound by all the provisions of the Trust Deed and are deemed to have notice of, those provisions applicable to them which are contained in the paying, transfer and exchange agency agreement dated 19 March 2019 (as amended or supplemented from time to time, the “**Agency Agreement**”) relating to the Notes between the Issuer, each Initial Guarantor, the Trustee, The Bank of New York Mellon, London Branch in its capacities as principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successor as principal paying agent under the Agency Agreement) and exchange agent (the “**Exchange Agent**”, which expression shall include any successor as exchange agent under the Agency Agreement) and The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacities as transfer agent (the “**Transfer Agent**”, which expression shall include any successor as transfer agent under the Agency Agreement) and registrar (the “**Registrar**”, which expression shall include any successor as registrar under the Agency Agreement). References to “**Paying Agents**” mean the paying agents appointed as such from time to time under the Agency Agreement, and includes the Principal Paying Agent. References to “**Agents**” mean the Principal Paying Agent, the Exchange Agent, the Transfer Agent, the Registrar, and any other Agent, and in each case includes their successors as Agents under the Agency Agreement. Copies of the Trust Deed and the Agency Agreement are available for inspection at the specified office of the Principal Paying Agent at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m. on a business day) following prior written request and proof of holding to the satisfaction of the Principal Paying Agent.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Trust Deed unless the context otherwise requires or unless otherwise stated.

1. Form, Denomination, Title and Status

(a) *Form and Denomination*

The Notes are in registered form, serially numbered, in principal amounts of A\$200,000 each and integral multiples of A\$100,000 in excess thereof (an “**authorised denomination**”).

(b) *Title*

Title to the Notes will pass by transfer and registration as described in Condition 4. The holder (as defined below in Condition 3) of any Note will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or its theft or loss (or that of the related certificate, as applicable) or anything written on it or on the certificate representing it (other than a duly executed transfer thereof)) and no person will be liable for so treating the holder.

(c) *Status*

The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 2) unsecured obligations of the Issuer ranking *pari passu* and rateably, without any preference among themselves. The payment obligations of the Issuer under the Notes rank equally with all its other existing and future unsecured and unsubordinated obligations, save for, in the event of a winding up, such obligations that may be preferred by provisions of law that are mandatory and of general application.

(d) *Status of the Guarantee; Accession and Resignation of Guarantors*

- (i) **Status:** The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer under, or pursuant to, the Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantors in the Trust Deed on a joint and several basis (the “**Guarantee**”). The obligations of each Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 2) unsecured obligations of that Guarantor and (subject as stated above) rank and will rank *pari passu* and rateably with all its other existing and future unsecured and unsubordinated obligations, save for, in the event of a winding up, such obligations that may be preferred by provisions of law that are mandatory and of general application.
- (ii) **Accession of a Guarantor:** The Issuer and/or an Initial Guarantor may at any time cause a Subsidiary to (and shall promptly cause that Subsidiary to) become a Guarantor in accordance with Clause 3.9 of the Trust Deed.
- (iii) **Resignation of a Guarantor:** The Issuer may at any time request that a Guarantor ceases to be a Guarantor in accordance with this Condition 1(d)(iii) and Clause 3.10 of the Trust Deed, provided that the Issuer and the Guarantors will ensure that as a result of such resignation:
 - (A) no Event of Default is subsisting; and
 - (B) at all times the remaining Guarantors shall:
 - (I) hold or account for direct interests (including equity accounted interests) in not less than 85 per cent. of Eligible Guarantor Group Total Tangible Assets; and
 - (II) represent 85 per cent. or more of the Eligible Guarantor Group EBITDA.

2. Negative Pledge

So long as any of the Notes remain outstanding (as defined in the Trust Deed), neither the Issuer nor any Guarantor will create or permit to subsist any Security Interest upon the whole or any part of its present or future business, undertaking, property, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee of, or indemnity in respect of, any Relevant Indebtedness unless in any such case, before or at the same time as the creation of the Security Interest, any and all action necessary shall have been taken to the satisfaction of the Trustee to ensure that:

- (a) all amounts payable by it under the Notes, the Trust Deed and the Guarantee are secured by the relevant Security Interest equally and rateably with the Relevant Indebtedness or guarantee or indemnity, as the case may be, to the satisfaction of the Trustee; or

- (b) such other Security Interest or guarantee or indemnity or other arrangement (whether or not including the giving of a Security Interest) is provided in respect of all amounts payable by it under the Notes, the Trust Deed and the Guarantee either:
 - (i) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders; or
 - (ii) as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

3. Definitions

In these Conditions, unless otherwise provided:

“Accounting Standards” means accounting standards, principles and practices applying by law or otherwise which are generally accepted and consistently applied in Australia;

“Additional Cash Alternative Amount” has the meaning provided in Condition 6(n);

“Additional Stapled Securities” has the meaning provided in Condition 6(c);

“ASX Listing Rules” means the listing rules of the Australian Securities Exchange as waived or modified by the Australian Securities Exchange in respect of any of the Issuer, a Stapled Entity or the Notes in any particular case;

“Auditors” means the auditors for the time being of the Issuer and each Guarantor or, if they are unable or unwilling to carry out any action requested of them under the Trust Deed or the Notes, such other firm of accountants as may be nominated by the Issuer or each Guarantor and notified in writing to the Trustee by the Issuer or such Guarantor for the purpose;

“Australian dollars” and **“A\$”** mean the lawful currency of the Commonwealth of Australia from time to time;

“Australian Securities Exchange” means ASX Limited (ABN 98 008 624 691) or the market operated by it, as the context requires;

“business day” means, in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place;

“Capital Distribution” has the meaning provided in Condition 6(b)(iii)(A);

“Cash Alternative Amount” means an amount calculated in accordance with the following formula and which shall be payable to a Noteholder upon an exercise of an Exchange Right if a Cash Alternative Election is applicable to such exercise:

$$CAA = \sum_{n=1}^N \frac{1}{N} \times S \times P_n$$

where:

- CAA = the Cash Alternative Amount;
- S = the number of Stapled Securities equal to the Cash Settled Securities;
- P_n = the Volume Weighted Average Price of a Stapled Security on the nth dealing day of the Cash Alternative Calculation Period; and
- N = 20, being the number of dealing days in the Cash Alternative Calculation Period,

provided that if any Distribution or other entitlement in respect of the Stapled Securities is announced, whether on or prior to or after the relevant Exchange Date, in circumstances where the record date or other due date for the establishment of entitlement in respect of such Distribution or other entitlement shall be on or after the relevant



Exchange Date and if on any dealing day in the Cash Alternative Calculation Period the price determined as provided above is based on a price ex- Distribution or ex- any other entitlement, then the Volume Weighted Average Price on such dealing day shall be increased by an amount equal to the Fair Market Value of any such Distribution or other entitlement per Stapled Security as at the date of the first public announcement of such Distribution or entitlement (or, if that is not a dealing day, the immediately preceding dealing day), determined on a gross basis and disregarding any withholding or deduction required to be made under or in connection with, or in order to ensure compliance with FATCA, or on account of tax, and disregarding any associated tax credit;

“Cash Alternative Calculation Period” means the period of 20 consecutive dealing days commencing on the third dealing day following the Cash Election Date;

“Cash Alternative Election” has the meaning provided in Condition 6(n);

“Cash Distribution” means:

- (a) any Distribution which is to be paid or made in cash (in whatever currency), but other than falling within paragraph (b) of the definition of **“Spin-Off”**; and
- (b) any Distribution determined to be a Cash Distribution pursuant to paragraph (a) of the definition of **“Distribution”**, and for the avoidance of doubt, a Distribution falling within paragraphs (c) or (d) of the definition of **“Distribution”** shall be treated as being a Non-Cash Distribution;

“Cash Election Date” has the meaning provided in Condition 6(n);

“Cash Settled Securities” means, in respect of an exercise of Exchange Rights by a Noteholder, such number of Stapled Securities (which shall not exceed the number of Reference Securities in respect of such exercise) as determined by the Issuer and notified to the relevant Noteholder in the relevant Cash Alternative Election Notice in accordance with Condition 6(n);

“Change of Control” has the meaning provided in Condition 6(b)(x);

“Change of Control Exchange Right Amendment” has the meaning provided in Condition 11(b)(vi);

“Change of Control Notice” has the meaning provided in Condition 6(g);

“Change of Control Period” has the meaning provided in Condition 6(b)(x);

“Change of Control Put Date” has the meaning provided in Condition 7(e)(ii);

“Change of Control Put Event” shall be deemed to have occurred if:

- (a) there is a Change of Control; and
- (b) within 90 days from the occurrence of the Change of Control the long term unsecured credit rating of the Group fails to be at least:
 - (i) “BBB-” by S&P;
 - (ii) “Baa3” by Moody’s; or
 - (iii) if the applicable ratings agency is not S&P or Moody’s, the equivalent of the credit ratings described in the foregoing paragraphs (i) and (ii);

“Change of Control Put Exercise Notice” has the meaning provided in Condition 7(e)(ii);

“Closing Date” means 19 March 2019;

“Corporations Act” means the Corporations Act 2001 (Cth) of Australia;

“Current Market Price” means, in respect of a Stapled Security at a particular date, the average of the Volume Weighted Average Price of a Stapled Security on each of the five consecutive dealing days ending on the dealing day immediately preceding such date; provided that if at any time during the said five consecutive dealing-day

period the Volume Weighted Average Price shall have been based on a price ex- Distribution (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum- Distribution (or cum- any other entitlement), then:



- (a) if the Stapled Securities to be issued or transferred and delivered do not rank for the Distribution (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Stapled Securities shall have been based on a price cum- Distribution (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Distribution or entitlement per Stapled Security as at the date of first public announcement of such Distribution (or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made under or in connection with, or in order to ensure compliance with FATCA, or for or on account of tax, and disregarding any associated tax credit); or
- (b) if the Stapled Securities to be issued or transferred and delivered do rank for the Distribution (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Stapled Securities shall have been based on a price ex- Distribution (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Distribution or entitlement per Stapled Security as at the date of first public announcement of such Distribution (or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made under or in connection with, or in order to ensure compliance with FATCA, or for or on account of tax, and disregarding any associated tax credit),

and provided further that:

- (1) if on each of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum- Distribution (or cum- any other entitlement) in respect of a Distribution (or other entitlement) which has been declared or announced but the Stapled Securities to be issued or transferred and delivered do not rank for that Distribution (or other entitlement) the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Distribution or other entitlement per Stapled Security as at the date of the first public announcement of such Distribution or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made under or in connection with, or in order to ensure compliance with FATCA, or for or on account of tax, and disregarding any associated tax credit;
- (2) for the purposes of any calculation or determination required to be made pursuant to paragraphs (a)(i) or (a)(ii) of the definition of "Distribution", if on any of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum the relevant Distribution or capitalisation giving rise to the requirement to make such calculation or determination, the Volume Weighted Average Price on any such dealing day shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of the relevant Cash Distribution; and
- (3) if the Volume Weighted Average Price of a Stapled Security is not available on one or more of the said five dealing days (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in that five-dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period the Current Market Price shall be determined in good faith by a Financial Adviser;

"dealing day" means a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is open for business, and on which Stapled Securities, Securities, Spin-Off Stapled Securities, options, warrants or other rights (as the case may be) may be dealt in (other than a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is scheduled to or does close prior to its regular closing time);

"Delisting" has the meaning provided in Condition 7(e)(iii);



“**Delisting Notice**” has the meaning provided in Condition 7(e)(iii);

“**Delisting Period**” has the meaning provided in Condition 7(e)(iii);

“**Delisting Put Date**” has the meaning provided in Condition 7(e)(iii);

“**Delisting Put Exercise Notice**” has the meaning provided in Condition 7(e)(iii);

“**Delisting Put Price**” has the meaning provided in Condition 7(e)(iii);

“**Delisting Put Right**” has the meaning provided in Condition 7(e)(iii);

“**Distribution**” means any dividend or distribution to Stapled Security holders (including a Spin-Off) whether of cash, assets or other property and however described and whether payable out of a share premium account, profits, retained earnings or any other capital or revenue reserve or account and including a distribution or payment to Stapled Security holders upon or in connection with a reduction of capital (and for these purposes a distribution of assets includes without limitation an issue of Stapled Securities, or other Stapled Securities credited as fully or partly paid up by way of capitalisation of profits or reserves) provided that:

- (a) where a Distribution in cash is announced which is to be, or may at the election of a Stapled Security holder or Stapled Security holders be, satisfied by the issue or delivery of Stapled Securities or other property or assets, or where a capitalisation of profits or reserves (including any share premium account or capital redemption reserve) is announced which is to be, or may at the election of a Stapled Security holder or Stapled Security holders be, satisfied by the payment of cash, then for the purposes of this definition the Distribution or capitalisation in question shall be treated as a Cash Distribution of an amount equal to the greater of (i) the Fair Market Value of such cash amount, and (ii) the Current Market Price of such Stapled Securities or, as the case may be, Fair Market Value of such other property or assets as at the first date on which the Stapled Securities are traded ex the relevant Distribution or capitalisation on the Relevant Stock Exchange (or if later, the date on which the number of Stapled Securities (or amount of property or assets, as the case may be) which may be issued or transferred and delivered is determined); provided that where such Distribution is satisfied by the issue or delivery of Stapled Securities pursuant to the DRP, then for the purposes of this definition the Distribution in question shall be such cash amount, unless the discount per Stapled Security under the DRP at which Stapled Securities may be issued pursuant to the DRP (the “**DRP Discount**”) in respect of such Distribution is more than five per cent.; in which case the Distribution shall be treated as a Cash Distribution calculated in accordance with the following formula:

$$\frac{A}{B}$$

where:

A is the announced Cash Distribution; and

B equals one minus the DRP Discount;

- (b) where there shall be any issue of Stapled Securities to Stapled Security holders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue is or is expressed to be in lieu of a Distribution (whether or not a cash Distribution equivalent or amount is announced) or a Distribution in cash that is to be satisfied by the issue or delivery of Stapled Securities or other property or assets, the capitalisation or Distribution in question shall be treated as a Cash Distribution of an amount equal to the Current Market Price of such Stapled Securities or, as the case may be, the Fair Market Value of such other property or assets as at the first date on which the Stapled Securities are traded ex- the relevant capitalisation or, as the case may be, ex- the relevant Distribution on the Relevant Stock Exchange or, if later, the date on which the number of Stapled Securities or amount of such other property or assets, as the case may be, is determined, save that where a Distribution in cash is announced which is to be satisfied by the issue or delivery of Stapled Securities where the number of Stapled Securities to be issued or delivered is to be determined during a period following such

announcement and is to be determined by reference to the closing price or volume weighted average price or any like or similar pricing benchmark of the Stapled Securities, without any discount, or in respect of a period commencing, not earlier than the date of the first public announcement in respect of such Distribution, then such Distribution shall be treated as a Cash Distribution in an amount equal to the Fair Market Value of such cash amount;

- (c) any issue of Stapled Securities falling within Condition 6(b)(i) or Condition 6(b)(ii) shall be disregarded;
- (d) a purchase or redemption or buy back of the share capital of the Stapled Entities by, or on behalf of, the Stapled Entities or any other member of the Group shall not constitute a Distribution unless, in the case of a purchase or redemption or buy back of Stapled Securities by or on behalf of the Stapled Entities or any member of the Group, the weighted average price per Stapled Security (before expenses) on any one day (a "**Specified Security Day**") in respect of such purchases or redemptions or buy backs (translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such day) exceeds by more than five per cent. the average of the closing prices of the Stapled Securities on the Relevant Stock Exchange (as published by or derived from the Relevant Stock Exchange) on the five dealing days immediately preceding the Specified Security Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Stapled Security holders or any notice convening such a meeting of Stapled Security holders) has been made of the intention to purchase, redeem or buy back Stapled Securities at some future date at a specified price or where a tender offer is made, on the five dealing days immediately preceding the date of such announcement or the date of first public announcement of such tender offer (and regardless of whether or not a price per Stapled Security, a minimum price per Stapled Security or a price range or a formula for the determination thereof is or is not announced at such time), in which case such purchase, redemption or buy back shall be deemed to constitute a Distribution in the Relevant Currency in an amount equal to the amount by which the aggregate price paid (before expenses) in respect of such Stapled Securities purchased, redeemed or bought back by, or on behalf of, the Stapled Entities or, as the case may be, any member of the Group (translated where appropriate into the Relevant Currency as provided above) exceeds the product of:
 - (i) 105 per cent. of the average closing price of the Stapled Securities determined as aforesaid; and
 - (ii) the number of Stapled Securities so purchased, redeemed or bought back; and
- (e) if the Stapled Entities or any other member of the Group shall purchase, redeem or buy back any depository or other receipts or certificates representing Stapled Securities, the provisions of paragraph (d) shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by a Financial Adviser;

"**DRP**" means any distribution reinvestment plan of the Stapled Securities implemented by the Stapled Entities from time to time (if any);

"**DXS Group**" means each Head Trust and its Subsidiaries;

"**DXS Group Member**" means each member of the DXS Group;

"**Effective Date**" has the meaning provided in Condition 6(b)(iii)(A), 6(b)(iii)(B), 6(b)(iv) and 6(b)(v) (as the context so requires);

"**Eligible Guarantor Group**" means:

- (a) the Issuer;
- (b) each Head Trust; and
- (c) each DXS Group Member (which is a wholly owned Subsidiary of a Head Trust) other than:
 - (i) an Excluded Subsidiary; and

- (ii) any such DXS Group Member which is incorporated, domiciled or resident in a jurisdiction whose legal or taxation requirements preclude it from becoming Guarantor;

“Eligible Guarantor Group EBITDA” means, in respect of any period, for the Eligible Guarantor Group, on a consolidated basis (without double counting), the net profit from the ordinary operating business activities of the Eligible Guarantor Group for that period, before accounting for:

- (a) Eligible Guarantor Group Interest for that period;
- (b) taxes on overall net income paid or payable by the Eligible Guarantor Group in respect of that period;
- (c) depreciation and amortisation expense of the Eligible Guarantor Group in respect of that period; and
- (d) non-recurring significant items of the Eligible Guarantor Group for that period,

in each case, as determined in accordance with the Accounting Standards and determined from the aggregated financial statements for the DXS Group for that period, adjusted:

- (e) to exclude any unrealised gains or losses in respect of that period as shown in the statement of financial performance included in those financial statements;
- (f) to include any gains or losses realised in that period which were excluded from a calculation pursuant to subparagraph (e) above in a prior period;
- (g) to include any gains or losses realised in that period which were excluded from a calculation pursuant to subparagraph (e) above in a prior period;
- (h) for the impact of foreign currency translations: where the DXS Group have economic hedges in place foreign currency items forming part of net profit will be translated based on the weighted average hedge rate (being a blended exchange rate between the rates as per hedge contracts and the average spot exchange rate for the period) for the period for the purpose of calculating Eligible Guarantor Group EBITDA; and
- (i) to exclude interest and amounts in the nature of interest received or receivable in connection with deferred purchase arrangements;

“Eligible Guarantor Group Intangible Assets” means all goodwill, patents, trademarks, trade names, future income tax benefits and any other property which is required to be treated as an intangible asset of the Eligible Guarantor Group on a consolidated basis (without double counting) in accordance with the Accounting Standards;

“Eligible Guarantor Group Interest” means, for any period, for the Eligible Guarantor Group on an aggregated and consolidated basis (without double counting), the aggregate amount of interest, any net obligations in respect of any interest rate swaps and amounts in the nature of interest or having a similar purpose or effect to interest paid or accrued in respect of any Indebtedness of the Eligible Guarantor Group (including, without limitation, capitalised interest, any amortisation of original issue discounts, commissions, facility fees, line fees, commitment fees, acceptance fees, usage fees, issuance fees and other fees and charges in respect of letters of credit, performance bonds, banker’s guarantees, insurance bonds or similar obligations, but excluding, for the avoidance of doubt, any establishment fees, arranging fees, underwriting fees or similar fees or charges or any other non-recurring amounts with respect to any Indebtedness) and adjusted for the impact of foreign currency translations: where the Eligible Guarantor Group have economic hedges in place, interest denominated in foreign currency will be translated based on the average hedge rate (being a blended exchange rate between the rates as per hedge controls and the average spot exchange rate for the period);

“Eligible Guarantor Group Total Tangible Assets” means, at any time, the book value of all assets of the Eligible Guarantor Group on an aggregated and consolidated basis (without double counting):

- (a) excluding derivative products less;
- (b) the amount of provisions applicable thereto; and



(c) minus all deferred purchase price components,

in each case, as determined in accordance with the Accounting Standards minus the Eligible Guarantor Group Intangible Assets;

“equity share capital” means, in relation to a company, its issued share capital excluding any part of that capital which, neither as regards dividends nor as regards capital, carries any right to participate beyond a specified amount in a distribution;

“Event of Default” has the meaning provided in Condition 10;

“Exchange Date” has the meaning provided in Condition 6(h);

“Exchange Notice” has the meaning provided in Condition 6(h);

“Exchange Period” has the meaning provided in Condition 6(a);

“Exchange Period Commencement Date” has the meaning provided in Condition 6(a);

“Exchange Price” has the meaning provided in Condition 6(a);

“Exchange Right” has the meaning provided in Condition 6(a);

“Excluded Subsidiary” means:

(a) any wholly-owned Subsidiary of a Head Trust that:

- (i) has net assets of less than A\$1,000,000;
- (ii) has net income of less than A\$1,000,000 per annum;
- (iii) does not hold or own real property, either directly or indirectly for itself or for the benefit of another person; and
- (iv) has been specifically established to facilitate or is in connection with commercial mortgage backed securities or asset backed commercial paper issues or similar secured financial indebtedness; or

(b) any other Subsidiary which is agreed to be an Excluded Subsidiary by the Noteholders;

“Exempt Newco Scheme” means a Newco Scheme (as defined below) where immediately after completion of the relevant Newco Scheme, the ordinary shares or units (or equivalent) of Newco (as defined below) are:

- (a) admitted to trading on the Relevant Stock Exchange; or
- (b) admitted to listing on such other regulated, regularly operating, recognised stock exchange or securities market as the Issuer or Newco may determine;

“Extraordinary Distribution” has the meaning provided in Condition 6(b)(iii)(B);

“Extraordinary Resolution” has the meaning provided in the Trust Deed;

“FATCA” means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;





“Fair Market Value” means, on any date:

- (a) in the case of a Cash Distribution, the amount of such Cash Distribution;
- (b) in the case of any other cash amount, the amount of such cash;
- (c) in the case of Securities, Spin-Off Stapled Securities, options, warrants or other rights or assets which are publicly traded on a market of adequate liquidity (as determined by a Financial Adviser), the arithmetic mean of the daily Volume Weighted Average Prices of such Securities, Spin Off Stapled Securities, options, warrants or other rights or assets during the period of five dealing days on the relevant market commencing on such date (or, if later, the first such dealing day such Spin-Off Stapled Securities, Securities, options, warrants or other rights or assets are publicly traded or such shorter period as such Spin-Off Stapled Securities, Securities, options, warrants or other rights or assets are publicly traded); and
- (d) in the case of Spin-Off Stapled Securities, Securities, options, warrants or other rights or assets which are not publicly traded on a market of adequate liquidity (as aforesaid), an amount determined in good faith by a Financial Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Stapled Security, the distribution yield of a Stapled Security, the volatility of such market price, prevailing interest rates and the terms of such Spin-Off Stapled Securities, Securities, options, warrants or other rights or assets, including as to the expiry date and exercise price (if any) thereof. Such amount in the case of (a) above shall be translated into the Relevant Currency (if declared or paid or payable in a currency other than the Relevant Currency, and if the relevant Distribution is payable at the option of the Issuer or a Stapled Security holder in any currency additional to the Relevant Currency, the relevant Distribution shall be treated as payable in the Relevant Currency) at the rate of exchange used to determine the amount payable to Stapled Security holders who were paid or are to be paid or are entitled to be paid the Cash Distribution in the Relevant Currency; and in any other case, translated into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at the Prevailing Rate on that date.

