

MinterEllison

10 October 2016

BY ELECTRONIC LODGEMENT

Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sirs

Off-market bid by CIMIC Group Investments No. 2 Pty Limited for UGL Limited (ASX:UGL)

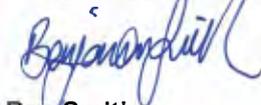
We act for CIMIC Group Investments No. 2 Pty Limited (ACN 610 264 189)(**CGI2**), a wholly owned subsidiary of CIMIC Group Limited (ACN 004 482 982).

In accordance with item 5 of section 633(1) of the *Corporations Act 2001* (Cth) (**Act**), we enclose for lodgement a copy of CGI2's Bidder's Statement dated 10 October 2016 in relation to CGI2's off-market takeover bid for all the ordinary shares in UGL Limited (ACN 009 180 287) (**UGL**).

A copy of the Bidder's Statement was sent to UGL today.

For the purposes of sections 633(2) and 633(4) of the Act, CGI2 has set 7.00pm (AEDT) on 11 October 2016 as the register date.

Yours faithfully
MinterEllison



Ben Smith

Partner



Michael Gajic

Partner



Michael Scarf

Senior Associate

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

YOU SHOULD READ THIS DOCUMENT IN ITS ENTIRETY. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL OR OTHER PROFESSIONAL ADVISER AS SOON AS POSSIBLE.



Bidder's Statement

ACCEPT the Unconditional
(other than in respect of a
"prescribed occurrences"
condition)

Cash Offer by

CIMIC Group Investments No. 2 Pty Limited ACN 610 264 189,
a wholly owned Subsidiary of CIMIC Group Limited ACN 004
482 982

TO ACQUIRE ALL OF YOUR ORDINARY SHARES IN UGL Limited (ACN 009
180 287)

FOR \$3.15 CASH FOR EACH UGL SHARE

The Offer Price of \$3.15 for each UGL Share is final and
cannot be increased during the Offer Period, in the absence of
a competing proposal.

If you have any queries about the Offer, you may also call the CIMIC Offer Information Line on 1300 648 874 (for calls made within Australia) or +61 2 8355 1000 (for calls made from outside Australia) between 9.00am and 5.00pm (AEDT) Monday to Friday.



Financial Adviser

MinterEllison

Legal Adviser

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to how to deal with this document, you should consult your Broker or your legal, financial or other professional adviser as soon as possible.

IMPORTANT INFORMATION AND NOTICES

(a) Bidder's Statement

This Bidder's Statement is given by CIMIC Group Investments No. 2 Pty Limited ACN 610 264 189 to UGL Limited ACN 009 180 287 under Part 6.5 of the Corporations Act and relates to the Offer. This Bidder's Statement is dated 10 October 2016 and includes an Offer dated [*] 2016 to acquire Your UGL Shares.

(b) CIMIC Group Investments No. 2 Pty Limited

CIMIC Group Investments No. 2 Pty Limited ACN 610 264 189 is a wholly owned Subsidiary of CIMIC Group Limited ACN 004 482 982. Unless otherwise specified, in this document CIMIC Group Investments No. 2 Pty Limited is referred to as **CGI2** and CIMIC Group Limited is referred to as **CIMIC**.

(c) Australian Securities and Investments Commission

A copy of this Bidder's Statement was lodged with ASIC and sent to ASX on 10 October 2016. Neither ASIC nor ASX nor any of their officers takes any responsibility for the contents of this Bidder's Statement.

(d) Offers outside Australia

The distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions.

(e) Important notice to US shareholders

The Offer is made for the shares of an Australian registered company. It is important that US shareholders understand that the Offer is subject to disclosure requirements in Australia that are quite different from those in the US.

You should be aware that, subject to the Corporations Act, CGI2 or CIMIC may purchase UGL Shares otherwise than under the Offer, such as in open market or privately negotiated purchases after the end of the Offer Period.

(f) Forward looking statements

This Bidder's Statement includes certain forward looking statements and statements of current intention (which include those in Section 4 of this Bidder's Statement). As such statements relate to future matters, they are subject to various inherent risks and uncertainties. These risks and uncertainties include factors and risks specific to the industries in which CGI2, CIMIC and UGL operate, as well as matters such as general economic conditions, many of which are outside of the control of CGI2, CIMIC or UGL and their respective directors. These factors may cause the actual results, performance or achievements of CGI2, CIMIC or UGL to differ, perhaps materially, from the results, performance or achievements expressed or implied by those forecasts or forward looking statements. The past performance of CGI2, CIMIC and UGL is not a guarantee of future performance.

The forward looking statements do not constitute a representation that any such matter will be achieved in the amounts or by the dates indicated and are presented as a guide to assist you in assessing the Offer. The forward looking statements are based on information available to CGI2 at the date of this Bidder's Statement.

(g) **Investment decisions**

This Bidder's Statement does not take into account your individual investment objectives, financial or taxation situation or particular needs. You should therefore seek your own financial and taxation advice before deciding whether or not to accept the Offer.

(h) **Information on UGL**

All information in this Bidder's Statement relating to UGL has been prepared by CGI2 using information included in public documents filed by UGL or published by UGL on its website. None of the information in this Bidder's Statement relating to UGL has been commented on or verified by UGL or independently verified by CGI2 for the purposes of this Bidder's Statement. Accordingly, subject to the Corporations Act, CGI2 does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information. The information on UGL in this Bidder's Statement should not be considered comprehensive. In addition, the Corporations Act requires the directors of UGL to provide a Target's Statement to UGL Shareholders in response to this Bidder's Statement, setting out certain material information concerning UGL.

(i) **Privacy**

CGI2 has collected your information from the Register for the purposes of making the Offer and, if accepted, administering your holding of UGL Shares. The Corporations Act requires the names and addresses of UGL Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to CGI2's Related bodies corporate and external service providers, and may be required to be disclosed to regulators, such as ASIC. The registered office of CGI2 is 177 Pacific Highway, North Sydney, NSW 2060, Australia.

(j) **Defined terms and interpretation**

Unless otherwise noted, capitalised terms and certain abbreviations used in this Bidder's Statement are defined in the Glossary in Section 10. That Section also sets out certain rules of interpretation which apply to this Bidder's Statement.

KEY DATES

Announcement Date	10 October 2016
Bidder's Statement lodged with ASIC and ASX	10 October 2016
Date of Offer	[*] 2016
Offer closes (unless extended or withdrawn in accordance with the Corporations Act)*	7.00pm (AEDT) on [*] 2016

* This date is indicative only and may be changed as permitted by the Corporations Act.

HOW DO I ACCEPT THE OFFER?

You may only accept the Offer for all of Your UGL Shares.

Acceptances must be received before the end of the Offer Period.

For Issuer Sponsored Holdings of UGL Shares (Securityholder Reference Number beginning with "I")

To accept the Offer, complete the enclosed Issuer Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to an address on the Issuer Acceptance Form so that it is received before 7.00pm (AEDT) on the last day of the Offer Period.

For CHESS Holdings of UGL Shares (Holder Identification Number beginning with "X")

To accept the Offer, either contact your Controlling Participant (usually your Broker) and instruct them to accept the Offer on your behalf, or complete the enclosed CHESS Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to an address on the CHESS Acceptance Form.

CIMIC Offer Information Line

If you have any questions in relation to this document, the Offer or how to accept the Offer, please call the CIMIC Offer Information Line on 1300 648 874 (for calls made within Australia) or +61 2 8355 1000 (for calls made from outside Australia) from Monday to Friday between 9:00am and 5.00pm (AEDT). Please note that calls to these numbers may be recorded.

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Letter from CIMIC Group



Dear UGL Shareholder

Final Off-Market Takeover Bid for UGL by CGI2

I am pleased to provide you with this final,¹ unconditional (other than in respect of a "prescribed occurrences" condition²) Offer to acquire all of Your UGL Shares for \$3.15 cash per UGL Share³.

CIMIC considers that the Offer is attractive to UGL Shareholders. The Offer Price of \$3.15 per UGL Share, in cash, represents a premium of:

- 47.2% to the Last Close Price, being the price of UGL Shares on ASX at the close of trading on 7 October 2016, the Trading Day prior to the Announcement Date, of \$2.14 per UGL Share;
- 44.2% to the UGL one month volume weighted average price (**VWAP**) as at the Trading Day prior to Announcement Date, of \$2.185 per UGL Share;
- 33.7% to the UGL three month VWAP as at the Trading Day prior to Announcement Date, of \$2.356 per UGL Share; and
- 37.7% to the UGL VWAP for the period between 6 June 2016, being the date that UGL made an announcement to the ASX in relation to the protracted claim settlement negotiations on the Ichthys Structural Mechanical and Piping (SMP) project and the Combined Cycle Power Plant (CCPP) project, and the Trading Day prior to the Announcement Date, of \$2.287 per UGL Share.

In addition to the premium, the unconditional⁴ Offer enables you to exit all of your shareholding in UGL in an orderly manner and without the need to pay brokerage fees and with the opportunity to receive certain value.

The Offer is open for acceptance until 7.00pm (AEDT) on [*] 2016, unless extended or withdrawn in accordance with the Corporations Act. To accept the Offer, please follow the instructions set out in Section 1.2 and on the enclosed Acceptance Form.

I encourage you to consider the Offer.

Following the conclusion of the Offer, CIMIC's intentions are to:

- conduct a strategic review of UGL's businesses in order to drive operational efficiencies and improvements to project delivery and analyse the composition and value of UGL's assets;
- leverage CIMIC's capabilities to generate synergies between the CIMIC and UGL businesses;
- review the dividend and capital management policies of UGL;
- seek to procure the removal of UGL from the Official List of ASX, depending on the level of control secured by CGI2 and remaining spread and volume of UGL shares;

¹ The Offer Price is final, and cannot be increased during the Offer Period, in the absence of a competing proposal and is subject to the Offer terms specified in this document.

² These include UGL splitting or consolidating its shares, UGL or a subsidiary buying-back or reducing its capital, UGL or a subsidiary issuing securities, UGL or a subsidiary disposing of the whole or a substantial part of its business or property, or the occurrence of insolvency events in respect of UGL or a subsidiary. See further the Frequently Asked Questions and Section 9.8 of this Bidder's Statement.

³ The Offer Price of \$3.15 is subject to the Offer terms specified in this document including Section 9.7 in relation to dividends and other entitlements (which do not include franking credits).

⁴ Other than with respect to a "prescribed occurrence" condition.

- reconstitute the UGL Board; and
- retain the services of UGL's current operational employees in the ordinary course. In cases where particular roles may no longer be required, CGI2 will attempt to identify opportunities for alternative employment within the CIMIC Group.

As the Offer is unconditional, other than in respect of the "prescribed occurrences" condition, CGI2 intends to exercise its rights under item 2 of section 611 of the Corporations Act and has appointed Macquarie Securities to stand in the market on the ASX from the date of this Bidder's Statement and purchase on CGI2's behalf any UGL Shares offered to it at the Offer Price.

If you require additional assistance, please contact the CIMIC Offer Information Line on 1300 648 874 (for calls made within Australia) or +61 2 8355 1000 (for calls made from outside Australia) from Monday to Friday between 9:00am and 5:00pm (AEDT).

Yours sincerely



Marcelino Fernández Verdes
Executive Chairman and Chief Executive Officer

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Summary of the Offer

This summary provides an overview of the Offer and is qualified by the detailed information contained in this Bidder's Statement. You should read this Bidder's Statement in full before deciding whether or not to accept the Offer.

- The Bidder** CGI2 is a wholly owned Subsidiary of CIMIC. CIMIC is one of the world's leading international contractors and the world's largest contract miner. CIMIC is listed on ASX with a market capitalisation of approximately \$8.9 billion as at the close of trading on the last Trading Day prior to the Announcement Date.
- Through CGI2, CIMIC has a relevant interest in 13.84% of all UGL Shares. Section 2 of this Bidder's Statement contains further information on CGI2 and CIMIC.
- Offer** The Offer consideration is \$3.15 cash for every UGL Share acquired by CGI2 pursuant to the Offer. CGI2 is offering to acquire all of Your UGL Shares by way of an off-market takeover bid under Chapter 6 of the Corporations Act.
- The Offer relates to all UGL Shares on issue on the Register Date which CGI2 does not already own, and subject to ASIC granting relief (or ASIC confirming that no such relief is required), to all UGL Shares issued before the end of the Offer Period as a result of the vesting of, conversion of or exercising of rights attached to, UGL Performance Rights and UGL Rights that are on issue as at the Register Date.
- Conditions to Offer** The Offer is only conditional on there being no "prescribed occurrences" – these include UGL splitting or consolidating its shares, UGL or a subsidiary buying-back or reducing its capital, UGL or a subsidiary issuing securities, UGL or a subsidiary disposing of the whole or a substantial part of its business or property, or the occurrence of insolvency events in respect of UGL or a subsidiary. See further the Frequently Asked Questions and Section 9.8 of this Bidder's Statement.
- Offer Period** The Offer closes at 7.00pm (AEDT) on [*] 2016, unless it is extended or withdrawn by CGI2 in accordance with the Corporations Act.
- How to Accept and Payment Date** To accept the Offer you should follow the instructions set out in Section 1.2 and on the Acceptance Form. Your acceptance must be received before the Offer Period ends.
- If you accept the Offer and the Offer becomes unconditional, CGI2 will pay you the consideration under the Offer by the later of:
- (a) 7 business days after receipt of your valid acceptance; or
 - (b) 7 business days after the Offer becomes unconditional.
- Broker Fees** There are no brokerage costs in accepting the Offer.

