

## OFFERING CIRCULAR FOR CONVERTIBLE BOND OFFER

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Attached is the offering circular (Offering Circular) prepared in connection with the offer of €230 million 2.5 per cent guaranteed convertible bonds due 2025 (Bonds) by Cromwell SPV Finance Pty Ltd (Issuer) announced on 21 March 2018 (Offer). The Offering Circular is a 'transaction specific' prospectus that has been prepared in accordance with section 713 of the *Corporations Act 2001* (Cth), as modified by ASIC Instrument 18-0189.

The full terms of the Bonds are set out in the attached Offering Circular.

Settlement of the Offer is expected to occur on 29 March 2018.

Ends.

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### ABOUT CROMWELL PROPERTY GROUP

Cromwell Property Group (ASX: CMW) is a Real Estate Investor and Manager with operations on three continents and a global investor base. The Group is included in the S&P/ASX 200. As at 31 December 2017, Cromwell had a market capitalisation of \$2.0 billion, a direct property investment portfolio in Australia valued at \$2.5 billion and total assets under management of \$11.2 billion across Australia, New Zealand and Europe.

*The Bonds are being offered outside the United States in compliance with Regulation S of the US Securities Act of 1933, as amended, and will not be registered under the US Securities Act.*

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

**Important: You must read the following before continuing.** The following applies to the preliminary offering circular following this notice (the "**Offering Circular**") and you are therefore advised to read this carefully before reading, accessing or making any other use of this Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE BONDS, THE GUARANTEE AND THE STAPLED SECURITIES INTO WHICH THE BONDS MAY BE CONVERTED HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED, DISTRIBUTED OR RELEASED IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE BONDS AND THE INFORMATION CONTAINED IN A FINAL OFFERING CIRCULAR THAT WILL BE DISTRIBUTED TO YOU ON OR PRIOR TO THE CLOSING DATE AND NOT ON THE BASIS OF THE ATTACHED OFFERING CIRCULAR. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

#### **NOTICE TO ALL INVESTORS IN THE EUROPEAN ECONOMIC AREA ("EEA")**

This Offering Circular contains certain disclosures required under Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 as transposed into national law (the "**AIFM Directive**").

Cromwell Diversified Property Trust (ARSN 102 982 598) (the "**Trust**") is a "non-EU AIF" as defined in article 4(1)(aa) of the AIFM Directive. Cromwell Property Securities Limited (ACN 079 147 809), the "responsible entity" of the Trust (the "**Responsible Entity**"), is the "non-EU AIFM" of the Trust, as defined in article 4(1)(ab) of the AIFM Directive.

References in this section of this Offering Circular to the AIFM Directive are to those provisions of the AIFM Directive as implemented into the national laws or regulations of any EEA member state (each "**Member State**").

As at the date of this Offering Circular, the Trust has been notified, registered or approved (as the case may be and howsoever described) in accordance with the local law/regulations implementing article 42 of the AIFM Directive for marketing to professional investors into the United Kingdom and the Grand Duchy of Luxembourg. It is noted that this Offering Circular may only be distributed and units in the Trust may only be offered or placed to "professional investors" within the meaning of article 1 (53) of the Luxembourg law of 12 July 2013 on alternative investment funds managers in the territory of the Grand-Duchy of Luxembourg.

In relation to other Member States' implementation of the AIFM Directive, this Offering Circular may only be distributed and Bonds may only be offered or placed: (i) at the investor's own initiative; or (ii) to the extent that this Offering Circular may otherwise be lawfully distributed and the Bonds may lawfully be offered or placed in compliance with that Member State's implementation of the AIFM Directive and any other applicable laws or regulations.

In addition, the following restrictions apply to the distribution of this Offering Circular in the following Member States:

#### **THE UNITED KINGDOM**

This Offering Circular is only being issued in the United Kingdom to, and/or is directed at, only persons who are "professional investors" for the purposes of the Alternative Investment Fund Managers Regulations 2013 of the United Kingdom ("the **UK AIFM Regs**") or to persons to or at whom it may lawfully be issued or directed under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 including persons who are authorised under the Financial Services and Markets Act 2000 ("**FSMA**"), certain persons having professional experience in matters relating to investments, high net worth companies, high net worth unincorporated associations or partnerships, or trustees of high value trusts or persons who qualify as certified sophisticated investors. The opportunity to invest in the Trust is only available to such persons in the United Kingdom and this Offering Circular must not be relied or acted upon by any other persons in the United Kingdom.

In order to qualify as a certified sophisticated investor a person must: (a) have a certificate in writing or other legible form signed by an authorised person to the effect that he is sufficiently knowledgeable to understand the risks associated with a particular type of investment; and (b) have signed, within the last 12 months, a statement in a prescribed form declaring, amongst other things, that he qualifies as a sophisticated investor in relation to such investments. This Offering Circular is exempt from the general restriction in Section 21 of FSMA on the communication of invitations or inducements to engage in investment activity on the grounds that it is being issued to and/or directed at only the types of person referred to above. The content of this Offering Circular has not been approved by an authorised person and such approval is, save where this Offering Circular is directed at or issued to the types of person referred to above, required by Section 21 of FSMA. Acquiring

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Units may expose an investor to a significant risk of losing all of the amount invested. Any person who is in any doubt about investing in the Trust should consult an authorised person specialising in advising on such investments.

## LUXEMBOURG

The offer of the Bonds in the Grand Duchy Luxembourg will only be made to qualified investors within the meaning of the Luxembourg law of 10 July 2005 regarding prospectus for securities (the **Prospectus Law**). Accordingly, the Issuer is exempted from the obligation to issue a prospectus within the meaning of the Prospectus Law, and the present Offering Circular does not constitute a prospectus within the meaning of the Prospectus Law.

## PRIIPS REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Bonds and the Stapled Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**Confirmation of the Representation:** In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must not be located in the United States. This Offering Circular is being sent at your request and, by accepting the electronic mail and accessing this Offering Circular, you shall be deemed to have represented to us that neither you nor the electronic mail address that you gave us and to which this electronic mail has been delivered are located in the United States or the EEA (other than the United Kingdom or Luxembourg) and that you consent to delivery of such Offering Circular by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular, electronically or otherwise to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in this Offering Circular.

The materials relating to any offering of securities to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that such offering be made by a licensed broker or dealer and the underwriter or any affiliate of the underwriter is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to

be made by the underwriter or such affiliate on behalf of the Issuer (as defined in the Offering Circular) in such jurisdiction.

This Offering Circular has been sent to you in electronic format. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Lead Managers (as defined in the Offering Circular) nor any person who controls the Lead Managers or any director, officer, employee or agent of the Lead Managers or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between this Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Lead Managers.

**Action That You May Not Take:** If you receive this document by electronic mail, you should not reply by electronic mail to this notice, and you may not purchase any securities by doing so. Any reply electronic mail communications, including those you generate by using the “Reply” function on your electronic mail software, will be ignored or rejected.

**You are responsible for protecting against viruses and other destructive items.** You are responsible for protecting against viruses and other destructive items. Your use of this electronic mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

**Cromwell SPV Finance Pty Ltd**

*(registered in the Commonwealth of Australia with registration number ACN 603 578 310)*

**€230 million 2.5 per cent. Guaranteed Convertible Bonds due 2025**

**Issue Price: 100 per cent.**

**Guaranteed by**

**Cromwell Property Securities Limited**

*(registered in the Commonwealth of Australia with registration number ACN 079 147 809)*

*in its capacity as responsible entity of the*

*Cromwell Diversified Property Trust*

*(ARSN 102 982 598)*

*and*

**Cromwell Corporation Limited**

*(registered in the Commonwealth of Australia with registration number ACN 001 056 980)*

The €230 million 2.5 per cent. guaranteed convertible bonds due 2025 (the "**Bonds**") will be issued by Cromwell SPV Finance Pty Ltd ACN 603 578 310 (the "**Issuer**") on 29 March 2018 (the "**Issue Date**").

Cromwell Corporation Limited (ACN 001 056 980) (the "**Company**") and Cromwell Property Securities Limited (ACN 079 147 809, AFSL 238 052) in its capacity as responsible entity of Cromwell Diversified Property Trust (ARSN 102 982 598) (the "**Responsible Entity**") (together, the "**Guarantors**") will unconditionally and irrevocably guarantee the due and punctual payment of all amounts at any time becoming due and payable in respect of the Bonds (the "**Guarantee**").

Cromwell Property Group comprises the Company and Cromwell Diversified Property Trust (the "**Trust**") (of which the Responsible Entity is the responsible entity). Each stapled security of Cromwell Property Group comprises one ordinary share of the Company (a "**Share**") and one ordinary unit of the Trust (a "**Unit**") (a "**Stapled Security**"). Cromwell Property Group is together a stapled group pursuant to a stapling deed dated 7 December 2006 as amended by deed dated 7 December 2012. The Stapled Securities are listed on the Australian Securities Exchange operated by ASX Limited (the "**ASX**") (ASX Code CMW).

The Bonds will bear interest at the rate of 2.5 per cent. per annum payable semi-annually in arrears on 29 March and 29 September of each year, beginning on 29 September 2018. The Bonds will mature on 29 March 2025.

Unless previously redeemed or purchased and cancelled, and subject to the Issuer's right to or the Issuer being obliged to make a Cash Alternative Election (as defined in the Terms and Conditions of the Bonds (the "**Conditions**")), each Bond shall entitle the holder of the Bond (the "**Bondholder**") to convert such Bond held by them into Stapled Securities at the then applicable Conversion Price (as defined in the Conditions). The Conversion Right (as defined in the Conditions) of a converting Bondholder may be settled in cash or a combination of both Stapled Securities and cash, at the option of the Issuer. The Issuer may

make a Cash Alternative Election to satisfy the exercise of a Conversion Right by making payment to the relevant Bondholder of the Cash Alternative Amount (as defined in the Conditions). A Cash Alternative Election shall be irrevocable and shall specify the Cash Settled Securities (as defined in the Conditions), the Reference Securities (as defined in the Conditions) and if relevant, the number of Stapled Securities to be issued or transferred and delivered to the relevant Bondholder in respect of the relevant exercise of Conversion Rights. Unless and until the approval by securityholders is obtained in a general meeting of the Stapled Entities (as defined in the Conditions) in respect of the issuance of Further Stapled Securities (as defined in the Conditions) and notwithstanding the Conversion Right of each Bondholder in respect of each Bond, if at any time the Stapled Entities shall not, for any reason, be able to satisfy the Conversion Right of any converting Bondholder by the valid issue of Stapled Securities satisfying the requirements of the Conditions, the Stapled Entities shall not issue, and the Issuer will not be required to procure the issue of, such Stapled Securities and the Issuer must exercise its rights under the Conditions to make a Cash Alternative Election in relation to such Further Stapled Securities or those Stapled Securities that otherwise cannot be validly issued so as to satisfy the requirements of the Conditions.

Subject to and as provided in the Conditions, each Bond will, at the option of the Bondholder, and subject to any applicable fiscal or other laws or regulations, be convertible (unless previously redeemed, converted or purchased and cancelled) on or after 7 May 2018 up to the close of business seven business days prior to the Final Maturity Date (as defined in the Conditions) of the Bond into fully paid Stapled Securities of Cromwell Property Group.

Subject to the offer period restriction on Issuer redemption as set out in the Conditions, on giving not less than 30 nor more than 60 days' notice in writing to the Trustee and to the Bondholders (which notice shall be irrevocable), the Issuer may redeem all but not some only of the Bonds on the date specified in the Optional Redemption Notice (as defined in the Conditions) at their principal amount, together with accrued but unpaid interest to but excluding such date, at any time on or after 22 August 2022, provided that the closing price of the Stapled Securities (as published by or derived from the relevant stock exchange, for any 20 dealing days (translated into Euros at the prevailing rate on each such dealing day) in any period out of 30 consecutive dealing days, the last of which falls not earlier than 14 days prior to the date upon which notice of such redemption is published was at least 130 per cent. of the conversion price (as adjusted) in effect on each such dealing day (translated into Euros at the fixed rate of exchange).

Subject to the offer period restriction on Issuer redemption as set out in the Conditions, on giving not less than 30 nor more than 60 days' notice in writing to the Trustee and to the Bondholders (which notice shall be irrevocable), the Issuer may redeem all but not some only of the Bonds on the date specified in the Optional Redemption Notice at their principal amount, together with accrued but unpaid interest to but excluding such date, at any time if prior to the date the notice is given, conversion rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90 per cent. or more in principal amount of the Bonds originally issued (including any Further Bonds as defined in the Conditions).

Subject to the offer period restriction on Issuer redemption as set out in the Conditions, at any time the Issuer may, having given not less than 30 nor more than 60 days' notice to the Bondholders redeem all but not some only, of the Bonds on the date specified in the notice at their principal amount, together with accrued but unpaid interest to such date, if (i) the Issuer or the relevant Guarantor has or will become obliged to pay additional amounts in respect of payments on the Bonds pursuant to the Conditions as a result of any change in, or amendment to, the laws or regulations of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax, or change the general application or official interpretation of such laws or regulations, which any change or amendment becomes effective on or after 21 March 2018; and (ii) such obligation cannot be avoided by the Issuer or the relevant Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the relevant Guarantor would be obliged to pay such additional amounts.

Following the occurrence of a Change of Control (as defined in the Conditions) or the exercise of the Bondholder Put Option (as defined in the Conditions), each Bondholder will have the right to require the Issuer to redeem that Bond on the Change of Control Put Date (as defined in the Conditions) or the Optional Put Date (as defined in the Conditions) at its principal amount, together with accrued but unpaid interest to such date.

In the event that the Stapled Securities cease to be quoted, listed, admitted to trading or are suspended from trading (as applicable) on the ASX for a period of at least 30 consecutive dealing days, the holder of each Bond will have the right to require the Issuer to redeem that Bond at its principal amount, together with accrued but unpaid interest to the Delisting Put Date (as defined in the Conditions).

Investing in the Bonds involves certain risks. See "Risk Factors" beginning on page 38.

The Bonds, the Guarantee and the Stapled Securities that may be issued upon a conversion of the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and, subject to certain exceptions, may not be offered or sold within the United States. For further details, see "Subscription and Sale".