In addition, in the case of (a) and (b), the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made under or in connection with, or in order to ensure compliance with FATCA, or for or on account of tax and disregarding any associated tax credit;

“Final Maturity Date” means 19 June 2026;

“Financial Adviser” means an independent investment bank of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer or each Guarantor (at its own expense) and notified in writing to the Trustee or, if the Issuer and each Guarantor fail to make such appointment and such failure continues for a period of 30 days, appointed by the Trustee following notification to the Issuer and each Guarantor provided that the Trustee has no obligation to make such appointment unless it has been indemnified and/or provided with security and/or pre-funding to its satisfaction in respect of the costs, fees and expenses of such adviser;

“Further Notes” means any further Notes issued pursuant to Condition 18 and consolidated and forming a single series with the then outstanding Notes;

“Group” means the Issuer, each Guarantor and each of their respective Subsidiaries and their controlled entities and a **“member of the Group”** means any such entity;

“Guarantor” means:

- (a) each of the Initial Guarantors; and
- (b) any entity that accedes to the Guarantee as a Guarantor in accordance with Condition 1(d) and the Trust Deed from time to time,

which, in each case, has not ceased to be a Guarantor in accordance with the terms herein and the Trust Deed;



“Head Trusts” means each of:

- (a) Dexus Diversified Trust (ARSN 089 324 541);
- (b) Dexus Industrial Trust (ARSN 090 879 137);
- (c) Dexus Office Trust (ARSN 090 768 531); and
- (d) Dexus Operations Trust (ARSN 110 521 223),

up to (and including) such time as a relevant entity’s Marketable Securities are de-stapled in circumstances in which all of its Marketable Securities are unencumbered and beneficially owned and controlled by one or more other members of the Group;


“Indebtedness” means any present or future indebtedness (whether being principal, interest or other amounts) for or in respect of:

- (a) money borrowed;
- (b) liabilities under or in respect of any acceptance or acceptance credit; or
- (c) any notes, bonds, debentures, debenture stock, loan capital, loan stock, certificates of deposit, commercial paper or other securities or instruments, offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;

“Initial Guarantors” means each of the entities named as such (and in the capacity specified) in Schedule 8 (*Initial Guarantors*) to the Trust Deed;

“Insolvency Event” means the happening of any of these events:

- (a) an order is made that a person be wound up, except as part of an, or an application is made to a court for such an order (other than an application which is frivolous or vexatious, or which is refused, withdrawn, dismissed or stayed indefinitely within 14 days);
- (b) an order is made in any court under sections 601FQ(5) and/or 601ND of the Corporations Act in respect of a managed investment scheme;
- (c) an obligation to wind up a managed investment scheme arises under section 601NE of the Corporations Act or:
 - (i) any order is made in any court under section 601NF of the Corporations Act; and
 - (ii) an application for an order under section 601NF of the Corporations Act is made in any court by any person described in sections 601NF(3)(a), (b) or (d);
- (d) a liquidator or provisional liquidator is appointed in respect of a person, or an application is made to a court for such an order (other than an application which is frivolous or vexatious, or which is refused, withdrawn, dismissed or stayed indefinitely within 14 days);
- (e) except to reconstruct or amalgamate while solvent, a person enters into, or resolves to enter into, a scheme of arrangement, deed of company arrangement or composition with, or assignment for the benefit of, all or any class of its creditors, or it proposes a reorganisation, moratorium or other administration involving any of them;
- (f) a person is wound up or dissolved or resolves to wind itself up, or otherwise dissolve itself, or gives notice of its intention to do so, except to reconstruct or amalgamate while solvent;
- (g) a person is, or states that it is, unable to pay its debts when they fall due and payable;
- (h) as a result of the operation of section 459F(1) of the Corporations Act, a person is taken to have failed to comply with a statutory demand;

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- (i) a person is, or makes a statement from which it may be reasonably deduced that the person is, the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act;
 - (j) a person takes any step to obtain protection, or is granted protection, from its creditors under any applicable law or an administrator is appointed to a person;
 - (k) a person becomes an insolvent under administration or Insolvent (each as defined in the Corporations Act) or action is taken which could result in any such event;
 - (l) a person has a controller or receiver (each as defined in the Corporations Act) appointed to any part of its property (and, except in the case of an administrator, the appointment is not set aside where capable of being set aside, within ten days); and
 - (m) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction,

and a person is “**Insolvent**” if any Insolvency Event occurs in relation to that person;

“**Interest Payment Date**” has the meaning provided in Condition 5(a);

“**Interest Period**” has the meaning provided in Condition 5(a);

“**Interest Rate**” has the meaning provided in Condition 5(a);

“**Market Price**” means the Volume Weighted Average Price of a Stapled Security on the relevant Reference Date, provided that if any Distribution or other entitlement in respect of the Stapled Security is announced whether on or prior to or after the relevant Exchange Date in circumstances where the record date or other due date for the establishment of entitlement in respect of such Distribution or other entitlement shall be on or after the Exchange Date and if, on the relevant Reference Date, the Volume Weighted Average Price of an Stapled Security is based on a price ex- Distribution or ex- any other entitlement, then such price shall be increased by an amount equal to the Fair Market Value of such Distribution or entitlement per Stapled Security as at the date of first public announcement of such Distribution or entitlement (or if that is not a dealing day, the immediately preceding dealing day, determined on a gross basis and disregarding any withholding or deduction required to be made under or in connection with, or in order to ensure compliance with FATCA, or for or on account of tax, and disregarding any associated tax credit);

“**Marketable Security**” means, in relation to a Head Trust, a fully paid ordinary unit in the Head Trust;

“**Newco Scheme**” means a Scheme of Arrangement or meeting of the Stapled Security holders (a “**Top Hat Restructure**”) which effects the interposition of a limited liability company (“**Newco**”) between the Stapled Security holders of the Stapled Entities immediately prior to completion of the Top Hat Restructure (the “**Existing Stapled Security holders**”) and the Stapled Entities, provided that:

- (a) only shares, stapled securities or units or equivalent of Newco or depositary or other receipts or certificates representing shares, stapled securities or units or equivalent of Newco are issued to Existing Stapled Security holders;
- (b) immediately after completion of the Top Hat Restructure the only holders of shares, stapled securities, units or equivalent of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing shares, stapled securities or units or equivalent of Newco (other than a nominal holding by initial subscribers) are Existing Stapled Security holders holding in the same proportions as immediately prior to completion of the Top Hat Restructure;
- (c) immediately after completion of the Top Hat Restructure, Newco is (or one or more wholly-owned Subsidiaries of Newco are) the only Stapled Security holder of the Stapled Entities;
- (d) all Subsidiaries of the Stapled Entities immediately prior to the Top Hat Restructure (other than Newco, if Newco is then a Subsidiary of the Stapled Entities) are Subsidiaries of the Stapled Entities (or of Newco) immediately after completion of the Top Hat Restructure; and

- (e) immediately after completion of the Top Hat Restructure the Stapled Entities (or Newco) holds, directly or indirectly, the same percentage of the share capital and equity share capital of those Subsidiaries as was held by the Stapled Entities immediately prior to the Top Hat Restructure;

“**Non-Cash Distribution**” has the meaning provided in Condition 6(b)(iii)(A);

“**Noteholder**” and, in relation to a Note, “**holder**” means the person in whose name a Note is registered in the Register (as defined in Condition 4(a));

“**Offer Period**” has the meaning given to it in the Corporations Act and, in addition, also includes:

- (a) any period commencing on the date of first public announcement of an offer or tender (howsoever described) by any person or persons in respect of all or a majority of the issued and outstanding Stapled Securities and ending on the date that offer ceases to be open for acceptance or, if earlier, on which that offer lapses, terminates; or
- (b) any period commencing on the date of first public announcement of a Scheme of Arrangement relating to the acquisition of all or a majority of the issued and outstanding Stapled Securities and ending on the date such Scheme of Arrangement is or becomes effective or, if earlier, the date such Scheme of Arrangement is cancelled or terminated;

“**Optional Put Date**” has the meaning provided in Condition 7(e)(i);

“**Optional Put Exercise Notice**” has the meaning provided in Condition 7(e)(i);

“**Optional Redemption Date**” has the meaning provided in Condition 7(b);

“**Optional Redemption Notice**” has the meaning provided in Condition 7(b);

a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity);

“**Prevailing Rate**” means, in respect of any pair of currencies on any calendar day, the spot rate of exchange between the relevant currencies prevailing as at or about 12:00 noon (Sydney time) on that date as appearing on or derived from the Relevant Page;

If such a rate cannot be determined as aforesaid, the Prevailing Rate shall be determined *mutatis mutandis* but with respect to the immediately preceding day on which such rate can be so determined or if such rate cannot be so determined by reference to the Relevant Page, the rate determined in such other manner as a Financial Adviser shall consider in good faith appropriate;

“**Record Date**” has the meaning provided in Condition 8(c);

“**Reference Date**” has the meaning provided in Condition 6(a);

“**Reference Securities**” means, in respect of the exercise of Exchange Rights by a Noteholder, the number of Stapled Securities (rounded down, if necessary, to the nearest whole number) determined by dividing the principal amount of the Notes the subject of the relevant exercise of Exchange Rights by the Exchange Price in effect on the relevant Exchange Date;

“**Register**” has the meaning provided in Condition 4(a);

“**Relevant Currency**” means Australian dollars or, if at the relevant time or for the purposes of the relevant calculation or determination, the Australian Securities Exchange is not the Relevant Stock Exchange, the currency in which the Stapled Securities are quoted or traded on the Relevant Stock Exchange;

“**Relevant Date**” means, in respect of any Note, whichever is the later of:

- (a) the date on which payment in respect of it first becomes due; and

- (b) if any amount of the money payable is improperly withheld or refused, the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer or each Guarantor to the Noteholders in accordance with Condition 17 that, upon further presentation of the Note, where required pursuant to these Conditions, being made, such payment will be made, provided that such payment is in fact made as provided in these Conditions;

“Relevant Indebtedness” means any present or future indebtedness (whether being principal, premium, interest or other amounts) in the form of or represented by notes, bonds, debentures, debenture stock, loan stock or other securities, whether issued for cash or in whole or in part for a consideration other than cash and which (in any case) are or are capable of being quoted, listed or ordinarily dealt in on any recognised listing authority, stock exchange, securities quotation system or over-the-counter or other securities market and for the avoidance of doubt, excluding any cash advance facility, loan or debt not constituted by a note, bond, debenture, debenture stock, loan stock or other security;

“Relevant Page” means the relevant page on Bloomberg or such other information service provider that displays the relevant information;

“Relevant Stock Exchange” means the Australian Securities Exchange or if at the relevant time the Stapled Securities are not at that time listed and admitted to trading on the Australian Securities Exchange, the principal stock exchange or securities market on which the Stapled Securities are then listed, admitted to trading or quoted or dealt in;

“Retroactive Adjustment” has the meaning provided in Condition 6(c);

“S&P” means Standard & Poor’s, a division of the McGraw-Hill Companies, Inc.;

“Scheme of Arrangement” means a scheme of arrangement or analogous procedure;

“Securities” means any securities including, without limitation:

- (a) the shares, any stapled securities (including the Stapled Securities) and/or units in the capital of the Stapled Entities; and
- (b) shares, units, options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Stapled Entities;

“Security Interest” means any mortgage, charge, pledge, lien or other encumbrance or security interest securing any obligation of any person or any other agreement having a similar effect, but excludes any interest of:

- (a) a consignor under a consignment of goods (other than retention of title);
- (b) a lessor under a lease of goods which would, in accordance with the Accounting Standards, not be treated as a finance lease or capital lease;
- (c) a bailor under a bailment (other than a bailment by way of or pursuant to a pledge, lien, charge or similar transaction); or
- (d) a transferee under a transfer of an account or chattel paper (other than an assignment or mortgage or otherwise by way of security for the payment or performance of an obligation);

“Specified Date” has the meaning provided in Conditions 6(b)(iv), 6(b)(vi), 6(b)(vii) and 6(b)(viii);

“Spin-Off” means:

- (a) a distribution of Spin-Off Stapled Securities by the Stapled Entities to Stapled Security holders as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or securities of or in or issued or allotted by any entity) by any entity (other than the Stapled Entities) to Stapled Security holders as a class or, in the case of or in connection with a Scheme of Arrangement, Existing Stapled Security



holders as a class (but excluding the issue and allotment of shares, units and/or stapled securities (or depositary or other receipts or certificates representing such shares, units or stapled securities) by Newco to Existing Stapled Security holders as a class), pursuant in each case to any arrangements with the Issuer, each Guarantor or any other member of the Group;



“Spin-Off Stapled Securities” means equity share capital of an entity other than the Stapled Entities or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Stapled Entities;

“Stapled Entities” means each of the Head Trusts and, where the context requires, the RE;

“Stapled Security” means a stapled security traded on the Relevant Stock Exchange as a single listed security with the ticker code “DXS” (or any replacement identifier code), comprising one ordinary unit in each of the Head Trusts as provided for pursuant to the terms of the constitutions of the Stapled Entities or stapled securities of any class or classes resulting from any subdivision, consolidation or re-classification of those Stapled Securities;

“Stapled Security holders” means the holders of Stapled Securities;

“Subsidiary” has the meaning given in the Corporations Act, but as if 'body corporate' include any entity. It includes an entity required (or that would be required if that entity were a corporation) by the Accounting Standards, to be included in the consolidated financial statements of that entity. Also:

- (a) an entity is a Subsidiary of another entity if controlled by that other entity for the purposes of section 50AA of the Corporations Act;
- (b) a trust may be a Subsidiary (and a unit or other beneficial interest in the trust is to be treated as a share accordingly); and
- (c) an entity is to be treated as a Subsidiary of a trust as if that trust were a corporation;

“Tax Redemption Date” has the meaning provided in Condition 7(c);

“Tax Redemption Notice” has the meaning provided in Condition 7(c);

“Threshold Amount” has the meaning provided in Condition 6(b)(iii)(B);

“Transaction Documents” means the Notes, the Agency Agreement and the Trust Deed, together with any amendments or supplements thereto;

“U.S.\$” are references to the lawful currency for the time being of the United States of America;

“Volume Weighted Average Price” means, in respect of a Stapled Security or, as the case may be, a Spin-Off Stapled Security, option, warrant or other right on any dealing day, the order book volume-weighted average price of a Stapled Security, Security or, as the case may be, a Spin-Off Stapled Security, option, warrant or other right published by or derived (in the case of a Stapled Security) from Bloomberg page VAP (or any other successor or page) (setting “*Weighted Average Line*”, or any other successor setting and using values not adjusted for any event occurring after such dealing day; and for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) or (in the case of a Security (other than a Stapled Security), Spin-Off Stapled Security, option, warrant or other right) from the principal stock exchange or securities market on which such Security, Spin-Off Stapled Securities, option, warrant or other right are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined to be appropriate by a Financial Adviser on such dealing day, provided that if on any such dealing day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Stapled Security, Security or a Spin-Off Stapled Security, option, warrant or other right, as the case may be, in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined as a Financial Adviser might otherwise determine in good faith to be appropriate; and



“**Voting Rights**” means the right generally to vote at a general meeting of Stapled Security holders of the Stapled Entities (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency) or to elect the majority of the members of the board of directors or other governing body of the Stapled Entities.

References to any act or statute or provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

References to any issue or offer or grant to Stapled Security holders or Existing Stapled Security holders “as a class” or “by way of rights” shall be taken to be references to an issue or offer or grant to all or substantially all Stapled Security holders or Existing Stapled Security holders, as the case may be, other than Stapled Security holders or Existing Stapled Security holders, as the case may be, to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

In making any calculation or determination of Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as a Financial Adviser considers appropriate to reflect any consolidation or sub-division of the Stapled Securities or any issue of Stapled Securities by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve), or any like or similar event.

For the purposes of Conditions 6(a), 6(b), 6(c), 6(h), 6(i), and 11 only, (a) references to the “issue” of Stapled Securities or Stapled Securities being “issued” shall include the transfer and/or delivery of Stapled Securities, whether newly issued and allotted or previously existing or held by or on behalf of the Stapled Entities or any Subsidiary of the Stapled Entities and (b) Stapled Securities held by or on behalf of the Stapled Entities or any of the Subsidiaries of the Stapled Entities (and which, in the case of Condition 6(b)(iv), do not rank for the relevant right or other entitlement) shall not be considered as or treated as “in issue” or “issued”, or entitled to receive the relevant Distribution, right or other entitlement.

4. Registration and Transfer of Notes

(a) *Registration*

The Issuer will cause a register (the “**Register**”) to be kept at the specified office of the Registrar outside the United Kingdom on which will be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and of all transfers, redemptions and exchanges of Notes.

(b) *Transfer*

Notes may, subject to the terms of the Agency Agreement and to Conditions 4(c), 4(d) and 4(e), be transferred in whole or in part in an authorised denomination by lodging the relevant Note (with the form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the specified office of the Registrar or any Transfer Agent.

No transfer of a Note will be valid unless and until entered on the Register. A Note may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number).

The Registrar will (and the Issuer will procure the Registrar to) within ten business days, in the place of the specified office of the Registrar, of any duly made application for the transfer of a Note, register the relevant transfer and deliver a new Note to the transferee (and, in the case of a transfer of part only of a Note, deliver a Note for the untransferred balance to the transferor) at the specified office of the Registrar or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the Note by uninsured mail to such address as the transferee or, as the case may be, the transferor may request in writing.

(c) *Formalities Free of Charge*

Such transfer will be effected without charge subject to:

- (i) the person making such application for transfer paying or procuring the payment (or the giving of such indemnity and/or security and/or prefunding as the Issuer or any of the Agents may require) of any taxes, duties and other governmental charges in connection therewith;
- (ii) the Registrar or the relevant Transfer Agent being satisfied with the documents of title and/or identity of the person making the application; and
- (iii) the Registrar or the relevant Transfer Agent being satisfied such regulations concerning transfer and registration of Notes (the initial regulations being as initially set out in the Agency Agreement) have been complied with. Such regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar, and by the Registrar, with the prior written approval of the Trustee.

(d) *Closed Periods*

Neither the Issuer nor the Registrar will be required to register the transfer of any Note (or part thereof):

- (a) during the period of 15 days ending on and including the day immediately prior to the Final Maturity Date or any earlier date fixed for redemption of the Notes pursuant to Condition 7(b) or Condition 7(c);
- (b) in respect of which an Exchange Notice has been delivered in accordance with Condition 6(h);
- (c) in respect of which a holder shall have exercised its option to require the Issuer to redeem pursuant to Condition 7(e); or
- (d) during the period of 15 days ending on (and including) any Record Date in respect of any payment of interest on the Notes.

(e) *Restrictions on transfer*

Notes may only be transferred if the offer or invitation giving rise to the transfer:

- (i) does not constitute an offer or invitation for which disclosure is required to be made to investors under Part 6D.2 and Chapter 7 of the Corporations Act;
- (ii) is not made to a person who is a "retail client" within the meaning of Section 761G of the Corporations Act; and
- (iii) complies with any applicable law or directive of the jurisdiction where transfer takes place.

Any transfer of Notes shall be subject to, and in accordance with, the restrictions set out in Schedule 9 (Selling Restrictions) to the Trust Deed.

5. Interest

(a) *Interest Rate*

The Notes bear interest from and including the Closing Date at the rate (the "**Interest Rate**") of 2.30 per cent. per annum calculated by reference to the principal amount thereof and payable quarterly in equal instalments in arrears on 19 March, 19 June, 19 September and 19 December in each year (each an "**Interest Payment Date**"), commencing with the Interest Payment Date falling on 19 June 2019.

If interest is required to be calculated for a period other than an Interest Period (as defined below) it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed.

“Interest Period” means the payment period beginning on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(b) *Accrual of Interest*

Each Note will cease to bear interest:

- (i) where the Exchange Right shall have been exercised by a Noteholder, from the Interest Payment Date immediately preceding the relevant Exchange Date or, if none, the Closing Date (subject in any such case as provided in Condition 6(j)); or
- (ii) where such Note is redeemed or repaid pursuant to Condition 7 or Condition 10, from the due date for redemption or repayment thereof unless, upon due presentation thereof,

payment of principal is improperly withheld or refused, in which event interest will continue to accrue from the due date for redemption or repayment at the rate specified in Condition 8(f) (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder and (b) the day seven days after the Trustee or the Principal Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

6. Exchange of Notes

(a) *Exchange Right and Exchange Price*

Subject to the right of the Issuer to make a Cash Alternative Election pursuant to Condition 6(n) and also as otherwise as provided below, each Note shall entitle the holder to exchange such Note into new Stapled Securities, credited as fully paid, subject to and as provided in these Conditions (the **“Exchange Right”**).

The number of Stapled Securities to be issued on exercise of an Exchange Right shall (subject as aforesaid) be determined by dividing the aggregate principal amount of all the Notes to be exchanged by such exchanging Noteholders by the exchange price (the **“Exchange Price”**) in effect on the relevant Exchange Date.