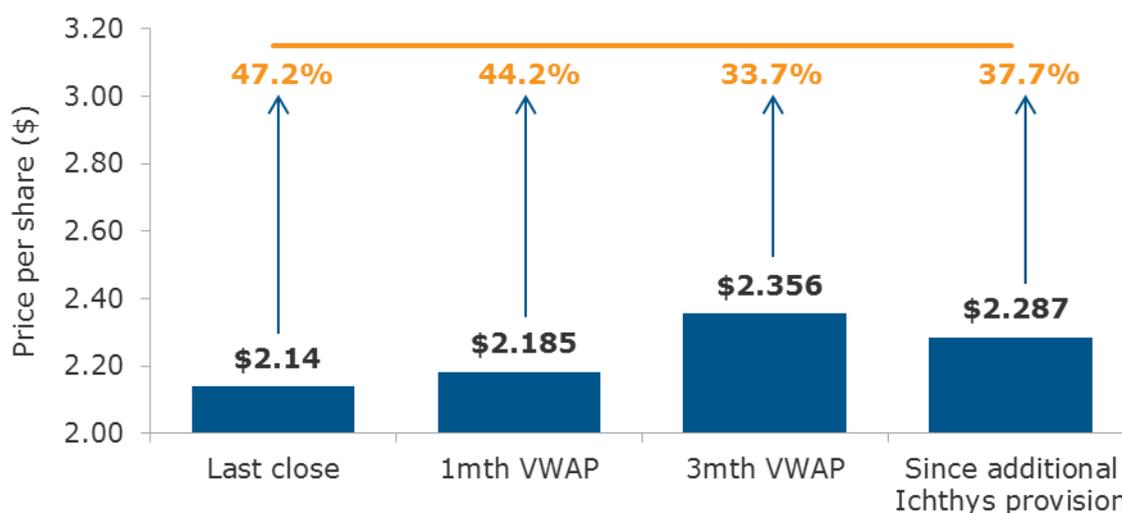
Why you should accept CGI2's Offer

1. You will receive an attractive cash price for Your UGL Shares

CIMIC considers that the Offer is attractive to UGL's Shareholders. The Offer Price of \$3.15 per UGL Share, in cash, represents a premium of:

- 47.2% to the Last Close Price, being the price of UGL Shares on ASX at the close of trading on 7 October 2016, the Trading Day prior to the Announcement Date, of \$2.14 per UGL Share;
- 44.2% to the UGL one month volume weighted average price (**VWAP**) as at the Trading Day prior to the Announcement Date, of \$2.185 per UGL Share;
- 33.7% to the UGL three month VWAP as at the Trading Day prior to Announcement Date, of \$2.356 per UGL Share; and
- 37.7% to the UGL VWAP for the period between 6 June 2016, being the date that UGL made an announcement to the ASX in relation to the protracted claim settlement negotiations on the Ichthys SMP and the CCPP projects and the Trading Day prior to the Announcement Date, of \$2.287 per UGL Share.

Figure 1: Offer premium*



* Source: IRESS (8 October 2016). As permitted by ASIC Class Order 07/429, this chart contains ASX share price trading information sourced from IRESS without its consent

On 6 June 2016 UGL made an announcement to the ASX in relation to the substantial delays and disruption it has experienced in relation to the construction of the Ichthys SMP project and the CCPP project. To the extent negotiations cannot be satisfactorily concluded on the Ichthys SMP and CCPP projects, recovery of claims may be pursued through formal dispute processes. A contract loss provision of \$200 million was raised in UGL's accounts dated 30 June 2016 in relation to the Ichthys SMP and CCPP projects.

2. Cash certainty

The Offer is to acquire all of Your UGL Shares for \$3.15 cash consideration per UGL Share. The Offer Price is final, and cannot be increased during the Offer Period, in the absence of a competing proposal. The Offer is only subject to there being no "prescribed occurrences".

This gives UGL Shareholders certainty about the value of consideration being offered. The certainty provided by receiving a cash price under the Offer should be compared with the risks and uncertainties associated with holding shares in a listed company.

3. Potential reduction in liquidity

CIMIC Group currently has a relevant interest in 13.84% of the UGL Shares on issue. Should CGI2 be successful in acquiring a majority ownership stake in UGL, this may lead to reduced liquidity and make it difficult for you to sell Your UGL Shares outside the Offer at current price levels.

The Offer enables all UGL Shareholders to exit their shareholding in an orderly manner at the Offer Price.

4. Share price may fall if UGL Shareholders do not accept

The closing UGL Share price on ASX on 7 October 2016, being the last Trading Day prior to the Announcement Date, was \$2.14.

The UGL Share price may trade at levels below the Offer Price once the Offer has lapsed (although this is difficult to predict with any degree of certainty) given the premium currently being offered to UGL Shareholders under the Offer.

5. No brokerage charges in accepting CGI2's Offer

In addition to a premium, you will not incur any brokerage charges on the transfer of Your UGL Shares to CGI2 pursuant to the Offer.

Frequently asked questions

The table below answers some key questions that you may have about the Offer and should be read in conjunction with the remainder of this Bidder's Statement. You are strongly encouraged to read the entire Bidder's Statement before deciding how to deal with Your UGL Shares.

Question	Answer
What is the Offer?	<p>CGI2 is making an Offer to acquire all of Your UGL Shares. The Offer consideration is \$3.15 cash per UGL Share.</p> <p>Please note that you may only accept the Offer for all of Your UGL Shares.</p>
What is this Bidder's Statement?	<p>This Bidder's Statement was prepared by CGI2 for distribution to UGL Shareholders. This Bidder's Statement describes the terms of CGI2's Offer for Your UGL Shares and information relevant to your decision whether or not to accept the Offer.</p> <p>This Bidder's Statement is an important document. Should you have any doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser.</p>
Who is CGI2?	<p>Through CGI2, CIMIC is a shareholder in UGL, and currently has a relevant interest in 13.84% of all UGL Shares.</p> <p>CGI2 is a wholly owned Subsidiary of CIMIC. CIMIC, founded in Australia in 1949, is one of the world's leading international contractors and the world's largest contract miner. CIMIC, previously known as Leighton Holdings Limited, was listed on ASX in 1962 and has its head office in Sydney, Australia. CIMIC provides construction, mining, mineral processing, engineering, concessions, and operation and maintenance services to the infrastructure, resources and property markets. It operates in more than 20 countries throughout the Asia Pacific, the Middle East, North America, Sub-Saharan Africa and South America and, at 30 June 2016, employed approximately 43,500 people directly and through its investments. CIMIC's market capitalisation was approximately \$8.9 billion as at the close of trading on the last Trading Day prior to the Announcement Date.</p> <p>Section 2 of this Bidder's Statement contains further information on CGI2 and CIMIC.</p>
What interest does CGI2 currently have in UGL Shares?	<p>CGI2 has a relevant interest in 13.84% of the total number of UGL Shares.</p>
Does CIMIC work with UGL on projects?	<p>CIMIC works with UGL from time to time in consortia and through subcontracts. This currently includes involvement in the consortium to deliver the North West Rail Link Operations, Trains and Systems Public Private Partnership in Sydney. CIMIC also subcontracts overhead transmission line electrical work to UGL on the Surat North Coal Seam Gas infrastructure project.</p> <p>CIMIC and UGL have worked closely together on several other major projects in varying capacities in recent times, including Metro Trains Melbourne (MTM) and Airport Link Tunnel.</p>
How do I accept the Offer?	<p>To accept the Offer, you should follow the instructions set out in Section 1.2 of this Bidder's Statement and on the Acceptance Form. Your acceptance must be received before the end of the Offer Period.</p>
Are there any conditions to the Offer?	<p>The Offer is only conditional on there being no "prescribed occurrences". "Prescribed occurrences" are certain events which if they occur will give CGI2 the right to not proceed with its Offer. Some of these events include UGL splitting or consolidating its shares, UGL or a subsidiary buying-back or reducing its capital, UGL or a subsidiary issuing securities, UGL or a subsidiary disposing of the whole or a substantial part of its business or property, or the occurrence of insolvency events in respect of UGL or a subsidiary. This condition is set out in full in Section 9.8 of this Bidder's Statement.</p>

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How long is the Offer open for?	The Offer opens on [*] 2016 and is scheduled to close at 7.00pm (AEDT) on [*] 2016 (unless extended or withdrawn in accordance with the Corporations Act).
Do I have to pay any fees?	No brokerage charges or stamp duty will be payable by you on the acceptance of the Offer.
What should I do?	<p>You should:</p> <ul style="list-style-type: none"> (a) read this Bidder's Statement in full; (b) read UGL's Target Statement in full (when issued); (c) consult your Broker, legal, financial or other professional adviser if you are in any doubt as to what action to take or how to accept the Offer; and (d) to accept the Offer, follow the instructions set out in Section 1.2 and the Acceptance Form. <p>If you have any queries about the Offer, you may also call the CIMIC Offer Information Line on 1300 648 874 (for calls made within Australia) or +61 2 8355 1000 (for calls made from outside Australia) between 9.00am and 5.00pm (AEDT) Monday to Friday.</p>
Can I accept the Offer for less than all of my UGL Shares?	No, you can only accept the Offer for all of Your UGL Shares.
If I accept the Offer, when will I receive consideration for my UGL Shares?	<p>If you accept the Offer and the Offer becomes unconditional, CGI2 will pay you the consideration under the Offer by the later of:</p> <ul style="list-style-type: none"> (a) 7 business days after receipt of your valid acceptance; or (b) 7 business days after the Offer becomes unconditional.
What if UGL pays a dividend?	<p>Under the terms of the Offer, if you accept the Offer, then CGI2 will be entitled to all of the Rights attaching to Your UGL Shares, which includes the value of any dividends or capital distributions declared or paid by UGL after the Announcement Date. Rights do not include any franking credits attached to any dividend.</p> <p>In accordance with the terms and conditions of the Offer set out in full in Section 9, if UGL pays any dividend or capital distribution to UGL Shareholders between the Announcement Date and the close of the Offer Period and you receive that dividend or capital distribution and you accept the Offer, CGI2 will deduct the value of such dividends or capital distributions from the \$3.15 per UGL Share to be paid to you under the Offer.</p>
If UGL declares a dividend, how will CGI2 treat franking credits attached to the dividend?	<p>Rights do not include any franking credits attached to any dividend. Accordingly, if UGL were to declare a franked final dividend or a franked special dividend during the Offer Period, and the record date for that dividend fell during the Offer Period, CGI2 would not make any deduction from the Offer Price in respect of such franking credits.</p> <p>CGI2 intends to deduct the actual amount of any dividend declared by UGL during the Offer Period from its Offer Price as envisaged by Section 9.7 of its Offer terms.</p>
What happens if I accept the Offer?	Once you accept the Offer in respect of all of Your UGL Shares, you will not be able to sell those UGL Shares or otherwise deal with the Rights attaching to those UGL Shares subject to your limited statutory rights to withdraw your acceptance in certain circumstances. Rights do not include any franking credits attached to any dividend.
What happens if I do not accept the Offer?	If you do not accept the Offer and you do not sell Your UGL Shares on ASX, you will retain all of Your UGL Shares and will not receive any cash consideration unless Your UGL Shares are compulsorily acquired.

<p>What are the tax implications of accepting the Offer?</p>	<p>A general description of the taxation treatment for certain UGL Shareholders accepting the Offer is set out in Section 7.</p> <p>The description in Section 7 is a general description only and not advice. It does not take into account your particular circumstance or needs. You should not rely on that description as advice for your own affairs.</p> <p>You should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the Offer for Your UGL Shares.</p>
<p>Is there a minimum acceptance condition?</p>	<p>No, there is no minimum acceptance condition. The Offer is only conditional on there being no "prescribed occurrences." This condition is set out in full in Section 9.8 of this Bidder's Statement.</p>
<p>When does the Offer become unconditional?</p>	<p>The Offer becomes unconditional when CG12 gives a notice to UGL declaring the Offer to be free of the defeating condition. This notice will also be given to ASX.</p>

1. OVERVIEW OF THE OFFER

1.1 Offer terms – off-market takeover bid

CGI2 offers under an off-market takeover bid to purchase Your UGL Shares for \$3.15 per UGL Share on the terms of the Offer set out in Section 9 of this Bidder's Statement. The Offer relates to UGL Shares that exist as at the Register Date and, subject to ASIC granting relief (or ASIC confirming that no such relief is required), to all UGL Shares issued before the end of the Offer Period as a result of the vesting of, conversion of, or exercise of rights attached to UGL Performance Rights and UGL Rights that are on issue as at the Register Date.

Under the terms of the Offer, the amount of consideration you receive from CGI2 will be reduced by the amount or value of any Rights attaching to the UGL Shares in respect of which the Offer is accepted, which arise or are paid on or after the Announcement Date, which CGI2 does not receive. Rights do not include any franking credits attached to any dividend. See Section 9.7 for further details regarding the treatment of dividends and other entitlements.

Offer Period

The Offer is scheduled to close at 7.00pm (AEDT) on [*] 2016 (but it may be extended or withdrawn in accordance with the Corporations Act).

Payment date

If you accept the Offer and the Offer becomes unconditional, CGI2 will pay you the consideration under the Offer by the later of:

- (a) 7 business days after receipt of your valid acceptance; or
- (b) 7 business days after the date on which the Offer becomes unconditional.

Conditions

The Offer and the contracts resulting from the acceptance of the Offer (and each other Offer and each contract resulting from the acceptance therefore) are subject to a "prescribed occurrences" condition only. This condition is set out in full in Section 9.8 of this Bidder's Statement.

1.2 How to accept the Offer

The Offer may only be accepted for all of Your UGL Shares.