In addition to the issuance of the Bonds, the Issuer will also seek to concurrently procure the repurchase and cancellation of up to €150 million of the Existing Bonds (as defined herein). Credit Suisse (Singapore) Limited and its affiliates have been appointed by the Company in connection with the repurchase and cancellation of the Existing Bonds.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of and quotation for the Bonds on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the accuracy of any of the statements made or opinions expressed or reports contained in this Offering Circular. Admission of the Bonds to the Official List of the SGX-ST and quotation of the bonds on the SGX-ST is not to be taken as an indication of the merits of the Bonds, the Issuer, Cromwell Property Group, its subsidiaries, its associated companies or the Stapled Securities. The Bonds will be traded on the SGX-ST in a minimum board lot size of not less than S\$200,000 (or its equivalent in foreign currencies) for so long as the Bonds are listed on the SGX-ST

and the rules of the SGX-ST so require. Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult their professional advisers.

The Bonds will be evidenced by a global certificate (the "**Global Certificate**") in registered form, which will be registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg and their respective accountholders. Except in the limited circumstances set out herein, definitive certificates for the Bonds will not be issued in exchange for beneficial interests in the Global Certificate. See "Provisions Relating to the Bonds Represented by the Global Certificate". It is expected that delivery of the Global Certificate will be made on or about 29 March 2018.

*Joint Bookrunners and Lead Managers*  
Credit Suisse  
Goldman Sachs

Offering Circular dated 26 March 2018

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## IMPORTANT INFORMATION

### GENERAL

#### About this document

This document (the "**Offering Circular**") is issued by Cromwell SPV Finance Pty Ltd ACN 603 578 310 (the "**Issuer**") and Cromwell Property Group, which comprises Cromwell Corporation Limited (ACN 001 056 980) (the "**Company**") and Cromwell Diversified Property Trust (ARSN 102 982 598) (the "**Trust**") of which Cromwell Property Securities Limited (ACN 079 147 089) is the responsible entity (the "**Responsible Entity**"). The Company and the Trust, and where the context requires a reference to a legal entity, the Company and the Responsible Entity, are collectively referred to in this Offering Circular as the "**Cromwell Property Group**" or "**Stapled Entities**". The Offering Circular relates to an offering of the €230 million guaranteed convertible bonds due 2025 (the "**Bonds**") to be issued by the Issuer and guaranteed by the Company and the Responsible Entity (together, the "**Guarantors**").

Each stapled security of Cromwell Property Group comprises one ordinary share of the Company (a "**Share**") and one ordinary unit of the Trust (a "**Unit**") (together, a "**Stapled Security**"). The Bonds may be converted into Stapled Securities in accordance with the Conditions or subject to the approval of the holders of the Stapled Securities.

The offering of Bonds by the Issuer (the "**Offer**"), to the extent the Offer is made in Australia, is open only to select professional and sophisticated investors who meet the requirements in respect of Australia as specified in the "Subscription and Sale" section of this Offering Circular. No offer or invitation of Bonds is being made to a person who is a "retail client" as defined in section 761G of the *Corporations Act 2001* (Cth) (the "**Corporations Act**").

The Offering Circular comprises a transaction-specific prospectus for the issue of the Bonds that are convertible into "continuously quoted securities" (as defined in the Corporations Act) (namely, Stapled Securities) according to the terms of issue of the Bonds. The transaction-specific prospectus is issued jointly by the Issuer and Cromwell Property Group. It has been prepared in accordance with section 713 of the Corporations Act as modified by ASIC Relief (as defined below). As a transaction-specific prospectus, this Offering Circular does not contain the same level of disclosure as a prospectus prepared in respect of securities that are not continuously quoted securities. Therefore, as a transaction-specific prospectus, this Offering Circular does not include all information in relation to the assets and liabilities, financial position, profits and losses or prospects of the Issuer as would be required if a prospectus under section 710 of the Corporations Act was prepared. In preparing this prospectus, regard has been had to the fact that Cromwell Property Group are "disclosing entities" for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom investors may consult. For the purposes of section 713(5) of the Corporations Act, Cromwell Property Group is not aware, after having taken such precautions and having made such enquiries as are reasonable, of any matters that need to be disclosed under that section of the Corporations Act that have

not been previously disclosed by Cromwell Property Group or which have not been set out in this Offering Circular.

This Offering Circular is issued in reliance on an individual instrument of relief issued by the Australian Securities and Investments Commission ("**ASIC**") to the Issuer and Cromwell Property Group, which modifies the operation of the Corporations Act with respect to the Issuer and Cromwell Property Group as it relates to the Offer and the Offering Circular (the "**ASIC Relief**"). The individual relief granted to the Issuer and Cromwell Property Group is described on page 204 of this Offering Circular.

Where Stapled Securities are issued on the conversion of the Bonds, the ASIC Relief permits (among other things) the holders of those Stapled Securities to transfer their Stapled Securities to "retail clients" (as defined in the Corporations Act) in Australia without such retail clients being given a disclosure document or Product Disclosure Statement under the Corporations Act at the time of the acquisition of those Stapled Securities. This Offering Circular is not intended to be used in connection with any offer for which such disclosure is required.

A copy of this Offering Circular was lodged with ASIC on 26 March 2018, and a copy will be released on ASX's announcements platform by Cromwell Property Group. None of ASIC, ASX or their respective officers take any responsibility for the contents of this Offering Circular or the merits of the investment to which this Offering Circular relates. The fact that ASX has quoted the Stapled Securities and may quote the Stapled Securities into which the Bonds may be convertible is not to be taken in any way as an indication of the merits of the Stapled Securities, the Bonds, the Issuer or Cromwell Property Group.

This Offering Circular is dated 26 March 2018 and expires on the date which is 13 months after that date ("**Expiry Date**") and no Bonds will be issued on the basis of this Offering Circular after the Expiry Date.

Cooling-off rights do not apply to the acquisition of the Bonds or the Stapled Securities issued on conversion of the Bonds.

The Issuer and Cromwell Property Group have confirmed to Credit Suisse (Singapore) Limited and Goldman Sachs Australia Pty Ltd (the "**Lead Managers**") that: (i) this Offering Circular contains or incorporates by reference all information regarding the Issuer, Cromwell Property Group, the Stapled Entities, the Guarantors and their subsidiaries as a whole, the Bonds, and the Stapled Securities which is material in the context of the issue and offering of the Bonds; (ii) this Offering Circular does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements herein, in light of the circumstances under which they were made, not misleading or deceptive or likely to mislead or deceive; (iii) the statements contained in this Offering Circular relating to the Issuer, Cromwell Property Group, the Stapled Entities, the Guarantors and their subsidiaries as a whole, the Bonds and the Stapled Securities are in every material particular true and accurate and not misleading or deceptive or likely to mislead or deceive, there are no facts or matters omitted from this Offering Circular: (A) the omission of which would, in the context of the

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issue and offering of the Bonds, make any statement in this Offering Circular untrue or misleading or deceptive or likely to mislead or deceive; or (B) which would in the context of the issue of the Bonds be material information for disclosure in this Offering Circular; any forecast, estimates, statement of opinion, intention or belief expressed in this Offering Circular on the part of the Issuer and Cromwell Property Group are honestly held, and have been made after due and careful consideration, and based on reasonable assumptions and represent reasonable and fair expectations; and (iv) all reasonable enquiries have been made to ascertain and verify the foregoing. The Issuer and Cromwell Property Group accept full responsibility for the information contained in this Offering Circular.

This Offering Circular is intended solely for use in connection with the issuance and offering of the Bonds described herein, and does not purport to summarise all of the terms, conditions and other provisions contained in the Trust Deed and other transaction documents described herein. This Offering Circular should be read in its entirety. It contains general information only and does not take into account your specific objectives, financial situation, risk tolerance or needs. Before making any investment decision, you should consider whether it is appropriate in light of those factors. In the case of any doubt, you should seek the advice of a stock broker or other professional adviser before making any investment decision.

The Issuer and Cromwell Property Group are not licensed to provide financial product advice in respect of the Bonds or the Stapled Securities of Cromwell Property Group except, to the extent that general financial product advice in respect of the issue of Units in or Shares as components of the Stapled Securities of Cromwell Property Group is provided in this Offering Circular, it is provided by the Responsible Entity. The Responsible Entity and its related bodies corporate, and their associates, will not receive any remuneration or benefits in connection with that advice. Directors and employees of the Responsible Entity do not receive any specific payments of commissions for the authorised services provided under the Australian financial services licence. They do receive salaries and may also be entitled to receive bonuses, depending upon performance. The Responsible Entity is a wholly-owned subsidiary of the Company.

None of the Issuer or Cromwell Property Group or their respective associates or directors guarantees the success of the Offer or guarantees the repayment of capital or any particular rate of capital or income return, other than the obligations to make payments under the Bonds or their respective guarantees under the trust deed of the Bonds to be executed and dated the Closing Date (as defined in the Conditions) (the "**Trust Deed**"). Investment-type products are subject to investment risk, including possible loss of income and capital invested.

Neither the Issuer nor Cromwell Property Group is providing investors with any legal, business or tax advice in this Offering Circular. Investors should consult their own advisers to assist them in making their investment decision and to advise themselves whether they are legally permitted to purchase the Bonds. Investors must comply with all laws that apply to them in any place in which they buy, offer or sell any Bonds or possess this Offering Circular. Investors must also obtain any consents or approvals that they need in order to purchase the Bonds. None of the Issuer, Cromwell Property Group, the Lead Managers, Citicorp International Limited as trustee under the Trust Deed (the "**Trustee**") or Citigroup

Global Markets Deutschland AG as registrar of the Bonds (the "**Registrar**") or Citibank, N.A., London Branch as principal paying agent, principal transfer agent and principal conversion agent (the "**Principal Paying, Transfer and Conversion Agent**") and any other paying agent, conversion agent and transfer agent of the Bonds (together with the Registrar and the Principal Paying, Transfer and Conversion Agent, the "**Agents**") are responsible for investors' compliance with any such legal requirements. Neither the Issuer nor Cromwell Property Group has authorised the making or provision of any representation or information regarding the Issuer, Cromwell Property Group or the Bonds other than as contained in this Offering Circular or as approved for such purpose by the Issuer or Cromwell Property Group, as the case may be. Any such representation or information should not be relied upon as having been authorised by the Issuer, Cromwell Property Group, the Lead Managers, the Trustee or the Agents.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Bond shall in any circumstances create any implications that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or Cromwell Property Group since the date of this Offering Circular.

None of the Issuer, Cromwell Property Group or the Guarantors have authorised the making or provision of any representation or information regarding the Issuer, Cromwell Property Group, the Guarantors or the Bonds other than as expressly contained in this Offering Circular or, after the date of this Offering Circular, as expressly approved in writing by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer, Cromwell Property Group, the Guarantors, the Lead Managers, the Trustee or the Agents.

Cromwell Property Group prepare their financial statements in Australian dollars in accordance with Australian accounting standards ("**Australian Accounting Standards**") which ensures compliance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

All references to "**Australia**" are references to the Commonwealth of Australia and references to the "**Government**" are references to the government of Australia and references to "**United States**" or "**U.S.**" are to the United States of America. References herein to "**Australian dollars**", "**A\$**", "**\$**" or "**AUD**" are to the lawful currency of Australia and references to "**Euros**" or "**€**" are to the lawful currency of the member states of the European Union.

Certain figures (including percentages) have been rounded for convenience, and some figures and percentages are approximate and therefore both indicated and actual sums, as well as quotients, percentages and ratios, may differ. Unless otherwise indicated, all financial information has been presented in Australian dollars and is in accordance with Australian Accounting Standards. No representation is made that the Australian dollar amounts shown herein could have been or could be converted into any other currency at any particular rate or at all.

Any discrepancies in the tables herein between the amounts listed and the total thereof, or between the amounts listed and the financial statements included in this Offering Circular, are due to rounding.

### **No representations or recommendations**

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the offering of the Bonds and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or Cromwell Property Group, the Guarantors, the Lead Managers, the Trustee or the Agents (or any of their respective affiliates, officers, directors, employees, agents, advisers and representatives).

### **No offer**

The Offer is being made by the Issuer. This Offering Circular does not, under any circumstances, constitute an offer of, or an invitation by, or on behalf of, the Guarantors, the Lead Managers, the Trustee or the Agents to subscribe for, or purchase, any of the Bonds. This Offering Circular does not constitute an offer, invitation or solicitation and may not be used for the purpose of an offer, invitation or solicitation, to anyone in any jurisdiction or in any circumstances in which such an offer is not authorised or is unlawful.

None of the Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, directors, employees, agents, advisers and representatives has separately or independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Lead Managers, the Trustee or the Agents or their respective affiliates, officers, directors, employees, agents, advisers and representatives as to the accuracy or completeness of the information (including the financial information) contained in this Offering Circular or any other information (including the financial information) provided by the Issuer or Cromwell Property Group or in connection with the Bonds or their distribution. To the fullest extent permitted by law, none of the Lead Managers, the Trustee or the Agents accept any responsibility for the contents of or any omission from this Offering Circular or for any statement made or purported to be made by it or on its behalf with respect to the Issuer or the offering and issuance of the Bonds. Each of the Lead Managers, the Trustee or the Agents accordingly disclaim any and all liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by the Lead Managers, the Trustee or the Agents or their respective affiliates, officers, directors, employees, agents, advisers and representatives.

This Offering Circular is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, Cromwell Property Group, the Guarantors, the Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, directors, employees, agents, advisers and representatives that any recipient of this Offering Circular should purchase any of the Bonds. Each investor

contemplating purchasing the Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and Cromwell Property Group, and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment.

Advisers named in this Offering Circular have acted pursuant to the terms of their respective engagements, have not authorised or caused the issue of, and take no responsibility for, this Offering Circular and do not make, and should not be taken to have verified, any statement or information in this Offering Circular unless expressly stated otherwise.

### **Restrictions in certain jurisdictions**

The distribution of this Offering Circular and the offering and sale of the Bonds in certain jurisdictions may be restricted by law. The Issuer, Cromwell Property Group, the Guarantors and the Lead Managers require persons into whose possession this Offering Circular comes to inform themselves about and to observe any such restrictions.