The initial Exchange Price is A\$15.05 per Stapled Security. The Exchange Price is subject to adjustment in the circumstances described in Condition 6(b).

A Noteholder may exercise the Exchange Right in respect of a Note by delivering the certificate evidencing such Note together with a duly completed Exchange Notice to the specified office of any Exchange Agent in accordance with Condition 6(h) whereupon the Issuer shall (subject as provided in these Conditions) procure the issue to, or as directed by, the relevant Noteholder of Stapled Securities credited as paid up in full as provided in this Condition 6.

Subject to and as provided in these Conditions, the Exchange Right in respect of a Note may be exercised, at the option of the holder thereof, subject to any applicable fiscal or other laws or regulations and as hereinafter provided, at any time on or after 29 April 2019 (the **“Exchange Period Commencement Date”**), provided that the relevant Exchange Date shall not fall later than on the date falling ten calendar days (in the place where the relevant Note is delivered for Exchange) prior to the Final Maturity Date or, if such Note is to be redeemed pursuant to Condition 7(b) or Condition 7(c) prior to the Final Maturity Date (both days inclusive), not later than the 10th calendar day (in the place aforesaid) before the date fixed for redemption thereof pursuant to Condition 7(b) or Condition 7(c), unless there shall be default in making payment in respect of such Note on such date fixed for redemption, in which event the Exchange Right may be exercised up to and including the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given in accordance with Condition 17 or, if earlier, the date falling ten calendar days (in the place aforesaid) prior to the Final

Maturity Date; provided that, in each case, if such final date for the exercise of Exchange Rights is not a business day at the place aforesaid, then the period for exercise of Exchange Rights by Noteholders shall end on the immediately preceding business day at the place aforesaid.

Notwithstanding the foregoing, if a Change of Control occurs, the Exchange Right may be exercised prior to the Exchange Period Commencement Date, in which case Noteholders exercising the Exchange Right prior to the Exchange Period Commencement Date shall, as a pre-condition to receiving Stapled Securities, be required to certify in the Exchange Notice, among other things, that it or, if it is a broker-dealer acting on behalf of a customer, such customer:

- (i) will, on exchange, become the beneficial owner of the Stapled Securities; and
- (ii) is located outside the United States (within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended).

Exchange Rights may not be exercised:

- (A) following the giving of notice by the Trustee pursuant to Condition 10; or
- (B) in respect of a Note in respect of which the relevant Noteholder has exercised its right to require the Issuer to redeem that Note pursuant to Condition 7(e).

Save in the circumstances described in Condition 6(k) in respect of any notice given by the Issuer pursuant to Condition 7(b) or Condition 7(c), Exchange Rights may not be exercised by a Noteholder in circumstances where the relevant Exchange Date would fall during the period commencing on the Record Date in respect of any payment of interest on the Notes and ending on the relevant Interest Payment Date (both days inclusive).

The period during which Exchange Rights may (subject as provided below) be exercised by a Noteholder is referred to as the “**Exchange Period**”.

Exchange Rights may only be exercised in respect of an authorised denomination. Where Exchange Rights are exercised in respect of part only of a Note, the old certificate in respect of that Note shall be cancelled and a new certificate for the balance thereof shall be issued in lieu thereof without charge but upon payment by the holder of any taxes, duties and other governmental charges payable in connection therewith and the Registrar will within ten business days, in the place of the specified office of the Registrar, following the relevant Exchange Date deliver such new certificate to the Noteholder at the specified office of the Registrar or (at the risk and, if mailed at the request of the Noteholder otherwise than by ordinary mail, at the expense of the Noteholder) mail the new certificate by uninsured mail to such address as the Noteholder may request.

Fractions of Stapled Securities will not be issued on exercise of Exchange Rights or pursuant to Condition 6(c) and no cash payment or other adjustment will be made in lieu thereof. However, if the Exchange Right in respect of more than one Note is exercised at any one time such that the Stapled Securities to be issued on exchange or pursuant to Condition 6(c) are to be registered in the same name, the number of such Stapled Securities to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Notes being so exchanged and rounded down to the nearest whole number of Stapled Securities.

The Issuer will procure that the Stapled Securities to be issued on exchange will be issued to the Noteholders completing the relevant Exchange Notice or their nominee. Such Stapled Securities will be deemed to be issued as of the relevant Exchange Date. Any Additional Stapled Securities to be issued pursuant to Condition 6(c) will be deemed to be issued as of the date the relevant Retroactive Adjustment takes effect or as at the date of issue of Stapled Securities if the adjustment results from the issue of Stapled Securities (each such date, the “**Reference Date**”).

The Issuer and each of the Guarantors undertake to make or cause to be made, an application for the Stapled Securities to be issued on exchange of the Notes to be quoted on the Australian Securities Exchange.



(b) *Adjustment of Exchange Price*

Upon the happening of any of the events described below, the Exchange Price shall be adjusted as follows:

- (i) **Consolidation, reclassification, redesignation or subdivision:** If and whenever there shall be a consolidation, reclassification, redesignation or subdivision in relation to the Stapled Securities which alters the number of Stapled Securities in issue, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to such consolidation, reclassification, redesignation or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of Stapled Securities in issue immediately before such consolidation, reclassification, redesignation or subdivision, as the case may be; and
- B is the aggregate number of Stapled Securities in issue immediately after, and as a result of, such consolidation, reclassification, redesignation or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification, redesignation or subdivision, as the case may be, takes effect.

- (ii) **Capitalisation of profits or reserves:** If and whenever the Stapled Entities shall issue any Stapled Securities credited as fully paid to the Stapled Security holders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than where it is determined to constitute a Cash Distribution pursuant to paragraph (a) of the definition of "Distribution", the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of Stapled Securities in issue immediately before such issue; and
- B is the aggregate number of Stapled Securities in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Stapled Securities.

(iii) **Capital Distribution:**

- (A) If and whenever the Stapled Entities shall declare, announce, make or pay any Capital Distribution (except to the extent the Exchange Price falls to be adjusted under Condition 6(b)(ii)) to the Stapled Security holders, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Stapled Security on the Effective Date; and



B is the portion of the Fair Market Value of the aggregate Capital Distribution attributable to one Stapled Security, with such portion being determined by dividing the Fair Market Value of the aggregate Capital Distribution by the number of Stapled Securities entitled to receive the relevant Capital Distribution (or, in the case of a purchase, redemption or buy back of Stapled Securities or any depositary or other receipts or certificates representing Stapled Securities by or on behalf of the Stapled Entities or any Subsidiary of the Stapled Entities, by the number of Stapled Securities in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Stapled Securities, or any Stapled Securities represented by depositary or other receipts or certificates, purchased, redeemed or bought back).

Such adjustment shall become effective on the Effective Date or, if later, the first date upon which the Fair Market Value of the relevant Capital Distribution is capable of being determined as provided herein.

“**Effective Date**” means, in respect of this Condition 6(b)(iii)(A), the first date on which the Stapled Securities are traded ex- the relevant Distribution on the Relevant Stock Exchange or, in the case of a purchase, redemption or buy back of Stapled Securities or any depositary or other receipts or certificates representing Stapled Securities, the date on which such purchase, redemption or buy back is made or in the case of a Spin-Off, the first date on which the Stapled Securities are traded ex- the relevant Spin-Off on the Relevant Stock Exchange.

“**Capital Distribution**” means any Non-Cash Distribution.

“**Non-Cash Distribution**” means any Distribution which is not a Cash Distribution and shall include a Spin-Off.

(B) If and whenever the Stapled Entities shall declare, announce, make or pay any Extraordinary Distributions to the Stapled Security holders, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Stapled Security on the Effective Date; and

B is the portion of the Fair Market Value of the aggregate Extraordinary Distribution attributable to one Stapled Security, with such portion being determined by dividing the Fair Market Value of the aggregate Extraordinary Distribution by the number of Stapled Securities entitled to receive the relevant Distribution.

Such adjustment shall become effective on the Effective Date or, if later, the first date upon which the Fair Market Value of the relevant Extraordinary Distribution can be determined.

“**Effective Date**” means, in respect of this Condition 6(b)(iii)(B), the last dealing day preceding the date on which the Extraordinary Distribution is publicly announced.

“**Extraordinary Distribution**” means any Cash Distribution declared, announced, made or paid in respect of a fiscal year of the Stapled Entities (the “**Relevant Fiscal Year**”), if:

- (a) the Fair Market Value of the relevant Distribution per Stapled Security; or
- (b) the sum of:
 - (i) the Fair Market Value of the relevant Distribution per Stapled Security; and



- (ii) an amount equal to the aggregate of the Fair Market Value or Fair Market Values of any other Cash Distribution or Cash Distributions per Stapled Security declared, announced, paid or made in respect of the Relevant Fiscal Year, exceeds the Threshold Amount in respect of such Relevant Fiscal Year.

For the avoidance of doubt, any Cash Distribution declared or announced in one Relevant Fiscal Year but made and/or paid in another Relevant Fiscal Year shall, for the purposes of this Condition 6(b)(iii)(B), be deemed to be a Cash Distribution declared, announced, made and paid in the first such Relevant Fiscal Year only.

Only such portion of the Cash Distribution which exceeds the Threshold Amount shall be regarded as an Extraordinary Distribution (the “**Excess Portion**”) and only the Excess Portion shall be taken into account in determining the adjustment to be made under this Condition 6(b)(iii)(B).

“**Threshold Amount**” means, in respect of any Relevant Fiscal Year, the amount per Stapled Security equal to the amount per Stapled Security corresponding to the fiscal year set out below (adjusted pro rata for any adjustments to the Exchange Price made pursuant to the provisions of this Condition 6(b), including this Condition 6(b)(iii)):

| In respect of the fiscal year ending: | Threshold Amount (A\$) |
|---------------------------------------|------------------------|
| 30 June 2019 | 0.50 |
| 30 June 2020 | 0.52 |
| 30 June 2021 | 0.54 |
| 30 June 2022 | 0.56 |
| 30 June 2023 | 0.59 |
| 30 June 2024 | 0.61 |
| 30 June 2025 | 0.64 |
| 30 June 2026 | 0.66 |

On any adjustment to the Threshold Amount, the resultant Threshold Amount in respect of any fiscal year, if not an integral multiple of A\$0.005, shall be rounded down to the nearest whole multiple of A\$0.005. No adjustment shall be made to the Threshold Amount in respect of any fiscal year where such adjustment (rounded down if applicable) would be less than one per cent. of the Threshold Amount then in effect in respect of such fiscal year. Any adjustment not required to be made and/or any amount by which the Threshold Amount in respect of any fiscal year has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Threshold Amount shall be given by the Stapled Entities to Noteholders in accordance with Condition 17 and to the Trustee in writing promptly after the determination thereof.

- (C) For the purposes of the above, Fair Market Value shall (subject as provided in paragraph (a) of the definition of “Distribution” and in the definition of “Fair Market Value”) be determined as at the Effective Date.
- (D) In making any calculations for the purposes of this Condition 6(b)(iii), such adjustments (if any) shall be made as a Financial Adviser may determine in good faith to be appropriate to reflect:



- (i) any consolidation or sub-division of any Stapled Securities or the issue of Stapled Securities by way of capitalisation of profits or reserves (or any like or similar event) or any increase in the number of Stapled Securities in issue in relation to the fiscal year of the Stapled Entities in question; or
 - (ii) any change in the fiscal year of the Stapled Entities; or
 - (iii) any adjustment to the Exchange Price made in the fiscal year of the Stapled Entities in question.
- (iv) **Rights issues of Stapled Securities or options over Stapled Securities:** If and whenever the Stapled Entities or any Subsidiary of the Stapled Entities or (at the direction or request or pursuant to any arrangements with the Stapled Entities or any Subsidiary of the Stapled Entities) any other company, person or entity shall issue Stapled Securities to all or substantially all Stapled Security holders as a class by way of rights, or issue or grant to all or substantially all Stapled Security holders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Stapled Securities or any Securities which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or the right to otherwise acquire, any Stapled Securities (or shall grant any such rights in respect of existing Securities so issued), in each case at a price per Stapled Securities which is less than 95 per cent. of the Current Market Price on the Effective Date of the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Stapled Securities in issue on the Effective Date;
- B is the number of Stapled Securities which the aggregate consideration (if any) receivable for the Stapled Securities issued by way of rights, or for the Securities issued by way of rights and upon exercise of rights of conversion into, or exchange or subscription for, or the right to otherwise acquire, Stapled Securities, or for the options or warrants or other rights issued by way of rights and for the total number of Stapled Securities deliverable on the exercise thereof, would purchase at such Current Market Price per Stapled Security on the Effective Date; and
- C is the number of Stapled Securities issued or, as the case may be, the maximum number of Stapled Securities which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase or other rights of acquisition in respect thereof at the initial conversion, exchange, subscription, purchase or acquisition price or rate,

provided that if at the first date on which the Stapled Securities are traded ex- rights, ex- options or ex- warrants on the Relevant Stock Exchange (as used in this Condition 6(b)(iv), the “**Specified Date**”) such number of Stapled Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this Condition 6(b)(iv), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date or, if later, the dealing day following the record date or other due date for establishment of the entitlement of Stapled Security holders to participate in the relevant issue or grant.



“**Effective Date**” means, in respect of this Condition 6(b)(iv), the first date on which the Stapled Securities are traded ex- rights, ex- options or ex- warrants on the Relevant Stock Exchange.

- (v) **Rights issues of other Securities:** If and whenever the Stapled Entities or any Subsidiary of the Stapled Entities or (at the direction or request or pursuant to any arrangements with the Stapled Entities or any Subsidiary of the Stapled Entities) any other company, person or entity shall issue any Securities (other than Stapled Securities or options, warrants or other rights to subscribe for or purchase or otherwise acquire Stapled Securities or Securities which by their terms carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or rights to otherwise acquire, Stapled Securities) to all or substantially all Stapled Security holders as a class by way of rights or grant to all or substantially all Stapled Security holders as a class by way of rights any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Securities (other than Stapled Securities or options, warrants or other rights to subscribe for or purchase or otherwise acquire Stapled Securities or Securities which by their term carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or rights to otherwise acquire, Stapled Securities), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price per Stapled Security on the Effective Date; and

B is the Fair Market Value on the Effective Date of the portion of the rights attributable to one Stapled Security.

Such adjustment shall become effective on the Effective Date or, if later, the dealing day following the record date or other due date for establishment of the entitlement of Stapled Security holders to participate in the relevant issue or grant.

“**Effective Date**” means, in respect of this Condition 6(b)(v), the first date on which the Stapled Securities are traded ex- the relevant Securities or ex- rights, ex- option or ex- warrants on the Relevant Stock Exchange.

- (vi) **Issues at less than the Current Market Price:** If and whenever the Stapled Entities shall issue (otherwise than as mentioned in Condition 6(b)(iv) above) wholly for cash or for no consideration any Stapled Securities (other than Stapled Securities issued on exchange of the Notes (which term shall for this purpose include any Further Notes) or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, or rights to otherwise acquire Stapled Securities and other than where it is determined to constitute a Cash Distribution pursuant to paragraph (a) of the definition of “Distribution”) or if and whenever the Stapled Entities or any Subsidiary of the Stapled Entities or (at the direction or request or pursuant to any arrangements with the Stapled Entities or any Subsidiary of the Stapled Entities) any other company, person or entity shall issue or grant (otherwise than as mentioned in Condition 6(b)(iv) above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase or otherwise acquire Stapled Securities (other than the Notes, which term shall for this purpose include any Further Notes), in each case at a price per Stapled Security which is less than 95 per cent. of the Current Market Price on the date of the first public announcement of the terms of such issue or grant, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:



- A is the number of Stapled Securities in issue immediately before the issue of such Stapled Securities or the grant of such options, warrants or rights;
- B is the number of Stapled Securities which the aggregate consideration (if any) receivable for the issue of such Stapled Securities or, as the case may be, for the Stapled Securities to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price on the date of such first public announcement; and
- C is the number of Stapled Securities to be issued pursuant to such issue of such Stapled Securities or, as the case may be, the maximum number of Stapled Securities which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights,

provided that if at the time of issue of such Stapled Securities or date of issue or grant of such options, warrants or rights (as used in this Condition 6(b)(vi), the “**Specified Date**”) such number of Stapled Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this Condition 6(b)(vi), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase, or acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the date of issue of such Stapled Securities or, as the case may be, the issue or grant of such options, warrants or rights.

- (vii) **Other issues at less than the Current Market Price:** If and whenever the Stapled Entities or any of their respective Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Stapled Entities or any of their respective Subsidiaries) any other company, person or entity shall (otherwise than as mentioned in Conditions 6(b)(iv), 6(b)(v) or 6(b)(vi) above) issue wholly for cash or for no consideration any Securities (other than the Notes which term shall for this purpose exclude any Further Notes), which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, purchase of, or rights to otherwise acquire, Stapled Securities (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be reclassified or redesignated as Stapled Securities and the consideration per Stapled Security receivable upon conversion, exchange, subscription, purchase, acquisition, reclassification or redesignation is less than 95 per cent. of the Current Market Price on the date of the first public announcement of the terms of issue of such Securities (or the terms of such grant), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Stapled Securities in issue immediately before such issue or grant (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Stapled Securities which have been issued, purchased or acquired by the Stapled Entities or any Subsidiary of the Stapled Entities (or at the direction or request or pursuant to any arrangements with the Stapled Entities or any Subsidiary of the Stapled Entities) for the purposes of or in connection with such issue, less the number of such Stapled Securities so issued, purchased or acquired);
- B is the number of Stapled Securities which the aggregate consideration (if any) receivable for the Stapled Securities to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to such Securities or, as the case may be, for the Stapled Securities to be issued or to arise

from any such reclassification or redesignation would purchase at such Current Market Price per Stapled Security on the date of such first public announcement; and



- C is the maximum number of Stapled Securities to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription, purchase or acquisition attached thereto at the initial conversion, exchange, subscription, purchase or acquisition price or rate or, as the case may be, the maximum number of Stapled Securities which may be issued or arise from any such reclassification or redesignation,

provided that if at the time of issue of the relevant Securities or date of grant of such rights (as used in this Condition 6(b)(vii) the “**Specified Date**”) such number of Stapled Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or, as the case may be, such Securities are reclassified or redesignated or at such other time as may be provided) then for the purposes of this Condition 6(b)(vii), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase, acquisition, reclassification or, as the case may be, redesignation had taken place on the Specified Date.

Such adjustment shall become effective on the date of issue of such Securities or, as the case may be, the grant of such rights.

- (viii) **Modification of rights of Conversion:** If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any Securities (other than the Notes, which term shall for this purpose include any Further Notes) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or the right to otherwise acquire, any Stapled Securities (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Stapled Security receivable has been reduced and is less than 95 per cent. of the Current Market Price on the date of the first public announcement of the proposals for such modification, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Stapled Securities in issue on the dealing day immediately before such modification (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for, or purchase or acquisition of, Stapled Securities which have been issued, purchased or acquired by, or on behalf of, the Stapled Entities or any of their respective Subsidiaries (or at the direction or request or pursuant to any arrangements with the Stapled Entities or any their respective Subsidiaries) for the purposes of or in connection with such Securities, less the number of such Stapled Securities so issued, purchased or acquired);
- B is the number of Stapled Securities which the aggregate consideration (if any) receivable for the Stapled Securities to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to the Securities so modified would purchase at such Current Market Price per Stapled Security on the date of such first public announcement or, if lower, the existing conversion, exchange, subscription purchase or acquisition price or rate of such Securities; and



C is the maximum number of Stapled Securities which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription, purchase or acquisition price or rate but giving credit in such manner as a Financial Adviser shall consider appropriate for any previous adjustment under this Condition 6(b)(viii) or Condition 6(b)(vii) above,

provided that if at the time of such modification (as used in this Condition 6(b)(viii), the “**Specified Date**”) such number of Stapled Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or at such other time as may be provided) then for the purposes of this Condition 6(b)(viii), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such Securities.

- (ix) **Other offers to Stapled Security holders:** If and whenever the Stapled Entities or any of their respective Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Stapled Entities or any of their respective Subsidiaries) any other company, person or entity shall offer any Stapled Securities or Securities in connection with which Stapled Security holders as a class are entitled to participate in arrangements whereby such Stapled Securities or Securities may be acquired by them (except where the Exchange Price falls to be adjusted under Conditions 6(b)(ii), 6(b)(iii), 6(b)(iv), 6(b)(v), 6(b)(vi) or 6(b)(vii) above or Condition 6(b)(x) below (or, where applicable, would fall to be so adjusted if the relevant issue or grant was at less than 95 per cent. of the Current Market Price per Stapled Security on the relevant dealing day)), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before the making of such offer by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Stapled Security on the date on which the terms of such offer are first publicly announced; and
- B is the Fair Market Value on the date of such announcement (or, if that is not a dealing day, the immediately preceding dealing day) of the portion of the relevant offer attributable to one Stapled Security.

Such adjustment shall become effective on the first date on which the Stapled Securities are traded ex- rights on the Relevant Stock Exchange.