How you accept the Offer depends on whether Your UGL Shares are in an Issuer Sponsored Holding or a CHESS Holding. You will have been sent an Acceptance Form with this Bidder's Statement (an Issuer Acceptance Form or a CHESS Acceptance Form), which will be the Acceptance Form to be used in relation to Your UGL Shares:

- (a) **If you hold Your UGL Shares in an Issuer Sponsored Holding (your SRN starts with an "I")**, to accept the Offer you must complete, sign and return the enclosed Issuer Acceptance Form in accordance with the instructions on it to the address indicated on the form (and set out below) before the end of the Offer Period.
- (b) **If you hold Your UGL Shares in a CHESS Holding (your HIN starts with an "X")**, to accept the Offer you must either:
 - (i) instruct your Controlling Participant (for example, your Broker) to initiate acceptance of the Offer before the end of the Offer Period; or

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- (ii) complete the accompanying CHES Acceptance Form and send the completed CHES Acceptance Form (together with all other documents required by the instructions on the form) directly to your Broker or other Controlling Participant in sufficient time for the Offer to be accepted before the end of the Offer Period with instructions to initiate acceptance of the Offer on your behalf before the end of the Offer Period; or
 - (iii) complete, sign and return the CHES Acceptance Form in accordance with the instructions on it and lodge it by returning it to the address indicated on the form (and set out below) so that your acceptance is received by CGI2 in time to give instructions to your Controlling Participant, and for your Controlling Participant to carry out those instructions, before the end of the Offer Period. This will authorise CGI2 to instruct your Broker or other Controlling Participant to initiate acceptance of the Offer on your behalf.
- (c) **If you are a Controlling Participant** (usually a Broker or a bank, custodian or other nominee), to accept the Offer you must initiate acceptance in accordance with the requirements of ASX Settlement Operating Rules before the end of the Offer Period.

The postal address for completed Acceptance Forms is as follows:

CIMIC OFFER
C/- Computershare Investor Services Pty Limited
GPO Box 2115
Melbourne Victoria 3001
Australia

The transmission of the Acceptance Form and other documents is at your own risk.

For full details see Section 9.4 of this Bidder's Statement.

2. INFORMATION ON CGI2 AND CIMIC

2.1 Overview of CGI2 and CIMIC

CGI2 is a wholly owned Subsidiary of CIMIC. Through CGI2, CIMIC is a shareholder in UGL, and currently has a relevant interest in 13.84% of all UGL Shares.

CIMIC, founded in Australia in 1949, is one of the world's leading international contractors and the world's largest contract miner. CIMIC, previously known as Leighton Holdings Limited, was listed on ASX in 1962 and has its head office in Sydney, Australia. CIMIC provides construction, mining, mineral processing, engineering, concessions, and operation and maintenance services to the infrastructure, resources and property markets. It operates in more than 20 countries throughout the Asia Pacific, the Middle East, North America, Sub-Saharan Africa and South America and at 30 June 2016, employed approximately 43,500 people directly and through its investments.



Revised 6 October 2016

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Construction	Mining	Mineral processing	Public Private Partnerships	Engineering
				
<p>CPB Contractors is a leading international construction contractor, with operations across Australia, New Zealand, Papua New Guinea, Asia and India.</p> <p>Combining the construction track record and expertise formerly delivered by Leighton Contractors and Thiess, and including the people and projects of Leighton Asia, CPB Contractors delivers major projects across all key sectors of the construction industry, including roads, rail, tunnelling, defence and building.</p> <p>LEIGHTON Asia is the contractor behind some of Asia's most prestigious projects in the construction, civil engineering and offshore oil and gas sectors. It delivers complex tunnel, rail and road networks, buildings and renewable energy infrastructure.</p>	<p>Thiess is the world's largest mining services provider, delivering the full suite of mine services across Australia, New Zealand, Indonesia, Mongolia, Botswana and Chile. Thiess' expertise spans the world's leading commodities including metallurgical and thermal coal, lignite, iron ore, copper, nickel, gold and diamonds.</p>	<p>Sedgman is a market leader in the design, construction and operation of mineral processing plants and associated mine site infrastructure.</p> <p>Sedgman has a balanced commodity portfolio across base and precious metals, industrial minerals, coal and iron ore as well as associated minesite infrastructure.</p>	<p>Pacific Partnerships is an infrastructure business formed by blending the Public Private Partnership (PPP) and Build Own Operate Transfer capabilities of CIMIC into a single entity.</p> <p>It brings together three elements: direct investment in infrastructure projects, the provision of operation and maintenance services as a long-term partner to clients, and the design and construction of these projects in partnership with CIMIC's operating companies.</p>	<p>EIC Activities brings together the CIMIC Group's technical expertise to deliver engineering solutions, innovation and capability across CIMIC in the disciplines of knowledge management, engineering methodology, specialist design and technical services.</p>

Among these businesses are entities that have been in existence since the 1930s.

For the year ended 31 December 2015, CIMIC reported earnings before interest and tax of \$838.9 million up 3.2% on the prior comparable period and net profit after tax from continuing operations of \$520.4 million up 19.9% on the prior comparable period.

In the half-year ended 30 June 2016, CIMIC reported earnings before interest and tax of \$358.7 million and net profit after tax of \$265.2 million.

CIMIC is listed on ASX with a market capitalisation of approximately \$8.9 billion as at the close of trading on the last Trading Day prior to the Announcement Date. The largest shareholder in CIMIC is HOCHTIEF Australia Holdings Limited, a wholly owned Subsidiary of HOCHTIEF Aktiengesellschaft (**HOCHTIEF AG**), which owns 72.68% of CIMIC as at 5 October 2016⁵. HOCHTIEF AG is listed on the Frankfurt Stock Exchange. The largest shareholder in HOCHTIEF AG, Actividades de Construcción y Servicios S.A. (**ACS**), held 71.72% of the shares in HOCHTIEF AG at 20 September 2016⁶.

For more information please refer to www.cimic.com.au.

⁵ 5 October 2016 was the last practicable date for determining HOCHTIEF Australia Holdings Limited's shareholding in CIMIC prior to the date of this Bidder's Statement.

⁶ 20 September 2016 was the last practicable date for determining ACS's shareholding in HOCHTIEF AG prior to the date of this Bidder's Statement.

2.2 Directors

As at the date of this Bidder's Statement, the directors of CIMIC are:

- Mr Marcelino Fernández Verdes (Executive Chairman);
- Mr Russell Chenu;
- Mr José Luis del Valle Pérez;
- Dr Kirstin Ferguson;
- Mr Trevor Gerber;
- Mr Pedro López Jiménez;
- Mr David Robinson; and
- Mr Peter-Wilhelm Sassenfeld.

As at the date of this Bidder's Statement, the directors of CGI2 are:

- William Sackville Kidman; and
- Angel Manuel Muriel Bernal.

2.3 Directors' Interests in UGL

No CIMIC director has an interest in UGL Shares.

No CGI2 director has an interest in UGL Shares.

2.4 CIMIC's Work with UGL

CIMIC works with UGL from time to time in consortia and through subcontracts. This currently includes involvement in the consortium to deliver the North West Rail Link Operations, Trains and Systems Public Private Partnership in Sydney, which is a significant part of Australia's largest transport infrastructure project. CIMIC also subcontracts overhead transmission line electrical work to UGL on the Surat North Coal Seam Gas infrastructure project.

CIMIC and UGL have also worked closely together on several other major projects in varying capacities in recent times, including:

- Metro Trains Melbourne (MTM) – John Holland Group (formerly owned by CIMIC) has been in a partnership with UGL and MTR Corporation since 2009 for the operation of the Melbourne metro rail network.
- Airport Link Tunnel – John Holland / Thiess joint venture worked with UGL on a \$500 million contract as a subcontractor for maintenance and engineering/fitout of the Airport Link Tunnel in Brisbane, Queensland.

3. INFORMATION ON UGL

3.1 Profile of UGL

UGL is a provider of engineering, manufacturing, construction, asset management and maintenance services with a diversified end-market exposure across core sectors of rail, transport and technology systems, power, resources, water and defence. UGL is headquartered in Sydney and operates across Australia, New Zealand and South East Asia, employing over 10,000 people (including subcontractors).

Segment	Engineering & Construction ⁷	Rail & Defence	Asset Services	Technology Systems	Asia
Overview	Delivers complex projects from initial design through to procurement, construction and commissioning	Operates across passenger and freight rail markets in rolling stock supply, asset management and metropolitan network operations Provider of naval ship and landing craft maintenance services	Provider of maintenance, shutdowns and turnarounds across a number of sectors	Provider of road tunnelling and rail infrastructure systems, signalling communications and telecommunication solutions	Capabilities in engineering, procurement and construction (EPC) and process engineering for water treatment plants in Singapore Specialised EPC capabilities in Oil & Gas and mechanical and electrical project works
Operating sectors	Power, Resources, Water and Renewables	Freight Rail, Passenger Rail and Defence	Oil & Gas, Power Generation and Mining Services	Tunnel systems, Rail Signalling, Wireless Communications	Water & Waste Water, Oil & Gas, and Specialised Mechanical and Electrical
FY16A revenue ⁸ (A\$m)	549	942	557	200	38
FY16A EBIT (A\$m) ⁹	(186)	50	24	12	(7)

⁷ Ichthys SMP CCPP and SMP results included in Engineering and Construction Segment consistent with prior periods.

⁸ Revenue includes UGL share of joint ventures and associates as reported in UGL's 2016 Annual Report.

⁹ As disclosed in segmental results on page 65 of UGL's FY16 Annual Report.

For the year ended 30 June 2016, UGL reported a statutory revenue of \$1.9 billion and a loss of \$106.3 million, after tax and non-controlling interests. The reported loss includes a provision for contract losses on the Ichthys CCPP and SMP projects (Ichthys) of \$140 million (after tax).

UGL is listed on ASX with a market capitalisation of \$356 million (as at the close of trade on the last Trading Day prior to the Announcement Date). Further information can be obtained from UGL's website (www.ugl.com.au).

Key latest news from UGL

In an announcement to ASX on 6 June 2016, UGL has disclosed that the construction of the Ichthys Structural Mechanical and Piping (SMP) project and the Combined Cycle Power Plant (CCPP) project undertaken by UGL continue to experience substantial delays and disruption attributable to the underlying client. While commercial negotiations are continuing on the SMP project, they are becoming protracted with a satisfactory commercial outcome yet to be agreed.

On 29 June 2016, UGL announced a \$594 million agreement awarded by Pacific National for the supply and maintenance of locomotives, increasing the order book to \$4.7 billion. Further to this large award, UGL concurrently announced the recent award of a further six contracts, including UGL's selection as the preferred Engineering, Procurement and Design (EPC) and Operation and Maintenance (O&M) contractor for the first phase of the Genex solar project at Kidston in North Queensland.

In an announcement to ASX on 2 August 2016, UGL stated that it continued to expect client driven delays on the Ichthys CCPP and SMP projects that may result in a potential contract loss provision of up to \$200 million being taken up by UGL, consistent with guidance provided by UGL to ASX on 6 June 2016. A \$200 million contract loss provision was subsequently taken up in UGL's accounts dated 30 June 2016 released on 22 August 2016.

On 12 August 2016 UGL announced the award of a \$100 million contract by Shoalhaven City Council as part of Stage 1B of the Council's Reclaimed Water Management Scheme (REMS). The scope of works to be undertaken by UGL includes: 1) upgrade to Nowra and Bomaderry sewage treatment plants; and 2) design and construction of a pipeline under Shoalhaven River connecting the Bomaderry sewage treatment plant to the Nowra sewage treatment plant. The contract is expected to be completed over a two year period with works scheduled to have commenced in late August 2016.

On 18 August 2016 UGL announced that its unincorporated joint venture with Hyundai Rotem Company and Mitsubishi Electric Australia, RailConnect NSW, successfully secured a contract with Transport for NSW (TfNSW) for the delivery of the New Intercity Fleet. The New Intercity Fleet is a \$2.3 billion NSW Government project to replace trains carrying customers from Sydney to the Central Coast, Newcastle, the Blue Mountains and the South Coast. UGL's portion of the contract is expected to generate revenue of around \$570 million, primarily in relation to maintenance and asset management services including the initial maintenance facility installation works.

On 22 August 2016, UGL released its annual report for the year ended 30 June 2016. It was disclosed at this time that UGL and its joint venture partners had progressed with the delivery of the Ichthys CCPP and SMP projects with the projects 81% and 42% complete, respectively. The Board determined for the year ended 30 June 2016 to raise a \$200 million provision against the Ichthys projects in addition to the \$175 million provision raised against Ichthys CCPP in FY15. At this time, the Board outlined they expected to reach a commercial settlement on historical claims up to 31 May 2016 with the client by the end of August 2016, subsequently announced on 29 August 2016.

On 29 August 2016, UGL announced to the ASX that the UGL-Kentz Joint Venture executed an agreement with JKC Australia LNG Pty Ltd which settled the Joint Venture's claims on

the Ichthys SMP project up to 31 May 2016. UGL announced that the commercial settlement is consistent with the cash flow and provision guidance given on the Ichthys projects in UGL's annual report released on 22 August 2016 for the year ended 30 June 2016.

If during the Offer Period there is further information in relation to these projects or other issues that is material to the making of the decision by UGL Shareholders whether or not to accept the Offer, UGL should continue to inform the market accordingly, as it is best placed to advise UGL Shareholders on these matters.

3.2 Directors

As at the date of this Bidder's Statement, the UGL Directors are:

- Mr Richard George Humphry;
- Mr Guy Michael Cowan;
- Ms Kathryn Dianne Spargo (Non-Executive Chairman);
- Mr Ross Taylor (Chief Executive Officer and Managing Director);
- Mr John David Cooper;
- Mr Robert George Kaye; and
- Ms Jane Margaret Harvey.

3.3 Substantial holder

Based on publicly available information, the following persons had the following substantial holdings in UGL Shares on the date of this Bidder's Statement.

Substantial holder	UGL Shares	%
Allan Gray Australia Pty Ltd	32,428,472	19.48
AXA SA, and Alliance Bernstein Australia Limited	14,800,834	8.89
Invesco Australia Ltd	13,774,383	8.27
Ubique Asset Management Pty Ltd	12,103,876	7.27
Westpac Banking Corporation ¹⁰	10,377,342	6.23
BT Investment Management	9,272,544	5.57
Legg Mason Asset Management Limited	8,392,604	5.04
National Australia Bank Limited	8,344,971	5.01

3.4 Dividend policy

UGL has not declared or paid a dividend since 27 November 2014.