Any purchase or acquisition of the Bonds is in all respects conditional on the satisfaction of certain conditions set out in the Subscription Agreement (as defined herein).

The distribution of this Offering Circular and the offering, sale and delivery of Bonds and the Stapled Securities that may be issued on conversion of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Bonds and on distribution of this Offering Circular and other offering material relating to the Bonds, see "Subscription and Sale".

The Bonds, the Guarantee and the Stapled Securities that may be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. For a further description of certain restrictions on offers, sales and deliveries of the Bonds and on distribution of this Offering Circular and other offering material relating to the Bonds, see "Subscription and Sale".

Prospective purchasers of the Bonds must comply with all laws that apply to them in any place in which they buy, offer or sell any Bonds or possess this Offering Circular. Each prospective investor must also obtain any consents or approvals that they need in order to purchase any Bonds. The Issuer, Cromwell Property Group, the Lead Managers, the Trustee and the Agents are not responsible for the compliance with relevant legal requirements by the prospective purchasers.

### **Listing of the Bonds on the SGX-ST**

The Issuer has received approval in-principle from the SGX-ST for the listing of and quotation for the Bonds, but not the Stapled Securities, on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the accuracy of any of the statements made or opinions expressed or reports contained in this Offering Circular. Admission of the Bonds to the Official List of the SGX-ST, quotation of the Bonds on the SGX-ST and the aforementioned approval of the SGX-ST is not to be taken as an indication of the merits of the Issuer, Cromwell Property Group, its subsidiaries, its associated companies, the Bonds or the Stapled Securities. The Bonds will be traded on the SGX-ST in a minimum board lot size of not less than S\$200,000 (or its equivalent in foreign currency) for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require.

### **Global Certificate**

The Bonds will be issued in registered form and represented by a registered global certificate (the "**Global Certificate**"), which will be deposited with, and registered in the name of, a common depository for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), on or about the Issue Date. The Global Certificate will be exchangeable for individual certificates (the "**Individual Certificates**") in registered form in the denomination of €100,000 each only in the limited circumstances set out therein. For further information please refer to page 179 of this Offering Circular.

### **Further information on Cromwell Property Group**

Cromwell Property Group are "disclosing entities" for the purposes of the Corporations Act and are subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules of the ASX (the "**ASX Listing Rules**"). Copies of documents regarding Cromwell Property Group lodged with ASIC or the ASX respectively may be obtained from, or inspected at, any ASIC office or the ASX respectively.

Copies of documents regarding Cromwell Property Group lodged with ASIC may be obtained from, or inspected at, any ASIC office.

In addition, a copy of the following documents may be obtained, as described below:

- the audited consolidated annual report of Cromwell Property Group for the financial year ended 30 June 2017;
- the reviewed half-year financial report of Cromwell Property Group for the half year ended 31 December 2017; and
- any other document used to notify ASX of information relating to Cromwell Property Group under the continuous disclosure provisions of the ASX Listing Rules and the Corporations Act after the lodgement with ASIC of the annual report for Cromwell Property Group for the financial year ended 30 June 2017 and before the date of this Offering Circular.

These documents may be obtained from Cromwell Property Group, free of charge, by contacting the Company Secretary at the head office of Cromwell Property Group at Level 19, 200 Mary Street, Brisbane QLD 4000 Australia or via phone on +61 7 3225 7777. These documents, and all other regular reporting and disclosure documents of Cromwell Property Group, are also available electronically on the website of the ASX, at [www.asx.com.au](http://www.asx.com.au) and Cromwell Property Group at [www.cromwellpropertygroup.com](http://www.cromwellpropertygroup.com).

The historical performance of the Trust is included in "Insight" magazine which is available at [www.cromwell.com.au](http://www.cromwell.com.au).

Any information or documents available through websites are not incorporated by reference into this Offering Circular unless specifically stated herein.

### **Listing of Stapled Securities**

The Stapled Securities of Cromwell Property Group are quoted on the ASX. Upon conversion of the Bonds, application will be made for quotation of the Stapled Securities issuable upon conversion of the Bonds on the ASX.

### **Risk factors**

Prospective purchasers of the Bonds should carefully consider the risks and uncertainties described or referred to in this Offering Circular. An investment in the Bonds should be considered speculative due to various factors, including the nature of Cromwell Property Group business. See "Cautionary Statement Regarding Forward-Looking Statements" (below) and the "Risk Factors" outlined in this Offering Circular.

### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This document may contain forward-looking statements concerning Cromwell Property Group's operations in future periods, the adequacy of Cromwell Property Group's financial resources and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "targeted", "plans", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved.

Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of Cromwell Property Group or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this document under the heading "Risk Factors". Cromwell Property Group's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and Cromwell Property Group does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or

opinions should change. No representation or warranty is made that any projection, forecast, assumption or estimate contained in this Offering Circular should or will be achieved. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

The historical financial performance of Cromwell Property Group is no assurance or indicator of the future financial performance of Cromwell Property Group. The Issuer, the Company and the Responsible Entity do not guarantee any particular rate of return or the performance of Cromwell Property Group or the repayment of capital from Cromwell Property Group or any particular tax treatment.

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## INCORPORATION BY REFERENCE

The following documents filed with ASIC and the ASX, respectively, are deemed to be incorporated by reference into, and to form part of, this Offering Circular:

- (a) the audited annual consolidated financial statements of Cromwell Property Group as at and for the financial years ended 30 June 2016 and 30 June 2017, including the directors' remuneration report and the auditors' report in respect of such financial statements; and
- (b) the reviewed half year consolidated financial statements of Cromwell Property Group for the half years ended 31 December 2016 and 31 December 2017, including the auditors' review report in respect of such financial statements.

Each document incorporated herein by reference is current only as at the date of such document, and the reference of such documents shall not create any implication that there has been no change in the affairs of the Issuer and Cromwell Property Group, as the case may be, since the date thereof or that the information contained therein is current as at any time subsequent to its date. Any statement contained therein shall be deemed to be modified or superseded for the purposes of this Offering Circular to the extent that a subsequent statement contained in another incorporated document herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes.

The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Copies of the documents incorporated by reference herein may be obtained on request without charge from the Company Secretary at Level 19, 200 Mary Street, Brisbane QLD 4000 Australia or via phone on +61 7 3225 7777. These documents are also available electronically through the internet from the ASX or Cromwell Property Group as set out in the "Important Information" section of this Offering Circular.

Prospective investors are advised to obtain and read the documents incorporated by reference herein before making their investment decision in relation to the Bonds.

## KEY OFFER FEATURES

*The following is a summary of the principal features of the Bonds and the Offer. Terms defined under the Conditions or elsewhere in this Offering Circular shall have the same respective meanings in this summary.*

*The following summary is qualified in its entirety by the more detailed information appearing in the "Terms and Conditions of the Bonds" section in this Offering Circular. If there is any inconsistency between this summary and more detailed information in the "Terms and Conditions of the Bonds" section of this Offering Circular, then the "Terms and Conditions of the Bonds" shall prevail.*

### **Overview of Cromwell Property Group**

Cromwell Property Group is an internally managed Australian Real Estate Investment Trust ("A-REIT") comprising the Company and the Trust, and is one of Australia's leading property investment and funds management groups. Cromwell Property Group is part of the S&P/ASX 200, with over A\$11.2 billion in assets and funds under management. Cromwell Property Group has a direct Australian portfolio of 24 properties (which are predominately office properties) and manages more than 330 properties across Australia, New Zealand and Europe.

For the year ended 30 June 2017, Cromwell Property Group had total revenue and other income of A\$478.0 million and profit of A\$277.5 million. Profit from operations was A\$152.2 million, approximately 82 per cent. of which was derived from its property portfolio, with the balance from its funds management activities.

Profit from operations is considered by the Directors to reflect the underlying earnings of Cromwell Property Group. Profit from operations is a key metric taken into account by the Directors in determining the distributions and dividends paid by Cromwell Property Group, but is not calculated in accordance with International Financial Reporting Standards and has not been audited or reviewed by Cromwell Property Group's auditor.

Cromwell Property Group's direct property portfolio is underpinned by a very strong tenant profile with (as at 31 December 2017) 39.6 per cent. of rental income contributed by Government tenants and 34.5 per cent. of rental income contributed by listed companies or their subsidiaries. The portfolio had (as at 31 December 2017) a Weighted Average Lease Expiry ("WALE") of 7.2 years and vacancy by gross income of 12.1 per cent.. If the active asset portion of the portfolio was excluded, its vacancy by gross income would be 2.6 per cent., which compares favourably with the national CBD office average of 10.4 per cent (as at 31 December 2017).<sup>1</sup>

Two of the Company's wholly-owned subsidiaries, the Responsible Entity and Cromwell Funds Management Limited, are licensed to manage direct property, mortgage and equities

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<sup>1</sup> Source: Jones Lang LaSalle as at December 2017.

funds. Since the involvement of current management in 1998, Cromwell Property Group has managed unlisted direct property funds and raised over A\$1.1 billion and acquired property assets valued in excess of A\$2.02 billion.

Additionally, Cromwell Property Group has a 45 per cent. ownership stake in Phoenix Portfolios Pty Ltd ACN 117 850 254 ("**Phoenix Portfolios**"), an investment manager specialising in managing property securities for wholesale investors and which manages over A\$340 million in listed property securities.

### ***Recent corporate activity***

#### *Investment portfolio*

Cromwell Property Group continually seeks to realign its portfolio to maximise value and recently undertook a number of major acquisitions as well as the sale of some non-core properties. Cromwell undertakes robust due diligence investigations prior to making any offer to the vendor to acquire a property.

In December 2013, Cromwell Property Group launched its first unlisted wholesale fund, the Cromwell Partners Trust. The unitholders of the Cromwell Partners Trust are Cromwell Property Group and Redefine Properties Limited ("**Redefine**"), each of which holds a 50% ownership interest. In December 2013, the Cromwell Partners Trust acquired a North Sydney office building, Northpoint Tower, for approximately A\$278 million. Northpoint Tower is one of North Sydney's most recognisable office towers, holding a prime corner position. The Northpoint Tower asset has undergone a major redevelopment of its retail space and development of a 187-room hotel on site. Construction is on budget and on time, and is due to complete in March 2018. With 25 lease transactions completed as at 31 December 2017, full leasing of retail and "Eat Street" tenancies is on track. No other properties have been acquired by Cromwell Partners Trust as of the date of this Offering Circular.

In the period between July 2015 and 2017 year-end, Cromwell Property Group has sold seven properties for combined proceeds of approximately A\$361 million (which, in aggregate, amounts to approximately A\$100 million more than original purchase prices of the seven properties) and repaid approximately A\$111 million of associated borrowings. This includes the sale of Health House and Forestry House, which settled in November 2017 for approximately A\$66 million, generating an internal rate of return ("**IRR**") of 20 per cent.

In December 2017, Cromwell Property Group acquired Adelaide's Wakefield Private Hospital and Clinic for \$50 million. The site will suit a wide variety of uses and purposes as a redevelopment opportunity due to its versatile Capital City zoning, premier location and multiple street frontages.

#### *Funds management*

Cromwell Property Group has continued to raise capital through its funds management operations and has raised 9 retail funds since 2008. In addition, in 2011 Cromwell Property Group established Cromwell Real Estate Partners Pty Ltd ("**CREP**") to enable institutional investors to co-invest with Cromwell Property Group into property in Australia. CREP is the trustee of Cromwell Partners Trust, which (as described above) acquired the Northpoint Tower asset at a price of approximately A\$278 million. As described above, fifty per cent. of the units in the Cromwell Partners Trust are held by Redefine, with the remainder held by Cromwell Property Group.

Cromwell Property Group has made several recent acquisitions in order to supplement the organic growth of its funds management business and to supplement existing offerings to the market.

In 2009, Cromwell Property Group acquired a 50 per cent interest in Phoenix Portfolios, a property securities investment manager. Cromwell Property Group currently holds a 45 per cent. interest in Phoenix Portfolios. Phoenix Portfolios is the investment manager of the Cromwell Phoenix Property Securities Fund and the Cromwell Phoenix Core Listed Property Fund, each of which invests in listed property securities. The Cromwell Phoenix Property Securities Fund is a "benchmark unaware" fund that closed to new investment in February 2015, but reopened in October 2017 for a limited A\$30 million capital raise. Investors can also invest indirectly in the Cromwell Phoenix Property Securities Fund through an investment in the Cromwell Australian Property Fund. The Cromwell Phoenix Core Listed Property Fund was established in March 2015, soon after the Cromwell Phoenix Property Securities Fund was closed for new investment. The Cromwell Phoenix Core Listed Property Fund is an active "benchmark aware fund" investing primarily in large cap securities within the S&P ASX 200 A-REIT index.

Phoenix Portfolios also manage Cromwell Property Group's only non-property fund, the Cromwell Phoenix Opportunities Fund, a microcap fund established in 2011, that opened to retail investors in April 2015 and that closed to investment in January 2018 due to reaching maximum target capacity.

In 2014, Cromwell Property Group acquired a 50 per cent. stake in the New Zealand fund manager Oyster Property Group Limited ("**Oyster Property Group**"). Oyster Property Group has total assets under management of NZ\$1.2 billion as at 31 December 2017 through a combination of retail funds management, via property syndicates and an institutional property management business. Oyster Property Group's total assets under management is expected to increase by NZ\$209 million following Overseas Investment Office approval for the purchase of an additional asset with an international private equity joint venture partner.

Cromwell Property Group will look to grow the Oyster Property Group business through selected loans to assist the business to warehouse assets before raising capital, and through advice on how to improve distribution. There is also potential for Oyster Property Group to distribute Cromwell Property Group products into New Zealand.

In March 2015, Cromwell Property Group acquired Valad Europe, a pan-European wholesale property fund manager. Valad Europe, which has now been rebranded as Cromwell Europe, has approximately €4.0 billion (approximately A\$6.2 billion) assets under management as at December 2017.

On 30 November 2017, the Cromwell European REIT ("**CEREIT**") successfully debuted on the SGX-ST. The listing marked a significant broadening of the focus and nature of the European funds management business and a major step forward in securing a stable revenue base for the business. CEREIT acquired four of Cromwell Europe's funds, including the Cromwell European Cities Income Fund, which launched in December 2016. Cromwell Property Group has retained an initial 35 per cent. stake in CEREIT (approximately €303 million), which will provide additional stable secure revenue.