- (x) **Change of Control:**

If:

- (i) an offer is made to all (or as nearly as may be practicable all) Stapled Security holders (or all (or as nearly as may be practicable all) Stapled Security holders other than the offeror and/or any associate (as defined in section 12 of the Corporations Act) of the offeror) to acquire the whole or any part of the issued Stapled Securities (an “**Offer**”); or
- (ii) any person proposes a Scheme of Arrangement (including an informal scheme or similar arrangement involving the Issuer or each Guarantor) with regard to such acquisition (a “**Scheme**”), (other than as part of an Exempt Newco Scheme) and such offer or



Scheme of Arrangement (including an informal scheme or similar arrangement involving the Issuer or each Guarantor) having become or been declared unconditional in all respects, and the offeror has acquired at any time during the relevant offer period a relevant interest in more than 50 per cent. of the Stapled Securities in issue, or the Scheme of Arrangement if approved and implemented will result in a person acquiring a relevant interest in more than 50 per cent. of the Stapled Securities that will be in issue after the Scheme of Arrangement is implemented, or an event occurs which has a like or similar effect; or

- (iii) an event occurs which has a like or similar effect, including if the Stapled Entities, the Issuer or the RE consolidates with or merges into or sells or transfers all or substantially all of the Stapled Entities', the Issuer's or, as the case may be, the RE's assets to any other person, unless the consolidation, merger, sale or transfer will not result in any person or persons, acting together, acquiring control over the Stapled Entities, the Issuer, the RE or any of their respective successor entities,

(each such event a "**Change of Control**"), then upon any exercise of Exchange Rights where the Exchange Date falls during the period (the "**Change of Control Period**") commencing on the occurrence of the Change of Control and ending 30 calendar days following the Change of Control or, if later, 30 calendar days following the date on which a Change of Control Notice as required by Condition 6(g) is given, the Exchange Price (the "**Change of Control Exchange Price**") shall be as determined pursuant to the following formula:

$$\text{COCEP} = \text{OEP} / (1 + (\text{EP} \times c/t))$$

where:

- COCEP = means the Change of Control Exchange Price
- OEP = means the Exchange Price in effect on the relevant Exchange Date
- EP = means 20.00 per cent. (expressed as a fraction)
- c = means the number of days from and including the date the Change of Control occurs to but excluding the Final Maturity Date
- t = means the number of days from and including the Closing Date to but excluding the Final Maturity Date

For the avoidance of doubt, the appointment of a new trustee or responsible entity will not constitute a Change of Control if the new trustee or responsible entity is:

- (1) a member of the Group; and
 - (2) has entered into an agreement with the Trustee to perform all of the obligations of the RE under the Trust Deed and the Notes which are not novated to it pursuant to the operation of Division 3 of Part 5C.2 of the Corporations Act.
- (xi) **Other Events:** If the Issuer (after consultation with the Trustee) determines that an adjustment should be made to the Exchange Price as a result of one or more circumstances not referred to above in this Condition 6(b) (even if the relevant circumstance is specifically excluded from the operation of Conditions 6(b)(i) to 6(b)(x) (both inclusive) above), the Issuer shall, at its own expense and acting reasonably, request a Financial Adviser to determine as soon as practicable what adjustment (if any) to the Exchange Price is fair and reasonable to take account thereof and the date on which such adjustment should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this Condition 6(b)(xi) if such Financial Adviser is so requested to make such a determination not more than 21 days after the date on which the relevant circumstance arises and if the adjustment would result in a reduction to the Exchange Price.



Notwithstanding the foregoing provisions:

- (a) where the events or circumstances giving rise to any adjustment pursuant to this Condition 6(b) have already resulted or will result in an adjustment to the Exchange Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Exchange Price or where more than one event which gives rise to an adjustment to the Exchange Price occurs within such a short period of time that, in the opinion of the Issuer, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be advised by a Financial Adviser to be in its opinion appropriate to give the intended result and provided further that, for the avoidance of doubt, the issue of Stapled Securities pursuant to the exercise of Exchange Rights shall not result in an adjustment to the Exchange Price;
- (b) such modification shall be made to the operation of these Conditions as may be advised by a Financial Adviser to be in its opinion appropriate:
 - (i) to ensure that an adjustment to the Exchange Price or the economic effect thereof shall not be taken into account more than once; and
 - (ii) to ensure that the economic effect of a Distribution is not taken into account more than once; and
- (c) other than pursuant to Condition 6(b)(i), no adjustment shall be made that would result in an increase to the Exchange Price.

For the purpose of any calculation of the consideration receivable or price pursuant to Conditions 6(b)(iv), 6(b)(vi), 6(b)(vii) and 6(b)(viii), the following provisions shall apply:

- (A) the aggregate consideration receivable or price for Stapled Securities issued for cash shall be the amount of such cash;
- (B)
 - (x) the aggregate consideration receivable or price for Stapled Securities to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities; and
 - (y) the aggregate consideration receivable or price for Stapled Securities to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed,

the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant date of the first public announcement as referred to in Condition 6(b)(vi), 6(b)(vii) or 6(b)(viii), as the case may be, plus in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights of subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (z) the consideration receivable or price per Stapled Security upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y)

above (as the case may be) divided by the number of Stapled Securities to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;

- (C) if the consideration or price determined pursuant to (A) or (B) above (or any component thereof) shall be expressed in a currency other than the Relevant Currency it shall be converted into the Relevant Currency at the Prevailing Rate on the date of the relevant Effective Date (in the case of (A) above) or the relevant date of the first public announcement (in the case of (B) above);
- (D) in determining consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Stapled Securities or Securities or options, warrants or rights, or otherwise in connection therewith;
- (E) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to a Stapled Entity or another entity; and
- (F) references in these Conditions to “cash” shall be construed as cash consideration within the meaning of Section 583(3) of the Companies Act 2006 (Chapter 46) of the United Kingdom.

Notwithstanding any other provision of these Conditions, the rights of the Noteholders will be changed to the extent necessary to comply with the ASX Listing Rules. For the avoidance of doubt, if there are any inconsistencies between the ASX Listing Rules and the adjustment mechanisms provided for in this Condition 6, the ASX Listing Rules will apply.

(c) *Retroactive Adjustments*

Subject as provided in Condition 6(n), if the Exchange Date in relation to the exchange of any Note shall be after the record date in respect of any consolidation, reclassification, redesignation or subdivision as is mentioned in Condition 6(b)(i), or after the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in Condition 6(b)(ii), 6(b)(iii), 6(b)(iv), 6(b)(v) or 6(b)(ix), or after the date of the first public announcement of the terms of any such issue or grant as is mentioned in Conditions 6(b)(vi) and 6(b)(vii), or of the terms of any such modification as mentioned in Condition 6(b)(viii), in any case in circumstances where the relevant Exchange Date falls before the relevant adjustment to the Exchange Price becomes effective under Condition 6(b) (such adjustment, a “**Retroactive Adjustment**”), then the Issuer shall (conditional upon the relevant adjustment becoming effective) procure that there shall be issued to the exchanging Noteholder, in accordance with the instructions contained in the Exchange Notice, such additional number of Stapled Securities (if any) (the “**Additional Stapled Securities**”) as, together with the Stapled Securities issued on exchange of the relevant Note (together with any fraction of a Stapled Security not so issued), is equal to the number of Stapled Securities which would have been required to be issued on exchange of such Note as if the relevant adjustment to the Exchange Price had in fact been made and become effective immediately prior to the relevant Exchange Date, all as determined by a Financial Adviser, provided that if in the case of Condition 6(b)(ii), 6(b)(iii), 6(b)(iv), 6(b)(v) or 6(b)(ix) the relevant Noteholder shall be entitled to receive the relevant Stapled Securities, Distributions or Securities in respect of the Stapled Securities to be issued or delivered to it, then no such Retroactive Adjustment shall be made in relation to the relevant event and the relevant Noteholder shall not be entitled to receive Additional Stapled Securities in relation thereto.

(d) *Decision of a Financial Adviser*

If any doubt shall arise as to whether an adjustment falls to be made to the Exchange Price or the Threshold Amount or as to the appropriate adjustment to the Exchange Price or Threshold Amount or as to the occurrence of a Change of Control, the Issuer and each Guarantor shall consult a

Financial Adviser and the written opinion of such Financial Adviser in respect of such adjustment to the Exchange Price or Threshold Amount shall be conclusive and binding on Noteholders and all parties, save in the case of manifest error.



(e) *Employees' Security Schemes*

No adjustment will be made to the Exchange Price where Stapled Securities or other Securities (including rights, warrants and options) are issued, transferred, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, employees or contractors or former employees or contractors (including directors holding or formerly holding executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Stapled Entities or any of their Subsidiaries or any associated company or to trustees to be held for the benefit of any such person, in any such case pursuant to any employees' security or option scheme.

(f) *Rounding Down and Notice of Adjustment to the Exchange Price*

On any adjustment, the resultant Exchange Price, if not an integral multiple of A\$0.001, shall be rounded down to the nearest whole multiple of A\$0.001. No adjustment shall be made to the Exchange Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Exchange Price then in effect. Any adjustment not required to be made and/or any amount by which the Exchange Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Exchange Price and the Threshold Amount shall be given by the Issuer and each Guarantor to Noteholders in accordance with Condition 17 and to the Trustee and the Exchange Agent in writing promptly after the determination thereof.

The Issuer and each Guarantor undertakes that it shall not take any action and shall procure that no action is taken, that would otherwise result in the inability to issue Stapled Securities on exchange as fully paid.

(g) *Change of Control*

Within seven calendar days following the occurrence of a Change of Control, the Issuer shall give notice thereof to the Trustee and the Principal Paying Agent in writing and to the Noteholders in accordance with Condition 17 (a "**Change of Control Notice**"). Such notice shall contain a statement informing Noteholders of their entitlement to exercise their Exchange Rights as provided in these Conditions and their entitlement to require the Issuer to redeem their Notes as provided in Condition 7(e)(ii).

The Change of Control Notice shall also specify:

- (i) the nature of the Change of Control;
- (ii) the Exchange Price immediately prior to the occurrence of the Change of Control and the Change of Control Exchange Price (on the basis of such Exchange Price) applicable pursuant to Condition 6(b)(x) during the Change of Control Period on the basis of the Exchange Price in effect immediately prior to the occurrence of the Change of Control;
- (iii) the closing price of the Stapled Securities as derived from the Relevant Stock Exchange as at the latest practicable date prior to the publication of such notice;
- (iv) the Change of Control Put Date and the last day of the Change of Control Period;
- (v) details of the right of the Issuer to redeem any Notes which shall not previously have been exchanged or redeemed pursuant to Condition 7(e)(ii); and

(vi) such other information relating to the Change of Control as the Trustee may require.

Neither the Trustee nor any Agent shall be required to monitor or take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and none of them will be responsible or liable to Noteholders or any other person for any loss arising from any failure by it to do so.

(h) *Procedure for exercise of Exchange Rights*

Exchange Rights may be exercised by a Noteholder during the Exchange Period by delivering the relevant certificate evidencing the Note to the specified office of any Exchange Agent, during its usual business hours, accompanied by a duly completed and signed notice of exchange (a “**Exchange Notice**”) in the form (for the time being current) obtainable from any Exchange Agent. Exchange Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Exchange Agent to whom the relevant Exchange Notice is delivered is located.

If such delivery is made after 3:00 p.m. (local time) or on a day which is not a business day in the place of the specified office of the relevant Exchange Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following such business day.

Any determination as to whether any Exchange Notice has been duly completed and properly delivered shall be made by the relevant Exchange Agent and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Trustee, the Exchange Agents and the relevant Noteholder.

Exchange Rights may only be exercised in respect of an authorised denomination. Where Exchange Rights are exercised in respect of part only of a Note, the old certificate in respect of that Note shall be cancelled and a new certificate for the balance thereof shall be issued in lieu thereof without charge but upon payment by the holder of any taxes, duties and other governmental charges payable in connection therewith and the Registrar will within ten business days, in the place of the specified office of the Registrar, following the relevant Exchange Date deliver such new certificate to the Noteholder at the specified office of the Registrar or (at the risk and, if mailed at the request of the Noteholder otherwise than by ordinary mail, at the expense of the Noteholder) mail the new certificate by uninsured mail to such address as the Noteholder may in writing request.

An Exchange Notice, once delivered, shall be irrevocable.

The exchange date in respect of a Note (the “**Exchange Date**”) shall be the second Sydney business day following the date of the delivery of the relevant Note and the Exchange Notice (as provided in this Condition 6(h)).

A Noteholder exercising an Exchange Right must pay directly to the relevant authorities any taxes and capital, stamp, issue and registration and transfer taxes and duties arising on exchange (other than any taxes and capital, stamp, issue and registration and transfer taxes and duties payable in Australia (or any state or territory thereof) or in any other jurisdiction in which the Issuer or the Guarantors may be domiciled or resident or to whose taxing jurisdiction it may be generally subject, in respect of the issue or transfer and delivery of any Stapled Securities in respect of the issue and transfer of any Stapled Securities on such exchange or in respect of the delivery of any Stapled Securities on such exchange (including any Additional Stapled Securities), which shall be paid by the Issuer (failing which, the Guarantors)) and such Noteholder shall be responsible for paying all, if any, taxes arising by reference to any disposal or deemed disposal of a Note or interest therein in connection with such exchange. If the Issuer or the Guarantors shall fail to pay any taxes and capital, stamp, issue and registration and transfer taxes and duties payable for which they are responsible as provided above, the relevant Noteholder shall be entitled to tender and pay the same and the Issuer and each of the Guarantors as a separate and independent stipulation, covenants to reimburse and indemnify each Noteholder in respect of any payment thereof and any penalties payable in respect thereof.



For the avoidance of doubt, none of the Agents or the Trustee shall be responsible for determining whether such taxes or capital, stamp, issue and registration and transfer taxes and duties are payable by any person in any jurisdiction or the amount thereof and none of them shall be responsible or liable for requiring that such amounts are paid or for any failure by any Noteholder, the Issuer or the Guarantors to pay such taxes or capital, stamp, issue and registration and transfer taxes and duties in any jurisdiction.



Each Noteholder exercising an Exchange Right must provide to the Exchange Agent a certificate confirming:

- (i) its compliance with applicable fiscal or other laws or regulations; and
- (ii) that all relevant taxes and capital, stamp, issue and registration and transfer taxes and duties (if any) have been paid, and the Exchange Agent and the Trustee shall be entitled to rely conclusively on such certificate.

Stapled Securities to be issued on exercise of Exchange Rights (including any Additional Stapled Securities) will be issued, at the option of the Noteholder exercising its Exchange Right as specified in the Exchange Notice in uncertificated form through the securities trading system known as the Clearing House Electronic Sub-register System operated by ASX Settlement Pty Limited (“**CHES**”) (or any successor licensed clearance and settlement facility applicable to the Stapled Securities) and the Stapled Securities will be credited to the CHES account specified in the Exchange Notice, or if a Noteholder does not specify a valid CHES account in the Exchange Notice, a certificate for the Stapled Securities will, if permitted by the ASX Listing Rules, be prepared and mailed to the relevant Noteholder (at the risk of such Noteholder) to the address specified in the Register, in each case by a date which is not later than five Sydney business days (in the case of Stapled Securities to be issued through CHES or in certificated form) after the relevant Exchange Date.

Statements of holdings for Stapled Securities issued on exercise of Exchange Rights through CHES will be dispatched by the Issuer by mail free of charge as soon as practicable but in any event within ten Sydney business days after the relevant Exchange Date.

(j) *Revival and/or survival after Default:*

Notwithstanding the provisions of Condition 6(a), if:

- (a) the Issuer (or, as the case may be, any Guarantor) shall default in making payment in full in respect of any Note which shall have been called for redemption on the date fixed for redemption thereof;
- (b) any Note has become due and payable prior to the Final Maturity Date by reason of the occurrence of any of the events under Condition 10; or
- (c) any Note is not redeemed on the Final Maturity Date in accordance with Condition 7(a),

the Exchange Right attaching to such Note will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the certificate evidencing such Note is deposited for exchange) on the date upon which the full amount of the moneys payable in respect of such Note has been duly received by the Exchange Agent or the Trustee and notice of such receipt has been duly given to the Noteholders and notwithstanding the provisions of Condition 6(a), any Note in respect of which the certificate and Exchange Notice are deposited for exchange prior to such date shall be exchanged on the relevant Exchange Date (as defined above in Condition 6(h)) notwithstanding that the full amount of the moneys payable in respect of such Note shall have been received by the Exchange Agent or the Trustee before such Exchange Date or that the Exchange Period may have expired before such Exchange Date.

Notwithstanding any other provisions of these Conditions, a Noteholder exercising its Exchange Right following a Change of Control Exchange Right Amendment as described in Condition 11(b)(vi) will be

deemed, for the purposes of these Conditions, to have received the Stapled Securities to be issued arising on exchange of its Notes in the manner provided in these Conditions, and have exchanged such Stapled Securities for the consideration that it would have received therefor if it had exercised its Exchange Right in respect such Notes at the time of the occurrence of the relevant Change of Control.



(j) *Stapled Securities*

- (i) Stapled Securities (including any Additional Stapled Securities) issued upon exchange of the Notes will be fully paid and will in all respects rank *pari passu* with the fully paid Stapled Securities in issue on the relevant Exchange Date or, in the case of Additional Stapled Securities, on the relevant Reference Date, except in any such case for any right excluded by mandatory provisions of applicable law and except that such Stapled Securities or, as the case may be, Additional Stapled Securities will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the relevant Exchange Date or, as the case may be, the relevant Reference Date.
- (ii) Save as provided in Condition 6(k), no payment or adjustment shall be made on exchange for any interest which otherwise would have accrued on the relevant Notes since the last Interest Payment Date preceding the Exchange Date relating to such Notes (or, if such Exchange Date falls before the first Interest Payment Date, since the Closing Date).

(k) *Interest on Exchange*

If any notice requiring the redemption of any Notes is given pursuant to Condition 7(b) or Condition 7(c) on or after the fifteenth calendar day prior to a record date which has occurred since the last Interest Payment Date (or in the case of the first Interest Period, since the Closing Date) in respect of any Distribution payable in respect of the Stapled Securities where such notice specifies a date for redemption falling on or prior to the date which is 14 days after the Interest Payment Date next following such record date, interest shall accrue at the applicable Interest Rate on Notes in respect of which Exchange Rights shall have been exercised and in respect of which the Exchange Date falls after such record date and on or prior to the Interest Payment Date next following such record date in respect of such Distribution, in each case from and including the preceding Interest Payment Date (or, if such Exchange Date falls before the first Interest Payment Date, from the Closing Date) to but excluding such Exchange Date. The Issuer shall pay any such interest by not later than 14 days after the relevant Exchange Date by transfer to an Australian dollar account with a bank in Sydney in accordance with instructions given by the relevant Noteholder in the relevant Exchange Notice.

(l) *Purchase or Redemption of Stapled Securities*

The Stapled Entities or any Subsidiary of the Stapled Entities may exercise such rights as it may from time to time enjoy to purchase or redeem or buy back Stapled Securities or any depositary or other receipts or certificates representing the same without the consent of the Noteholders.

(m) *No duty to Monitor*

None of the Trustee or the Agents shall be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Exchange Price and none of them will be responsible or liable to the Noteholders or any other person for any loss arising from any failure by it to do so, nor shall the Trustee or any Agent be responsible or liable to the Noteholders or any other person for any determination of whether or not an adjustment to the Exchange Price is required or should be made nor as to the determination or calculation of any such adjustment.

(n) *Cash Alternative Election*

- (i) Upon exercise of Exchange Rights by a Noteholder, the Issuer may make an election (a "**Cash Alternative Election**") by giving notice (a "**Cash Alternative Election Notice**") to the



relevant Noteholder by not later than the date (the “**Cash Election Date**”) falling three Sydney business days following the relevant Exchange Date to the address (or, if a fax number or email address is provided in the relevant Exchange Notice, that fax number or email address) specified for that purpose in the relevant Exchange Notice (with a copy to the Trustee and the Principal Paying Agent) to satisfy the exercise of the Exchange Right in respect of the relevant Notes by making payment, or procuring that payment is made, to the relevant Noteholder of the Cash Alternative Amount in respect of the number of Stapled Securities specified as being the Cash Settled Securities in respect of such exercise as specified in the relevant Cash Election Notice, and, where the number of Cash Settled Securities is less than the number of Reference Securities in respect of the relevant exercise of Exchange Rights, by issuing or transferring and delivering a number of Stapled Securities equal to the Reference Securities minus the Cash Settled Securities, together in any such case with any other amount payable by the Issuer to such Noteholder pursuant to these Conditions in respect of or relating to the relevant exercise of Exchange Rights, including any interest payable pursuant to Condition 6(k).

A Cash Alternative Election shall be irrevocable and shall specify the Cash Settled Securities, the Reference Securities and if relevant, the number of Stapled Securities to be issued or transferred and delivered to the relevant Noteholder in respect of the relevant exercise of Exchange Rights.

The Issuer will pay the relevant Cash Alternative Amount, together with any other amount as aforesaid, by not later than five Sydney business days following the last day of the Cash Alternative Calculation Period by transfer to an Australian dollar account in Sydney.

- (ii) If there is a Retroactive Adjustment to the Exchange Price following the exercise of Exchange Rights by a Noteholder, in circumstances where a Cash Alternative Election is made in respect of such exercise, the Issuer shall pay to the relevant Noteholder an additional amount (the “**Additional Cash Alternative Amount**”) equal to the Market Price of such number of Stapled Securities as is equal to the number of Additional Stapled Securities that would have been required to be issued or transferred and delivered to the relevant Noteholder had a Cash Alternative Election not been made or been in effect in respect of the relevant exercise of Exchange Rights.

The Issuer will pay the Additional Cash Alternative Amount not later than five Sydney business days following the relevant Reference Date by transfer to an Australian dollar account with a bank in Sydney.

None of the Trustee or the Agents shall be responsible or liable to the Noteholders or any other person for the calculation or verification of any Cash Alternative Amount or Additional Cash Alternative Amount or any other amount to be paid or calculation or determination to be made under this Condition 6(n).

7. Redemption and Purchase

(a) *Final Redemption*

Unless previously purchased and cancelled, redeemed or exchanged as herein provided, the Notes will be redeemed at their principal amount, together with accrued but unpaid interest on the Final Maturity Date. The Notes may only be redeemed at the option of the Issuer prior to the Final Maturity Date in accordance with Condition 7(b) or Condition 7(c).

(b) *Redemption at the Option of the Issuer*

Subject as provided in Condition 7(d) on giving not less than 30 nor more than 60 days' notice (an “**Optional Redemption Notice**”) to the Trustee and the Principal Paying Agent in writing and to the Noteholders (which notice shall be irrevocable) in accordance with Condition 17, the Issuer may

redeem all but not some only of the Notes on the date (the “**Optional Redemption Date**”) specified in the Optional Redemption Notice at their principal amount, together with accrued but unpaid interest to but excluding such date at any time if prior to the date the relevant Optional Redemption Notice is given, Exchange Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85 per cent. or more in principal amount of the Notes originally issued (which shall for this purpose include any Further Notes).