3.5 UGL information

The information in this Section 3 concerning UGL and the UGL Group has been prepared on a review of publicly available information. That information has not been independently

¹⁰ Westpac Banking Corporation's holding includes 10,295,947 UGL Shares as part of their associated BT entities.

verified by CGI2. Accordingly, subject to the Corporations Act, CGI2 does not make any representation or warranty (express or implied) as to the accuracy or completeness of such information.

The information on UGL and the UGL Group in this Bidder's Statement should not be considered comprehensive. Further information relating to UGL's businesses or UGL's securities may be included in the Target's Statement in relation to the Offer, which will be sent to you directly by UGL.

UGL is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and the Listing Rules. For more information concerning the financial position and affairs of UGL, you should refer to the full range of information that has been disclosed by UGL pursuant to those obligations.

The ASX website (www.asx.com.au) and UGL's website (www.ugl.com) list announcements issued by UGL, including their most recent Annual Report and financial statements.

The following table contains a description of each announcement made by UGL to ASX between 1 January 2016 and the date of this Bidder's Statement:

Date	Announcement
26/09/2016	Change in substantial holding from WBC
23/09/2016	Notice of Annual General Meeting 2016
16/09/2016	Appendix 3Y Changes in Directors' Interests
08/09/2016	Becoming a substantial holder from BTT
06/09/2016	Becoming a substantial holder from WBC
29/08/2016	Becoming a substantial holder from NAB
29/08/2016	Commercial Settlement of Ichthys SMP claims to 31 March 2016
22/08/2016	Ceasing to be a substantial holder from NAB
22/08/2016	UGL Limited - FY16 - Appendix 4G
22/08/2016	UGL Limited - Corporate Governance FY16
22/08/2016	UGL Ltd - FY16 - Results Presentation
22/08/2016	UGL Limited - FY16 Results
22/08/2016	UGL Limited - FY16 Results - Annual Report
22/08/2016	UGL Limited - FY16 - Appendix 4E
18/08/2016	Becoming a substantial holder from NAB
18/08/2016	UGL as part of RailConnect to deliver New Intercity Fleet
18/08/2016	Change in substantial holding

Date	Announcement
17/08/2016	UGL Annual General Meeting 2016
16/08/2016	Appendix 3Y - Change of Directors' Interests
12/08/2016	Shoalhaven City Council Reclaimed Water Management Scheme
02/08/2016	CH2M Hill Q2 16 disclosure on Ichthys CCPP
22/07/2016	Change in substantial holding
15/07/2016	Appendix 3Y - Change of Directors' Interests
29/06/2016	\$594m for supply & maintenance of locos to PN
16/06/2016	Change of Directors' Interests - Appendix 3Y
06/06/2016	Investor Presentation - Ichthys SMP & CCPP Projects
06/06/2016	Update on commercial negotiations - Ichthys SMP & CCPP
17/05/2016	Appendix 3Y - Change of Directors' Interests
13/05/2016	Becoming a substantial holder
02/05/2016	Change in substantial holding
29/04/2016	NSM Joint Venture for maintenance of ANZAC Class Ships
14/04/2016	Change of Director's Interest Notice x 6
15/03/2016	Appendix 3Y - Change of Directors' Interest Notice
14/03/2016	Change in substantial holding
10/03/2016	Change of Director's Interest Notice - R Kaye
09/03/2016	Change of Director's Interest Notice - J Harvey
08/03/2016	Change of Director's Interest Notice - K Spargo
22/02/2016	HY16 Results Presentation
22/02/2016	HY16 Interim Report
22/02/2016	HY16 Results ASX Release
22/02/2016	HY16 Appendix 4D
19/02/2016	Change in substantial holding
17/02/2016	Change of Director's Interest Notices

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Date	Announcement
15/02/2016	Update to FY16 Profit Split Guidance
21/01/2016	Appendix 3B
19/01/2016	Change of Director's Interest Notice

4. CGI2'S INTENTIONS

4.1 Overview

This Section 4 sets out CGI2's intentions in relation to the following:

- the continuation of the businesses of UGL;
- any major changes to be made to the businesses of UGL, including any redeployment of the fixed assets of UGL;
- changes to the UGL Board; and
- the future employment of the present employees of UGL.

CGI2 is a wholly owned Subsidiary of CIMIC. Accordingly, the intentions, views, understanding and beliefs of CIMIC as set out in this Bidder's Statement are the same as those of CGI2 and are both collectively referred to as the intentions of CGI2 in this Section 4.

These intentions are based on the information concerning UGL, its businesses and the general business environment which is known to CGI2 at the time of preparation of this Bidder's Statement, which is based on publicly available information.

The CIMIC Group has not had access to the UGL business, its records, management or other internal UGL resources.

The limited information about UGL available to CGI2 means that CGI2 does not currently have knowledge of all material information, facts and circumstances that may be necessary to assess the operational, commercial, taxation and financial implications of its current intentions. Accordingly, the statements set out in this Section 4 are statements of current intention only and may vary as new information becomes available or circumstances change. Final decisions will only be reached in light of all material facts and circumstances. The statements in this Section 4 should be read in this context.

4.2 Limitations on intentions

The extent to which CGI2 will be able to implement its intentions in relation to UGL will be subject to:

- the outcome of the Offer and the size of CGI2's shareholding at that time;
- the Corporations Act and the Listing Rules, in particular in relation to related party transactions and conflicts of interests given that, if CGI2 obtains control of UGL but does not acquire all of the UGL Shares, it will be treated as a related party of UGL for these purposes. For example, the Corporations Act prohibits a public company (such as UGL) from giving a financial benefit to a related party unless disinterested shareholders approve the transaction or a relevant exception (such as that for dealing on "arm's length terms") applies, and the Listing Rules prohibit a listed company from acquiring or disposing of assets (whose value is 5% or more of the listed company's equity interests) from or to a related party unless disinterested shareholders, with the benefit of an independent expert's report, approve the transaction. CGI2 would be regarded as a related party for these purposes such that the possible requirements of minority UGL Shareholder approval may prevent a particular intention being achieved; and
- the legal obligations of the directors and officers of UGL, including to act honestly, for proper purposes and in the best interests of UGL Shareholders.

4.3 CGI2's intentions following conclusion of the Offer

CGI2's intention is to obtain control of UGL as a result of the Offer.

This Section 4.3 sets out the current intentions of CGI2 if CGI2 acquires a relevant interest in 50% or more, but less than 90%, of UGL Shares.

(a) Continuation of business and review of operations and assets

(i) Strategic review

Following the close of the Offer, if CGI2 is the holder of 50% or more of all UGL Shares, CGI2 intends to conduct a strategic review of the UGL businesses (**Strategic Review**) in order to:

- drive operational efficiencies and improvements to project delivery; and
- analyse the composition and value within UGL's assets and whether all of the assets of the UGL businesses are consistent with the global strategy, legal obligations and commercial arrangements of the CIMIC Group. In this regard on completion of the Strategic Review, CIMIC may determine that there are some assets which fall outside of the CIMIC Group's global strategy, legal obligations and commercial arrangements and which should accordingly be divested.

Accordingly, the outcome of this Strategic Review may result in changes to the structure of the operating businesses, including changes to the way the businesses are managed, changes to the number of employees and their functions required in each operating business, and the possible divestment of certain assets or businesses.

While CGI2 does not have any specific intentions in relation to the outcomes of the Strategic Review, CGI2 expects that it may identify prospects for new cooperation, as well as to expand on existing cooperation, between CIMIC Group and UGL.

(ii) Cooperation between CGI2 and UGL

CGI2 intends to capitalise on any opportunities for CIMIC and UGL Shareholders that may result from increased cooperation between the CIMIC Group and UGL.

The CIMIC Group will otherwise continue working with UGL (including as set out in Section 2.4 of this Bidder's Statement) on an arms' length basis.

(iii) Dividend policy

UGL has not declared or paid a dividend since 27 November 2014 (see Section 3.4 of this Bidder's Statement).

As CGI2 develops its understanding of UGL following the close of the Offer, including as part of the Strategic Review it proposes to conduct, it may form views on the most effective and efficient capital structure for UGL. This may affect CGI2's view on payment of dividends by UGL. Otherwise, the payment of dividends by UGL will be at the discretion of the UGL Board and subject to relevant legal requirements.

CGI2 considers that the proposed review of UGL's dividend and capital management policies will assist in identifying the most effective and efficient capital structure for UGL. In addition, CGI2's view on payment of dividends by UGL may be different to those of the current UGL Board. No determination has been made by CGI2 at this time regarding UGL's dividend and capital management policies after the conclusion of the Offer, nor is it practical to make any such determination until after the conclusion of the Offer. It is important to understand that CGI2 does not, at this

time, have access to the detailed information concerning UGL that would be required to make a determination regarding UGL's dividend and capital management policies. Also, such determination will take into account a number of factors on which CGI2 will require further information concerning UGL. Those factors include:

- UGL's cash reserves (including following payment of any final or special dividend by UGL that is announced during the Offer Period);
- medium and longer term investment or divestment opportunities;
- the expected operating cash flows and risks to those cash flows;
- management's anticipated medium and longer term earnings outlook and an assessment of the potential volatility of that outlook;
- management's expected medium and longer term capital expenditure outlook and an assessment of the range of potential outcomes under different scenarios;
- the medium and longer term outlook for UGL's businesses in each market and geography in which it operates and the potential volatility of that outlook; and
- the level of UGL's profits.

Given this, it may take several weeks after the conclusion of the Offer for CGI2 to undertake the proposed review of UGL's dividend and capital management policies and to determine the most effective and efficient capital structure for UGL.

(iv) ASX listing

CGI2 may also seek to procure the removal of UGL from the Official List of ASX, which will depend on whether CGI2 secures control of UGL, as well as the spread and volume of UGL Shareholders remaining at the conclusion of the Offer. If CGI2 applies to have UGL removed from the Official List of ASX, CGI2 expects that a final decision as to its removal will ultimately be made by ASX in accordance with published ASX guidance on this point. ASX has stated in published guidance that it is generally acceptable for an entity to be removed from the Official List of ASX if, as a result of a takeover, the entity only has a small number of remaining security holders so its continued listing can no longer be justified.

Whilst ASX does not prescribe a minimum shareholding that the bidder must have, or a maximum number of remaining shareholders, before it will allow a delisting to occur, the ASX's published guidance states that it will likely require shareholder approval for the proposed delisting unless (most relevantly):

- the bidder and its related bodies corporate own or control at least 75% of the entity's ordinary securities; and
- excluding the bidder and its related bodies corporate, the number of holders of ordinary securities having holdings with a value of at least \$500 is fewer than 150.

(v) Further acquisition or disposal of UGL Shares by CIMIC Group

The CIMIC Group may, at some later time, acquire further UGL Shares in any manner permitted by the Corporations Act, including by making creeping acquisitions (as permitted under section 611, item 9 of the Corporations Act), or it may divest of some or all of its shareholding. In particular if the CIMIC Group does not obtain a relevant interest in 90% or more of the UGL Shares under the Offer, it

may determine that its holding of UGL Shares is not a long term investment and accordingly may seek to explore options in relation to its holding including a divestment of some or all of its UGL Shares. Any decisions in relation to these matters will have regard to all relevant considerations at that time.

(vi) Compulsory acquisition at a later time

If CGI2 becomes entitled at some later time to exercise any compulsory acquisition rights under the Corporations Act, it may exercise those rights.

(b) Board composition

CGI2 intends to reconstitute the UGL Board so that it is appropriately sized and composed having regard to the size and scale of UGL's business and CGI2's shareholding. Further, if UGL remains listed on the ASX after the conclusion of the Offer, CGI2 will have regard to the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council as well as applicable Listing Rules in determining the composition of the UGL Board. Accordingly, no determination has yet been made by CGI2 at this time regarding the identity of UGL directors, or the number of directors on the UGL Board, after the conclusion of the Offer, although the candidates who are likely to be considered by CGI2 for appointment to the UGL Board will be persons with appropriate experience, qualifications and skills for UGL and its business and to implement CGI2's intentions for UGL.

(c) Employees

CGI2 recognises the outstanding value of UGL's employees, brand and operations. CGI2 expects there to be significant value and knowledge in the existing staff of UGL. CGI2 intends to retain the services of UGL's current operational employees in the ordinary course. In cases where particular roles may no longer be required, such as management or administrative functions provided by the CIMIC Group, CGI2 will attempt to identify opportunities for alternative employment within the CIMIC Group. It is also possible that certain positions may become redundant. Employees in this situation would become redundant in compliance with applicable legislative or contractual requirements and be paid any redundancy amounts in accordance with their legal entitlements as at the date of this Bidder's Statement. No determination has been made by CGI2 at this time regarding such matters, nor is it practical to make any such determination until after the conclusion of the Offer.

4.4 If CGI2 acquires 90% or more of UGL Shares

This Section 4.4 sets out the current intentions of CGI2 if CGI2 acquires a relevant interest in 90% or more of UGL Shares.

(a) Continuation of business and review of operations and assets

CGI2 intends to implement those intentions set out in Section 4.3 to the fullest extent possible.

(b) Compulsory acquisition

If it becomes entitled to do so under the Corporations Act, CGI2 intends to give notices to compulsorily acquire any outstanding UGL Shares, UGL Performance Rights and UGL Rights in accordance with section 661B of the Corporations Act.

If it is required to do so under sections 662A and 663A of the Corporations Act, CGI2 intends to give notices to Shareholders and holders of UGL Performance Rights and UGL Rights offering to acquire their UGL Shares, UGL Performance Rights and UGL Rights in accordance with sections 662B and 663C of the Corporations Act.

(c) **ASX listing**

CGI2 may also seek to procure the removal of UGL from the Official List of ASX as described in Section 4.3(a)(iv) above.