Cromwell Property Group intends to continue to broaden the focus of its European business from private equity funds and mandates to include longer term and more secure revenue sources.

#### *General corporate*

In December 2017, Cromwell Property Group announced a A\$170 million strategic placement to SingHaiyi Group Ltd. and Haiyi Holdings Pte. Ltd. (the "**Strategic Placement**") which are entities associated with the cornerstone investors in CEREIT, Mr Gordon Tang and Mrs Celine Tang. Approximately 175 million new Cromwell Property Group Stapled Securities were issued under the strategic placement at a 4.9 per cent discount to Cromwell Property Group's 30 day volume weighted average price ("**VWAP**").

In January 2018, Cromwell Property Group announced a security purchase plan ("**SPP**") of up to A\$30 million, to allow retail securityholders the opportunity to participate in Cromwell Property Group's growth at similar terms to the Strategic Placement. The SPP was closed on 8 February 2018, with applications totalling approximately A\$35 million. Cromwell Property Group elected to accept the oversubscriptions in full, and as such issued approximately 37 million new Stapled Securities on 15 February 2018.

On 23 February 2018, Cromwell Property Group released a Notice of Meeting and Explanatory Memorandum for an Extraordinary General Meeting, to be held on 28 March 2018. At the Extraordinary General Meeting the holders of Stapled Securities will consider whether to refresh Cromwell Property Group's 15 per cent placement capacity under ASX Listing Rule 7.1, which was partly depleted by the Strategic Placement.

#### *Future acquisitions*

Cromwell Property Group actively looks for asset opportunities for both its investment portfolio and its funds management business. Each opportunity is closely reviewed against a set of investment criteria developed specifically for the direct portfolio or for the funds management product being constructed/managed.

Any acquisition or other transaction opportunity, is conditional on a number of items, including due diligence, negotiation of transaction documents and Cromwell Property Group Board approval.

### Summary of offer of Bonds

<b>Issuer</b>	Cromwell SPV Finance Pty Ltd (ACN 603 578 310).
<b>Guarantors</b>	<p>Cromwell Corporation Limited ("CCL") (ACN 001 056 980) and Cromwell Property Securities Limited (ACN 079 147 809) ("<b>Responsible Entity</b>" or "<b>RE</b>") in its capacity as responsible entity of Cromwell Diversified Property Trust (ARSN 102 982 598) (the "<b>Trust</b>" or "<b>CDPT</b>").</p> <p>The payment of the principal and interest in respect of the Bonds and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by each Guarantor in the Trust Deed.</p>
<b>The Bonds</b>	€230 million 2.5 per cent. Guaranteed Convertible Bonds due 2025.
<b>The Offer</b>	The Bonds are being offered and sold by the Lead Managers outside of the United States in accordance with Regulation S under the Securities Act. To the extent the Bonds are being offered and sold in Australia, the Bonds will only be offered and sold to select investors who are sophisticated or professional investors within the meaning of subsections 708(8) and 708(11) of the Corporations Act and who are not "retail clients" within the meaning of section 761G of the Corporations Act.
<b>Issue price</b>	100 per cent.
<b>Denomination</b>	€100,000 each and integral multiples thereof.
<b>Closing Date</b>	29 March 2018.
<b>Interest rate</b>	2.5 per cent., paid semi-annually in equal instalments in arrears on 29 March and 29 September in each year with the first interest period ending on 29 September.
<b>Status of the Bonds</b>	The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 2(a) ( <i>Negative Pledge and Subsidiary Guarantee – Negative Pledge</i> )) unsecured obligations of the Issuer ranking <i>pari passu</i> and ratably, without any preference among themselves. The payment obligations of the Issuer under the Bonds rank equally with all its other existing and future unsecured and unsubordinated obligations save for, in the event of a winding up, such obligations that may be preferred by provisions of law that are mandatory and of general

**Status of the Guarantee**

application.

The obligations of each Guarantor under the Guarantee constitute direct, unconditional and (subject to the provisions of Condition 2 (*Negative Pledge and Subsidiary Guarantee*)) unsecured obligations of that Guarantor and (subject as stated above) rank and will rank pari passu and rateably with all its other existing and future unsecured and unsubordinated obligations, save for, in the event of a winding up, such obligations that may be preferred by provisions of law that are mandatory and of general application.

**Conversion Right**

Unless previously redeemed or purchased and cancelled, and subject to the Issuer's right to or the Issuer being obliged to make a Cash Alternative Election, each Bond shall entitle the Bondholder to convert such Bond held by them into Stapled Securities at the then applicable Conversion Price. Subject to and as provided in the Conditions, the Conversion Right in respect of a Bond may be exercised, at the option of the holder thereof, subject to any applicable fiscal or other laws or regulations and as otherwise provided for in the Conditions, at any time on or after 7 May 2018 (the "**Conversion Period Commencement Date**"), provided that the relevant Conversion Date shall not fall later than on the date falling seven business days (in the place where the relevant Bond is delivered for Conversion) prior to the Final Maturity Date or, if such Bond is to be redeemed pursuant to Condition 7(b) (*Redemption and Purchase – Redemption at the Option of the Issuer*) or Condition 7(c) (*Redemption and Purchase – Redemption for Taxation Reasons*) prior to the Final Maturity Date (both days inclusive), not later than the seventh business day (in the place aforesaid) before the date fixed for redemption thereof pursuant to Condition 7(b) (*Redemption and Purchase – Redemption at the Option of the Issuer*) or Condition 7(c) (*Redemption and Purchase – Redemption for Taxation Reasons*), unless there shall be default in making payment in respect of such Bond on such date fixed for redemption, in which event the Conversion Right may be exercised up to and including the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given in accordance with Condition 17 (*Notices*) or, if earlier, the date falling seven business days (in the place aforesaid) prior to the Final Maturity Date; provided that, in each case, if such final date for the exercise of Conversion Rights is not a business day at the place aforesaid, then the period for exercise of Conversion Rights by Bondholders shall end on the immediately preceding business day at the

place aforesaid.

See Condition 6(a) (*Conversion of Bonds - Conversion Right and Conversion Price*) of the Conditions.

**Conversion Price**

The initial Conversion Price is A\$1.1771 per Stapled Security. The Conversion Price will be subject to adjustment in certain circumstances described in Condition 6(b) (*Conversion of Bonds – Adjustment of Conversion Price*), including upon the making of a Capital Distribution or Extraordinary Distribution by the Stapled Entities and upon the occurrence of a Change of Control.

**Optional Cash Settlement**

The Conversion Right of a converting Bondholder may be settled in cash or a combination of both Stapled Securities and cash, at the option of the Issuer. The Issuer may make an election to satisfy the exercise of a Conversion Right by making a Cash Alternative Election.

A Cash Alternative Election shall specify the Reference Securities, the number of Stapled Securities (if any) that are to be delivered in respect of the relevant exercise of Conversion Rights and the number of Stapled Securities in respect of which the Cash Alternative Amount is to be paid to the relevant Bondholder.

The Cash Alternative Amount shall be calculated in accordance with the Conditions with reference to (i) the number of Stapled Securities subject to the Cash Alternative Election and (ii) the arithmetic average of the daily Volume Weighted Average Price of the Stapled Securities converted into Euros at the then Prevailing Rate for 20 consecutive days commencing on the third dealing day following the relevant Cash Election Date.

See Condition 6(n) (*Conversion of Bonds - Cash Alternative Election*) of the Conditions.

**Mandatory Cash Settlement**

Unless and until the approval of securityholders is obtained in a general meeting of the Stapled Entities in respect of the issuance of Further Stapled Securities (for the purposes of ASX Listing Rule 7.1 and any other required purpose) and notwithstanding the Conversion Right of each Bondholder in respect of each Bond, if at any time the Stapled Entities shall not, for any reason, be able to satisfy the Conversion Right of any converting Bondholder by the valid issue of Stapled Securities satisfying the requirements of the Conditions, the

Stapled Entities shall not issue, and the Issuer will not be required to procure the issue of, such Stapled Securities and the Issuer must exercise its rights under Condition 6 (*Conversion of Bonds*) to make a Cash Alternative Election in relation to such Further Stapled Securities or those Stapled Securities that otherwise cannot be validly issued so as to satisfy the requirements of the Conditions.

**"Further Stapled Securities"** means the number of Stapled Securities to be issued pursuant to the exercise of Conversion Rights in excess of the number of Stapled Securities which the Stapled Entities are able to issue without securityholder approval for the purposes of ASX Listing Rule 7.1 (or without an exception under ASX Listing Rule 7.2 applying) on the Closing Date, being 94,103,065 Stapled Securities.

See Condition 6(o) (*Conversion of Bonds - Mandatory Cash Settlement*) of the Conditions.

**Final Maturity Date**

29 March 2025.

**Redemption at the option of the Issuer – Issuer call**

Subject to the Offer Period restriction on Issuer redemption summarised below, on giving not less than 30 nor more than 60 days' notice to the Trustee in writing and to the Bondholders (which notice shall be irrevocable), the Issuer may redeem all but not some only of the Bonds on the date specified in the notice at their principal amount, together with accrued but unpaid interest to but excluding such date, at any time on or after 22 August 2022, provided that the closing price of the Stapled Securities (as published by or derived from the Relevant Stock Exchange, for any 20 dealing days (translated into Euros at the Prevailing Rate on each such dealing day) in any period out of 30 consecutive dealing days, the last of which falls not earlier than 14 days prior to the date upon which notice of such redemption is published was at least 130 per cent. of the Conversion Price (as adjusted) in effect on each such dealing day (translated into Euros at the Fixed Rate of Exchange on such dealing day).

See Condition 7(b) (*Redemption and Purchase – Redemption at the Option of the Issuer*) of the Conditions.

**Redemption at the option of the Issuer – clean up call**

Subject to the Offer Period restriction on Issuer redemption summarised below, on giving not less than 30 nor more than 60 days' notice to the Trustee in writing and to the Bondholders, the Issuer may redeem all but not some only of the Bonds on the date specified in the notice at their principal

amount, together with accrued but unpaid interest to but excluding such date, at any time if prior to the date the notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90 per cent. or more in principal amount of the Bonds originally issued (which shall for this purpose include any Further Bonds).

**Redemption at the option of the Issuer – tax call**

See Condition 7(b) (*Redemption and Purchase – Redemption at the Option of the Issuer*) of the Conditions.

Subject to the Offer Period restriction on Issuer redemption summarised below, at any time the Issuer may, having given not less than 30 nor more than 60 days' notice to the Bondholders redeem all but not some only, of the Bonds on the date specified in the notice at their principal amount, together with accrued but unpaid interest to such date, if (i) the Issuer or, if the Guarantee was called, the relevant Guarantor, has or will become obliged to pay additional amounts in respect of payments on the Bonds pursuant to Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 21 March 2018; and (ii) such obligation cannot be avoided by the Issuer or, as the case may be, the relevant Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the relevant Guarantor would be obliged to pay such additional amounts were a payment in respect of the Bonds then due.

If the Issuer gives a Tax Redemption Notice (as defined in the Conditions), each Bondholder will have the right to elect that their Bond(s) shall not be redeemed and that the provisions of Condition 9 (*Taxation*) shall not apply in respect of any payment of interest to be made on such Bond(s) which falls due after the relevant tax redemption date whereupon no additional amounts shall be payable in respect thereof, pursuant to Condition 9 (*Taxation*), and payment of all amounts of interest on such Bonds shall be made subject to the deduction or withholding of the taxation required to be withheld or deducted by the Commonwealth of Australia or any political subdivision or any authority

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thereof or therein having power to tax.

**Offer period restriction on Issuer redemption**

See Condition 7(c) (*Redemption and Purchase - Redemption for Taxation Reasons*) of the Conditions.

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

**Redemption at the option of the Bondholders – Bondholders Put Option**

See Condition 7(d) (*Redemption and Purchase - Optional Redemption Notices and Tax Redemption Notices*) of the Conditions.

The holder of each Bond will have the right to require the Issuer to redeem that Bond on 1 August 2022 (the "**Optional Put Date**") at 100.00 per cent. of its principal amount, together with accrued but unpaid interest to such date. To exercise such right, the holder of the relevant Bond must deliver such Bond to the specified office of the Principal Paying Agent or any other Paying Agent, together with a duly completed and signed notice of exercise in the form for the time being currently obtainable from the specified office of the Principal Paying Agent or any other Paying Agent (the "**Optional Put Exercise Notice**"), not earlier than 30 days nor less than 15 days prior to the Optional Put Date.

**Redemption at the option of Bondholders – Change of Control**

See Condition 7(e)(i) (*Redemption and Purchase - Redemption at the option of Bondholders – Bondholder Put Option*) of the Conditions.

Following the occurrence of a Change of Control (as defined in the Conditions), each Bondholder will have the right to require the Issuer to redeem that Bond on the Change of Control Put Date (as defined in the Conditions) at its principal amount, together with accrued but unpaid interest to such Change of Control Put Date.

**Redemption at the option**

See Condition 7(e)(ii) (*Redemption and Purchase - Redemption at the option of Bondholders – Change of Control*) of the Conditions.

In the event that the Stapled Securities cease to be quoted,

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**of the Bondholders –  
delisting or suspension of  
Stapled Securities**

listed, admitted to trading or are suspended from trading (as applicable) on the ASX for a period of at least 30 consecutive dealing days, the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Delisting Put Date (as defined in the Conditions) at its principal amount, together with accrued but unpaid interest to such date.

See Condition 7(e)(iii) (*Redemption and Purchase - Redemption at the option of Bondholders – Delisting/Suspension of Trading*) of the Conditions.

**Withholding taxes**

All payments made by or on behalf of the Issuer or a Guarantor in respect of the Bonds will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is required to be made, the Issuer or, as the case may be, the relevant Guarantor will (except in certain circumstances as set out in Condition 9 (*Taxation*)) make any such withholding or deduction required (including any deduction or withholding required from any additional amount payable under Condition 9 (*Taxation*)), remit the amount deducted or withheld to the relevant authorities and will pay such additional amounts as will result in the receipt by the Bondholders of the amounts which would otherwise have been receivable had no such withholding or deduction been required.