(c) *Redemption for Taxation Reasons*

Subject as provided in Condition 7(d) at any time the Issuer may, having given not less than 30 nor more than 60 days’ notice (a “**Tax Redemption Notice**”) to the Noteholders (which notice shall be irrevocable) and to the Trustee and the Principal Paying Agent in writing redeem (subject to the second following paragraph of this Condition 7(c)) all but not some only, of the Notes on the date (the “**Tax Redemption Date**”) specified in the Tax Redemption Notice at their principal amount, together with accrued but unpaid interest to such date, if the Issuer or, as the case may be, a Guarantor, satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or if the Guarantee was called, the relevant Guarantor) has or will become obliged to pay additional amounts in respect of payments on the Notes pursuant to Condition 9 as a result of any change in, or amendment to, the laws or regulations of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 12 March 2019; and such obligation cannot be avoided by the Issuer or, as the case may be, the relevant Guarantor taking reasonable measures available to it or (ii) the Issuer determines that any interest payable on the Notes is not, or may not be, allowed as a deduction for the purposes of Australian income tax, provided that, in the case of redemption as a consequence of (i) only, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the relevant Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 7(c), the Issuer shall deliver to the Trustee:

- (a) a certificate signed by two directors who are also the Authorised Signatories of the Issuer or, as the case may be, the relevant Guarantor stating that the obligation referred to in (i) above of this Condition 7(c) cannot be avoided by the Issuer or, as the case may be, the relevant Guarantor taking reasonable measures available to it; and
- (b) an opinion of independent legal or tax advisers of recognised international standing to the effect that such change or amendment has occurred and that either (i) the Issuer or, as the case may be, the relevant Guarantor has or will be obliged to pay such additional amounts as a result thereof (irrespective of whether such amendment or change is then effective) or (ii) the interest payable on the Notes will not be allowed as a deduction for the purposes of Australian income tax, as applicable,

and the Trustee shall be entitled to rely on and accept without any liability for so doing such certificate and opinion as sufficient evidence of the matters set out in (i) and (ii) above of this Condition 7(c) which shall be conclusive and binding on the Noteholders.

Upon the expiry of a Tax Redemption Notice, the Issuer shall (subject to the next following paragraph of this Condition 7(c)) redeem the Notes at their principal amount, together with accrued but unpaid interest to such date.

If the Issuer gives a Tax Redemption Notice, each Noteholder will have the right to elect that its Note(s) shall not be redeemed and, in the case of (i) above, that the provisions of Condition 9 shall not apply in respect of any payment of interest to be made on such Note(s) which falls due after the relevant Tax Redemption Date whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 9 and payment of all amounts of interest on such Notes shall be made subject



to the deduction or withholding of the taxation required to be withheld or deducted by the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax. To exercise such right, the holder of the relevant Note must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of election, in the form for the time being current, obtainable from the specified office of any Paying Agent together with the relevant Notes on or before the day falling ten days prior to the Tax Redemption Date.

References in this Condition 7(c) to the Commonwealth of Australia shall be deemed also to refer to any jurisdiction in respect of which any undertaking or covenant equivalent to that in Condition 9 is given pursuant to the Trust Deed, (except that as regards such jurisdiction the words “becomes effective on or after 12 March 2019” in Condition 7(c)(i) above shall be replaced with the words “becomes effective after, and has not been announced on or before, the date on which any undertaking or covenant equivalent to that in Condition 9 was given pursuant to the Trust Deed”).

(d) *Optional Redemption Notices and Tax Redemption Notices*

The Issuer shall not give an Optional Redemption Notice or a Tax Redemption Notice at any time during an Offer Period which specifies a date for redemption falling in an Offer Period or the period of 21 days following the end of an Offer Period (whether or not the relevant notice was given prior to or during such Offer Period), and any such notice shall be invalid and of no effect (whether or not given prior to the relevant Offer Period) and the relevant redemption shall not be made.

Any Optional Redemption Notice or Tax Redemption Notice shall be irrevocable. Any such notice shall specify:

- (i) the Optional Redemption Date or, as the case may be, the Tax Redemption Date;
- (ii) the Exchange Price, the aggregate principal amount of the Notes outstanding and the closing price of the Stapled Securities as derived from the Relevant Stock Exchange, in each case as at the latest practicable date prior to the publication of the Optional Redemption Notice or, as the case may be, the Tax Redemption Notice; and
- (iii) the last day on which Exchange Rights may be exercised by Noteholders.

(e) *Redemption at the option of Noteholders*

- (i) **Noteholder Put Option:** The holder of each Note will have the right to require the Issuer to redeem that Note on 19 March 2024 (the “**Optional Put Date**”) at its principal amount, together with accrued but unpaid interest to such date. To exercise such right, the holder of the relevant Note must deliver such Note to the specified office of the Principal Paying Agent or any other Paying Agent, together with a duly completed and signed notice of exercise in the form for the time being currently obtainable from the specified office of the Principal Paying Agent or any other Paying Agent (the “**Optional Put Exercise Notice**”), not earlier than 60 days nor less than 30 days prior to the Optional Put Date.

Payment in respect of any such Note shall be made by transfer to an Australian dollar account with a bank in Sydney as specified by the relevant Noteholder in the Optional Put Exercise Notice.

An Optional Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Notes the subject of Optional Put Exercise Notices delivered as aforesaid on the Optional Put Date.

- (ii) **Change of Control:** Following the occurrence of a Change of Control Put Event, the holder of each Note will have the right to require the Issuer to redeem that Note on the Change of Control Put Date at its principal amount, together with accrued but unpaid interest to such Change of Control Put Date. To exercise such right, the holder of the relevant Note must deliver such Note to the specified office of any Paying Agent together with a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of any Paying Agent (a “**Change of Control Put Exercise Notice**”) at any time during the period commencing on the date of the



Change of Control Put Event and ending 30 days after that date (“**Change of Control Put Date**”). The “**Change of Control Put Date**” shall be the 14th Sydney business day after the expiry of the Change of Control Period.

Payment in respect of any such Note shall be made by transfer to an Australian dollar account with a bank in Sydney as specified by the relevant Noteholder in the Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Notes the subject of the Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

- (iii) **Delisting/Suspension of Trading:** In the event that the Stapled Securities cease to be quoted, listed, admitted to trading or are suspended from trading (as applicable) on the Australian Securities Exchange for a period of at least 30 consecutive dealing days (each, a “**Delisting**”), the holder of each Note will have the right (the “**Delisting Put Right**”) to require the Issuer to redeem that Note on the Delisting Put Date (as defined below in this Condition 7(e)(iii)) at its principal amount, together with accrued but unpaid interest to such date (the “**Delisting Put Price**”).

Within 14 calendar days following the occurrence of a Delisting, the Issuer shall give notice thereof to the Trustee in writing and to the Noteholders in accordance with Condition 17 (a “**Delisting Notice**”). Such notice shall contain a statement informing Noteholders of their entitlement to exercise their Delisting Put Right as provided in these Conditions and their entitlement to require the Issuer to redeem their Notes as provided in this Condition 7(e)(iii).

The Delisting Notice shall also specify:

- (I) the date and nature of the Delisting and, briefly, the events causing such Delisting;
- (II) the Exchange Price immediately prior to the occurrence of the Delisting;
- (III) the closing price of the Stapled Securities as derived from the Relevant Stock Exchange as at the latest practicable date prior to the publication of such notice;
- (IV) the Delisting Put Date, the Delisting Put Price and the last day of the Delisting Period (as defined below) in this Condition 7(e)(iii); and
- (V) such other information relating to the Delisting as the Trustee may require.

The Trustee shall not be required to take any steps to ascertain whether a Delisting or any event which could lead to a Delisting has occurred or may occur and will not be responsible to Noteholders or any other person for any loss arising from any failure by it to do so.

To exercise such right, the holder of the relevant Note must, at any time in the period (the “**Delisting Period**”) commencing on the occurrence of the Delisting and ending 30 calendar days following the Delisting or, if later, 30 calendar days following the date on which a Delisting Notice is given, deliver a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of any Paying Agent (a “**Delisting Put Exercise Notice**”) to the specified office of any Paying Agent. The “**Delisting Put Date**” shall be the 14th Sydney business day after the expiry of the Delisting Period.

Payment in respect of any such Note shall be made by transfer to an Australian dollar account with a bank in Sydney as specified by the relevant Noteholder in the Delisting Put Exercise Notice.

A Delisting Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Notes the subject of the Delisting Put Exercise Notices delivered as aforesaid on the Delisting Put Date.

(f) *Purchase*

Subject to the requirements (if any) of any stock exchange on which the Notes may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer, any Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise at any price.

(g) *Cancellation*

All Notes which are redeemed or in respect of which Exchange Rights are exercised will be cancelled and may not be reissued or resold. Notes purchased by the Issuer, any Guarantor or any of their respective Subsidiaries shall be surrendered to the Transfer Agent for cancellation and may not be reissued or re-sold.

(h) *Multiple Notices*

If more than one notice of redemption is given pursuant to this Condition 7, the first of such notices to be given shall prevail, save that a notice of redemption given by a Noteholder pursuant to Condition 7(e) shall prevail over any other notice of redemption given pursuant to this Condition 7, whether given before, after or at the same time as any notice of redemption under Condition 7(e).

8. Payments

(a) *Principal*

Payment of principal in respect of the Notes and accrued interest payable on a redemption of the Notes other than on an Interest Payment Date will be made to the persons shown in the Register at the close of business on the Record Date and subject to the surrender of the Notes at the specified office of the Registrar or of any of the Paying Agents.

(b) *Interest and other Amounts*

- (i) Payments of interest due on an Interest Payment Date will be made to the persons shown in the Register at close of business on the Record Date.
- (ii) Payments of all amounts other than as provided in Condition 8(a) and Condition 8(b)(i) will be made as provided in these Conditions.

(c) *Record Date*

"Record Date" means the fifth business day in the place of the specified office of the Registrar before the due date for the relevant payment.

(d) *Payments*

Each payment in respect of the Notes pursuant to Condition 8(a) and (b)(i) will be made by transfer to an Australian dollar account with a bank in Sydney as notified to the Registrar by the relevant Noteholder by no later than the relevant Record Date.

(e) *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in all cases to:

- (i) any applicable fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to Condition 9; and
- (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended,

or otherwise under or in connection with, or in order to ensure compliance with FATCA. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(f) *Default Interest*

If the Issuer fails to pay any sum in respect of the Notes when the same becomes due and payable under these Conditions, interest shall accrue on the overdue sum at the rate of 4.30 per cent. per annum from the due date. Such default interest shall accrue on the basis of the actual number of days elapsed and a 360-day year.

(g) *Agents, etc.*

The initial Principal Paying Agent, Exchange Agent, Transfer Agent and Registrar and their initial specified offices are listed below. The Issuer and each Guarantor reserve the right under the Agency Agreement at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent, Transfer Agent or Exchange Agent or the Registrar and to appoint additional or other Paying Agents, Transfer Agent, Exchange Agent or Registrar, provided that it will maintain (i) a Principal Paying Agent, an Exchange Agent and a Transfer Agent, and (ii) a Registrar with a specified office outside the United Kingdom. Notice of any change in the Paying Agents, the Transfer Agent, the Exchange Agent, the Registrar or their specified offices will promptly be given by the Issuer to the Noteholders in accordance with Condition 17.

(h) *Fractions*

When making payments to Noteholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

(i) *Non-payment business days*

If any due date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day. Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date not being a business day.

In this Condition 8, "**business day**" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in Sydney and (where such surrender is required by these Conditions) in the place of the specified office of the Registrar or relevant Paying Agent, to whom the relevant certificate evidencing such Note is presented or surrendered.

*The Notes on issue will be represented by a global certificate (the "**Global Certificate**") registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). All payments in respect of Notes represented by the Global Certificate will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the Clearing System Business Day immediately prior to the date of payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.*

9. Taxation

All payments made by or on behalf of the Issuer or a Guarantor in respect of the Notes will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required to be made by law or is made under or in connection with, or in order to ensure compliance with FATCA.

In the event that any such withholding or deduction is required to be made, the Issuer or, as the case may be, the relevant Guarantor will make any such withholding or deduction required (including any deduction or withholding required from any additional amount payable under this Condition 9), remit the amount deducted

or withheld to the relevant authorities and will pay such additional amounts as will result in the receipt by the Noteholders of the amounts which would otherwise have been receivable had no such withholding or deduction been required, except that no such additional amount shall be payable in respect of any Note:


- (a) to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the Commonwealth of Australia otherwise than merely by holding the Note or by receiving amounts in respect of the Note; or
- (b) if the deduction is required as a result of taxes which would not be required to be deducted by the Issuer (or the person making a payment on its behalf) if the relevant beneficial owner of the Note had provided their name, address, registration number or similar details or any relevant tax exemption or similar details or to ensure that any third party complied with any other statutory requirements (such as making a declaration of non-residence or similar claim) for any relevant tax exemption; or
- (c) (in the case of a payment on redemption) if the Note is surrendered more than 30 days after the Relevant Date, or in any case if the relevant Noteholder does not provide the necessary account details for payment in accordance with these Conditions within 24 days after the Relevant Date, except to the extent that the holder would have been entitled to such additional amount had the Issuer or the relevant Guarantor been obliged, following the surrender of the Note (in the case of payment on redemption) and provision of the necessary account details for payment in accordance with these Conditions, to make the payment on the last day of the period of 30 days following the Relevant Date; or
- (d) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or governmental charges by reason of the holder being an offshore associate of the Issuer or any Guarantor, being a person to whom a payment of interest in respect of the Notes may be subject to tax by reason of the operation of section 128F(6) of the Income Tax Assessment Act 1936 of Australia (as amended); or
- (e) in a case where the Issuer receives a notice or direction under section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of Australia, section 255 of the Income Tax Assessment Act 1936 of Australia or any analogous provisions, any amounts paid or deducted from sums payable to the relevant Noteholder by the Issuer or the relevant Guarantor in compliance with such notice or direction; or
- (f) where such withholding or deduction is made under or in connection with, or in order to ensure compliance with FATCA.

References in these Conditions and the Trust Deed to principal and/or interest and/or any other amounts payable in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 9 or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

The provisions of this Condition 9 shall not apply in respect of any payments of interest which fall due after the relevant Tax Redemption Date in respect of any Notes which are the subject of an election by the relevant Noteholder pursuant to Condition 7(c).


10. Events of Default

The Trustee at its discretion may and if so requested in writing by the holders of at least 25 per cent. in aggregate principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or prefunded and/or secured to its satisfaction), give notice to the Issuer that the Notes are, and they shall accordingly thereby immediately become, due and repayable at their principal amount together with accrued but unpaid interest if (without prejudice to the right of Noteholders to exercise the Exchange Right in respect of their Notes in accordance with Condition 6) any of the following events (each an “**Event of Default**”) shall have occurred:

- 
- (a) **Non-Payment:** a default is made for more than two Sydney business days in the payment of any principal or five Sydney business days in the payment of any interest or any other amount due in respect of the Notes;
- (b) **Breach of Other Obligations:** the Issuer or any Guarantor does not perform or comply with one or more of its other obligations in the Notes or the Trust Deed which default is, in the opinion of the Trustee, incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer or the relevant Guarantor by the Trustee;
- (c) **Failure to deliver Stapled Securities:** any failure by the Issuer to deliver or procure the delivery of any Stapled Securities as and when the Stapled Securities are required to be delivered following the exchange of Notes in accordance with these Conditions and such failure is not remedied within ten Sydney business days;
- (d) **Scheme:** in relation to any Guarantor that enters into the Transaction Documents in its capacity as responsible entity or trustee of a trust, any of the following events provided it has a material adverse effect on the ability of the Issuer or the relevant Guarantor to meet its obligations in respect of the Notes or the Guarantee or on the validity or enforceability of the Trust Deed, the Notes and/or the Guarantee:
- (i) the constitution of any of the trusts does not at any time contain such particulars of the terms of such trust (as applicable) and of rights and entitlements of the beneficiaries of the trusts (including, with respect to the Head Trusts, the Stapled Security holders) as are required by law to be set out in the constitution of the trusts (as the case maybe) and that default is not remedied within 30 Sydney business days after written notice of such default shall have been given to the Issuer or relevant Guarantor by the Trustee; or
 - (ii) the relevant Guarantor does any act or thing which constitutes a material breach of the constitution of any of the trusts for which it is the trustee or responsible entity (as applicable) and that default is not remedied within 30 Sydney business days after written notice of such default shall have been given to the Issuer or the relevant Guarantor by the Trustee; or
 - (iii) the Stapled Securities are held by a court, or are conceded by the Issuer of those Stapled Securities, not to have been constituted or to have been imperfectly constituted;
- (e) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order:
- (i) to enable the Issuer and each Guarantor lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes and the Trust Deed;
 - (ii) to ensure that those obligations are legally binding and enforceable; and
 - (iii) to make the Notes and the Trust Deed admissible in evidence in the courts of Australia and England,
- is not taken, fulfilled or done and such default is not remedied within 30 days after written notice of such default shall have been given to the Issuer or the relevant Guarantor by the Trustee;
- (f) **Cross Default:**
- (i) the Issuer or any Guarantor or any Subsidiary are in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least



- U.S.\$50,000,000 (or its equivalent in the relevant currency of payment) beyond any period of grace provided with respect thereto; or
- (ii) the Issuer or any Guarantor or any Subsidiary are in default in the performance of or compliance with any term of any evidence of any Indebtedness (or guarantee or indemnity in respect thereof) in an aggregate outstanding principal amount of at least U.S.\$50,000,000 (or its equivalent in the relevant currency of payment) or of any mortgage, indenture or other agreement relating thereto, and as a consequence of such default such Indebtedness (or guarantee or indemnity in respect thereof) has become, or becomes capable of being declared, due and payable before its stated maturity or before its regularly scheduled dates of payment; or
 - (iii) as a consequence of the occurrence or continuation of any default, the Issuer or any Guarantor or any Subsidiary have become obliged to purchase or repay such Indebtedness (or guarantee or indemnity in respect thereof) before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least U.S.\$50,000,000 (or its equivalent in the relevant currency of payment);
- (g) **Insolvency:** an Insolvency Event occurs in relation to the Issuer or any Guarantor;
 - (h) **Cessation of indemnification:** the trustee or responsible entity of any Guarantor that is a trust ceases to be entitled to be indemnified out of the assets of the relevant trust in respect of its obligations under the relevant documentation relating to such trust or to have a lien over them;
 - (i) **Guarantee:** if the Guarantee ceases to be, or is claimed by any Guarantor not to be, in full force and effect otherwise than pursuant to the release of a Guarantor in accordance with these conditions and the Trust Deed;
 - (j) **Ceasing to be trustee and appointment of new trustee or responsible entity in the absence of consent:** with respect to any Guarantor that is a trust:
 - (iv) the trustee or responsible entity of that trust ceases to be the trustee or responsible entity and a new trustee or responsible entity, as the case may be, is not appointed within a period of 20 Sydney business days (or such longer period as agreed between the Issuer and the Trustee); or
 - (v) unless previously approved by an Extraordinary Resolution of Noteholders, an additional trustee or responsible entity is appointed (other than a member of the Group which has entered into an agreement with the existing trustee or responsible entity to perform all of the obligations of the trustee or responsible entity under the trust constitution, the Notes and the Guarantee which are not, to the extent relevant to that trust novated to it pursuant to the operation of Division 3 of Part 5C.2 of the Corporations Act;
 - (k) **Loss of authorisation:** the RE or any Guarantor ceases to be authorised under the terms of any of the Head Trusts to hold the property of the relevant trust in its name and (as applicable) to perform its obligations under the Trust Deed, the Notes or the Guarantee (unless replaced by a member of the Group which has entered into an agreement with the Trustee to perform all of the obligations of the RE under the Trust Deed, the Notes or the Guarantee which are not novated to it pursuant to the operation of Division 3 of Part 5C.2 of the Corporations Act or unless replaced by a trustee or responsible entity, as the case may be, within a period of 20 Sydney business days (or such longer period as agreed between the Issuer and the Trustee));
 - (l) **Illegality:** a law or anything done by a government agency wholly or partially renders illegal, prevents or restricts the performance or effectiveness of a Transaction Document or otherwise has a material adverse effect on the ability of the Issuer or the relevant Guarantor to meet its obligations in respect of the Notes or the Guarantee or on the validity or enforceability of the Trust Deed, the Notes and the Guarantee;


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- (m) **Final judgment:** a final judgment or judgments for the payment of money aggregating in excess of U.S.\$50,000,000 (or its equivalent in the relevant currency of payment) are rendered against one or more of the Issuer, any Guarantor and which judgments are not, within 20 Sydney business days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 20 Sydney business days after the expiration of such stay (in each case, or such longer period as agreed between the Issuer and the Trustee); and
 - (n) **Destapling:** the Marketable Securities of a member of the Head Trusts are de-stapled or otherwise cease to be stapled with the Marketable Securities in each other member of the Head Trusts (excluding, in each case, a member in which all of its Marketable Securities are unencumbered and beneficially owned and controlled by one or more other members of the Group or where de-stapling occurs following the implementation of a Newco Scheme).