4.5 If CGI2 acquires less than 50% of UGL Shares

This Section 4.5 sets out the current intentions of CGI2 if CGI2 acquires a relevant interest in less than 50% of UGL Shares.

If CGI2 acquires less than 50% of all UGL Shares by way of this Offer, it intends to seek representation on the UGL Board commensurate to its shareholding with a view to gaining a more detailed understanding of the corporate structure, strategies, governance, assets, businesses, personnel and operations of UGL.

CGI2 intends to reassess its position with respect to UGL in light of the outcome of the Offer and CGI2's position at that time, which may include seeking the implementation of certain of its intentions as outlined in Section 4.3 of this Bidder's Statement, including acquiring further UGL Shares in any manner permitted by the Corporations Act, including by making creeping acquisitions (as permitted under section 611, item 9 of the Corporations Act), or divesting some or all of its shareholding. Any such implementation of CGI2's intentions would be subject to the Corporations Act and may rely on the cooperation of other UGL Shareholders or UGL Directors who have not been appointed by CGI2 (which is uncertain).

4.6 Other intentions

Other than as set out in this section 4, it is the present intention of CGI2:

- to continue the business of UGL;
- not to make any major changes to the business of UGL, nor to redeploy any of the fixed assets of UGL; and
- to continue the employment of UGL's present employees.

5. INFORMATION ON UGL SECURITIES

5.1 Capital structure of UGL

CGI2 understands that the total number of securities in UGL as at the date of this Bidder's Statement is as follows:¹¹

- 166,511,240 ordinary UGL Shares;
- 6,911,251 UGL Performance Rights issued under the UGL Employee Share Option Plan; and
- 389,155 UGL Rights issued under the UGL Deferred Short Term Employee Incentive Scheme.

The Appendix 3Bs issued on 21 January 2016 and during 2015 confirm that the UGL Performance Rights (1) were issued at no cost and entitle the participants to receive one fully paid ordinary share in UGL per UGL Performance Right, subject to vesting conditions linked to performance; (2) on vesting will rank equally with all other ordinary UGL Shares on issue; (3) are comprised of two tranches that are due to expire on 1 September 2017 and 1 September 2018 respectively; and (4) do not have any voting rights or rights to receive dividends prior to vesting.

¹¹ Based on the Appendix 3B released by UGL to ASX on 21 January 2016.

The Appendix 3B issued on 24 November 2015 confirms that the UGL Rights (1) were issued at no cost and entitle the participants to receive one fully paid ordinary share in UGL per UGL Right on vesting; (2) on vesting will rank equally with all other ordinary UGL Shares on issue; (3) are due to vest on 1 September 2017; and (4) do not have any voting rights or rights to receive dividends prior to vesting.

5.2 Details of relevant interests in UGL securities and voting power

As at the date of this Bidder's Statement, CGI2 has a relevant interest in 23,044,609 UGL Shares and its voting power in UGL is 13.84%.

5.3 Consideration provided for UGL securities during previous four months

On 10 October 2016, CGI2 acquired a total of 23,044,609 UGL Shares in off-market transactions for a price of \$3.15 per UGL Share. Full details of these transactions are set out in a Form 603 Notice of Initial Substantial Holder released on 10 October 2016 to ASX.

Other than as described in this Section 5.3, CGI2 and its Associates have not acquired any UGL Shares, UGL Performance Rights or UGL Rights during the period of four months ending on the day immediately before the date of this Bidder's Statement.

CGI2 and its Associates have not disposed of any UGL Shares, UGL Performance Rights or UGL Rights during the period of four months ending on the day immediately before the date of this Bidder's Statement.

5.4 Inducing benefits given during the previous four months

Other than as set out in Section 5.3 above, neither CGI2 nor any of its Associates has, during the period of four months ending on the day immediately before the date of the Offer, given, offered or agreed to give, a benefit to another person where the benefit was likely to induce the other person, or an Associate, to:

- (a) accept the Offer; or
- (b) dispose of UGL Shares,

which benefit was not offered to all UGL Shareholders under the Offer.

6. FUNDING

6.1 Maximum Cash Consideration

The consideration for the acquisition of the UGL Shares to which the Offer relates will be satisfied by the payment by CGI2 of cash (in Australian dollars). The maximum cash amount which may be required by CGI2 to settle acceptances under the Offer is \$474,916,167 million (**Maximum Cash Consideration**).

The Maximum Cash Consideration is calculated on the basis:

- (a) of acceptances in respect of 143,466,631 UGL Shares¹², that is all UGL Shares not owned or controlled by CIMIC Group as at 10 October 2016; and
- (b) that all 6,911,251 UGL Performance Rights¹³ and 389,155 UGL Rights vest and the holders are issued one UGL Share for each UGL Performance Right or UGL Right (as the case may be) and accept the Offer.

¹² Page 83 of the 2016 UGL Annual Report confirms that as at 30 June 2016, 3,614,001 UGL Shares were held by the trustee of the UGL Limited Employee Share Plan Trust.

¹³ See footnote 12 above in relation to UGL Shares held by the UGL Limited Employee Share Plan Trust.

Note that whilst the above calculation of the Maximum Cash Consideration is based on UGL Shares being issued in respect of all UGL Performance Rights and all UGL Rights, CGI2 has no reason to believe that 100% of the UGL Performance Rights and 100% of the UGL Rights will vest on a change of control of UGL due to the Offer. For example, it is typical for such rights to vest subject to conditions relating to the medium and long term performance of the relevant company or the employee continuing their employment in the medium to long term – if such conditions exist in respect of the UGL Performance Rights and UGL Rights, they may not necessarily be satisfied in full as a result of the Offer. For example, where the UGL Board has a discretion to accelerate vesting of the UGL Performance Rights or UGL Rights on a change of control of UGL, CGI2 expects that the UGL Board will have regard to its fiduciary duties and therefore may not vest 100% of such rights where conditions relating to the medium or long term performance of UGL or continued employment with UGL apply.

6.2 CGI2's internal funding arrangements

CIMIC has unconditionally agreed to provide CGI2 with all amounts CGI2 requires to pay the Maximum Cash Consideration, as well as any associated transaction costs incurred by CGI2. These amounts will be provided under an executed loan agreement between CIMIC and CGI2.

Drawdown under the loan agreement (which will remain in place so long as CGI2 has an outstanding obligation to make payments under the Offer) will not be subject to any conditions precedent other than the presentation of a loan terms schedule to CIMIC which is signed by CGI2.

6.3 CIMIC's funding arrangements

CIMIC has existing money market and invested funds at call materially in excess of the Maximum Cash Consideration and associated transaction costs. As at 30 September 2016, CIMIC had available cash of more than \$1.6 billion and net cash (excluding operating leases) in excess of \$760 million. CIMIC intends to utilise those available funds or CIMIC's existing debt facilities to allow CGI2 to fund the Offer (as described in Section 6.2).

To the extent that CIMIC elects to utilise third party funds rather than its existing money market and invested funds at call to fund any of the consideration payable by CGI2 pursuant to the Offer, such funds will be drawn by CIMIC pursuant to its existing debt facilities. As at 30 September 2016, the CIMIC Group had undrawn committed bank facilities of over \$1.6 billion. Those debt facilities are made available by a number of banking institutions with whom CIMIC has ongoing banking relationships. Drawdown under CIMIC's existing debt facilities is subject only to routine conditions precedent which CIMIC considers customary for facilities of this nature. As at the date of this Bidder's Statement CIMIC is not aware of any reason why any conditions precedent to drawdown from the existing debt facilities will not be satisfied.

6.4 Payment of cash consideration

Having regard to the matters set out above, CGI2 is of the opinion that it has a reasonable basis for forming, and it holds, the view that it will be able to pay the Maximum Cash Consideration required for the acquisition of UGL Shares pursuant to the Offer.

The Offer is not subject to any financing conditions.

7. AUSTRALIAN TAX CONSIDERATIONS

7.1 Introduction

The following is a general description of the principal Australian tax consequences for the registered holders of UGL Shares upon the disposal of their shareholding to CGI2 pursuant to this Offer.

The following description is intended as a general guide to the Australian tax considerations and is based upon the law in effect at the date of this Bidder's Statement. It is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of every registered holder of UGL Shares, and is not intended to be advice and should not be relied on as such. In particular, the registered holders of UGL Shares should be aware that the levels and bases of taxation can change and that where reference is made to tax concessions, this is to tax concessions as currently applying. It is recommended that registered holders seek independent professional advice in relation to their own particular circumstances and should not rely upon the comments contained in this general description.

Any persons who may be subject to tax in any jurisdiction outside Australia should obtain independent professional advice on their particular circumstances.

The Australian tax implications outlined below are relevant to registered holders who hold their UGL Shares as capital assets for the purposes of investment and who do not hold their UGL Shares as trading stock, as part of a profit-making undertaking or scheme, under an arrangement which qualifies as an employee share or rights plan for Australian tax purposes (such as holders of UGL Performance Rights or UGL Rights), or otherwise on revenue account. This Section in particular does not address the tax considerations applicable to persons holding options, or registered holders that may be subject to special rules, such as banks, insurance companies, tax exempt organisations, trusts, superannuation funds, dealers in securities or registered holders who change their tax residence while holding UGL Shares. It also does not consider the Australian tax considerations for registered shareholders who are non-residents for Australian tax purposes or who hold their UGL Shares as an asset of a permanent establishment in Australia.

7.2 Capital gains tax (CGT) implications

CGT event

For CGT purposes, a 'CGT event' will occur when you dispose of Your UGL Shares to CGI2. Generally, your disposal should be taken to occur on the date that the Offer contract to dispose of Your UGL Shares is formed. However, if you do not accept the Offer and Your UGL Shares are compulsorily acquired, your disposal should take place on the date that CGI2 becomes the owner of Your UGL Shares.

Determining your capital gain or loss

Broadly, any capital gain or loss from the CGT event will be determined by comparing the total consideration that you receive for Your UGL Shares with the CGT cost base (in the case of a capital gain) or reduced cost base (in the case of a capital loss) of Your UGL Shares.

The cost base or reduced cost base of Your UGL Shares should broadly equal the money you paid or were required to pay to acquire Your UGL Shares plus any non-deductible incidental costs incurred in acquiring and disposing of the UGL Shares (for example, brokerage) less any capital returns received during the duration of holding Your UGL Shares.

You will make a capital gain from the disposal of Your UGL Shares to CGI2 to the extent that the consideration that you received for Your UGL Shares exceeds the cost base of Your UGL Shares.

Conversely, you will make a capital loss to the extent that the reduced cost base of Your UGL Shares exceeds the consideration that you received for Your UGL Shares.

The tax treatment of your capital gain or capital loss arising from the disposal of Your UGL Shares depends on whether or not you are an Australian resident for taxation purposes and whether you hold Your UGL Shares as an individual, trustee of a trust, complying superannuation fund or company.

(a) **Australian residents**

You may be entitled to the CGT discount if:

- (i) you are an Australian resident individual, trust or complying superannuation fund;
- (ii) you have held Your UGL Shares for at least 12 months (excluding the days of acquisition and disposal); and
- (iii) you make a capital gain from the disposal of Your UGL Shares.

The CGT discount may result in your capital gain being reduced by the 'discount percentage', being:

- (i) 50%, if you are an individual or a trust; or
- (ii) 33⅓%, if you are a complying superannuation fund.

No CGT discount is available for companies.

If you make a capital gain from the disposal of Your UGL Shares, that capital gain will be combined with any other capital gains that you have made for the income year. Any available capital losses will then be applied against the total of the capital gains (before applying any CGT discount) that you have made in the current income year. Any remaining discount capital gains are then reduced by your discount percentage. Any resulting net capital gain will be included in your assessable income for the income year.

If you make a capital loss from the disposal of Your UGL Shares, that capital loss may only be offset against your assessable capital gains (before taking into account the CGT discount, if applicable) for the current income year. Any excess capital losses will be carried forward and may be applied against your future assessable capital gains (before taking into account the CGT discount, if applicable) if any relevant loss carry forward requirements are met.

(b) **Non-Australian residents**

The disposal of Your UGL Shares may be subject to Australian CGT if:

- (i) you and your Associates held 10% or more of the shares in UGL:
 - (A) at the time of disposal; or
 - (B) throughout a 12 month period that began no earlier than 24 months before the date of disposal; and
- (ii) the market value of UGL's assets that are 'taxable Australian real property' (generally, real property in Australia, or mining, quarrying or prospecting rights, where the minerals, petroleum or quarry materials are in Australia) is greater than the market value of UGL's assets that are not taxable Australian real property.

If you are a non-Australian tax resident, it is recommended that you obtain your own independent professional advice as to the Australian tax consequences arising from the disposal of Your UGL Shares.

7.3 Australian stamp duty and the goods and services tax (GST)

No Australian stamp duty or GST is payable by you on the sale of Your UGL Shares to CGI2 pursuant to the Offer.

You may be charged GST on incidental costs (for example, advisory fees) incurred in acquiring and disposing of Your UGL Shares. You may be entitled to input tax credits or reduced input tax credits for such costs, but should seek independent professional advice in relation to your own particular circumstances.

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8. ADDITIONAL INFORMATION

8.1 Offer condition

The condition of the Offer is set out in Section 9.8 of this Bidder's Statement.

8.2 ASIC modifications

ASIC relief from the Corporations Act may be required for CGI2 to extend the Offer to UGL Shares that are issued during the period from the Register Date to the end of the Offer Period due to the vesting of, conversion of, or exercise of rights attached to, UGL Performance Rights and UGL Rights, that are on issue at the Register Date. CGI2 intends to apply for this relief from ASIC as soon as practicable after the Announcement Date and expects a decision on its application to be made at a time that would provide sufficient time for holders of UGL Shares issued upon the vesting of, conversion of, or exercise of rights attached to UGL Performance Rights and UGL Rights to accept the Offer.