See Condition 9 (*Taxation*) of the Conditions.

**Negative Pledge**

So long as any of the Bonds remain outstanding, neither the Issuer nor any Guarantor will create or permit to subsist, and each will ensure that none of their respective Subsidiaries will create or permit to subsist, any security interest upon the whole or any part of its present or future business, undertaking, property, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined in the Conditions) or to secure any guarantee of, or indemnity in respect of any Relevant Indebtedness, unless in any such case, before or at the same time as the creation of the Security Interest (as defined in the Conditions), any and

all action necessary shall have been taken to the satisfaction of the Trustee to ensure that:

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

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

See Condition 2(a) (*Negative Pledge and Subsidiary Guarantee – Negative Pledge*) of the Conditions.

**Subsidiary Guarantee**

So long as any of the Bonds remain outstanding, the Issuer and the Guarantors will ensure that none of their respective Subsidiaries will create, issue or provide any guarantee (a "**Subsidiary Guarantee**") for or in respect of any Relevant Indebtedness unless in any such case, before or at the same time as the creation of the Subsidiary Guarantee, any and all action necessary shall have been taken to the satisfaction of the Trustee to ensure that:

(i) all amounts payable by it under the Bonds, the Trust Deed and the Guarantee are provided the benefit of the relevant Subsidiary Guarantee equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or

(ii) such other Subsidiary Guarantee or other arrangement (whether or not including the giving of a Subsidiary Guarantee) is provided in respect of all amounts payable by it under the Bonds, the Trust Deed and the Guarantee either (a) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (b) as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

See Condition 2(b) (*Negative Pledge and Subsidiary Guarantee – Subsidiary Guarantee*) of the Conditions.

**Trustee**

Citicorp International Limited.

**Principal Paying,**

Citibank, N.A., London Branch.

## **Transfer and Conversion**

### **Agent**

### **Registrar**

Citigroup Global Markets Deutschland AG.

### **Form of the bonds and delivery**

The Bonds will be in registered form and will be represented by a Global Certificate registered in the name of a nominee of, and deposited with, a common depository for Euroclear and Clearstream, Luxembourg on or about the Closing Date.

### **Selling restrictions**

See "Subscription and Sale" for further details.

### **Listing**

Approval in-principle has been received from the SGX-ST for the listing of and quotation for the Bonds on the Official List of the SGX-ST.

The Stapled Securities to be issued on conversion of the Bonds will be issued in uncertificated form through the Clearing House Electronic Sub-register System operated by ASX Settlement Pty Ltd and shall be listed on the Australian Securities Exchange. The Bonds will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in foreign currency) for so long as any of the Bonds remains listed on the SGX-ST and the rules of the SGX-ST so require.

### **Lock up**

90 days, applying to the Issuer and the Stapled Entities and any person acting on their behalf in respect of the issue or certain other dealings in interests in any Stapled Securities or securities of the same class as the Bonds or the Stapled Securities or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds or the Stapled Securities or any swap that transfers any economic consequences of the Stapled Securities, or any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing or announce or otherwise make public an intention to do any of the foregoing, in each case without the prior written consent of the Lead Managers (except for (a) the issue of Bonds and any new Stapled Securities issued on conversion of the Bonds and any Stapled Securities issued pursuant to the terms of the Existing Bonds or (b) the issuance of Stapled Securities or any other securities under a publicly disclosed distribution reinvestment plan, employee option plan or employee security plan).

See "Subscription and Sale" for further details.

### **Restrictions on transfer**

Bonds may only be transferred if the offer or invitation giving rise to the transfer (i) does not constitute an offer or invitation for which disclosure is required to be made to

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investors under Part 6D.2 and Chapter 7 of the Corporations Act (as defined in the Conditions); (ii) is not made to a person who is a “retail client” within the meaning of Section 761G of the Corporations Act (as defined in the Conditions); and (iii) complies with any applicable law or directive of the jurisdiction where transfer takes place.

See Condition 4(e) (*Registration and Transfer of Bonds – Restrictions on transfer*) of the Conditions.

**ISIN**

XS1797409072.

**Common Code**

179740907.

**Governing law**

The Bonds and the Transaction Documents (as defined in the Conditions) will be governed by English law.

**Use of proceeds**

The net proceeds of the issue of the Bonds are expected to amount to €230 million, subject to adjustment for certain expenses in connection with the Offer.

The net proceeds will be used for the purposes as set out in "Use of Proceeds".

## SUMMARY FINANCIAL INFORMATION OF CROMWELL PROPERTY GROUP

The financial information below has been derived from, and should be read in conjunction with, the:

- (a) audited annual consolidated financial statements of Cromwell Property Group for the years ending 30 June 2016 and 30 June 2017 respectively; and
- (b) the reviewed half year consolidated financial statements for the half years ended 31 December 2016 and 31 December 2017 respectively,

which are incorporated by reference into and deemed to be included in this Offering Circular. Copies of the financial statements and related auditor reports may be obtained on request without charge from the Company Secretary at Level 19, 200 Mary Street, Brisbane QLD 4000 Australia. The financial statements are also available electronically through the internet from the ASX or Cromwell Property Group as set out in the "Important Information" section of this Offering Circular.

### Statement of comprehensive income

	Half-Year 2018 Dec 2017 AS'M	Financial Year 2017 June 2017 AS'M	Half-Year 2017 Dec 2016 AS'M	Financial Year 2016 June 2016 AS'M
<b>Revenue and other income</b>				
Rental income and recoverable outgoings	93.5	199.8	100.1	215.4
Funds management fees	52.9	97.3	50.1	96.9
Interest	3.4	1.5	0.8	4.7
Distributions	4.2	14.2	7.0	8.2
Gain on sale of listed securities	-	-	-	19.4
Other revenue	0.4	0.2	0.1	0.4
Gain on sale of other assets	15.7	-	-	-
Share of profits of equity accounted entities	61.5	7.8	2.5	-
Fair value net gain from:				
• Interest rate derivatives	-	17.1	8.9	10.6
• Investment properties	38.9	125.0	48.5	263.2
• Investments at fair value through profit or loss	-	14.2	26.8	6.0
Increase in recoverable amounts	-	0.9	-	-
Net foreign currency gain	-	-	0.1	-
<b>Total revenue and other income</b>	<b>270.5</b>	<b>478.0</b>	<b>244.9</b>	<b>624.8</b>
<b>Expenses<sup>2</sup></b>				

<sup>2</sup> The maximum amount of fees, charges and expenses borne (directly or indirectly) by unitholders of the Trust will depend on a number of factors including, but not limited to, the Trust's portfolio turnover and level of borrowings.

Property expenses and outgoings	16.4	36.2	17.3	36.4
Funds management costs	1.6	4.5	1.5	2.3
Property development costs	0.5	0.2	0.2	0.1
Finance costs	27.9	57.3	23.9	65.9
Employee benefits expense	31.2	64.8	29.6	59.2
Administration and overhead costs	14.6	27.7	12.5	25.9
Amortisation and depreciation	2.5	6.8	3.4	9.2
Net share of losses of equity accounted entities	-	-	-	2.1
Loss on disposal of investment properties	4.2	0.9	-	-
Fair value net loss from:				
• Interest rate derivatives	6.3	-	-	-
• Investments at fair value through profit or loss	3.3	-	-	-
Other transaction costs	2.0	-	-	1.8
Decrease in recoverable amounts	74.7	0.2	-	86.6
Net foreign currency losses	0.4	0.7	-	2.2
<b>Total expenses</b>	<b>185.6</b>	<b>199.3</b>	<b>88.4</b>	<b>291.7</b>
<b>Profit before income tax</b>	<b>84.9</b>	<b>278.7</b>	<b>156.5</b>	<b>333.1</b>
Income tax expense/(benefit)	5.6	1.5	3.3	3.5
<b>Profit</b>	<b>79.3</b>	<b>277.2</b>	<b>153.2</b>	<b>329.6</b>
<b>Other comprehensive income, net of tax</b>	<b>1.5</b>	<b>0.3</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>80.8</b>	<b>277.5</b>	<b>153.2</b>	<b>329.6</b>
Profit and Total comprehensive income attributable to				
Company shareholders	(72.7)	16.5	15.9	(77.1)
Trust unitholders	153.5	261.0	137.3	406.7
<b>Profit and total comprehensive income</b>	<b>80.8</b>	<b>277.5</b>	<b>153.2</b>	<b>329.6</b>

## Statements of financial position

	Half Year 2018 Dec 2017 A\$'M	Financial Year 2017 June 2017 A\$'M	Half Year 2017 Dec 2016 A\$'M	Financial Year 2016 June 2016 A\$'M
<b>Current assets</b>				
Cash and cash equivalents	123.7	66.9	60.2	41.6
Trade and other receivables	49.4	35.0	41.8	32.8
Other financial assets	-	20.0	20.0	54.0
Current tax assets	1.0	1.2	0.2	1.7
Other current assets	6.1	4.5	5.9	4.0
Investment property classified as held for sale	89.2	69.5	-	-
Assets of disposal group held for sale	-	354.0	-	-
<b>Total current assets</b>	<b>269.4</b>	<b>551.1</b>	<b>128.1</b>	<b>134.1</b>
<b>Non-current assets</b>				
Trade and other receivables	2.5	2.4	3.6	1.1
Inventories	3.0	3.0	3.0	3.0
Investment properties	2,386.4	2,357.8	2,382.5	2,274.0
Investments at fair value through profit or loss	34.0	315.8	341.7	296.2
Equity accounted investments	617.7	101.5	96.5	86.7
Property, plant and equipment	3.8	3.5	4.0	3.1
Derivative financial instruments	3.3	0.1	0.5	0.5
Intangible assets	3.4	72.3	73.7	78.3
Deferred tax assets	1.8	3.4	0.9	1.3
<b>Total non-current assets</b>	<b>3,055.9</b>	<b>2,859.8</b>	<b>2,906.4</b>	<b>2,744.2</b>
<b>Total assets</b>	<b>3,325.3</b>	<b>3,410.9</b>	<b>3,034.5</b>	<b>2,878.3</b>
<b>Current liabilities</b>				
Trade and other payables	44.6	46.4	38.8	52.1
Dividends/distributions payable	37.5	36.7	36.6	36.9
Borrowings	381.6	188.2	2.2	129.8
Derivative financial instruments	8.8	3.2	13.9	20.3
Provisions	4.4	4.0	3.7	3.3
Current tax liability	3.1	1.7	3.4	2.2
Other current liabilities	7.1	8.1	11.2	10.0
Liabilities of disposal group held for sale	-	207.2	-	-
<b>Total current liabilities</b>	<b>487.1</b>	<b>495.5</b>	<b>109.8</b>	<b>254.6</b>
<b>Non-current liabilities</b>				
Borrowings	1,023.1	1,274.2	1,341.1	1,118.2
Derivative financial instruments	-	-	0.5	3.0
Provisions	0.4	0.4	0.4	0.4
Deferred tax liabilities	1.4	0.9	1.4	1.9
<b>Total non-current liabilities</b>	<b>1,024.9</b>	<b>1,275.5</b>	<b>1,343.4</b>	<b>1,123.5</b>
<b>Total liabilities</b>	<b>1,512.0</b>	<b>1,771.0</b>	<b>1,453.2</b>	<b>1,378.1</b>
<b>Net assets</b>	<b>1,813.3</b>	<b>1,639.9</b>	<b>1,581.3</b>	<b>1,500.2</b>
<b>Equity</b>				
Contributed equity	116.7	106.9	106.8	106.5
Reserves	22.9	18.2	15.4	17.9
Retained earnings/(accumulated losses)	(185.6)	(112.9)	(113.5)	(129.4)

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<b>Equity attributable to shareholders/unitholders</b>	(46.0)	12.2	8.7	(5.0)
<b>Non-controlling interests</b>				
Trust unitholders	1,859.3	1,627.7	1,572.6	1,505.2
<b>Total equity</b>	<b>1,813.3</b>	<b>1,639.9</b>	<b>1,581.3</b>	<b>1,500.2</b>

## RISK FACTORS

*There are numerous risks associated with investing in any form of business and with investing in bonds and the security market generally. There are also a range of risks associated with Cromwell Property Group's business and its involvement in the property sector. Many of these risk factors are contingencies which may or may not occur and are largely beyond the control of the Issuer, Cromwell Property Group, or directors of the Issuer, the Company or the Responsible Entity. In addition, the risks set out in this Offering Circular may not be exhaustive or complete and additional risks and uncertainties not presently known may arise or may become material in the future.*

*Prospective purchasers of the Bonds should consider carefully the risks described below before making a decision to invest in the Bonds. The risks described below do not necessarily comprise all those faced by Cromwell Property Group and are not intended to be presented in any assumed order of priority. The market price of the Bonds could decline due to any of these risks and investors may lose part or all of their investment.*

### **Risks relating to the Bonds**

The following summary, which is not exhaustive, outlines some of the major risk factors in respect of an investment in the Bonds.

#### ***The Bonds may not be a suitable investment for all investors***

Each potential investor in the Bonds must determine the suitability of the Bonds in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds the merits and risks of investing in the Bonds and the information contained in this document;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- understand thoroughly the terms of the Bonds; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Bonds unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent: (i) the Bonds are legal investments for it; (ii) the Bonds can be used as collateral for various types of borrowings; and (iii) other restrictions apply to its purchase of any Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

***There is a lack of public market for the Bonds***

Approval in-principle has been received for the listing of and quotation for the Bonds on the SGX-ST. However, there is currently no formal trading market for the Bonds and there can be no assurance that an active trading market will develop for the Bonds after the Offer, or that, if developed, such a market will sustain a price level at the issue price.

***Market price of the Bonds***

The market price of the Bonds will be based on a number of factors, including:

- (a) the international financial markets and world economic conditions;
- (b) the prevailing interest rates being paid by companies similar to the Issuer;
- (c) the overall condition of the financial and credit markets;
- (d) prevailing interest rates and interest rate volatility;
- (e) the markets for similar securities;
- (f) the financial condition, results of operations and prospects of Cromwell Property Group;
- (g) the publication of earnings estimates or other research reports and speculation in the press or investment community;
- (h) the market price and volatility of the Stapled Securities;
- (i) changes in the industry and competition affecting the Issuer and Cromwell Property Group; and
- (j) general market and economic conditions.