11. Undertakings

Whilst any Exchange Right remains exercisable, each of the Stapled Entities will, save with the approval of an Extraordinary Resolution or with the prior written approval of the Trustee where, in its opinion, it is not materially prejudicial to the interests of the Noteholders to give such approval:

- (a) not issue or pay up any Securities, in either case by way of capitalisation of profits or reserves, other than:
 - (i) pursuant to a Scheme of Arrangement involving a reduction and cancellation of Stapled Securities and the issue to Stapled Security holders of an equal number of Stapled Securities by way of capitalisation of profits or reserves; or
 - (ii) pursuant to a Newco Scheme; or
 - (iii) by the issue of fully paid Stapled Securities or other Securities to Stapled Security holders and other holders of securities in the capital of the Stapled Entities which by their terms entitle the holders thereof to receive Stapled Securities or other shares or Securities on a capitalisation of profits or reserves; or
 - (iv) by the issue of Stapled Securities paid up in full (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a cash distribution; or
 - (v) by the issue of fully paid equity capital (other than Stapled Securities) to the holders of equity capital of the same class and other holders of securities in the capital of the Stapled Entities which by their terms entitle the holders thereof to receive equity capital (other than Stapled Securities); or
 - (vi) by the issue of fully paid Stapled Securities to Stapled Security holders in accordance with the DRP; or
 - (vii) by the issue of Stapled Securities or any equity capital to, or for the benefit of, any employee or contractor or former employee or contractor (including directors or the personal service company of any such person) or their spouses or relatives, in each case, of the Stapled Entities or any of their Subsidiaries or any associated company or to trustees to be held for the benefit of any such person, in any such case pursuant to an employees' security or option scheme whether for all employees, directors, or executives or any one or more of them,


unless, in any such case, the same constitutes a Distribution or otherwise falls to be taken into account for a determination as to whether an adjustment is to be made to the Exchange Price pursuant to Condition 6(b), regardless of whether in fact an adjustment falls to be made in respect of the relevant capitalisation, gives rise (or would, but for the provisions of Condition 6(f) relating to roundings and minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Exchange Price;

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- (b) not modify the rights attaching to the Stapled Securities with respect to Voting Rights, distribution or liquidation nor issue any other class of equity capital carrying any rights which are more favourable than the rights attaching to the Stapled Securities but so that nothing in this Condition 11(b) shall prevent:
- (i) any consolidation, reclassification, redesignation or subdivision of the Stapled Securities; or
 - (ii) any modification of such rights which is not, in the opinion of a Financial Adviser, materially prejudicial to the interests of the holders of the Notes; or
 - (iii) any issue of equity capital where the issue of such equity capital results, or would, but for the provisions of Condition 6(f) relating to the roundings or carry forward of adjustments or, where comprising Stapled Securities, the fact that the consideration per Stapled Security receivable therefor is at least 95 per cent. of the Current Market Price per Stapled Security at the relevant time for determination thereof pursuant to the relevant provisions of Condition 6(b), otherwise result, in an adjustment to the Exchange Price; or
 - (iv) any issue of equity capital or modification of rights attaching to the Stapled Securities, where prior thereto the Issuer and any Guarantor shall have instructed a Financial Adviser to determine what (if any) adjustments should be made to the Exchange Price as being fair and reasonable to take account thereof and such Financial Adviser shall have determined either that no adjustment is required or that an adjustment resulting in a decrease in the Exchange Price is required and, if so, the new Exchange Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly); or
 - (v) any alteration to the constitutional documentation of the Stapled Entities made in connection with the matters described in this Condition 11 or which is supplemental or incidental to any of the foregoing (including any amendment made to enable or facilitate procedures relating to such matters and any amendment dealing with the rights and obligations of holders of Securities, including Stapled Securities, dealt with under such procedures); or
 - (vi) any amendment of the constitutional documents of the Stapled Entities following or in connection with a Change of Control to ensure that any Noteholder exercising Exchange Rights where the Exchange Date falls on or after the occurrence of a Change of Control will receive, in whatever manner, the same consideration for the Stapled Securities arising on such exercise as it would have received in respect of such Stapled Securities had such Stapled Securities been entitled to participate in the relevant Scheme of Arrangement or to have been submitted into, and accepted pursuant to, the relevant offer (a **"Change of Control Exchange Right Amendment"**);
- (c) procure that no Securities (whether issued by the Issuer, any Guarantor or any of their respective Subsidiaries or procured by the Issuer, any Guarantor or any of their respective Subsidiaries to be issued or issued by any other person pursuant to any arrangement with the Issuer, any Guarantor or any of their respective Subsidiaries) issued without rights to convert into, or exchange or subscribe for, Stapled Securities shall subsequently be granted such rights exercisable at a consideration per Stapled Security which is less than 95 per cent. of the Current Market Price per Stapled Security at the relevant time for determination thereof pursuant to the relevant provisions of Condition 6(b) unless the same gives rise (or would, but for the provisions of Condition 6(f) relating to roundings and minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Exchange Price and that at no time shall there be in issue Stapled Securities of differing nominal values, save where such Stapled Securities have the same economic rights;
- (d) not make any issue, grant or distribution or to take or omit to take any other action taken if the effect thereof would be that, on the exercise of Exchange Rights, Stapled Securities could not, under any applicable law then in effect, be legally issued as fully paid;

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- (e) not reduce its issued capital, or any uncalled liability in respect thereof, or any non-distributable reserves, except:
- (i) pursuant to the terms of issue of the relevant issued capital; or
 - (ii) by means of a purchase or redemption of issued capital of the Stapled Entities to the extent permitted by applicable law; or
 - (iii) where the reduction does not involve any distribution of assets to Stapled Security holders; or
 - (iv) solely in relation to a change in the currency in which the nominal value of the Stapled Securities is expressed; or
 - (v) to create distributable reserves; or
 - (vi) pursuant to a Scheme of Arrangement involving a reduction and cancellation of Stapled Securities and the issue to Stapled Security holders of an equal number of Stapled Securities by way of capitalisation of profits or reserves; or
 - (vii) pursuant to a Newco Scheme; or
 - (viii) by way of transfer to reserves as permitted under applicable law; or
 - (ix) where the reduction is permitted by applicable law and the Trustee is advised by a Financial Adviser, acting as an expert, that the interests of the Noteholders will not be materially prejudiced by such reduction; or
 - (x) where the reduction is permitted by applicable law and results in (or would, but for the provisions of Condition 6(f) relating to roundings or the carry forward of adjustments, result in) an adjustment to the Exchange Price or is otherwise taken into account for the purposes of determining whether such an adjustment should be made,

provided that, without prejudice to the other provisions of these Conditions, the Stapled Entities may exercise such rights as it may from time to time be entitled pursuant to applicable law to purchase, redeem or buy back its Stapled Securities and any depositary or other receipts or certificates representing Stapled Securities without the consent of Noteholders;

- (f) if any offer is made to all (or as nearly as may be practicable all) Stapled Security holders (or all (or as nearly as may be practicable all) Stapled Security holders other than the offeror and/or any associate (as defined in Section 11 of the Corporations Act)) to acquire the whole or any part of the issued Stapled Securities, or if any person proposes a scheme with regard to such acquisition (other than a Newco Scheme), give notice of such offer or scheme to the Trustee and the Noteholders at the same time as any notice thereof is sent to the Stapled Security holders (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the specified offices of the Exchange Agents and, where such an offer or scheme has been recommended by the boards of directors of the Stapled Entities, or where such an offer has become or been declared unconditional in all respects or each scheme has become effective, use its best endeavours to procure that a Change of Control Exchange Right Amendment shall be made or such other arrangements are made for the Noteholders and the holders of any Stapled Securities issued during the period of the offer or scheme arising out of the exercise of the Exchange Rights by the Noteholders which entitle Noteholders to receive the same type and amount of consideration they would have received had they held the number of Stapled Securities to which such Noteholders would be entitled assuming Noteholders were to exercise its Exchange Rights in the relevant Change of Control Period;
- (g) in the event of a Newco Scheme, take (or shall procure that there is taken) all necessary action to ensure that immediately after completion of the Newco Scheme, at its option, either:
- (a) Newco is substituted under the Notes and the Trust Deed as principal obligor in place of the Issuer (with the Issuer providing a guarantee) subject to and as provided in the Trust Deed; or

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- (b) Newco becomes a guarantor under the Notes and the Trust Deed, and, in either case, that:
- i. such amendments are made to these Conditions and the Trust Deed as are necessary, in the opinion of the Trustee, to ensure that the Notes may be converted into or exchanged for ordinary shares or units or the equivalent in Newco *mutatis mutandis* in accordance with and subject to these Conditions and the Trust Deed; and
 - ii. the ordinary shares or units or the equivalent of Newco are:
 - (A) admitted to the Relevant Stock Exchange; or
 - (B) admitted to listing on another regulated, regularly operating, recognised stock exchange or securities market;
- (h) use its best endeavours to ensure that the Stapled Securities issued upon exercise of Exchange Rights will, as soon as is practicable, be admitted to listing and to trading on the Relevant Stock Exchange and will be listed, quoted or dealt in, as soon as is practicable, on any other stock exchange or securities market on which the Stapled Securities may then be listed or quoted or dealt in (but so that this undertaking shall be considered as not being breached as a result of a Change of Control (whether or not recommended or approved by the board of directors of the Stapled Entities) that causes or gives rise to, whether following the operation of any applicable compulsory acquisition provision or otherwise, (including at the request of the person or persons controlling the Stapled Entities as a result of the Change of Control, a de-listing of the Stapled Securities);
- (i) for so long as any Note remains outstanding, use all reasonable endeavours to ensure that its issued and outstanding Stapled Securities shall be admitted to listing on the Relevant Stock Exchange (but so that this undertaking shall be considered as not being breached as a result of a Change of Control (whether or not recommended or approved by the board of directors of the Stapled Entities) that causes or gives rise to, whether following the operation of any applicable compulsory acquisition provision or otherwise, (including at the request of the person or persons controlling the Stapled Entities as a result of the Change of Control, a de-listing of the Stapled Securities);
- (j) not change the jurisdiction in which it is domiciled or resident or to whose taxing authority it is subject generally unless it would not thereafter be required pursuant to then current laws and regulations to withhold or deduct for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of such jurisdiction or any political subdivision thereof or therein having power to tax in respect of any payment on or in respect of the Notes; and
- (k) if there is a change in the Relevant Stock Exchange, notify the Trustee in writing and the Noteholders in accordance with Condition 17 by not later than seven days prior to the change in the Relevant Stock Exchange.

Each of the Stapled Entities has undertaken in the Trust Deed to deliver to the Trustee annually a certificate (in the form set out in Schedule 5 (*Form of Compliance Certificate*) to the Trust Deed) of each of the Stapled Entities, as to there not having occurred an Event of Default since the date of the last such certificate or if such event has occurred as to the details of such event. The Trustee will be entitled to rely conclusively on such certificate and shall not be obliged to independently monitor compliance by the Stapled Entities with the undertakings set forth in this Condition 11, nor be liable to any person for not so doing.

12. Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of such payment.

Claims in respect of any other amounts payable in respect of the Notes shall be prescribed and become void unless made within ten years following the due date for payment thereof.



13. Replacement of Notes

If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of any Transfer Agent subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

14. Meetings of Noteholders, Modification and Waiver, Substitution

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee if requested in writing by Noteholders holding not less than ten per cent. in aggregate principal amount of the Notes for the time being outstanding and subject to it being indemnified and/or secured and/or prefunded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*;

- (i) to change the Final Maturity Date, the Optional Put Date or the dates on which interest is payable in respect of the Notes;
- (ii) to modify the circumstances in which the Issuer or Noteholders are entitled to redeem the Notes pursuant to Condition 7(b), 7(c) or 7(e) (other than removing the right of the Issuer to redeem the Notes pursuant to Condition 7(b) or 7(c));
- (iii) to reduce or cancel the principal amount of, or interest on, the Notes or to reduce the amount payable on redemption of the Notes;
- (iv) to modify the basis for calculating the interest payable in respect of the Notes;
- (v) to modify the provisions relating to, or cancel, the Exchange Rights (other than pursuant to or as a result of any amendments to these Conditions and the Trust Deed made pursuant to and in accordance with the provisions of Condition 11(g) ("**Newco Scheme Modification**"), and other than a reduction to the Exchange Price);
- (vi) to increase the Exchange Price (other than in accordance with these Conditions or pursuant to a Newco Scheme Modification);
- (vii) to change the currency of the denomination of the Notes or of any payment in respect of the Notes;
- (viii) to change the governing law of the Notes, the Trust Deed or the Agency Agreement (other than in the case of a substitution of the Issuer (or any previous substitute or substitutes) under Condition 14(c)); or
- (ix) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution,

in which case the necessary quorum will be two or more persons holding or representing not less than 66 per cent., or at any adjourned meeting not less than 33 per cent., in aggregate principal amount of the Notes for the time being outstanding.



Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed). An Extraordinary Resolution is a resolution in respect of which not less than 75 per cent. of the votes cast shall have been in favour at a meeting of Noteholders duly convened and held in accordance with the Trust Deed.

The Trust Deed provides that:

- (i) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate principal amount of Notes for the time being outstanding (which may be contained in one document or several documents in the same form, each signed by or on behalf of two or more Noteholders); or
- (ii) consents given by way of electronic consent through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than 75 per cent. of the aggregate principal amount of the Notes for the time being outstanding,

shall, in any such case, be effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held.

No consent or approval of Noteholders shall be required in connection with any Newco Scheme Modification.

(b) *Modification and Waiver*

The Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, to:

- (i) any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Notes or these Conditions which in the Trustee's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law; and
- (ii) any other modification to the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Notes or these Conditions (except as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Note or these Conditions which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Noteholders.

The Trustee may (but shall not be obliged to), without the consent of the Noteholders, determine any Event of Default should not be treated as such, provided that in the opinion of the Trustee, the interests of Noteholders will not be materially prejudiced thereby. Any such modification, authorisation or waiver shall be binding on the Noteholders and, unless the Trustee otherwise agrees, such modification shall be notified by the Issuer to the Noteholders promptly in accordance with Condition 17.



(c) *Substitution*

The Trustee may (but shall not be obliged to), without the consent of the Noteholders, agree with the Issuer and each Guarantor to the substitution in place of the Issuer (or any previous substitute or substitutes under this Condition 14(c)) as the principal debtor under the Notes and the Trust Deed of any Subsidiary of the Issuer subject to:

- (i) the Notes being unconditionally and irrevocably guaranteed by each Guarantor; and
- (ii) the Notes continuing to be convertible or exchangeable into Stapled Securities as provided in these Conditions *mutatis mutandis* as provided in these Conditions, with such amendments as the Trustee shall consider appropriate, provided that in any such case,
 - (x) the Trustee is satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and
 - (y) certain other conditions set out in the Trust Deed are complied with. Any such substitution shall be binding on the Noteholders and shall be notified promptly to the Noteholders.

(d) *Entitlement of the Trustee*

In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 14) the Trustee shall have regard to the interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

15. Enforcement

The Trustee may at any time, at its discretion and without notice, take such steps, action and/or proceedings against the Issuer and/or any Guarantor as it may think fit to enforce the provisions of the Trust Deed and the Notes, but it shall not be bound to take any such steps, action and/or proceedings or any other action in relation to the Trust Deed or the Notes unless:

- (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least 25 per cent. in aggregate principal amount of the Notes then outstanding; and
- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

No Noteholder shall be entitled to proceed directly against the Issuer and/or any Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

16. The Trustee

The Trust Deed contains provisions for the indemnification, on an after-tax basis, of the Trustee and for its relief from responsibility, including without limitation provisions relieving it from taking any action, steps and/or proceedings unless indemnified and/or secured and/or prefunded to its satisfaction. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

The Trustee is entitled:

- (a) to enter into business transactions with the Issuer and/or any Guarantor and/or any entity related to the Issuer or any Guarantor and to act as trustee, agent, depositary and/or custodian for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, any Guarantor and any entity relating to any Guarantor;
- (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders; and
- (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trustee may rely without liability to Noteholders, the Issuer, the Guarantors or any other person on any report, information, confirmation or certificate from or any opinion or advice of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, information, confirmation, certificate, opinion or advice, in which case such report, information, confirmation, certificate, opinion or advice shall be binding on the Issuer, the Guarantors and the Noteholders.

The Trustee shall have no obligation to monitor whether an Event of Default has occurred, and shall not be liable to the Noteholders or any other person for not doing so.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the Guarantors, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

17. Notices

All notices regarding the Notes will be valid if published by the Issuer in a leading daily newspaper having circulation in Asia (which is expected to be the *Asian Wall Street Journal*) or, if this is not possible, in one other leading English language newspaper with general circulation in Asia. The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve.

So long as the Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to such clearing system for communication by them to their respective accountholders instead of in accordance with Condition 17.



18. Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further notes either having the same terms and conditions in all respects as the outstanding Notes or in all respects except for the first payment of interest on them and the first date on which Exchange Rights may be exercised and so that such further issue shall be consolidated and form a single series with the outstanding Notes. Any Further Notes consolidated and forming a single series with the outstanding Notes constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

19. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 (United Kingdom) except to the extent expressly provided for.

20. Governing Law and Jurisdiction

(a) *Governing Law*

The Trust Deed, the Agency Agreement, the Notes and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement and the Notes are governed by, and shall be construed in accordance with, English law.

(b) *Jurisdiction*

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes) and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or the Notes (including any action or proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes) ("**Proceedings**") may be brought in such courts. The Issuer and each of the Guarantors has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and has waived any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of the Trustee and each of the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) *Agent for Service of Process*

The Issuer and each of the Guarantors has irrevocably appointed Law Debenture Corporate Services Limited at its registered office for the time being, currently at Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom as its agent in England to receive service of process in any Proceedings in England. Nothing herein or in the Trust Deed shall affect the right to serve process in any other manner permitted by law.

21. Limitation of liability

Despite any provision in any Transaction Document to the contrary (whether express or implied):

- (a) subject to Condition 21(e), each Guarantor that enters into a Transaction Document in its capacity as trustee ("**Guarantor Trustee**") of a trust ("**Guarantor Trust**") does so in its several capacity as trustee or responsible entity of that Guarantor Trust;
- (b) subject to Condition 21(d), the recourse to the Guarantor Trustee in respect of any obligations and liabilities of the Guarantor Trustee under or in respect of the Transaction Documents in respect of that Guarantor Trust is limited to the Guarantor Trustee's ability to be indemnified out of the assets of that Guarantor Trust;
- (c) subject to Condition 21(d), if a Noteholder does not receive or recover the full amount of any money owing to it arising from non-performance by the Guarantor Trustee of any of its obligations in respect of that Guarantor Trust or non-payment by the Guarantor Trustee of any of its liabilities under or in respect of the Transaction Documents in respect of that Guarantor Trust by enforcing the rights referred to in Condition 21(b), the Noteholder may not seek to recover the shortfall by:
 - (i) bringing proceedings against the Guarantor Trustee in its personal capacity; or
 - (ii) applying to have the Guarantor Trustee wound up;
- (d) Conditions 21(b) and (c) do not apply to any obligation or liability of the Guarantor Trustee in respect of that Guarantor Trust to the extent that it is not satisfied because there is for any reason a reduction in the extent of the Guarantor Trustee's indemnification out of the assets of that Guarantor Trust arising as a result of the Guarantor Trustee's failure to properly perform its duties; and
- (e) any obligation or liability to which Conditions 21(b) and (c) do not apply by virtue of Condition 21(d) is an obligation or liability which the Guarantor Trustee has in its personal capacity as well as in its capacity as trustee and responsible entity of that Guarantor Trust.



Appendix B – Information about Dexus and Stapled Securities



Part 1: Features and benefits of an investment in Dexus

Key features and benefits relating to this investment are summarised in the table below.

Key benefits: Information about Dexus (including benefits of investing)

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|---|--|
| <p>Who is Dexus?</p> | <p>Dexus is a listed stapled group comprised of the Trusts, which are each registered managed investment schemes. Units in each Trust ("Units") are stapled together and trade on ASX as a single Stapled Security.</p> <p>Dexus is an ASX top 50 entity by market capitalisation, with circa \$28.9 billion of assets under management.</p> <p>Dexus manages and directly invests in high quality Australian office and industrial properties, and also actively manages office, industrial, retail and healthcare properties across Australia on behalf of third party capital partners.</p> |
| <p>What is Dexus's strategy?</p> | <p>Dexus's strategy is to deliver superior risk-adjusted returns for investors from high quality real estate in Australia's major cities. This means outperforming the relevant three and five-year benchmarks in each market in which Dexus owns or manages properties while providing Stapled Security holders with sustainable and growing distributions.</p> |
| <p>What strategic objectives underpin this strategy?</p> | <p>Dexus has two strategic objectives that underpin its strategy:</p> <ul style="list-style-type: none"> - Leadership in office: being the leading owner and manager of Australian office property; and - Funds management partner of choice: Being the wholesale partner of choice in Australian property. <p>Leadership in office is an aspiration that is supported by Dexus's scale. As the largest institutional owner of office buildings in the Sydney CBD, Australia's largest office market, Dexus has scale that provides many advantages.</p> <p>Dexus's scale supports the generation of investment outperformance, through providing valuable customer insights and the opportunity to invest in people, systems and technologies that enhance its customers' experience. It also generates cost efficiencies and gives Dexus the ability to find the ideal workspace solution for customers.</p> <p>Dexus's objectives of leadership in office and funds management partner of choice complement each other. Its success in the office sector has enabled Dexus to attract investment partners, not just in office but also in the industrial, retail and healthcare sectors, in turn providing the opportunity to drive investment performance for those clients.</p> |
| <p>How does Dexus's business seek to create value?</p> | <p>Dexus's strategy is underpinned by its business activities of developing, managing and transacting properties.</p> <p>To generate superior risk-adjusted returns for investors it is necessary that for each asset that Dexus manages or owns, it maximises cash flows and unlocks value over the investment cycle. Dexus seeks to do this through applying its transactional, asset and property expertise to drive earnings and create value across three areas of focus:</p> <ul style="list-style-type: none"> - Property portfolio – the largest driver of value underpinned by rental returns and capital values from the Dexus office and industrial portfolios; |

Key benefits: Information about Dexus (including benefits of investing)

- **Funds management** – provides access to wholesale sources of capital and a steady income derived from management fees stream; and
- **Trading** – profit generated from development activities on properties not held for the long-term.

What is Dexus's approach to corporate responsibility and sustainability?

To support long-term value creation, Dexus considers corporate responsibility and sustainability an integral part of its business activities. This approach supports its strategy, through the overarching goal of delivering sustained value for all stakeholders.

The outcomes Dexus seeks to achieve are as follows:

- **Leading cities** – playing a leading role in shaping Australia's cities for the future as desirable places to work, live and play;
- **Future enabled customers** – preparing Dexus's customers for the future through enabling enhanced productivity and supporting future growth;
- **Strong communities** – nurturing well-connected, prosperous and supported communities in and around its buildings;
- **Enriched environment** – optimising the environmental performance and resilience of its buildings;
- **Thriving people** – Attracting, retaining and developing employees and ensuring the safety of employees, customers and suppliers; and
- **Sustained value** - Maintaining strong financial performance over the long term and open communication with investors.

What are the key characteristics of Dexus's property portfolio and funds management business?

As at 31 December 2018, the Dexus property portfolio and funds management business had the following characteristics (for further information see Dexus half year results presentation, results release and Appendix 4D and financial statements (lodged on 6 February 2019)):

Dexus Office Portfolio

Dexus is Australia's preferred office partner with 1.7 million square metres of office space spanning across 53 office properties around Australia, including the central business districts of Sydney, Melbourne, Brisbane, Perth and Canberra.

Key metrics for Dexus's office investment property portfolio are as follows:

| Key metrics | 31 December 2018 |
|---|------------------|
| Occupancy by income | 97.3% |
| Weighted average lease expiry (by income) | 4.5 years |
| Average incentives* | 11.9% |
| Weighted average capitalisation rate | 5.22% |

* excluding development leasing



Dexus industrial portfolio

Dexus manages or owns 85 industrial properties across various Australian markets.

Key metrics for Dexus’s industrial investment property portfolio are as follows:

| Key metrics | 31 December 2018 |
|---|------------------|
| Occupancy by income | 96.8% |
| Weighted average lease expiry (by income) | 5.0 years |
| Average incentives | 7.7% |
| Weighted average capitalisation rate | 6.14% |

Development pipeline

Dexus currently has a \$5.2 billion development pipeline, of which \$2.8 billion sits within the Dexus portfolio and \$2.4 billion within third party funds.

Funds management business

As at 31 December 2018, Dexus has approximately \$15.0 billion under management on behalf of 73 clients from 9 countries. This includes an additional \$8.0 billion of third party equity contributed since 30 June 2012.