ASIC has published various "Class Order" instruments providing for modifications and exemptions that generally apply to all persons including CGI2, in relation to the operation of Chapter 6 of the Corporations Act.

Amongst others, CGI2 has relied on the modification to section 636(3) of the Corporations Act set out in paragraph 5(d) of ASIC Class Order 13/521 "Takeover Bids" to include references to certain statements which are made or based on statements made in documents lodged with ASIC or ASX. Pursuant to Class Order 13/521, the consent of the relevant person is not required for the inclusion of such statements in this Bidder's Statement. As required by Class Order 13/521, CGI2 will make available a copy of these documents (or of relevant extracts from these documents), free of charge, to you and other UGL Shareholders who request it during the Offer Period. To obtain a copy of these documents (or the relevant extracts), you may telephone the CIMIC Offer Information Line on 1300 648 874 (for calls made within Australia) or +61 2 8355 1000 (for calls made from outside Australia) from Monday to Friday between 9.00am and 5.00pm (AEDT).

8.3 Persons to whom Offer is sent

For the purposes of Section 633(2) of the Corporations Act, the date for determining the persons to whom information is to be sent in items 6 and 12 of Section 633(1) of the Corporations Act is the Register Date (being 7.00pm on 11 October 2016).

The Offer also extends to persons who become registered, or entitled to be registered, as the holder of UGL Shares during the Offer Period due to the conversion of, or exercise of rights attached to, securities convertible into or which entitle participants to receive UGL Shares which are on issue on the Register Date. Subject to ASIC granting any necessary relief from the Corporations Act (or ASIC confirming that no such relief is required), the Offer extends to UGL Shares that are issued during the period from the Register Date to the end of the Offer Period due to the vesting of, conversion of, or exercise of rights attached to UGL Performance Rights and UGL Rights that are on issue at the Register Date.

8.4 No Broker commissions

CGI2 will not pay any broker commissions to Brokers who solicit acceptances of the Offer from their clients.

8.5 Regulatory and legal matters

(a) Regulatory approvals

CGI2 has obtained approval from the Foreign Investment Review Board to acquire all of the UGL Shares under the Offer.

The ACCC has pre-assessed the proposed acquisition on a confidential basis in accordance with the Informal Merger Review Process Guidelines and indicated that it does not intend to conduct a public review pursuant to section 50 of the *Competition & Consumer Act 2010 (Cth)*.

The Offer is not conditional on any regulatory approvals being obtained.

(b) Autonomous Sanctions Regulations 2011 (Cth)

The *Autonomous Sanctions Regulations 2011 (Cth)* currently prohibit making an asset available to, or for the benefit of, a designated person or entity without authorisation from the Minister for Foreign Affairs or to use or deal with an asset owned or controlled by a designated person or entity without authorisation from the Minister for Foreign Affairs. Designated persons and entities include:

- (i) specified individuals and entities associated with the Democratic People's Republic of Korea (North Korea);
- (ii) specified individuals associated with the former government of the Federal Republic of Yugoslavia;
- (iii) specified entities and individuals who contribute to Iran's proliferation activities or assist Iran to violate United Nations Security Council Resolutions;
- (iv) specified individuals associated with the former Qadhafi regime;
- (v) specified individuals in Myanmar associated with the current or former military and government;
- (vi) specified individuals participating or providing support for the Syrian regime;
- (vii) specified individuals who have engaged or are engaging in activities that undermine democracy and respect for human rights and rule of law in Zimbabwe; and
- (viii) specified individuals responsible or complicit in the threat to the sovereignty and territorial integrity of Ukraine.

(c) Other Commonwealth legislation

The *Charter of the United Nations Act 1945 (Cth)* prohibits:

- (i) assets from being provided to proscribed persons or entities; and
- (ii) the use or dealing and facilitation of such use or dealing, of certain assets owned or controlled by proscribed persons or entities,

in each case without the written consent of the Minister of Foreign Affairs.

Persons and entities from various countries have been proscribed under various regulations made pursuant to the *Charter of the United Nations Act 1945* (Cth). A consolidated list of proscribed persons and entities can be found on the Department of Foreign Affairs and Trade website at <http://dfat.gov.au/international-relations/security/sanctions/pages/consolidated-list.aspx>.

8.6 No escalation agreements

Neither CGI2 nor any Associate of CGI2 has entered into any escalation agreement in respect of UGL Shares that is prohibited by section 622 of the Corporations Act.

8.7 Consents

This Bidder's Statement contains statements made by, or statements based on, statements made by CIMIC, Minter Ellison and Computershare. Each of CIMIC, Minter Ellison and Computershare has given and has not, before lodgement of this Bidder's Statement with ASIC, withdrawn their consent to the inclusion of:

- (a) references to its name;
- (b) each statement it has made; and
- (c) each statement which is based on a statement it has made,

in this Bidder's Statement in the form and context in which those statements appear and to the maximum extent permitted by law expressly disclaims and takes no responsibility for any part of this Bidder's Statement other than any statement which has been included in this Bidder's Statement with the consent of that party.

Each person who is named in this Bidder's Statement as acting in a professional capacity for CGI2 in relation to the Offer (including, without limitation, Macquarie, Macquarie Securities, Minter Ellison and Computershare) has given and has not, before lodgement of this Bidder's Statement with ASIC, withdrawn their consent to the inclusion of references to its name in this Bidder's Statement in the form and context in which they are named, and:

- (a) has not authorised or caused the issue of the Bidder's Statement;
- (b) does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to its name.

In addition, this Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on the company announcement platform of ASX by UGL and others. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Bidder's Statement. This information may also be obtained from UGL's website at www.ugl.com.

8.8 No other material information

There is no other information that:

- (a) is material to the making of the decision by a holder of UGL Shares whether or not to accept the Offer; and
- (b) which is known to CGI2,

other than:

- (c) as set out or referred to elsewhere in this Bidder's Statement; or

- (d) information which it would be unreasonable to require CGI2 to disclose because the information has previously been disclosed to holders of UGL Shares.

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9. THE OFFER

9.1 Offer

- (a) CGI2 offers to acquire from you on the terms and conditions of this Offer all of Your UGL Shares together with all Rights attaching to those UGL Shares. Rights do not include any franking credits attached to any dividend.
- (b) This Offer extends to all of the UGL Shares in respect of which you become registered or in respect of which you become entitled to be registered as the holder prior to the end of the Offer Period as a result of the vesting of, conversion of, or the exercise of rights attached to, other securities convertible into or which entitle participants to receive UGL Shares that are on issue at the Register Date. Subject to ASIC granting any necessary relief from the Corporations Act (or ASIC confirming that no such relief is required), the Offer extends to UGL Shares that are issued during the period from the Register Date to the end of the Offer Period due to the vesting of, conversion of, or exercise of rights attached to UGL Performance Rights and UGL Rights that are on issue at the Register Date.
- (c) Offers on terms and conditions identical to those contained in this Offer have been dispatched or will be dispatched to:
 - (i) all holders of UGL Shares, UGL Performance Rights and/or UGL Rights registered as such in the Register on the Register Date; and
 - (ii) any person who becomes registered as the holder of UGL Shares during the period commencing on the Register Date and ending at the end of the Offer Period due to the vesting of, conversion of, or exercise of rights attached to, other securities convertible into or which entitle participants to receive UGL Shares and which are on issue at the Register Date.
- (d) This Offer is dated [*] 2016.

9.2 Consideration for the Offer

Subject to the terms of this Offer, the consideration offered by CGI2 for the acquisition of each of Your UGL Shares to which this Offer relates is \$3.15 cash for each UGL Share.

9.3 Offer Period

- (a) Unless the Offer Period is extended or the Offer is withdrawn, in either case in accordance with the requirements of the Corporations Act, this Offer will remain open for acceptance by you during the period commencing on the date of this Offer and ending at 7:00pm AEDT on [*] 2016 (**Offer Period**).
- (b) Subject to the Corporations Act as modified by ASIC Class Order 13/521, CGI2 may extend the Offer Period.
- (c) If, within the last seven days of the Offer Period:
 - (i) CGI2's voting power in UGL increases to more than 50%; or
 - (ii) this Offer is varied to improve the consideration offered,then the Offer Period will be mandatorily extended in accordance with Section 624(2) of the Corporations Act so that it ends 14 days after the relevant event.

9.4 Acceptance

- (a) You may accept this Offer only in respect of all of Your UGL Shares.

- (b) To accept this Offer in respect of UGL Shares which, at the time of acceptance, are registered in your name in the issuer sponsored subregister operated by UGL (in which case Your UGL Shares are not in a CHESS Holding and your Securityholder Reference Number will commence with "I"), you must complete and sign the Issuer Acceptance Form enclosed with this Offer (which forms part of this Offer) in accordance with the instructions on it and return it together with all other documents required by those instructions (if any) to:

CIMIC OFFER

C/- Computershare Investor Services Pty Limited
GPO Box 2115
Melbourne Victoria 3001
Australia

so that it is received at the address specified above by no later than the end of the Offer Period. A reply paid envelope, which is valid if sent from within Australia, is enclosed for your use.

- (c) To accept this Offer in respect of UGL Shares which, at the time of acceptance, are held by you in a CHESS Holding (in which case your Holder Identification Number will commence with "X"), you must comply with the ASX Settlement Operating Rules. To accept this Offer in accordance with the ASX Settlement Operating Rules:
- (i) if you are the Controlling Participant, you must initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
 - (ii) if you are not the Controlling Participant, you may either:
 - (A) **instruct** your Controlling Participant, in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Offer in accordance with Rule 14.14 of ASX Settlement Operating Rules, such initiation to occur before the end of the Offer Period. If you choose to accept this Offer in this way, your Controlling Participant will be obliged by Rule 14.14.1 of ASX Settlement Operating Rules to initiate the acceptance within the following timeframes:
 - (I) if you specify a time when or by which this Offer must be accepted, in accordance with those instructions; or
 - (II) otherwise, by End of Day (as defined in the ASX Settlement Operating Rules) on the date that you instruct the Controlling Participant to accept this Offer or, if the Offer Period ends on the day you provide those instructions, before the end of the Offer Period; or
 - (B) otherwise, **complete** and **sign** the enclosed CHESS Acceptance Form in accordance with the instructions on the CHESS Acceptance Form and **return** it (using the enclosed reply paid envelope, which is valid if sent from within Australia) together with all other documents required by those instructions to the address indicated on the CHESS Acceptance Form, and as such authorise CGI2 to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules. For return of the CHESS Acceptance Form to be an effective acceptance of the Offer under this Section 9.4(c)(ii)(B), it must be received by CGI2 in time for CGI2 to give instructions to your Controlling Participant, and your Controlling Participant to carry out those instructions, before the end of the Offer Period.
- (d) To accept this Offer in respect of UGL Shares:
- (i) in respect of which, at the time of acceptance, you are entitled to be registered but are not registered as a result of the conversion of, or exercise of rights attached to, securities convertible into or which entitle participants to receive UGL Shares; or

- (ii) that, subject to ASIC granting any necessary relief from the Corporations Act (or ASIC confirming that no such relief is required), are issued during the period from the Register Date to the end of the Offer Period due to the vesting of, conversion of, or exercise of rights attached to UGL Performance Rights and UGL Rights that are on issue at the Register Date,

you must **complete** and **sign** the Issuer Acceptance Form enclosed with this Offer in accordance with the instructions on it and return it together with all other documents required by those instructions to the address referred to in paragraph (b) so that it is received by no later than the end of the Offer Period.

- (e) An acceptance of this Offer under Section 9.4(b), 9.4(c)(ii)(B) or 9.4(d) shall not be complete until the Acceptance Form, completed and signed in accordance with the instructions on it and all other documents required by those instructions, have been received at the address set out in Section 9.4(b). Notwithstanding the foregoing provisions of this Section 9.4, CGI2 may, in its absolute discretion, waive at any time prior to the end of the Offer Period all or any of the requirements specified in the Acceptance Form but payment of the consideration in accordance with this Offer will not be made until any irregularity has been resolved and such other documents as may be necessary to procure registration of the UGL Shares have been lodged with CGI2.
- (f) The transmission of the Acceptance Form and other documents is at your own risk.

9.5 Entitlement to Offer

- (a) A person who:
- (i) is able during the Offer Period to give good title to a parcel of UGL Shares; and
 - (ii) has not already accepted an Offer for those UGL Shares,
- may, in accordance with Section 653B(1) of the Corporations Act, accept this Offer as if an offer on terms identical with the Offer had been made to that person in relation to those UGL Shares.
- (b) If at any time during the Offer Period and before you accept this Offer Your UGL Shares consist of one or more separate parcels within the meaning of Section 653B of the Corporations Act (for example, because you hold UGL Shares on trust for, as nominee for, or on account of, another person or persons), then you may accept as if a separate offer in the form of this Offer had been made to you in relation to each of those parcels (including any parcel you hold in your own right). An acceptance by you of the Offer in respect of any such distinct portion of Your UGL Shares will be ineffective unless:
- (i) you have given CGI2 notice stating that Your UGL Shares consist of separate and distinct parcels, such notice being:
 - (A) in the case of UGL Shares not in a CHESS Holding, in writing; or
 - (B) in the case of UGL Shares in a CHESS Holding, in an electronic form approved by the ASX Settlement Operating Rules; and
 - (ii) your acceptance specifies the number of UGL Shares in the distinct portions to which the acceptance relates; and
 - (iii) in circumstances where the parcel of UGL Shares is held by you as trustee or nominee for, or otherwise on account of, another person, your acceptance specifies:
 - (A) the date that other person acquired an equitable interest in the parcel or, if that date is not known, the date that other person is reasonably believed to have acquired an equitable interest in the parcel; and

- (B) where the date that other person acquired an equitable interest in the parcel is the Announcement Date – whether the equitable interest was acquired before the time the Offer was announced to ASX on the Announcement Date.
- (c) Beneficial owners whose UGL Shares are registered in the name of a Broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in having this Offer accepted in respect of the UGL Shares which they beneficially own.