The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the market price of the Bonds.

***There is an absence of covenant protection for the Bonds***

While the Conditions contain a restriction on the grant of security by the Issuer, the Guarantors or any of their respective subsidiaries to secure certain capital markets transactions (see Condition 2(a) (*Negative Pledge and Subsidiary Guarantee – Negative Pledge*) for further details), the Trust Deed and the Conditions will not limit the Issuer's or Cromwell Property Group's ability to incur additional unsecured debt or liabilities.

The Issuer or Cromwell Property Group may in the future incur further indebtedness and other liabilities. The subsidiaries of the Issuer and the Guarantors may not in the future issue or provide guarantees and/or indemnities in respect of certain capital markets indebtedness and liabilities except in certain circumstances specified in the Conditions.

***The Bonds are unsecured obligations***

The Bonds are unsecured obligations of the Issuer, a special purpose vehicle established specifically to act as issuer of the Bonds. The Bonds will rank *pari passu* in right of payment with all other existing and future unsecured and unsubordinated obligations of the Issuer, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

Although Cromwell Property Group is providing a guarantee, it will be effectively subordinated to Cromwell Property Group's existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness. As a result, the repayment of the Bonds may be compromised if:

- (a) Cromwell Property Group enters into bankruptcy, liquidation, rehabilitation or other winding-up proceedings;
- (b) there is a default in payment under Cromwell Property Group's future secured indebtedness or other unsecured indebtedness; or
- (c) there is an acceleration of any of Cromwell Property Group's indebtedness.

If any of these events occur, Cromwell Property Group's assets may not be sufficient to pay amounts due on the Bonds.

***The Issuer may be unable to redeem the Bonds***

The Issuer must redeem the Bonds on the Maturity Date, on the request of the Bondholder if a Bondholder Put Option is exercised or a Change of Control or a Delisting (each as defined in the Conditions) occurs or on the occurrence of an Event of Default in relation to which the Trustee has given notice to the Issuer that the Bonds are immediately due and repayable. The

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Issuer cannot assure Bondholders that, if required, it or the Guarantors would have sufficient cash or other financial resources at the time such a redemption obligation arises or would be able to arrange financing to redeem the Bonds in cash.

### ***Restrictions on the delivery of Stapled Securities on conversion***

Cromwell Property Group does not have current placement capacity under ASX Listing Rule 7.1 to issue the Further Stapled Securities (as defined in the Conditions). Under the Conditions, Cromwell Property Group may not issue the Further Stapled Securities on conversion of the Bonds unless the securityholders of Cromwell Property Group pass a resolution to approve their issue. There is no assurance that such securityholders will vote in favour of a resolution permitting the issue of the Further Stapled Securities.

Until such securityholder approval is obtained, at any time when the delivery of such Further Stapled Securities deliverable upon conversion of the Bonds is required to satisfy the Conversion Right in respect of a Conversion Notice (as defined in the Conditions), the Issuer shall only be able to pay to the relevant Bondholder an amount of cash equal to the Cash Alternative Amount (as defined in the Conditions) in order to satisfy such Conversion Right. The Issuer cannot assure Bondholders that, if required, it or the Guarantors would have sufficient cash or other financial resources at the time such an exercise of Cash Alternative Election is exercised.

### ***Offer***

The underwriting of the Offer under the subscription agreement is subject to customary conditions and termination events. Most of the termination events, and to a lesser extent the conditions, are beyond the control of the Issuer or Cromwell Property Group. Therefore, there is a risk that the Offer will not settle successfully. If the subscription agreement between the Issuer, the Guarantors and the Lead Managers dated 21 March 2018 ("**Subscription Agreement**") (pursuant to which the Offer is underwritten) is terminated, Cromwell Property Group may look to fund the intended usages of the proceeds of the issue of the Bonds from alternative sources including a combination of debt and existing cash reserves.

### ***Volatility of market price of Stapled Securities***

The market price of the Stapled Securities may be volatile. The volatility of the market price of the Stapled Securities may affect the ability of Bondholders to sell the Bonds at an advantageous price. Additionally, this may result in greater volatility in the market price of the Bonds than would be expected for non-convertible debt securities. The market price of a publicly traded stock is affected by many variables not directly related to the success of Cromwell Property Group.

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying

asset values or prospects of such companies. Market price fluctuations in the Stapled Securities may also arise due to the operating results of Cromwell Property Group failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by Cromwell Property Group or its competitors.

In addition, stock markets, including the ASX and the SGX-ST from time to time suffer significant price and volume fluctuations that affect the market price for securities and which may be unrelated to the operating performance of Cromwell Property Group. Any of these events could result in a decline in the market price of the Bonds or the Stapled Securities.

#### ***No rights as holders of Stapled Securities until conversion of the Bonds***

Unless and until the Bondholders acquire the Stapled Securities upon conversion of the Bonds into Stapled Securities (if any), the Bondholders will have no rights with respect to the Stapled Securities, including any right to acquire the Stapled Securities, voting rights, any participating rights in the event of a takeover offer for Cromwell Property Group or rights to receive any dividends or other distributions with respect to the Stapled Securities. Upon conversion of the Bonds, the Issuer may elect to deliver cash rather than Stapled Securities, in accordance with the terms of the Bonds. Even if Stapled Securities are delivered, the holders will be entitled to exercise the rights of holders of the Stapled Securities only as to actions for which the applicable record date occurs after the date of the conversion.

#### ***Bondholders have limited anti-dilution protection***

The conversion price of the Bonds will be adjusted in the event that there is a consolidation, sub-division, or reclassification, capitalisation of profits or reserves, rights issue, capital distribution or certain other adjustments, but only in the circumstances and only to the extent provided in the Conditions. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Stapled Securities. Events in respect of which no adjustment is made may adversely affect the value of the Stapled Securities and, therefore, adversely affect the value of the Bonds. Condition 6(b) (*Conversion of Bonds – Adjustment of Conversion Price*) for further details.

#### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Bonds in Euros. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euros. These include the risk that exchange rates may significantly change (including the changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's

Currency-equivalent value of the principal payable on the Bonds and (3) the Investor's Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

### *Change of law*

The Conditions are based on English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of the Bond issue.

The Issuer and Cromwell Property Group must also comply with various legal requirements including requirements imposed by securities laws and company laws in Australia. Should any of those laws change over time, the legal requirements to which the Issuer and Cromwell Property Group may be subject could differ materially from current requirements.

### *Modifications and waivers*

The Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of the Bondholders may be adverse to the interests of the individual Bondholders.

The Conditions also provide that the Trustee may (but is not obliged to), without the consent of Bondholders, agree to (i) any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the agency agreement between the Issuer, the Guarantors, the Trustee, the Principal Paying, Transfer and Conversion Agent and the Registrar to be executed and dated the Closing Date (as defined in the Conditions) (the "**Agency Agreement**"), any agreement supplemental to the Agency Agreement, the Bonds or the Conditions which in the Trustee's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law and (ii) any other modification to the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or the Conditions (except as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bond or the Conditions which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders.

In addition, the Trustee may, without the consent of the Bondholders, determine that any Event of Default or Potential Event of Default should not be treated as such if, in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby.

***The Trustee may request Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction***

In certain circumstances (including without limitation the giving of notice to the Issuer pursuant to Condition 10 of the Conditions and the taking of steps, actions and enforcement as contemplated in Condition 15 of the Conditions), the Trustee may (at its discretion) request an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of Bondholders. The Trustee shall not be obliged to take any such steps, actions and/or enforcement if it is not first indemnified and/or secured and/or prefunded to its satisfaction.

Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take action, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law and regulations, it may be for the Bondholders to take such actions directly.

***The Bonds will initially be held in book-entry form, and therefore Bondholders must rely on the procedures of the relevant clearing systems to exercise any rights and remedies***

The Bonds will initially be represented by the Global Certificate. Such Global Certificate will be deposited with a common depository for Euroclear and Clearstream, Luxembourg (each of Euroclear and Clearstream, Luxembourg, a "**Clearing System**"). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Certificates. The relevant Clearing System will maintain records of the beneficial interest in the Global Certificate. While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the Clearing System.

While the Bonds are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Bonds by making payments to the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

***Legal risk***

The Bonds, and this Offering Circular, are governed by a complex series of legal documents and contracts. As a result, the risk of dispute or litigation over interpretation or enforceability of the documentation and contracts for such investments may be higher than for other types of investments. The Stapled Entities' investments also involve complex legal documents and contracts, with associated risks of dispute or litigation.

## **Risks specific to Cromwell Property Group**

### ***Future acquisitions***

Cromwell Property Group proposes to acquire further properties or other assets in the future. However, it expects only to do so to the extent that such acquisitions are in accordance with its investment strategy and complement its existing portfolio. There can be no guarantee that Cromwell Property Group will identify any future acquisition opportunities or be able to complete future acquisition opportunities on acceptable terms.

Although Cromwell Property Group intends to undertake comprehensive due diligence before completing any future acquisition, such due diligence may not reveal issues that later impact on the returns from that acquisition or the extent to which the acquisition meets Cromwell Property Group's investment strategy.

Cromwell Property Group actively looks for opportunities for both its investment portfolio and its funds management business with each potential opportunity being assessed against agreed investment criteria before progressing to any due diligence phase. A rigorous due diligence investigation is undertaken covering all aspects of the opportunity, including technical, legal, taxation and financial whilst progressing through the investment process, ultimately being reviewed and approved by the Investment Committee comprising a majority independent subset of the Board and, if necessary, the Board.

### ***Competition***

The value of property held by Cromwell Property Group may be negatively affected by oversupply or overdevelopment in surrounding areas. Further, property assets come under competitive pressure from time to time and a change in the competitive environment can impact on the performance of the relevant property(s) and therefore the income of Cromwell Property Group. Cromwell Property Group may also be adversely affected if the price for a property it is considering for acquisition becomes inflated via competing bids by other prospective purchasers.

### ***Change in value and income of investment properties***

Returns from investment properties largely depend on the rental income generated from the property and the expenses incurred in its operation, including the management and maintenance of the property as well as the changes in the market value of the property. Rental income and/or the market value of properties may be adversely affected by a number of factors, including:

- the escalation of development costs beyond those originally expected;
- the overall conditions in the national and local economy, including risk appetite and business and consumer confidence;
- local real estate conditions, including volumes of sales and the ability to procure tenants;
- the perception of prospective tenants and customers regarding attractiveness and convenience of properties and the intensity of competition with other participants in the real estate industry;
- the location and quality of properties;
- operating, maintenance and refurbishment expenses, as well as unforeseen capital expenditure;
- supply of developable land, new properties and alternative investment properties;
- the financial position, performance and condition of tenants, in particular anchor tenants;
- investor demand/liquidity in investments;
- the capitalisation rates, which may change in response to market conditions; and
- the availability and cost of debt funding to potential purchasers of investment property.

#### ***Responsible entity / trustee / manager removal and fund closures***

Entities within the Cromwell Property Group currently act as the responsible entity, trustee and/or manager (as applicable) of a number of wholesale and other unlisted funds. Investors in each of these funds have the ability to remove the relevant member of the Cromwell Property Group as the responsible entity, trustee or manager pursuant to the Corporations Act, the specific terms of the trust deed (in the case of funds which are not registered managed investment schemes), or investment management or other management agreements (as applicable). The removal of the relevant member of the Cromwell Property Group in its capacity as described above by investors may have an impact on the financial performance the Cromwell Property Group.

In addition, certain of the Cromwell Property Group's funds are structured as closed-end and fixed-life funds. If such funds are not extended, under the terms of their establishment the funds may need to be closed and fund assets sold. Fund closures will result in a reduction in Cromwell Property Group's funds under management and any assets sales may be at less than the current market values or the values that the Cromwell Property Group record such assets. As such, fund closures may have a material adverse effect on the Cromwell Property Group's business and financial performance.

#### ***Reliance on AFSL and other licences***

In order to provide fund management services, certain property related services, and certain other services, the Cromwell Property Group is required to hold a number of Australian

financial services licences (“AFSL”) issued by ASIC and other licences. If the Cromwell Property Group fails to comply with the general obligations of an AFSL or any other relevant licence, this could result in the suspension or cancellation of the licence which enables it to operate key parts of its business. A breach or loss of licences could have a material adverse effect on the Cromwell Property Group’s business and financial performance.

### ***Revaluations***

In accordance with Australian Accounting Standards, Cromwell Property Group’s properties are required to be carried at fair value, with any increase or decrease in the value of those properties recorded in the income statement in the period during which the revaluation occurs. As a result, Cromwell Property Group can have significant non-cash revenue gains and losses depending on the change in fair market values of its property portfolio from period to period, whether or not such properties are sold.

If a substantial decrease occurs in the fair market value of its properties, Cromwell Property Group’s financial position could be adversely affected and, as a result, it may have difficulty in maintaining its desired leverage ratio, which could in turn impact its ability to comply with the terms of relevant financing arrangements.

### ***Property damage***

There is a risk that one or more of Cromwell Property Group’s properties may be damaged or destroyed by natural events such as earthquakes, fires or floods, or be subject to terrorism activity. Cromwell Property Group carries material damage, business interruption and liability insurance on its properties with policy specifications and insured limits that it believes to be customary in the industry.

### ***Unforeseen capital expenditure***

There is a risk that Cromwell Property Group’s properties will require unforeseen capital expenditure in order to maintain them in a condition appropriate for the purposes intended, and that such capital expenditure is not fully reflected in the financial forecasts. There is a risk of an unforeseen event triggering the need for additional capital expenditure which would impact on the business, its operational performance and financial results. Such an event could include, for example, changes to safety or other building regulations.

### ***Potential downgrading of credit rating***

As at the date of this Offering Circular, the Guarantors have been assigned a Baa3 senior, secured credit rating and the Issuer has been assigned a Ba1 senior, unsecured credit rating by Moody’s Investors Service Limited.