Dexus’s third party funds management business includes management of:

- its flagship unlisted diversified fund (including office, industrial and retail properties), Dexus Wholesale Property Fund, with \$9.4 billion under management;
- the Dexus Office Partnership, with \$2.4 billion under management;
- a diversified Australian Mandate, with \$2.1 billion under management;
- the Dexus Australian Logistics Trust joint venture with GIC with \$0.4 billion under management;
- the Healthcare Wholesale Property Fund with \$0.1 billion under management; and
- other logistics trusts, totalling \$0.6 billion under management.

Who are the directors of Dexus?

Dexus has a diverse and experienced board of directors. Members of the board are as follows:

- Richard Sheppard (Chair and Independent Director);
- Darren Steinberg (Chief Executive Officer);
- Penny Bingham-Hall (Independent Director);
- John Conde (Independent Director);
- Tonianne Dwyer (Independent Director);
- Mark Ford (Independent Director);

Key benefits: Information about Dexus (including benefits of investing)

- Peter St George (Independent Director); and
- The Hon. Nicola Roxon (Independent Director).

Biographies for each director are set out on pages 20 to 21 of the Annual Report for the year ended 30 June 2018.

Part 2: Key risks of an investment in Dexus

An investment in Dexus has a number of risks. Key risks relating to this investment are summarised in the table below. This is a non-exhaustive list of risks. Stapled Security holders and prospective investors should seek their own professional tax, financial and legal advice about the risks that may be associated with an investment in Dexus.

Key risks

Dexus specific risks

Acquisition and business opportunities

At any time, Dexus may be undertaking due diligence on a number of potential acquisition opportunities both on its own account and with joint venture parties. When Dexus proceeds with any opportunity, it is possible that Dexus may not uncover issues that may later have an adverse impact on Dexus. Risks which may arise in pursuing new opportunities or acquisitions which may adversely affect Dexus's future value or profitability, include:

- any of the acquisition or business opportunities performing below expectations;
- capital expenditure required in any of the acquisition or business opportunities being greater than expected;
- a breakdown in the relationship with a joint venture partner; or
- a downturn in the relevant local market conditions.

Development activities

Dexus has several development projects underway. Under certain contracts entered into under these development projects, the contractors assume the financial risks relating to completion delays and cost overruns except for tenant and owner requested contract variations. Dexus has also obtained performance guarantees from its contractors. However, there can be no assurance that Dexus will not be adversely impacted by the failure of a contractor to deliver the project as agreed. Where certain development projects are only partially leased, there is no income guarantee on any remaining vacancies at practical completion.

Dexus has entered into several tenancy agreements for certain development projects. While Dexus believes that it will be able to secure tenants for the remaining vacancies, there can be no guarantee that Dexus will be able to do so.

The earnings, cash flows and valuations of certain development projects are impacted by a number of factors including construction costs, scheduled completion dates, assumed post-completion occupancy, assumed rentals achieved and the ability of tenants to meet rental obligations. Dexus has a pipeline of future and prospective development projects which have not yet commenced and in some instances, which have not yet secured necessary authority approvals and consents. There is no certainty that these approvals will be secured or that the projects will be activated.

Refinancing requirements

Dexus is exposed to risks relating to the refinancing of existing debt instruments and facilities.

Key risks

Dexus has \$350 million of debt maturing in the 12 months from the date of this notice (including Dexus's share of repayment obligations from its 50% ownership in Dexus Office Trust Australia, on a look-through basis). It may be difficult for Dexus to refinance all or some of these and other debt maturities.

Further, if some or all of these debt maturities can be refinanced, these may be on less favourable terms than is currently the case.

Availability of capital (including debt finance)

Real estate investment and development is highly capital intensive.

Dexus's ability to raise funds in the future (including obtaining additional debt finance to fund acquisitions and ensuring sufficient debt funding headroom is retained within its capital management policies) on favourable terms depends on a number of factors including general economic conditions, political, capital and credit market conditions and the reputation, performance and financial strength of Dexus's business. Many of these factors are outside Dexus's control and may increase the cost and availability of capital.

Dexus holds an investment grade credit rating from Standard & Poor's of A- (Stable) and holds an investment grade credit rating of A3 from Moody's. Any downgrade to Dexus's credit rating may impact access to capital.

Impact of financing covenants

Dexus's financiers require it to maintain certain gearing and other ratios under various debt covenants. As at the date of this notice, Dexus was in compliance with all covenants under its debt facilities. In the event that these covenants are breached, financiers may seek to exercise enforcement rights under debt documentation.

No financiers' rights under Dexus's current debt facilities are triggered as a result of adverse market capitalisation movements.

Impact of interest rates

Dexus's interest cost on floating rate debt will increase if benchmark interest rates increase. This would reduce earnings and cash flow available for distribution to Stapled Security holders.

Dexus manages its exposure to adverse fluctuations in floating interest rates by entering into interest rate hedge instruments, however the impact of interest rate hedging may be negative, depending on the extent, timing or direction of movements in underlying rates.

Financial forecasts and forward looking statements

There is no guarantee that the assumptions contained within forward-looking statements or estimates (including as to Dexus's future earnings and earnings guidance) released to the market will ultimately prove to be accurate. The forward-looking statements and forecasts depend on a variety of factors, many of which are beyond Dexus's control.

Australian Real Estate Investment Trust ("A-REITs") sector risks

Illiquid assets

Property assets are by their nature illiquid investments. If property assets are required to be disposed in order to raise liquidity, it may not be possible to dispose of assets in a timely manner or at an optimal price. This may affect net tangible assets or the market price of Stapled Securities.

Returns from investments

The value, expectations of capital growth, and returns from Dexus's property assets will fluctuate depending on property market conditions. Rental and occupancy levels may change as a result of changes in the property market and general economic conditions (including conditions relating to retail, office, logistics and business park

Key risks

and development assets), and this may affect the distributions paid by Dexus and the market price of Stapled Securities.

The ability to procure tenants (including timing and rental paid), demand for property from investors and the expenses in operating, refurbishing and maintaining properties, may influence the value of Dexus's assets. The supply of competing buildings, both existing and new, may also affect the ability to secure lease renewals, retain existing tenants or obtain new tenants. If Dexus cannot negotiate lease renewals or maintain existing lease terms, income and book values may be adversely impacted.

Changing investor demand for property investments

The demand for property and listed property securities may change as investor preferences for particular sectors and asset classes change.

The demand for property as an asset class changes over time and can be influenced by general economic factors such as interest rates, stock market cycles and exchange rates.

Asset and land values

Asset values are affected by many factors including prevailing market conditions, risk appetite, volume of sales, the ability to procure tenants, contracted rental returns, operating, maintenance and refurbishment expenses and the funding environment.

From time to time unanticipated events occur that affect the value of land or development costs which may in turn affect the financial returns from property investment, projects and property related business.

Time delays

Development approvals, slow decision making by counterparties, complex construction specifications and changes to design briefs, legal issues and other documentation changes may give rise to delays in completion of projects, loss of revenue and cost overruns. Additionally, delays in completion of projects may in turn, result in liquidated damages and termination of lease agreements and pre-sale agreements.

Other time delays which may arise in relation to construction and development projects include supply of labour, scarcity of construction materials, lower than expected productivity levels, inclement weather conditions, land contamination, difficult site access or industrial relations issues.

Objections raised by community interest groups, environmental groups and neighbours may also delay the granting of planning approvals or the overall progress of a project motion. Major infrastructure requirements or unanticipated environmental issues may affect financial returns.

Property leasing

There is a risk that tenants default on their rent or other obligations under leases, leading to capital losses or a reduction in income from those assets. This risk can be greater where there is a higher tenant concentration.

There is also a risk that it may not be possible to negotiate lease renewals or maintain existing lease terms. If this occurs, income and book values may be adversely impacted.

Counterparty / credit risk

A-REITs are exposed to the risk that third parties, such as tenants, developers, service providers and financial counterparties (including in relation to debt and foreign exchange and interest rate hedging instruments) and other contracts may not be willing or able to perform their obligations.

Key risks

Fixed nature of costs

Many costs associated with the ownership and management of property assets are fixed in nature. The value of assets may be adversely affected if the income from the asset declines and these fixed costs remain unchanged.

Capital expenditure

A-REITs are exposed to the risk of unforeseen capital expenditure requirements in order to maintain the quality of the buildings and tenants.

Environmental matters

A-REITs are exposed to a range of environmental risks which may result in project delays or additional expenditure. In such situations, they may be required to undertake remedial works and potentially be exposed to third party liability claims and/or environmental liabilities such as penalties and fines.

Insurance

A-REITs purchase insurance, customarily carried by property owners, managers, developers and construction entities that provides a degree of protection for its assets, liabilities and people. Such policies include material damage of assets, contract works, business interruption, general and professional liability and workers compensation. There are however certain risks that are uninsurable (e.g. nuclear, chemical or biological incidents) or risks where the insurance coverage is reduced (e.g. cyclone, earthquake).

A-REITs may face risk associated with the financial strength of their insurers to meet indemnity obligations when called upon which could have an adverse impact on earnings.

Further, insurance may be materially detrimentally affected by economic conditions so that insurance becomes more expensive or in some cases, unavailable.

Regulatory issues

Changes in relevant laws, accounting standards, other legal, legislative and administrative regimes, and government policies (including Government fiscal, monetary and regulatory policies), may have an adverse effect on the assets, operations and ultimately, the financial performance of Dexus. These factors may ultimately affect Dexus's financial position and performance and the market price of Stapled Securities.

Taxation

Changes in tax law (including goods and services taxes and stamp duties), or changes in the way taxation laws are interpreted may impact the future tax liabilities of Dexus and/or Stapled Security holders. Under current income tax legislation, Dexus's "flow-through" trusts are generally not liable for Australian income tax, including CGT. Should the actions or activities of one of Dexus's "flow-through" trusts (or their controlled entities) cause the relevant trust to fall within the operative provisions of Division 6C of Part III of the *Income Tax Assessment Act 1936* (Cth), the relevant trust may be taxed on its (taxable) income at a rate which is currently equivalent to the corporate income tax rate of 30%.

Dexus's "flow-through" trusts currently qualify as withholding managed investment trusts such that the taxable part of the distributions to non-residents in certain jurisdictions, are subject to a withholding tax rate of 15%. Some requirements to qualify as a withholding managed investment trust are outside of Dexus's control, including the requirement that no non-resident individual has a 10% or greater stake in the group. Although Dexus does not expect this to occur, if Dexus's "flow-through" trusts cease to qualify as withholding managed investment trusts then the rate of tax imposed on non-resident Stapled Security holders could increase.

The attribution managed investment trusts ("AMITs") regime under the *Income Tax Assessment Act 1997* (Cth) is intended to improve the operation of the taxation law

Key risks

for AMITs by increasing certainty, allowing greater flexibility and reducing compliance costs. Dexus's "flow-through" trusts elected to be AMITs on and from 1 July 2016.

Under the AMIT regime it is not a requirement that security holders be presently entitled to all of the income of a trust in order to prevent the trustee of the AMIT being subject to tax. The AMIT regime imposes the liability for income tax upon Stapled Security holders by reference to fair and reasonable allocations made by the trustee of the AMIT and continues to treat such trusts as "flow-through" trusts. The AMIT regime also includes provisions which can impose tax on the trustee of an AMIT, including in respect of certain non-arm's length income or where the trustee fails to fully attribute the determined trusts components of the AMIT to Stapled Security holders.

Other general risks

| | |
|----------------------------------|--|
| Inflation | Higher than expected inflation rates generally or specific to the property sector could be expected to increase operating costs and development costs. |
| Litigation and disputes | Disputes and litigation may arise from time to time in the course of business activities. There is a risk that material or costly disputes or litigation could adversely affect financial performance and security value. |
| Competition | Dexus faces competition from other property groups active in Australia. Such competition could lead to the following adverse outcomes: <ul style="list-style-type: none">- loss of tenants to competitors;- a reduction in rents; and- an inability to secure new tenants resulting in an oversupply of space. |
| Reliance on key personnel | Dexus is reliant on a number of key personnel. Loss of such personnel, or inability to attract suitably qualified personnel, may have a material adverse impact on Dexus's performance. |
| Work safety | Poor work safety practices by Dexus or a failure to comply with the necessary work safety regulatory requirements across the jurisdictions in which Dexus operates could result in fines, penalties and compensation for damages as well as reputational damage and poor staff morale and industrial action. |
| Market risks | Investors should be aware that the market price of Stapled Securities and future distributions made to security holders will be influenced by a number of factors that are common to most listed investments. At any point in time, these may include: <ul style="list-style-type: none">- the Australian and international economic outlook;- movements in the general level of prices on international and local equity and credit markets;- changes in economic conditions including inflation, recessions and interest rates;- changes in market regulators' policies and practice in relation to regulatory legislation;- changes in Government, fiscal, monetary and regulatory policies; and- the demand for Stapled Securities. |



Key risks

General economic and business conditions

Dexus's operating and financial performance is influenced by a variety of general economic and business conditions, including the level of inflation, interest rates, commodity prices, ability to access funding, supply and demand conditions and government fiscal, monetary and regulatory policies. Prolonged deterioration in these conditions, including an increase in interest rates, an increase in the cost of capital or a decrease in consumer demand, could have a material adverse impact on Dexus's operating and financial performance.

Equity market conditions

The market price of Dexus's stapled securities will be affected by the financial performance of Dexus and also varied and often unpredictable factors influencing equity and credit markets generally. These factors include international stock markets, interest rates, domestic and international economic conditions, domestic and international political stability, investor sentiment, and the demand for equities generally.

Other factors

Other factors may impact on an entity's performance including changes or disruptions to political, regulatory, legal or economic conditions or to the national or international financial markets including as a result of terrorist attack or war.

Part 3: Rights and liabilities attaching to a Stapled Security

All of the Trusts are established under their respective constitutions which contain the main rules governing their operation and the rights and liabilities of Stapled Security holders. The Corporations Act, exemptions and declarations given by ASIC, the ASX Listing Rules (subject to waivers) and the general law of trusts are also relevant to the rights and obligations of Stapled Security holders.

The RE as responsible entity of the Trusts must ensure that the constitutions meet the requirements of the Corporations Act. The RE may amend the constitutions without member approval if it reasonably considers that the amendment will not adversely affect Stapled Security holders' rights. Any other amendment must be by approval of a special resolution of Stapled Security holders.

The key rights attaching to the Units under each Trust constitution and the Corporations Act are identical, and for that reason have not been separately summarised. The main provisions of the constitutions that deal with the rights and obligations of the Stapled Security holders are:

Rights and liabilities

Units

A fully paid Unit confers an undivided interest in each Trust. The constitutions contemplate the issue of options and partly paid Units.

Stapling

The constitutions provide for the further stapling of Units to other securities. If the Stapled Securities are stapled to additional other securities, the Stapled Security holders will also become holders of the other stapled security in addition to the Stapled Securities, and the Stapled Securities will still be traded as a single stapled security on the ASX.

Distributions

Subject to the terms of the specific Units, Stapled Security holders on the relevant trust register at the end of the distribution period are entitled to a share in the relevant trust's income (and any capital which is to be distributed) proportionate to their holding. The distribution periods are the period ending 30 June and 31 December or such other dates as may be determined by the RE. Outside of the distributions to be paid at the end of the distribution periods, the RE may make distributions of capital and income in its discretion. The RE may, from time to time, advise Stapled Security holders of the terms on which distributions may be re-invested in Stapled Securities.



Rights and liabilities

| | |
|--------------------------------|---|
| Transfer | While they are stapled, Units may only be transferred as part of Stapled Securities. Stapled Security holders may transfer Stapled Securities by a proper transfer in the manner approved by the RE. The RE may refuse to register a transfer of Stapled Securities where the transfer is not duly stamped, or where such a refusal is permitted by the ASX Listing Rules or the ASX itself. Subject to the ASX listing rules and the ASX settlement and operating rules, while Dexus is a listed entity, its directors may suspend the registration of a transfer at such times and for such periods (not exceeding 30 days in total in any year) as deemed fit. |
| No redemption | There is no right of redemption for the Units. |
| Winding up | If the Trusts are terminated and wound up, Stapled Security holders are entitled to receive a share of the net proceeds of the realisation of all cash, investments, rights and other property of the relevant trust, proportionate to their holding, with adjustment for any unpaid amounts on the Units (as relevant) and after the RE has deducted its remuneration and costs and subject to any special rights or restrictions attached to any Stapled Securities or the direction in writing of all Stapled Security holders. Each of the Trusts terminate on the date on which they are terminated in accordance with their respective constitutions or by law. |
| Limitation of liability | A Stapled Security holder's liability is limited under the Dexus constitutions to the amount paid (or payable in the case of partly paid units) for the Units. |
| Meetings | Stapled Security holders' right to requisition, attend and vote at meetings is largely governed by the Corporations Act. The Dexus constitutions provide that the quorum for a meeting is, depending on the type of meeting, either ten or twenty Stapled Security holders. While the Units are stapled together, meetings of the Trusts may be held concurrently. Each Stapled Security holder is entitled to receive notice of, and attend and (except in certain circumstances) vote at general meetings of the Trusts and to receive all notices, accounts and other documents required to be sent to holders of units in the Trusts under the constitutions or the Corporations Act. |
| Voting | At a general meeting, Stapled Security holders have one vote on a show of hands and one vote for each dollar of the values of Units held on a poll. Voting on resolutions is by a show of hands unless a poll is demanded, except if the resolution is a special resolution, which must be decided on a poll. |

The constitutions also deal with powers, duties and liabilities of the RE. The Corporations Act, exemptions and declarations given by ASIC, the ASX Listing Rules (subject to waivers) and the general law of trusts are also relevant to the duties and liabilities of the RE. The main provisions of the constitutions that deal with the duties and liabilities of the RE are:

Powers and Duties

| | |
|-----------------------|--|
| General powers | Generally, the RE has all powers that it is possible to confer on a trustee and all powers incidental to ownership of the assets of the Trusts as though the RE were the absolute and beneficial owner of the assets. In exercising its powers, the RE may acquire or dispose of any real or personal property and borrow or raise money, encumber any asset of a Trust, incur any liability, enter into joint venture arrangements or fetter any power. |
| Issues | Subject to the constitutions, the Corporations Act and the ASX Listing Rules, the RE has the power to issue Units and options over those Units on such conditions as it determines. When the Units are stapled together to form a Stapled Security, any issue of new ordinary |

Powers and Duties

Units in any of the Trusts must be matched by a corresponding issue of ordinary Units in each of the other Trusts and stapled together. The constitutions contain a number of limits as to the price at which Units may be issued.

Duties

The RE's duties as responsible entity are largely regulated by the Corporations Act.

Fees and expenses

The RE may recover expenses properly incurred in the operation of each Trust out of the assets of that Trust. The constitutions also authorise the RE to receive fees, calculated at the rate of 1% per annum of the gross asset value of all cash, investments, rights and other property of each of the Trusts. These fees are payable monthly and may be waived, or waived in part, by the RE.

Indemnity

The RE is entitled to be indemnified out of the assets of each Trust for any liability it incurs in properly performing or exercising any of its powers and duties in relation to that Trust.

Rights

The RE may also:

- take and act upon advice from professionals; and
 - value the assets of the Trusts at any time (at market value unless it determines there is no market in respect of an asset or that the market value does not represent the fair value of the asset).
-



Appendix C – Fees and Expenses



Part 1: Consumer advisory warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period

(for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask Dexus or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the ASIC website (www.moneySMART.gov.au) has a managed funds fee calculator to help you check out different fee options.

Part 2: Fees and other costs

This section shows fees and other costs that you may be charged on an investment in Stapled Securities (if you exchange your Notes). These fees and costs may be deducted from your money, from the returns on your investment or from the assets of Dexus as a whole.

Information about tax implications of investing in Dexus is set out in Appendix D.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Unless otherwise stated, all fees in this Appendix C are inclusive of non-recoverable GST, less a full input tax credit or reduced input tax credit, as applicable.



Table 1:

| Type of fee or cost ³ | Amount | How and when paid |
|--|---|-------------------------------|
| Fees when your money moves in or out of Dexus | | |
| Establishment fee The fee to open your investment | Not applicable | Not applicable |
| Contribution fee The fee on each amount contributed to your investment | Not applicable | Not applicable |
| Withdrawal fee The fee on each amount you take out of your investment | Not applicable | Not applicable |
| Exit fee The fee to close your investment | Not applicable | Not applicable |
| Management costs | | |
| The fees and costs for managing your investment | RE fees The RE is entitled to receive management fees from each of the Trusts, however, as the fees are paid within the Dexus group, they do not reduce returns for holders of Stapled Securities. See Part 4 below. | Paid to entities within Dexus |
| | Operating expenses The RE will pay from the assets of the Trusts or their subsidiary entities its net costs in operating Dexus (“ Operating Expenses ”). This includes expenses such as for registry, custody, accounting, audit and administrative costs including for staff and premises for all entities in the Dexus group. The aggregate of the net Operating Expenses of Dexus is estimated at 0.27% pa of the NAV of Dexus, i.e. AUD135 pa for every AUD50,000 invested in Stapled Securities. | |

³ Fees in Table 1 marked “not applicable” are not applicable because such fees are not charged by the RE. Fees may be charged by your stockbroker.



| Type of fee or cost ³ | Amount | How and when paid |
|--|---|---|
| | Indirect costs The trustees of the “sub trusts” in which Dexus’s property investments are held do not charge any trustee or management fees to those trusts. Some expenses are paid from the sub trusts, but these have been included in overall Operating Expenses as above. | Paid or reimbursed from the assets of the relevant sub trust as incurred. |
| | Offer costs⁴ Estimated at AUD6.5 million being 0.06% of NAV of Dexus i.e. AUD30 for every AUD50,000 invested in Units. | One-off expenditure incurred in relation to the issue of the Notes to be paid by the RE and reimbursed from the assets of Dexus. See 4.5 below. |
| Service fees | | |
| Switching fees The fee for changing investment options | Not applicable | Not applicable |

⁴ This includes an amount payable to an adviser (see Section 4.4 below)

Part 3: Example of annual fees and costs

This table gives an example of how fees and costs relating to an investment in Dexus can affect your investment over the first year of your investment, if you exchanged your Notes into Stapled Securities at the earliest possible date.

You should use this table to compare this product with other managed investment products.