9.6 Effect of acceptance

- (a) By:
- (i) completing, signing and returning an Acceptance Form in accordance with Section 9.4(b), 9.4(c)(ii)(B) or 9.4(d); or
 - (ii) causing this Offer to be accepted in accordance with the ASX Settlement Operating Rules if Your UGL Shares are in a CHESS Holding,
you will, or will be deemed to, have:
 - (iii) subject to Section 9.5, irrevocably accepted this Offer in respect of all Your UGL Shares (**Accepted Shares**);
 - (iv) agreed to transfer the Accepted Shares to CGI2 (even if the number of UGL Shares on the Acceptance Form differs from the number of Your UGL Shares);
 - (v) represented and warranted to CGI2 as a fundamental condition going to the root of the contract resulting from your acceptance of this Offer that, both at the time of acceptance of this Offer and at the time the transfer of the Accepted Shares (including any Rights) to CGI2 is registered, all of the Accepted Shares (including any Rights) are and will upon registration be fully paid up and free from all mortgages, charges, liens and other Encumbrances of any kind and restrictions on transfer of any kind, and that you have full power and capacity (whether legal or equitable) to sell and transfer the Accepted Shares (including any Rights) and that you have paid all amounts which at the time of acceptance have fallen due for payment in respect of the Accepted Shares (including any Rights);
 - (vi) irrevocably authorised CGI2 (by any of its directors, officers, servants or agents), if necessary, to alter the Acceptance Form on your behalf by completing on the Acceptance Form correct details of the Accepted Shares, filling in any blanks remaining on the Acceptance Form and rectifying any errors in or omissions from the Acceptance Form as may be necessary by CGI2 to make the Acceptance Form an effective acceptance of this Offer or to enable registration of Your UGL Shares in the name of CGI2;
 - (vii) irrevocably appointed CGI2 and each of its directors, secretaries and officers from time to time jointly and each of them severally as your true and lawful attorney, with effect from the date of your Acceptance Form, with power to exercise all powers and rights which you could lawfully exercise as the registered holder of the Accepted Shares or in exercise of any right derived from the holding of the Accepted Shares, including, without limiting the generality of the foregoing, requesting UGL to register the Accepted Shares in the name of CGI2, attending and voting at any meeting of UGL Shareholders (including any court convened meeting of UGL), demanding a poll for any vote taken at or proposing or seconding any resolutions to be considered at any meeting of UGL Shareholders, requisitioning any meeting of UGL Shareholders, signing any forms, notices or instruments relating to the Accepted Shares and doing all things incidental or ancillary to any of the foregoing. You will, or will be deemed to, have acknowledged and agreed that in exercising such powers the attorney may act in the interests of CGI2 as the intended registered holder of the Accepted Shares. This appointment, being given for valuable consideration to secure the interest acquired in the Accepted Shares, is

irrevocable and terminates upon registration of a transfer to CGI2 of the Accepted Shares;

- (viii) agreed, with effect from the date of your Acceptance Form, and in the absence of a prior waiver of this requirement by CGI2, not to attend or vote in person at any meeting of UGL Shareholders (including any court convened meeting of UGL) or to exercise or purport to exercise any of the powers conferred on CGI2 or its nominee in Section 9.6(a)(vii);
- (ix) irrevocably authorised and directed UGL to pay to CGI2 or to account to CGI2 for all Rights in respect of the Accepted Shares, subject, however, to any such Rights received by CGI2 being accounted for by CGI2 to you in the event that this Offer is withdrawn or avoided;
- (x) except where Rights have been paid or accounted for under Section 9.6(a)(ix), irrevocably authorised CGI2 to deduct from the consideration payable in respect of the Accepted Shares, the value of any Rights paid to you in respect of the Accepted Shares which, where the Rights take a non-cash form, will be the value of those Rights as reasonably assessed by CGI2. For the avoidance of doubt, CGI2 will not be entitled to deduct the value of any franking credits attaching to any dividends or capital distributions declared or paid by UGL;
- (xi) if, at the time of acceptance of this Offer, the Accepted Shares are in a CHES Holding, irrevocably authorised CGI2 to cause a message to be transmitted in accordance with ASX Settlement Operating Rule 14.17.1 (and at a time permitted by ASX Settlement Operating Rule 14.17.1(b)) so as to transfer the Accepted Shares to CGI2's Takeover Transferee Holding. CGI2 shall be so authorised even though at the time of such transfer it has not paid the consideration due to you under this Offer;
- (xii) agreed to indemnify CGI2 in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or in consequence of the transfer of the Accepted Shares being registered by UGL without production of your Holder Identification Number for the Accepted Shares;
- (xiii) represented and warranted to CGI2 that, if you are the legal owner but not the beneficial owner of the Accepted Shares:
- (A) the beneficial holder has not sent a separate acceptance of the Offer in respect of the Accepted Shares;
 - (B) the number of UGL Shares you have specified as being the entire holding of UGL Shares you hold on behalf of a particular beneficial holder is in fact the entire holding; and
 - (C) that you are irrevocably and unconditionally entitled to transfer the Accepted Shares, and to assign all of the beneficial interest therein to CGI2; and
- (xiv) agreed to execute all such documents, transfers and assurances that may be necessary or desirable to convey the Accepted Shares and any Rights in respect of the Accepted Shares to CGI2.
- (b) If Your UGL Shares are in a CHES Holding and you complete, sign and return the Acceptance Form in accordance with Section 9.4(c)(ii)(B) (which you are not bound, but are requested, to do), you will be deemed to have irrevocably authorised CGI2 and any of its directors, secretaries or officers to:
- (i) instruct your Controlling Participant to initiate acceptance of this Offer in respect of the Accepted Shares which are in a CHES Holding, in accordance with Rule 14.14 of the ASX Settlement Operating Rules if you have not already done so; and

- (ii) give any other instructions in relation to the Accepted Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and that Controlling Participant.

9.7 Dividends and other entitlements

- (a) CGI2 will be entitled to all Rights declared, paid, made, or which arise or accrue after the Announcement Date in respect of UGL Shares that it acquires pursuant to this Offer. Rights do not include any franking credits attached to any dividend.
- (b) If any Rights are declared, paid, made or arise or accrue in cash after the Announcement Date in respect of UGL Shares to the holders of the UGL Shares, CGI2 will (provided the same has not been paid to CGI2) be entitled to reduce the consideration specified in Section 9.2 and payable by it to the holders of the Accepted Shares by an amount equal to the value of such Rights. If CGI2 does not, or cannot, make such a reduction and you receive the Rights then you must pay the amount of those Rights to CGI2.
- (c) If any non-cash Rights (which do not include any franking credits) are issued or made or arise or accrue after the Announcement Date in respect of the Accepted Shares to the holders of the Accepted Shares, CGI2 will (provided the same has not been issued to CGI2) be entitled to reduce the consideration specified in Section 9.2 and payable by it to holders of the Accepted Shares by an amount equal to the value (as reasonably assessed by CGI2) of such non-cash Rights.

9.8 Defeating Condition

- (a) The Offer and the contract resulting from the acceptance of the Offer (and each other Offer and each contract resulting from the acceptance therefore) are subject to the following condition (the **Defeating Condition**) being fulfilled or waived by CGI2:

- (i) No prescribed occurrences

During the Condition Period, none of the following events happen:

- (A) UGL converts all or any of its shares into a larger or smaller number of shares;
- (B) UGL or a Subsidiary of UGL resolves to reduce its share capital in any way;
- (C) UGL or a Subsidiary of UGL:
- (I) enters into a buy-back agreement; or
 - (II) resolves to approve the terms of a buy-back agreement under Section 257C(1) or 257D(1) of the Corporations Act;
- (D) UGL or a Subsidiary of UGL issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (E) UGL or a Subsidiary of UGL issues, or agrees to issue, convertible notes;
- (F) UGL or a Subsidiary of UGL disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (G) UGL or a Subsidiary of UGL grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
- (H) UGL or a Subsidiary of UGL resolves to be wound up;
- (I) a liquidator or provisional liquidator of UGL or of a Subsidiary of UGL is appointed;

- (J) a court makes an order for the winding up of UGL or of a Subsidiary of UGL;
 - (K) an administrator of UGL, or of a Subsidiary of UGL, is appointed under Section 436A, 436B or 436C of the Corporations Act;
 - (L) UGL or a Subsidiary of UGL executes a deed of company arrangement; or
 - (M) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of UGL or of a Subsidiary of UGL.
- (b) Defeating Condition for benefit of CGI2
- The Defeating Condition, subject to the Corporations Act, operates only for the benefit of CGI2 and any breach or non-fulfilment of such condition may be relied upon only by CGI2.
- (c) Nature of Defeating Condition
- The Defeating Condition is a condition subsequent to contract formation and the Defeating Condition does not prevent a contract to sell Your UGL Shares resulting from your acceptance of this Offer but:
- (i) breach of the Defeating Condition entitles CGI2 to rescind that contract by notice to you; and
 - (ii) non-fulfilment of the Defeating Condition at the end of the Offer Period will have the consequences set out in this Section 9.8.
- (d) Defeating Condition apply to multiple events
- Where an event occurs that would mean at the time the event occurs the Defeating Condition to which this Offer or the contract resulting from your acceptance of this Offer is then subject would not be fulfilled, the Defeating Condition becomes two separate Defeating Conditions on identical terms except that:
- (i) one of them relates solely to that event; and
 - (ii) the other specifically excludes that event.
- CGI2 may declare the Offer free under this Section 9.8 from either of those Defeating Conditions without declaring it free from the other and may do so at different times. This section may apply any number of times to the Defeating Condition (including a Defeating Condition arising from a previous operation of this section).
- (e) Notice declaring Offers free of Defeating Condition
- Subject to the Corporations Act, CGI2 may declare this Offer and any contract resulting from acceptance of this Offer free from the Defeating Condition by giving written notice to UGL not later than 3 business days after the end of the Offer Period.
- (f) Notice of status of Defeating Condition
- The date for giving the notice on the status of the Defeating Condition as required by Section 630(1) of the Corporations Act is [*] 2016 (subject to extension in accordance with the Corporations Act if the Offer Period is extended).
- (g) Contract void if Defeating Condition not fulfilled or waived
- Your acceptance of the contract resulting from your acceptance of this Offer is void if at the end of the Offer Period the Defeating Condition in this Section 9.8 has not been fulfilled or waived.

9.9 Obligations of CGI2

- (a) Subject to this Section 9, the Corporations Act and ASIC Class Order 13/521, CGI2 will provide the consideration for the Accepted Shares:
- (i) where the Offer is unconditional, 7 business days after the Offer is accepted; or
 - (ii) if the Offer is subject to the Defeating Condition when accepted, within 7 business days after the Offer becomes unconditional.

Under no circumstances will interest be paid on the consideration for the Accepted Shares under this Offer, regardless of any delay in making payment or any extension of this Offer.

- (b) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
- (i) if that document is given with your acceptance, CGI2 will provide the consideration in accordance with paragraph (a);
 - (ii) if that document is given after your acceptance and before the end of the Offer Period while the Offer is subject to the Defeating Condition, CGI2 will provide the consideration 7 business days after the Offer becomes unconditional;
 - (iii) if the document is given after your acceptance and before the end of the Offer Period while the Offer is not subject to the Defeating Condition, CGI2 will provide the consideration 7 business days after the document is received; or
 - (iv) if that document is received after the end of the Offer Period, CGI2 will provide the consideration within 7 business days after that document is received.
- (c) If you accept this Offer, CGI2 is entitled to all Rights in respect of Your UGL Shares. CGI2 may require you to provide all documents necessary to vest title to those Rights in CGI2, or otherwise to give CGI2 the benefit or value of those Rights. If you do not give those documents to CGI2, or if you have received the benefit of those Rights, CGI2 will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by CGI2) of those Rights. For the avoidance of doubt, CGI2 will not be entitled to deduct the value of any franking credits attaching to any dividends or capital distributions declared or paid by UGL.
- (d) Payment of any cash amount to which you are entitled under the Offer will be made by cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail (or in the case of overseas UGL Shareholders, by airmail) to the address last provided to CGI2 by UGL.
- (e) If, at the time of acceptance of this Offer, or provision of any consideration under it, any authority or clearance of the Department of Foreign Affairs and Trade or of the Australian Taxation Office is required for you to receive any consideration under this Offer or you are a resident in or a resident of a place to which, or you are a person to whom:
- (i) *Autonomous Sanctions Regulations 2011 (Cth)*;
 - (ii) *the Charter of the United Nations (Sanctions- Al-Qaida) Regulations 2008 (Cth)*;
 - (iii) *the Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth)*; or
 - (iv) any law of Australia that would make it unlawful for CGI2 to provide the consideration payable under the Offers,

applies, then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained by CGI2. Please refer to Section 8.5 for information as to whether this restriction applies to you.

9.10 Withdrawal

- (a) In accordance with Section 652B of the Corporations Act, CGI2 may withdraw unaccepted Offers at any time with the written consent of ASIC which consent may be given subject to such conditions (if any) as are specified in the consent. Notice of any withdrawal will be given to ASX and UGL and will comply with any other conditions imposed by ASIC.
- (b) If CGI2 withdraws this Offer, any contract resulting from its acceptance will automatically be void.

9.11 Variation

CGI2 may at any time, and from time to time, vary this Offer in accordance with the Corporations Act.

9.12 Costs, taxes and GST

All costs and expenses of the preparation of this Bidder's Statement and of the preparation and circulation of this Offer will be paid by CGI2. No GST is payable by you as a consequence of acceptance of the Offer.