Credit ratings are subject to revision, suspension or withdrawal at any time by the assigning rating agency. Rating agencies may also revise or replace entirely the methodology applied to derive credit ratings. No assurances can be given that a credit rating will remain for any

period of time or that a credit rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant or if a different methodology is applied to derive that credit rating. Any downgrade could harm Cromwell's ability to obtain financing or increase its financing costs and/or have an adverse effect on the price of the Bonds.

### ***Property market***

Cromwell Property Group will be subject to the prevailing property market conditions in the sectors in which it operates.

Adverse changes in market sentiment or market conditions may impact Cromwell Property Group's ability to acquire, manage or develop assets, as well as the value of Cromwell Property Group's properties and other assets. These impacts could lead to a reduction in earnings and the carrying value of assets.

### ***Building regulations***

As a property owner, Cromwell Property Group will need to be compliant with the appropriate building regulations under various federal, state and local laws that cover aspects such as safety and compliance with legislation for persons with disabilities. There may be unforeseen expenditure associated with maintaining compliance. Compliance with applicable building regulations may also limit implementation of Cromwell Property Group's development strategies or may increase the cost of the development strategies.

### ***Future fund raising for acquisitions and developments***

The property investment and development industry tends to be highly capital intensive. The ability of Cromwell Property Group to raise funds on favourable terms for future development and acquisitions depends on a number of factors including general economic, political, capital and credit market conditions. These factors could increase the cost of funding, or reduce the availability of funding, for new projects or increase the refinancing risk of maturing debt facilities. The inability of Cromwell Property Group to raise funds on favourable terms for future acquisitions and developments could adversely affect its ability to acquire or develop new properties or refinance its debt.

### ***Refinancing requirements***

Cromwell Property Group is exposed to risks relating to the refinancing of existing debt facilities. In the future Cromwell Property Group may experience some difficulty in refinancing some or all of its debt facilities. If that is the case some of its assets may need to be sold and, possibly, at less than current valuations. The terms on which they are refinanced may also be less favourable than at present.

### ***Debt covenants***

Cromwell Property Group has various covenants in relation to its debt facilities, including interest cover and loan to value ratio requirements. Factors such as falls in asset values or property income could lead to a breach of debt covenants. In this case, Cromwell Property Group's lenders may require their loans to be repaid immediately or additional interest and further borrowing costs may be payable.

### ***Leasing and tenant defaults***

Tenants may default on their rent or other contractual obligations, leading to a reduction in income from, or capital losses to the value of, Cromwell Property Group's assets.

Additionally, it may not be possible to negotiate lease renewals or maintain existing lease terms, which may also adversely impact Cromwell Property Group's income and asset values. This is particularly the case for a number of properties owned by Cromwell Property Group as the majority of the income earned by those properties is derived from one or more anchor tenants in the relevant property(s).

The ability to lease or re-lease tenancies upon expiry of the current lease, and the rents achievable, will depend upon the prevailing market conditions at the relevant time and these may be affected by economic, competitive or other factors.

### ***Investment in funds and joint ventures***

Cromwell Property Group expects to hold interests in, and provide loans to, funds managed by Cromwell Property Group from time to time. The net asset value of these investments and loans may decrease if the value of the assets in those funds were to decline. Cromwell Property Group also derives income from providing property and funds management services to certain of its managed funds. Those funds may be subject to many of the same types of risks as Cromwell Property Group and fees payable to Cromwell Property Group may be reduced in some circumstances.

### ***Development***

Cromwell Property Group is involved in the development and refurbishment of property from time to time. Generally, property development has a number of risks including:

- the risk that planning consents and regulatory approvals are not obtained or, if obtained, are received later than expected, or are adverse to Cromwell Property Group's interests, or are not properly adhered to;
- the escalation of development costs beyond those originally expected;
- funding not being available at prices originally forecast during the feasibility analysis of the development;
- unexpected project delays, including due to industrial disputes;

- anticipated sales prices or timing on anticipated sales are not achieved;
- the default of pre-sales on projects, which are not guaranteed;
- non-performance or breach of contract by a contractor or sub-contractor; and
- competing development projects adversely affecting the overall return achieved.

Increases in supply or falls in demand in any of the sectors of the property market in which Cromwell Property Group operates or invests could influence the acquisition of sites, the timing and value of sales and carrying value of projects.

A number of factors affect the earnings, cashflows and valuations of commercial property developments, including construction costs, scheduled completion dates, estimated rental income and occupancy levels and the ability of tenants to meet rental and other contractual obligations.

#### ***Realisation of assets***

Property assets are by their nature illiquid investments. This may make it difficult to realise assets in the short term in response to changes in economic or other conditions, which may impact cashflow liquidity.

#### ***Interest rates and financial instruments***

Adverse fluctuations in interest rates, to the extent that they are not hedged, may impact Cromwell Property Group's earnings. Where interest rates are hedged by way of financial instruments, the value of those instruments can vary substantially which can impact both earnings and net assets.

#### ***Fixed nature of significant costs***

Significant expenditures associated with property investment and the operations of Cromwell Property Group, such as interest payments, maintenance costs, employee costs and statutory charges are generally not reduced significantly when circumstances cause a reduction in income from property. The value of an asset owned by Cromwell Property Group may be adversely affected if the income from the asset declines and other property related expenses remain unchanged.

#### ***Foreign funds management interests***

Cromwell Property Group operates and has interests in property related funds management businesses in Europe, Singapore and New Zealand. These operations are subject to many of the same property risks that Cromwell Property Group is exposed to in Australia, however, the impact and likelihood of risk factors may vary between individual countries. If a risk eventuates, there may be an adverse effect on Cromwell Property Group's earnings from its foreign funds management operations.

## **General business risks**

### ***Changes in accounting policy***

Cromwell Property Group must report and prepare financial statements in accordance with prevailing accounting standards and policies. There may be changes in these accounting standards and policies in the future which may have an adverse impact on Cromwell Property Group.

### ***General economic conditions***

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

### ***Regulatory issues, changes in law and Australian Accounting Standards***

There may be changes in laws or regulations that impact rental income or operational expenditure of Cromwell Property Group, for example the ability to recover certain property expenses from tenants, changes to regulatory requirements around disability access, or changes to operating practices as a result of, for example, climate change legislation. In addition, Cromwell Property Group's ability to take advantage of future acquisition opportunities in Australia may be limited by regulatory intervention on competition grounds.

Changes in Accounting Standards may change the basis upon which Cromwell Property Group reports its financial results. There can be no assurance that such changes will not have a material adverse effect on Cromwell Property Group's business, operational performance or financial results.

### ***Taxation changes***

On 31 January 2017, the Australian Taxation Office (ATO) issued Taxpayer Alert TA 2017/1. This Taxpayer Alert highlighted certain artificial arrangements which attempt to fragment integrated trading businesses in order to re-characterise trading income into more favourably taxed passive income. The ATO is reviewing the effectiveness of these arrangements, which includes the use of stapled structures.

On 24 March 2017, the Australian Treasury began a consultation process which may impact the way in which stapled structures are taxed. On 9 May 2017, the Australian Government announced as part of its 2017-2018 Budget measures that the timeline for the review will be extended to July 2017, but despite that the Australian Government has still not completed its review. As part of this process the Government is currently undertaking a holistic review of the tax trust rules under Division 6C of the Income Tax Assessment Act 1936 (Cth) to ensure

stapled structures are not used to inappropriately re-characterise trading income as passive income. If Division 6C is triggered, it is possible that flow through taxation treatment would not apply to the Cromwell Diversified Property Trust.

It is expected that amendments to the law are likely to be announced as a result of the review, which may impact the Cromwell Property Group, although Cromwell Property Group does not currently expect a material impact as the review is not targeted at REITs.

In addition to these changes, other future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in Stapled Securities, or the holding and disposal of those Stapled Securities. Further, changes in tax law, or changes in the way tax law is expected to be interpreted in the various jurisdictions in which Cromwell Property Group operates may impact the future tax liabilities of Cromwell Property Group. In particular, any change to the current rate of company income tax may impact the profitability or cash flow of Cromwell Property Group.

Tax consequences for holders of Stapled Securities will be specific to their individual circumstances. Holders of Stapled Securities and prospective investors should consult with their tax and/or other professional advisers in respect of the particular tax consequences of purchasing, owning or disposing of Stapled Securities in light of their particular situation.

### ***Environmental matters***

Cromwell Property Group is exposed to a range of environmental risks which may result in additional expenditure on properties and/or project delays. Cromwell Property Group may be required to undertake remedial works and potentially be exposed to third party liability claims, fines and penalties, or other liabilities generally and as a result of the various federal, state and local government environmental laws. For example, it may become liable for the cost of removal or remediation of hazardous or toxic substances from a property owned by Cromwell Property Group. In common with other property owners, there remains a risk that environmental laws and regulators may become more stringent in the future.

### ***Inflation***

Higher than expected inflation rates could be expected to increase operating costs, interest and development costs and potentially reduce the value of investment properties and other assets. These cost increases may be offset by increased selling prices or rentals.

### ***Force majeure event***

Force majeure is the term generally used to refer to an event beyond the control of a party claiming that the event has occurred, including "acts of God", fire, flood, earthquakes, war, acts of terrorism and labour strikes. Some force majeure risks are uninsurable or are unable to be insured economically. A force majeure event may adversely affect Cromwell Property Group's ability to perform its obligations until it is able to remedy the force majeure event.

Similarly, a force majeure event may adversely affect a tenant's ability to perform its obligations under a particular lease. Should such events occur in respect of Cromwell Property Group's portfolio, they may adversely impact Cromwell Property Group's business, operational performance and financial results.

### ***Insurance***

Cromwell Property Group generally enters into contracts of insurance that provide a degree of protection over assets, liabilities and people. While such policies typically cover against material damage to assets, contract works, business interruption, general and professional liability and workers compensation, there are certain risks that cannot be mitigated by insurance, either wholly or in part, such as nuclear, chemical or biological incidents or risks where the insurance coverage is reduced or unavailable, such as cyclones, floods or earthquakes. Also, insurers may not be able to meet indemnity obligations if and when they fall due, which could have an adverse effect on earnings.

Further, the nature and cost of insurance cover taken is based upon the best estimate of likely circumstances for Cromwell Property Group in the relevant period. Unforeseen factors may result in the insurance cover being inadequate or the cost of the insurance premiums being in excess of that forecast. This may have a negative impact on Cromwell Property Group's net income and/or the value of its assets.

### ***Market price***

The market price of Stapled Securities will fluctuate due to various factors including general movements in interest rates, the Australian and international investment markets, economic conditions, global geo-political events and hostilities, investor perceptions and other factors. The market price of Stapled Securities could trade on ASX at a price below their issue price.

### ***Counterparty/credit***

Counterparty credit risk is the risk of a loss being sustained by Cromwell Property Group as a result of payment default or non-performance by the counterparty with whom Cromwell Property Group has contracted. For example, purchasers may default on the settlement of purchase agreements and the resale of those properties may be at a lesser amount and the failure of a significant portion of purchasers to settle on their purchases in major development projects, could affect the timing and amount of future earnings. Further, Cromwell Property Group manages interest rate and currency risks associated with borrowing by entering into interest rate and currency exchange hedging arrangements, such as interest rate and currency exchange swaps. Such arrangements involve risk, such as the risk that the counterparty to such arrangement may fail to honour their obligations under such arrangement, thereby exposing Cromwell Property Group to the full effect of the movement in interest rates or currency exchange. To the extent that Cromwell Property Group does not hedge or hedge effectively against movements in interest rates or currency exchange, such interest rate or currency exchange movements may adversely affect Cromwell Property Group's results or operations or its ability to comply with financing arrangements.

### ***Forward looking statements and financial forecasts***

There can be no guarantee that the assumptions and contingencies contained within forward looking statements, opinions or estimates (including projections, guidance on future earnings and estimates) will ultimately prove to be valid or accurate. The forward looking statements, opinions and estimates depend on various factors, many of which are outside the control of Cromwell Property Group.

### ***Employees***

Cromwell Property Group is reliant on retaining and attracting quality senior executives and other employees. The loss of the services of any senior management or key personnel, or the inability to attract new qualified personnel, could adversely affect Cromwell Property Group's operations.

### ***Litigation and disputes***

Legal and other disputes (including industrial disputes) may arise from time to time in the ordinary course of operations. Any such dispute may impact earnings or affect the value of Cromwell Property Group's assets or securities.

### ***Occupational, health and safety ("OH&S")***

If Cromwell Property Group fails to comply with necessary OH&S legislative requirements across the jurisdictions in which Cromwell Property Group operates, it could result in fines, penalties and compensation for damages as well as reputational damage to Cromwell Property Group.

## THE ISSUER

### Issuer overview history

The Issuer was incorporated in Australia under the Corporations Act on 7 January 2015. The registered office of the Issuer is Level 19, 200 Mary Street, Brisbane, Queensland, Australia. The Issuer is a wholly-owned entity of the Responsible Entity in its capacity as responsible entity of the Trust and has no subsidiaries.

### Business activity

The Issuer was established for the purpose of issuing €150 million 2.000 per cent. guaranteed convertible bonds due 2020 (ISIN XS1169484943 and Common Code 116948494) pursuant to an offering circular dated 2 February 2015 (being a cleansing notice given to ASX on that date in accordance with the requirements of the Corporations Act as modified by ASIC relief) ("**Existing Bonds**") and on-lending the proceeds of the issue of the Existing Bonds to the Responsible Entity. The Issuer has not engaged, since its incorporation, in any material activities other than those relating to the issue of the Existing Bonds and the on-lending of the proceeds thereof to the Responsible Entity, and the authorisation of documents and agreements relevant to the Existing Bonds.

### Directors and officers

The directors of the Issuer as at the date of this Offering Circular are Michael Wilde and Brett Hinton. Neither Mr Wilde nor Mr Hinton are directors of the Company or the Responsible Entity. Mr Wilde is the Chief Financial Officer of Cromwell Property Group. The company secretary of the Issuer is Lucy Laakso. Further information about the directors and company secretary of the Issuer are set out on pages 78 to 83.

The business address of the directors of the Issuer is Level 19, 200 Mary Street, Brisbane, Queensland, Australia. The Issuer has no employees.