Table 2: First year after the issue of Units

| Example | Amount | Balance of AUD50,000 |
|---|--|----------------------|
| Contribution fee | Nil | <i>Nil</i> |
| Management costs⁵ | | |
| For every AUD50 000 you have invested in Dexus you will be charged the following amounts in the first year: | | |
| RE fees | Nil, on a net basis | <i>Nil</i> |
| Operating Expenses | Estimated at 0.27% pa of NAV | Estimated at AUD135 |
| Indirect costs | Nil – already included in Operating Expenses | <i>Nil</i> |
| Offer costs | Estimated at 0.06% pa of NAV | Estimated at AUD30 |
| Total cost of the investment | | |
| If you had an investment of AUD50,000 in Dexus at the beginning of the year you would be charged fees of: | | AUD165* |

* Additional fees may apply

Part 4: Additional explanation of fees and costs

RE's fee

Under each Trust constitution, the RE is entitled to receive out of the relevant Trust an annual fee of 1.00% p.a. of Gross Asset Value of that Trust. Currently, the RE charges 0.30% for this fee. However, the operating entity in the Dexus group, DXO, owns the RE, so that in effect investors in Stapled Securities both pay and receive the RE fee, and it has zero effect on returns for holders of Stapled Securities. If the RE proposes at any time to increase the amount of the fee that it charges, it will give holders of Stapled Securities at least 30 days' notice via a notice on the Dexus website.

Operating Expenses

The Operating Expenses include the net amounts of fees and expenses paid outside the Dexus group for the costs of operating Dexus and managing its investments. The amounts shown include non-recoverable GST, less a full input tax credit or reduced input tax credit, as applicable.

Dexus is an internally managed stapled group, so internal payments such as those from the RE of the property-owning Trusts to DXO or its subsidiaries remain within the same economic group, and are not double counted in the amounts shown.

The types of fees and expenses included in Operating Expenses are costs such as registry, custody, accounting and other administrative costs including staff and premises costs.

⁵ All amounts are inclusive of the net effect of GST.

Under the constitution of each Trust the RE is entitled to be reimbursed out of, or have paid from, the assets of that Trust all costs and liabilities incurred in the performance of its duties or the exercise of its powers, the course of its office or in relation to the administration or management of the Trust. This includes the costs of preparation of documents for capital raising, listing on ASX as well as the services of asset managers, property managers, project managers and collection agents, and a range of other expenses.

Indirect costs

Dexus holds a number of its properties through sub trusts. There are no additional trustee fees or management fees charged at the level of the sub trusts, but there are some Operating Expenses such as the cost of accounts and audit attributable to the relevant sub trust, which are included in the amount shown for Operating Expenses above.

Transactional and operational costs

These are costs incurred when buying or selling Dexus's assets and include stamp duty. These costs are paid out of the assets of Dexus or its subsidiaries but are not included in the above figures for management costs. The RE estimates the total amount of transactional and operational costs for Dexus to be 0.48% p.a. of the average NAV.

Offer costs

These costs are one-off in nature and payable only during the financial year ending 30 June 2019. Offer costs are payable from proceeds raised from the Offer. For details, see below.

Broker fees

Additional fees may be charged by your stockbroker, for example brokerage if you wish to sell your Stapled Securities after exchange.

Part 5: Fees and costs associated with the Offer

Offer costs

The total estimated net costs to Dexus in connection with the Offer, including fees for investment banking, legal, accounting, tax and stamp duty advice, listing and administrative fees as well as printing, advertising and other expenses, are currently estimated to be approximately AUD6.5 million. This amount will be paid out of Dexus' assets from the proceeds raised under the Offer.

These costs are one-off in nature and will be amortised to profit and loss over the term of the Notes.

Amounts payable to advisers

Investment banks, brokers and other advisers may receive a fee for arranging subscriptions for the Notes. These fees are included in the amount of Offer costs shown above.

Appendix D – Tax implications

The following is a general summary of the material Australian tax consequences under the Income Tax Assessment Act 1936 (Cth), Income Tax Assessment Act 1997 (Cth) (together, “**Australian Tax Act**”), the Taxation Administration Act of 1953 (“**Tax Administration Act**”) and any relevant rulings, judicial decisions or administrative practice, at the date of this notice of the purchase, ownership and disposition of the Notes by Noteholders. This summary represents the Australian tax law enacted and in force as at the date of this notice which is subject to change, possibly with retrospective effect.

The summary is not exhaustive and does not deal with the position of certain classes of Noteholders (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of any person). This summary also assumes that upon exchange, the Stapled Securities will be held on capital account for Australian tax purposes under the capital gains tax (“**CGT**”) provisions.

This summary is not intended, nor should it be, construed as legal or tax advice to any particular Noteholder or prospective Noteholder. It is a general guide only and should be treated with appropriate caution. Prospective Noteholders should consult their professional advisers on the tax implications of an investment in the Notes and (upon exchange) the Stapled Securities for their particular circumstances.

Part 1: Australian Noteholders

Holding of the Notes

Interest income that is paid to Noteholders who are:

- residents of Australia for tax purposes, that do not otherwise hold the Notes in the course of carrying on a business outside of Australia through a permanent establishment; or
- a non-resident of Australia for tax purposes that holds the Notes in the course of carrying on a business through a permanent establishment in Australia (together, an “**Australian Noteholder**”),

will be assessable for Australian tax purposes on income either received or accrued to them in respect of the Notes.

Disposal of the Notes

Australian Noteholders will be required to include any gain or loss on the disposal of the Notes in determining their taxable income.

Exchange of the Notes into Stapled Securities

The exchange of the Notes to Stapled Securities would be a taxable event for Australian tax purposes. Noteholders will be required to include in their assessable income the excess of the market value of the Stapled Securities issued upon exchange over the issue price of the Notes, subject to the availability of a rollover to disregard any gain realised.

Upon an exchange, the cost base of the units (comprising the Stapled Securities) acquired will depend upon whether or not a rollover was available. In circumstances where a rollover was not available to a Noteholder, the cost base of the Stapled Securities would equate to the market value of the Note at the time of exchange together with any amounts paid to exchange the Note or incidental costs incurred at the time of exchange. This cost base should be apportioned between the units comprising the Stapled Securities on a reasonable basis.

Upon exchange of the Notes, a Stapled Security holder (formerly a Noteholder) will be required to separately recognise each unit comprising the Stapled Securities as a separate asset for Australian tax purposes.

It is important that Australian Noteholders obtain their own independent advice in respect of the Australian tax consequences of exchanging their Notes.

Distributions in respect of the Stapled Securities

DDT, DIT and DOT

Each of DDT, DIT and DOT are “flow through trusts” for the purposes of Division 6 of the Australian Tax Act (together, the “Passive Trusts”). Furthermore, the RE of each of the DDT, DIT and the DOT elected into the attribution managed investment trust (“AMIT”) regime with effect from 1 July 2016.



Under the AMIT regime, the RE of each of the Passive Trusts should not, itself, be subject to Australian tax in respect of the taxable income of a Passive Trust in circumstances where the holders of units in that trust are attributed all of the taxable income of the trust. Furthermore, the taxable income of the Passive Trust will flow to the holders of units in that Passive Trust based on the amount and character of taxable income which the RE chooses to attribute to the holders. These components will generally retain their character when passed on to Stapled Security holders.

It is also possible that Stapled Security holders may receive a tax deferred amount in relation to their distribution from a Passive Trust. This would arise where the distribution received exceeds the amount of the net taxable income of that trust which has been attributed to the Stapled Security holder, or where the Passive Trust undertakes a return of capital.

The CGT rules may require the cost base which is held by Stapled Security holders in their units (comprising the Stapled Security) to be reduced as a result of an AMIT cost base adjustment where the Stapled Security holder receives a distribution that is either in whole or in part non-assessable for tax purposes. Where such tax deferred amounts exceed the cost base of the units, the excess is treated as a capital gain.

DXO

DXO is a public trading trust for the purposes of Division 6C of the Australian Tax Act. Accordingly, DXO is treated as a company for all income tax purposes.

Distributions that are received by Australian resident Stapled Security holders (other than in circumstances where the return is in respect of a return of capital) will be taxed as a dividend, and the dividend, together with any franking credits attached to such dividend must be included in the Stapled Security holder's assessable income in the income year in which the distribution is made.

Disposal of the Stapled Securities

The disposal of Stapled Securities would be a taxable event for CGT purposes. Relevantly, a Stapled Security holder will be required to allocate, on a reasonable basis, their acquisition costs and capital proceeds between each of DDT, DIT, DOT and DXO, for the purposes of determining whether a capital gain or a capital loss would be realised upon the disposal of each unit comprising the Stapled Security.

To the extent that the proceeds on disposal of the Stapled Securities exceed the cost base of the relevant unit, the Stapled Security holder will make a capital gain. However if the proceeds on disposal are less than the holder's reduced cost base, the Stapled Security holder will make a capital loss.

If the Stapled Security holder has held the Stapled Securities for at least 12 months (excluding the acquisition and disposal dates), then the holder may be entitled to a 50% CGT discount (where the Stapled Security holder is an individual or trust) or a 33⅓% CGT discount (where the Stapled Security holder is a complying superannuation entity or life insurance company). The CGT discount does not apply to a Stapled Security holder that is a company.

Part 2: Non-Australian Noteholders

This section applies to "**Non-Australian Noteholders**", meaning Noteholders that are non-residents for Australian tax purposes, and who do not hold their Notes in the course of carrying on a business at or through a permanent establishment in Australia, and Australian residents for tax purposes, who hold their Notes in the course of carrying on a business outside of Australia at or through a permanent establishment in Australia.

Interest Withholding Tax on Interest Payments

The Australian Tax Act characterises securities as either "debt interests" (for all entities) or "equity interests" (for companies) including for the purposes of Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act ("**IWT**") and dividend withholding tax. The Notes should constitute debt interests for Australian tax purposes. Accordingly, IWT is payable at a rate of 10% of the gross amount of interest paid by the Issuer to Non-Australian Noteholders.

Interest on the Notes will be exempt from IWT if the requirements in section 128F of the Australian Tax Act are satisfied in respect of the Notes. The exemption in section 128F requires that the Issuer is a company (as defined in section 128F(9) of the Australian Tax Act). It also requires that the Notes be issued in a manner which satisfies the public offer test outlined in section 128F(3) of the Australian Tax Act. There are five principal methods of

satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that the Issuer is offering those Notes for issue. In summary, the five methods are:

- offers to 10 or more unrelated financiers, securities dealers or entities that carry on the business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;
- offers to 100 or more investors of a certain type;
- offers of listed Notes;
- offers via publicly available information sources; and
- offers to a dealer, manager or underwriter who offers to sell those Notes within 30 days by one of the preceding methods.

The exemption in section 128F of the Australian Tax Act is not available where the Issuer knows or has reasonable grounds to suspect, at the time of issue, that the Notes or interests in the Notes were being, or would later be, acquired directly or indirectly by an "Offshore Associate" of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act. Interest payments that are made on the Notes would also not have the benefit of the exemption where at the time of the payment of interest, the Issuer knows, or has reasonable grounds to suspect, that the payee is an "Offshore Associate" of the Issuer, except as permitted by section 128F(6) of the Australian Tax Act.

For these purposes, an "**Offshore Associate**" means an "associate" (as defined in section 128F of the Australian Tax Act) of the Issuer that is a Non-Australian Noteholder.

The Issuer intends to issue the notes in a manner that satisfies the public offer test in section 128F of the Australian Tax Act.

Payment of additional amounts because of a deduction or withholding in respect of IWT

If the Issuer is, at any time, compelled by law to deduct or withhold an amount in respect of IWT, then it must, subject to certain exceptions set out in Condition 9 of the Terms and Conditions (refer Appendix A), pay such additional amounts as will result in the receipt by the Non-Australian Noteholders of such amounts as would have been received by them had no such deduction or withholding been required.

However, it is noted that Condition 9 of the Terms and Conditions provides that the Issuer will not be obliged to pay such additional amounts on account of IWT which is payable by reason of the Non-Australian Noteholder being an Offshore Associate of the Issuer.

Deemed Interest

There are specific rules that can apply to treat a portion of the purchase price of Notes as interest for IWT purposes when certain Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian Noteholder.

These rules also do not apply in circumstances where the deemed interest would have been exempt under section 128F of the Australian Tax Act if the Notes had been held to maturity by a non-resident.

Other matters

Other than IWT (see the discussion above), the payment of principal and interest to a Non-Australian Noteholder, should not be subject to any other Australian income taxes

Gains on disposal of the Notes

Subject to the terms of a double tax agreement (refer below), a Non-Australian Noteholder will be subject to Australian income tax on gains realised during that year on the sale or redemption of the Notes, in circumstances where the gain has an Australian source. Whether or not a gain would have an Australian source would depend upon the relevant facts and circumstances of the arrangement. A gain arising on the sale of Notes by a Non-Australian Noteholder to another Non-Australian Noteholder where the Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not generally be regarded as having an Australian source.



If a gain on the disposal of a Note had an Australian source, a Non-Australian Noteholder (other than those holders who are Australian residents acting through a permanent establishment outside of Australia), may be able to rely upon the benefits of a double tax agreement between Australia and the Noteholder's country of residence.

If a gain arising on the sale of Notes by a Non-Australian Noteholder does not have an Australian source or is otherwise able to be disregarded via the operation of a double tax agreement, a Noteholder may still realise a capital gain that is subject to tax in Australia in circumstances where the Notes constitute "taxable Australian property" of the Noteholder. Broadly, the Notes may constitute "taxable Australian property" if:

- the Noteholder (together with its associates) owns or has owned at the time of disposal or throughout a 12 month period in the 2 years before the disposal, Stapled Securities, options or rights to acquire Stapled Securities that represent at least 10% of the total paid up capital of the Stapled Entities and the market value of the assets of the relevant Stapled Entity is wholly or predominantly Australian real property; or
- the Noteholder used the Notes at any time in carrying on a business through a permanent establishment in Australia.

Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located. It is important that Non-Australian Noteholders obtain their own independent advice in respect of the Australian tax consequences of disposing of their Notes.

Exchange of the Notes into Stapled Securities

The exchange of the Notes to Stapled Securities would be a taxable event for Australian tax purposes. Any profit or gain realised by a non-resident Noteholder will be subject to tax in Australia, in circumstances where the profit or gain has an Australian source and the Noteholder is not able to rely upon the provisions of a double tax agreement. In circumstances where the decision to exchange the Notes is made outside of Australia, there are arguments to support the conclusion that any subsequent gain or profit may not have an Australian source.

However, in circumstances where the Notes constitute "taxable Australian property" (refer above), the exchange may result in the Noteholder realising a capital gain that is subject to Australian tax, subject to the availability of a rollover.

Upon exchange of the Notes, a Stapled Security holder (formerly a Noteholder) will be required to separately recognise each unit comprising the Stapled Securities as a separate asset for Australian tax purposes.

It is important that Non-Australian Noteholders obtain their own independent advice in respect of the Australian tax consequences of exchanging their Notes.

Distributions in respect of the Stapled Securities

Distributions in respect of the Passive Trusts

Distributions to non-Australian resident Noteholders may have tax withheld by the RE of the relevant Passive Trust. On the basis that the Passive Trusts satisfy the requirements to be a managed investment trust ("MIT"), the rate of tax deducted will depend on the type of income distributed and the country of residence of the Noteholder.

Where the Passive Trust qualifies as a MIT, the distributions by that trust of certain Australian sourced net income that comprise a "fund payment" (i.e. income other than dividends, royalties and interest, capital gains and losses from assets that are not taxable Australian property and amounts that are not from an Australian source) would be subject to MIT withholding tax at the rate of 15% if the address of the recipient or place of payment is in a jurisdiction with which Australia has an exchange of information arrangement on tax matters, or 30% otherwise.

In circumstances where the Passive Trust does not qualify as a MIT, distributions of Australian sourced net income (other than interest, dividend or royalty income) would be subject to non-final withholding tax (currently at a rate between 30% - 45%).

The CGT rules may require the cost base which is held by Stapled Security holders in their units to be reduced as a result of an AMIT cost base adjustment where the Stapled Security holder receives a distribution that is either in whole or in part non-assessable for tax purposes (i.e. a tax deferred distribution). Where such tax deferred amounts exceed the cost base of the units, the excess is treated as a capital gain and may be taxable.

DXO

As DXO will be treated as a company for Australian income tax purposes, distributions by DXO that are fully franked should be exempt from Australian dividend withholding tax when paid to a non-resident of Australia. Unfranked distributions will be subject to dividend withholding tax at a rate of 30%, unless a lower rate is available under a double tax agreement or a Stapled Security holder is able to rely upon an exemption from such withholding.

Disposal of the Stapled Securities

A non-Australian resident Stapled Security holder should not be subject to Australian income tax on any capital gains realised on their units in a Trust where those units are not “taxable Australian property” (refer above).

Additionally, legislation has been enacted which imposes a non-final foreign resident withholding tax on transactions involving the disposal of certain “taxable Australian property” on or after 1 July 2016. If a non-Australian resident Stapled Security holder disposes of their Stapled Securities and those Stapled Securities are taxable Australian property, the non-resident withholding tax regime would apply to the disposal. This would require the purchaser to withhold the relevant amount at settlement, and pay it to the Australian Taxation Office, which could be claimed by the vendor as a credit (which may be refundable) for the amount of tax withheld in their income tax return for the relevant tax period.

There are certain exceptions to the regime. One exception would apply if the non-Australian resident Stapled Security holder provides the purchaser with a prescribed declaration before the purchaser acquires the units in the trust that the units were not “indirect Australian real property interests” (for example, if it (together with its associates) does not, and did not, hold at least 10% of the units in the trust for the periods prescribed above).

Part 3: Other Matters

ABN / TFN Withholding

Section 12-140 of Schedule 1 to the Taxation Administration Act imposes a type of withholding tax on the payment of dividends or interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (“**TFN**”) (or, in certain circumstances, an Australian Business Number (“**ABN**”)) or proof of an appropriate exemption. Where IWT applies the requirements of section 12-140 do not apply to payments to a holder of Notes in registered form who is not a resident of Australia and not holding those Notes in the course of carrying on business at or through a permanent establishment in Australia. Section 12-140 also does not apply for certain fully franked dividend payments.

The rate of withholding tax is currently 47%.

Supply Withholding Tax

Payments in respect of the Notes and the Stapled Securities can be made free and clear of the “supply withholding tax” imposed under section 12-190 of Schedule 1 to the Taxation Administration Act;

Garnishee directions

The Commissioner of Taxation may give a direction requiring the Issuer to deduct from any payment to a holder of Notes or Stapled Securities any amount in respect of Australian tax payable by that holder. If the Issuer is served with such a direction, then the Issuer will comply with that direction and make any deduction required by that direction.

Guarantee

Under the Terms and Conditions of the Notes, the Guarantors unconditionally and irrevocably guarantee the payment of the principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed.

It is not clear whether a payment by a Guarantor under the Guarantee would constitute the payment of interest or amounts in the nature of interest, but there are good arguments that such payments are not payments of interest or amounts in the nature of interest and as such no interest withholding tax should be payable in respect of such payments. Although the Commissioner of Taxation has published a view that guarantee payments can constitute payments of interest as defined, the Commissioner also stated that where interest on a borrowing would be



exempt from interest withholding tax under section 128F that exemption will extend to payments made by a guarantor to a lender in relation to a borrower who defaults on payment of such interest.



TOFA

The taxation of financial arrangement (“**TOFA**”) regime is a regime for the taxation of financial arrangements which applies on a mandatory basis for qualifying taxpayers and financial arrangements from 1 July 2010. Where it applies, the TOFA regime may impact upon the tax character and tax timing of gains and losses arising from those financial arrangements.

The TOFA regime does not contain any measures that would override the exemption from Australian withholding tax on payments of interest or amounts in the nature of interest available under section 128F of the Australian Tax Act.

Death Duties

No Notes or, upon exchange, Stapled Securities, will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death.

Goods and Services Tax

Neither the issue, receipt or disposal of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore non-resident Noteholder) a GST-free supply.

GST should also not be payable by the Stapled Security holders in relation to their holding or disposal of Stapled Securities.

Stamp Duty

The issue or transfer of the Notes will not be subject to stamp duty in any Australian State or Territory.

The exchange of the Notes into ASX quoted Stapled Securities, or the transfer of the ASX quoted Stapled Securities after exchange, will not be subject to stamp duty in any Australian State or Territory, provided that no person acquires or commences to hold an interest of 90 per cent or more in the Stapled Entities on an aggregated basis as a result of such exchange or transfer. For this purpose, the stamp duty rules aggregate interests of associated persons and interests acquired under associated transactions, as defined for stamp duty purposes.

Appendix E – Impact of issue of Notes on Dexus



Part 1: Adjusted Statement of Financial Position

The below sets out the Dexus Consolidated Statement of Financial Position for the period ended 31 December 2018 adjusted, on a pro forma basis, for the issuance of the Notes. This table should be read in conjunction with the reviewed Interim Report for the period ended 31 December 2018 and with the latest audited Annual Report for the year ended 30 June 2018.

| | 31 Dec 2018 | Exchangeable Notes | Pro-Forma |
|--------------------------------------|-----------------|-----------------------|-----------------|
| | \$m | \$m | \$m |
| Total current assets | 188.6 | 425.0 | 613.6 |
| Total non-current assets | 14,523.2 | - | 14,523.2 |
| Total assets | 14,711.8 | 425.0 | 15,136.8 |
| Total current liabilities | 497.4 | - | 497.4 |
| Total non-current liabilities | 3,721.6 | 425.0 | 4,146.6 |
| Total liabilities | 4,219.0 | 425.0 | 4,644.0 |
| Net assets | 10,492.8 | - | 10,492.8 |
| Equity | | | |
| Contributed equity | 6,404.3 | - | 6,404.3 |
| Reserves | 54.8 | - | 54.8 |
| Retained profits | 4,033.7 | - | 4,033.7 |
| Total equity | 10,492.8 | - | 10,492.8 |

Part 2: Adjustments and assumptions

The following adjustments and assumptions have been made about the above table:

- The table is unaudited, reflects the accounting policies of Dexus and has been prepared in accordance with the requirements of the Australian Accounting Standards Board and International Financial Reporting Standards.
- Any other key transactions since December 2018 have not been adjusted.
- The pro forma adjustment for the Notes reflect estimated accounting adjustments on settlement. Actual results may change between the date of this cleansing notice, the settlement of the Notes and reporting dates.
- Transaction costs have not been included. However when incurred they will reduce the carrying amount of the liability and be amortised over the life of the Notes.

Investors should note that past performance is not necessarily an indication of future performance.