9.13 Notices

- (a) Any notices to be given by CGI2 to UGL under the Offer may be given to UGL by leaving them at, or sending them by pre-paid ordinary post to, the registered office of UGL or by sending them by facsimile transmission to UGL at its registered office.
- (b) Any notices to be given to CGI2 by you or by UGL under the Offer may be given to CGI2 by leaving them at or sending them by pre-paid ordinary post to CGI2 at the address referred to in Section 9.4(b).
- (c) Any notices to be given by CGI2 to you under the Offer may be given to you by sending them by pre-paid ordinary post or courier, or if your address is outside Australia, by pre-paid airmail or courier, to your address as shown in the Register.

9.14 Governing law

This Offer and any contract that results from your acceptance of this Offer is governed by the laws in force in NSW.

10. GLOSSARY AND INTERPRETATION

10.1 Glossary

The following terms have the meanings set out below unless the context requires otherwise:

ACCC means the Australian Competition and Consumer Commission.

Acceptance Form means the form of acceptance of the Offer enclosed with this Offer and this Bidder's Statement or, as the context requires, any replacement or substitute acceptance form provided by or on behalf of CGI2 (and includes, to avoid doubt, both the Issuer Acceptance Form and the CHESS Acceptance Form).

Accepted Shares has the meaning given in Section 9.6(a)(iii).

AEDT means Australian Eastern Daylight Time and, for the avoidance of doubt, means the time in Sydney, Australia.

Announcement means the announcement of CGI2's intention to make the Offer as made on the Announcement Date to ASX.

Announcement Date means 10 October 2016.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in Section 12 of the Corporations Act.

ASX means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532), the body which administers the CHESS system in Australia.

ASX Settlement Operating Rules means the settlement and operating rules of ASX Settlement.

Bidder's Statement means this document, being the bidder's statement of CGI2 under Part 6.5 of the Corporations Act relating to the Offer.

Broker means a person who is a share broker and participant in CHESS.

CCPP means the combined cycle power plant.

CGI2 means CIMIC Group Investments No. 2 Pty Limited (ACN 610 264 189).

CGT means Australian capital gains tax.

CHESS means the Clearing House Electronic Subregister System established and operated by ASX Settlement, which provides for the electronic transfer, settlement and registration of securities in Australia.

CHESS Acceptance Form means the Acceptance Form enclosed with this Offer and Bidder's Statement for UGL shareholders with a CHESS Holding.

CHESS Holding means a holding of UGL Shares on the CHESS subregister of UGL.

CIMIC means CIMIC Group Limited (ACN 004 482 982).

CIMIC Group means CIMIC and its Related bodies corporate (including CGI2).

Condition Period means the period beginning on the Announcement Date and ending at the end of the Offer Period (each inclusive).

Controlling Participant has the meaning given in the ASX Settlement Operating Rules.

Corporations Act means the *Corporations Act 2001* (Cth) as modified by any relevant exemption or declaration by ASIC and any regulation made under that Act.

Defeating Condition has the meaning given in Section 9.8(a).

Encumbrance means:

- (a) a security interest;
- (b) an easement, restrictive covenant, caveat or similar restriction over property;
- (c) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property (including a right to set off or withhold payment of a deposit or other money);
- (d) a right of any person to purchase, occupy or use an asset (including under an option, agreement to purchase, licence, lease or hire purchase);
- (e) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or
- (f) an agreement to create anything referred to above or to allow any of them to exist.

GST means the goods and services tax imposed under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Holder Identification Number or **HIN** means the number used to identify a UGL Shareholder on the CHESS subregister of UGL.

Issuer Acceptance Form means the Acceptance Form enclosed with this Offer and Bidder's Statement for UGL Shareholders with an Issuer Sponsored Holding.

Issuer Sponsored Holding means a holding of UGL Shares on UGL's issuer-sponsored sub register.

Last Close Price means the price of UGL Shares on ASX at the close of trading on 7 October 2016, the Trading Day prior to the Announcement Date, of \$2.14 per UGL Share.

Listing Rules means the listing rules of ASX as amended or varied from time to time.

Macquarie means Macquarie Capital (Australia) Limited.

Macquarie Securities means Macquarie Securities (Australia) Ltd.

Maximum Cash Consideration has the meaning given in Section 6.1.

NSW means New South Wales, Australia.

Offer, CGI2 Offer or **CGI2's Offer** means, as the context requires, the Offer for UGL Shares contained in Section 9, or the off-market takeover bid constituted by that Offer, and Offers means the several like Offers which together constitute the Offer, as varied in accordance with the Corporations Act.

Offer Period means the period during which the Offer will remain open for acceptance in accordance with the terms of the Offer.

Offer Price means \$3.15 cash per UGL Share.

Participant has the meaning given to that term in the ASX Settlement Operating Rules.

Register means the Register of UGL Shareholders, UGL Performance Rights holders or UGL Rights holders (as the context requires) maintained by UGL in accordance with the Corporations Act.

Register Date means 7.00pm AEDT on 11 October 2016.

Related body corporate has the meaning given in the Corporations Act.

Rights means all accretions, rights or benefits of whatever kind attaching to or arising from or in respect of the UGL Shares, whether directly or indirectly, including without limitation all rights to receive dividends (but excluding any attaching franking credit), to receive or subscribe for shares, units, notes, options or other securities and to receive all other distributions, capital returns or entitlements declared, paid, made or issued by UGL or any Subsidiary of UGL after the Announcement Date.

SMP means structural mechanical and piping.

Subsidiary has the meaning given in the Corporations Act.

Takeover Transferee Holding means the CHES Holding to which UGL Shares are to be transferred pursuant to acceptances of the Offer.

Target's Statement means the target's statement issued by UGL in response to this Bidder's Statement in accordance with Part 6.5 of Chapter 6 of the Corporations Act.

Trading Day has the meaning given to it in the Listing Rules.

UGL means UGL Limited (ACN 009 180 287).

UGL Board means the board of directors of UGL.

UGL Director means a director of UGL.

UGL Employee Share Option Plan means the UGL employee share option plan.

UGL Group means UGL and each of its Related bodies corporate.

UGL Performance Rights means the UGL Performance Rights issued under the UGL Employee Share Option Plan as set out in Section 5.1.

UGL Rights means the UGL Rights issued under the UGL Deferred Short Term Employee Incentive Scheme as set out in Section 5.1.

UGL Shareholders means a person who is registered as the holder of UGL Shares in the Register.

UGL Shares means fully paid ordinary shares in UGL on issue.

UGL Deferred Short Term Employee Incentive Scheme means the UGL deferred short term employee incentive scheme.

VWAP means volume weighted average price.

Your UGL Shares means the UGL Shares in respect of which you are registered or entitled to be registered as holder in the Register on the Register Date and any new UGL Shares in respect of which you become registered or entitled to be registered as the holder in the Register prior to the end of the Offer Period as a result of the vesting of, conversion of or exercise of rights attached to UGL Performance Rights and UGL Rights and to which you are able to give good title at the time you accept the Offer during the Offer Period.

10.2 Interpretation

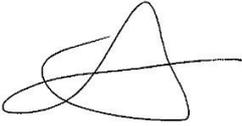
- (a) Annexures to this Bidder's Statement form part of this Bidder's Statement.
- (b) Words and phrases to which a meaning is given by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules have that meaning in this Bidder's Statement unless that meaning is inconsistent with the context in which the word or phrase is used.
- (c) Headings are for convenience only and do not affect the interpretation of this Bidder's Statement.
- (d) The singular includes the plural and vice versa and words importing any gender include the other gender, and references to persons include corporations.
- (e) References to Sections are to sections of this Bidder's Statement.
- (f) References to paragraphs are references to paragraphs within the Section in which the reference to the paragraph is made.
- (g) References to time are references to the time in Sydney, Australia on the relevant date, unless stated otherwise.
- (h) References to "dollars" or "\$" are to Australian currency, unless stated otherwise.

11. APPROVAL OF BIDDER'S STATEMENT

This Bidder's Statement has been approved by a resolution of the directors of CIMIC Group Investments No. 2 Pty Ltd.

Dated 10 October 2016

Signed for an on behalf of CIMIC Group Investments No. 2 Pty Ltd by:



Angel Muriel
Director

For personal use only

CIMIC Group Investments No. 2 Pty Limited

ACN 610 264 189

Return your Form:

✉ **By Mail (using the enclosed reply paid envelope):**
Computershare Investor Services Pty Limited
GPO Box 2115 Melbourne
Victoria 3001 Australia

For all enquiries:

Phone: CIMIC Offer Information Line:
☎ (within Australia) 1300 648 874
(outside Australia) +61 2 8355 1000

CGI2

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Offer Acceptance Form

ISSUER

 **This Acceptance Form must be received by Computershare before the end of the Offer Period.**

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by CIMIC Group Investments No. 2 Pty Limited ("CGI2") to acquire all of your Ordinary Shares in UGL Limited ("UGL") ABN (85 009 180 287) the terms of which are set out in the Bidder's Statement from CGI2 dated 10 October 2016 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be paid to the name(s) as they appear on the latest copy of the UGL Register, as provided to CGI2. The current address recorded on CGI2's copy of the Register is printed above and overleaf. If you have recently bought or sold UGL Shares your holding may differ from that shown. If you have already sold all your UGL Shares, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of Your UGL Shares. The consideration applicable is that set out in Section 9 of the Bidder's Statement.

By signing this form, you represent and warrant to CGI2 that, both at the time of returning this acceptance form and at the time the transfer of the Ordinary Shares to which this form relates to CGI2 is registered, all of those shares are and will upon registration be fully paid up and free from all mortgages, charges, liens and other encumbrances of any kind and restrictions on transfer of any kind, and that you have full power and capacity (whether legal or equitable) to sell and transfer those shares and that you have paid all amounts which at the time of acceptance have fallen due for payment in respect of those shares.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

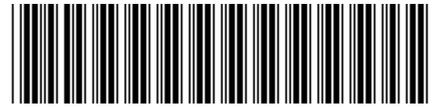
Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →

This Document is printed on Greenhouse Friendly™ ENVI Laser Carbon Neutral Paper



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Offer Acceptance Form

For your security keep your SRN/
HIN confidential.

STEP 1 Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Offer Details: Securityholding as at 7pm (AEDT) on the Register Date.
100% of your holding in UGL:

2000

By accepting the Offer, you are accepting the Offer for ALL Your UGL Shares as recorded by UGL as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2 Accept the Offer

If you correctly sign and return this form you will be deemed to have accepted the Offer for ALL of Your UGL Shares on the terms and conditions of the Offer as set out in the Bidder's Statement. The consideration applicable is that set out in Section 9 of the Bidder's Statement.

STEP 3 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by CGI2 for Ordinary Shares in UGL and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Ordinary Shares as per the above instruction.

Individual or Securityholder 1

**Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)**

Securityholder 2

Director

Securityholder 3

**Director/Company Secretary
(cross out titles as applicable)**

**Contact
Name** _____

**Contact
Daytime
Telephone** _____

Date ____ / ____ / ____

If you have any queries about the terms of the offer or how to accept, please call the CIMIC Offer Information Line (Monday to Friday, between 9.00am and 5.00pm (AEDT)) on 1300 648 874 (within Australia) and +61 2 8355 1000 (outside Australia).

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by CIMIC Group Investments No. 2 Pty Limited. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to CIMIC Group Investments No. 2 Pty Limited or to third parties upon direction by CIMIC Group Investments No. 2 Pty Limited where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

CIMIC Group Investments No. 2 Pty Limited

ACN 610 264 189

CGI2

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Return your Form:



To Your Controlling Participant:
Return this form directly to your stockbroker



By Mail (using the enclosed reply paid envelope):

Computershare Investor Services Pty Limited
GPO Box 2115 Melbourne
Victoria 3001 Australia

For all enquiries:

Phone: CIMIC Offer Information Line:
 (within Australia) 1300 648 874
(outside Australia) +61 2 8355 1000

Offer Acceptance Form

CHES

 **This Acceptance Form must be received with sufficient time to allow processing prior to the end of the Offer Period.**

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by CIMIC Group Investments No. 2 Pty Limited ("CGI2") to acquire all of your Ordinary Shares in UGL Limited ("UGL") ABN (85 009 180 287) the terms of which are set out in the Bidder's Statement from CGI2 dated 10 October 2016 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be paid to the name(s) as they appear on the latest copy of the UGL Register, as provided to CGI2. The current address recorded on CGI2's copy of the Register is printed above and overleaf. If you have recently bought or sold UGL Shares your holding may differ from that shown. If you have already sold all your UGL Shares, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of Your UGL Shares. The consideration applicable is that set out in Section 9 of the Bidder's Statement.

As your UGL Ordinary Shares are in a CHES holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want CGI2 to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise CGI2 and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this form, you represent and warrant to CGI2 that, both at the time of returning this acceptance form and at the time the transfer of the Ordinary Shares to which this form relates to CGI2 is registered, all of those shares are and will upon registration be fully paid up and free from all mortgages, charges, liens and other encumbrances of any kind and restrictions on transfer of any kind, and that you have full power and capacity (whether legal or equitable) to sell and transfer those shares and that you have paid all amounts which at the time of acceptance have fallen due for payment in respect of those shares.

You should allow sufficient time for your Controlling Participant or CGI2 to initiate the acceptance of CGI2's Offer on your behalf. Neither CGI2 or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form ➔

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X 2222222222

IND

Offer Acceptance Form

For your security keep your SRN/
HIN confidential.

STEP 1 Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

Offer Details: Securityholding as at 7pm (AEDT) on the Register Date.
100% of your holding in UGL:

2000

By accepting the Offer, you are accepting the Offer for ALL Your UGL Shares as recorded by UGL as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2 Accept the Offer

If you correctly sign and return this form you will be deemed to have accepted the Offer for ALL of Your UGL Shares on the terms and conditions of the Offer as set out in the Bidder's Statement. The consideration applicable is that set out in Section 9 of the Bidder's Statement.

STEP 3 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by CGI2 for Ordinary Shares in UGL and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Ordinary Shares as per the above instruction.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Director

Director/Company Secretary
(cross out titles as applicable)

Contact
Name

Contact
Daytime
Telephone

Date / /

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