### Financial statements

Under Australian law, the Issuer is not required to publish interim or annual financial statements. The Issuer has not published any financial statements. The Issuer is required to keep records that (a) correctly record and explain the Issuer's transactions and financial position and performance; and (b) would enable true and fair financial statements to be prepared and audited.

### Share capital

The Issuer's share capital consists of 100 fully paid ordinary shares. The shares are held by Cromwell BT Pty Ltd as custodian for the Responsible Entity. The register of members of the Issuer is maintained at the registered office in Australia. Other than the Existing Bonds, no part of the equity securities of the Issuer is listed or dealt in on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought.

At the date of this Offering Circular, the Issuer has no outstanding borrowings other than the Existing Bonds.

The Issuer will seek to repurchase and cancel up to €150 million of the Existing Bonds using the proceeds of the issue of the Bonds.

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## CROMWELL PROPERTY GROUP

### Overview of Cromwell Property Group

#### *Business overview*

Cromwell Property Group is an internally managed Australian Real Estate Investment Trust ("A-REIT") comprising the Company and the Trust, and is one of Australia's leading property investment and funds management groups. Cromwell Property Group is part of the S&P/ASX 200, with over A\$11.2 billion in assets and funds under management. Cromwell Property Group has a direct Australian portfolio of 24 properties (which are predominately office properties) and manages more than 330 properties across Australia, New Zealand and Europe.

For the year ended 30 June 2017, Cromwell Property Group had total revenue and other income of A\$478.0 million and profit of A\$277.5 million. Profit from operations was A\$152.2 million, approximately 82 per cent. of which was derived from its property portfolio, with the balance from its funds management activities.

Profit from operations is considered by the Directors to reflect the underlying earnings of Cromwell Property Group. Profit from Operations is a key metric taken into account by the Directors in determining distributions and dividends paid by Cromwell Property Group, but is not calculated in accordance with International Financial Reporting Standards and has not been audited or reviewed by Cromwell Property Group's auditor.

Cromwell Property Group's direct property portfolio is underpinned by a very strong tenant profile with (as at 31 December 2017) 39.6 per cent. of rental income contributed by Government tenants and 34.5 per cent. of rental income contributed by listed companies or their subsidiaries. The portfolio had (as at 31 December 2017) a WALE of 7.2 years and vacancy by gross income of 12.1 per cent. If the active asset portion of the portfolio was excluded, its vacancy by gross income would be 2.6 per cent., which compares favourably with the national CBD office average of 10.4 per cent.<sup>3</sup>

In March 2015, Cromwell acquired Valad Europe, a pan European wholesale property fund manager. Valad Europe, which has now been rebranded into Cromwell Europe, had approximately €4.0 billion (A\$6.2 billion) assets under management as at December 2017. Following the successful initial public offering of the securities of CEREIT (see page 67 for further information) on the SGX-ST, Cromwell Property Group intends to continue to broaden the focus of the European business from private equity funds and mandates to include longer term and more secure revenue sources.

#### *Strategy overview*

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<sup>3</sup> Source: Jones Lang LaSalle as at December 2017.

Cromwell Property Group's objective is to provide returns to its investors that consistently exceed the ASX200 and industry benchmarks over the course of each market cycle.

Cromwell Property Group aims to achieve this by:

- (a) *maintaining a quality property portfolio*, which is invested mostly in defensive assets in CBD and core suburban markets of state capital cities and provides a balance between defensive investments and assets that can be improved with active asset management, good capital management, prudent risk management and mitigation; and
- (b) *leveraging the existing management platform and expanding the funds management business*, which is focused on investing in property and property securities for retail and wholesale clients.

### ***Quality property portfolio***

As detailed above, Cromwell Property Group owns a property portfolio across Australia, largely occupied by Government and blue chip tenants. Four of Cromwell Property Group's top five tenants held investment grade credit ratings as at 23 February 2018, and as at 31 December 2017 Cromwell Property Group's top five tenants represented 59.7% of the gross passing income of the portfolio. In maintaining this portfolio, Cromwell Property Group implements a sector agnostic active asset management strategy, where each asset strategy is reviewed on a regular basis to ensure the asset is best placed to generate income both now and in the future, with a heavy focus on the underlying cash flow security and tenant covenant.

As noted below, Cromwell Property Group's integrated property management focus also allows it to prudently control both asset income and costs to maximise portfolio returns.

### ***Funds management operations***

Cromwell Property Group's funds management business is a key future growth platform for the business and has historically been focused on retail investors and strategic partnerships. As at 31 December 2017, Cromwell Property Group has total assets and funds under management of approximately A\$11.2 billion. A breakdown of assets and funds under management is provided as follows:

<b>Investors</b>	<b>Assets / Funds Under Management<sup>1</sup></b>
Wholesale	A\$6.7 billion
Retail	A\$1.8 billion

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Internal	A\$2.7 billion
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<b>Total</b>	<b>A\$11.2 billion</b>
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1. As at 31 December 2017

Over time, either organically or through acquisition, Cromwell Property Group intends to continue to grow the funds management business, targeting an earnings contribution from funds management operations of approximately 20 per cent. of overall group earnings.

### *Future acquisitions*

Cromwell Property Group actively looks for asset opportunities for both its investment portfolio and its funds management business. Each opportunity is closely reviewed against a set of investment criteria developed specifically for the direct portfolio or for the funds management product being constructed/managed.

Any acquisition or other transaction opportunity, is conditional on a number of items, including due diligence, negotiation of transaction documents and Cromwell Property Group Board approval.

The investment strategy, in so far as it applies to the Trust, is in accordance with its constitution and with the authorisations granted to the Responsible Entity under its ASFL (No 238052).

The constitution of the Trust provides that the Responsible Entity has all the powers and responsibilities of a natural person and a body corporate, including the power to invest and to borrow or raise money for the purpose of the Trust and on security of the assets of the Trust. The Responsible Entity has determined that the Offer and the transactions contemplated by the Offer are for the purpose of the Trust.

The constitution of the Trust also provides that the principal investment policy of the Responsible Entity in relation to the Trust is investment in real property in Australia, other than residential property, and the making of such other investments with the assets of the Trust which in the Responsible Entity's opinion are from time to time required for the purpose. This clause in the constitution of the Trust may be changed by a special resolution of members of the Trust passed at a meeting of members of the Trust held in accordance with the Corporations Act.

From time to time, the Responsible Entity may determine, and may publish public statements or give other information to members of the Trust about, the investment strategy of the Trust. The Responsible Entity may change such investment strategy at will, provided that the investment strategy is consistent with the Responsible Entity's powers under the constitution of the Trust. Any material change to the investment strategy of the Trust would (where materially price sensitive) be notified by an announcement on the ASX.

### *History*

The Company has been listed on the ASX since 1971, with two key events shaping the history of Cromwell Property Group and the current structure of the business.

The first key event was the involvement of the existing management team, which began in 1998. At that time the Company was operating as a property fund manager and developer but did not have any significant recurring earnings and did not own any investment properties.

The second key event occurred in 2006, when the Company proposed a merger of six unlisted property funds and a stapling of the merged funds to the Shares of the Company. This transaction was approved by investors forming Cromwell Property Group as it is currently structured.

Since 2007, Cromwell Property Group has continued improving its property portfolio, giving particular attention to tenant quality and increasing the weighted average lease term. In recent years this has also involved Cromwell Property Group using its internal property and project management capability to undertake significant property refurbishments, allowing long-term, blue chip tenants to be retained and/or secured.

In late 2009, Cromwell Property Group made a placement of Stapled Securities to an Australian entity controlled by Redefine. Since that time, Redefine (or entities controlled by it) has both acquired and disposed of Stapled Securities through acquisitions, disposals and participation in capital raisings, and it held approximately 22.54 per cent. of all Stapled Securities on issue as at 16 March 2018. On 7 March 2018, Redefine entered into an agreement to sell 386,538,850 Stapled Securities (being approximately 19.51% of the Stapled Securities on issue on 7 March 2018) to a wholly-owned subsidiary of Singapore-based ARA Asset Management Limited (**ARA**), a transaction currently subject to a number of conditions precedent including Australian regulatory approval (**Redefine Disposal**). If the conditions precedent are waived or satisfied (including the necessary Australian regulatory approvals) and the Redefine Proposal proceeds to completion, Redefine's (or entities controlled by Redefine) holding of Stapled Securities will be reduced to approximately 3.03 per cent. of the Stapled Securities on issue and ARA will become the largest holder of Stapled Securities.

In December 2013, Cromwell Property Group launched its first unlisted wholesale fund, the Cromwell Partners Trust. The unitholders of the Cromwell Partners Trust are Cromwell Property Group and Redefine, each of which holds a 50% ownership interest in the trust. In December 2013, the Cromwell Partners Trust acquired its first asset (Northpoint Tower, located in North Sydney) for approximately A\$278 million. No further assets have been acquired to date by the Cromwell Partners Trust. The Northpoint Tower asset has undergone a major redevelopment of its retail space and the development of a 187-room hotel on site. Construction is on budget and on time and is due to complete in March 2018. With 25 lease transactions completed as at 31 December 2017, full leasing of retail and "Eat Street" tenancies is on track.

In June 2014, Cromwell Property Group acquired a 50 per cent. stake in the Oyster Property Group, a New Zealand property syndicator and fund manager, for approximately A\$4.5 million.

In March 2015, Cromwell Property Group acquired Valad Europe for approximately €145 million. Valad Europe, now named Cromwell Europe, is a pan-European wholesale fund manager. Funding of the acquisition was obtained through the issue of the Existing Bonds. The Existing Bonds mature in February 2020.

In the period between July 2015 and 2017 year-end, Cromwell Property Group has sold seven properties for combined proceeds of approximately A\$361 million (which, in aggregate, amounts to approximately A\$100 million more than original purchase price of the seven properties) and repaid approximately A\$111 million of associated borrowings. This includes the sale of Health House and Forestry House, which settled in November 2017 for approximately A\$66 million, generating an internal rate of return (“**IRR**”) of 20 per cent.

In November 2017, the CEREIT successfully debuted on SGX-ST, seeded with 74 predominantly office and industrial assets valued at €1.4 billion, from four of Cromwell Europe’s funds. Cromwell Property Group has retained an initial 35 per cent. stake in CEREIT valued at approximately €303 million, which will provide additional stable secure revenue.

In December 2017, Cromwell Property Group acquired Adelaide’s Wakefield Private Hospital and Clinic for A\$50 million. The site will suit a wide variety of uses and purposes as a redevelopment opportunity due to its versatile Capital City zoning, premier location and multiple street frontages.

### ***Integrated property management***

Cromwell Property Group provides a full suite of property related services including transaction sourcing, due diligence, property management, leasing, asset enhancement and realisation to its subsidiaries and to its funds.

Cromwell Property Group actively manages all the property assets of Cromwell Property Group and its managed funds in-house, creating a link between investors, the assets and their tenants. This integrated property management model is one of Cromwell Property Group’s key competitive advantages.

The asset management team oversees the strategic management of each property, aiming to ensure that tenants are content, space is leased, buildings are operating efficiently and projects are delivered on time and on budget. By keeping these functions in-house, Cromwell Property Group helps to ensure that assets are managed in accordance with the interests of investors and to the expectations of tenants.

### ***Funds management activities***

Cromwell Property Group has two wholly owned subsidiaries, the Responsible Entity and Cromwell Funds Management Limited, which are licensed to manage direct property, mortgage and equities funds. Since the involvement of current management in 1998, Cromwell Property Group has managed unlisted direct property funds, raising over A\$1.1 billion and acquiring property assets valued in excess of A\$2.02 billion.

Additionally, Cromwell Property Group manages over A\$340 million in listed property securities through its 45 per cent. ownership in Phoenix Portfolios Pty Ltd, an investment manager specialising in managing property securities for wholesale investors.

The current funds management activities of Cromwell Property Group are summarised as follows:

Fund	Sector	Investors	Total assets	Number of direct properties	Ongoing fees	Initial fees
Cromwell European REIT	Direct Property	Listed	€1,404m (c. A\$2,150m)	74	0.90 per cent. <sup>1</sup>	1.0 per cent.
Cromwell Riverpark Trust	Direct property	Retail	A\$271m	1	0.60 per cent.	3.0 per cent.
Cromwell Ipswich City Heart Trust	Direct property	Retail	A\$124m	1	0.60 per cent.	3.0 per cent.
Cromwell Property Trust 12	Direct property	Retail	A\$143m	2	0.60 per cent.	2.4 per cent.
Cromwell Phoenix Property Securities Fund	Listed property	Retail	A\$246m	N/A	0.82 per cent.	N/A
Cromwell Phoenix Core Listed Property Fund	Listed property	Retail	A\$21m	N/A	0.65 per cent.	N/A
Cromwell Phoenix Opportunities Fund	Listed microcap	Retail	A\$40m	N/A	N/A	N/A
Cromwell Direct Property Fund	Direct / Property trusts	Retail	A\$174m	4	0.60 per cent.	N/A
Cromwell Australian Property Fund	Listed / Direct	Retail	A\$3m	N/A	N/A	N/A
Phoenix Mandates <sup>2</sup>	Listed property	Wholesale	A\$343m	N/A	Variable	N/A
Cromwell Partners Trust	Direct property	Partnership	A\$522m	1	N/A	N/A
Oyster Property Group <sup>3</sup>	Direct Property	Retail/ Wholesale	A\$536m	N/A	N/A	N/A

1. Consists of a Management Fee of 0.23 per cent. and a Property and Portfolio Management Fee of 0.67 per cent.

2. Represents Cromwell Property Group's 45 per cent. share.
3. Represents Cromwell Property Group's 50 per cent. share.

Profiles of the retail funds listed above are below.

### ***Cromwell Riverpark Trust***

The Cromwell Riverpark Trust was established in June 2009 and owns a single office asset in Brisbane, valued at A\$264 million as at 31 December 2017. The Cromwell Riverpark Trust reached maturity in July 2016, at which point investors voted to extend the Cromwell Riverpark Trust for a further five years. The Cromwell Riverpark Trust is now due to mature in July 2021. The net tangible asset ("NTA") per unit has risen from the pro forma A\$0.90 at the commencement of the Cromwell Riverpark Trust to A\$1.86 per unit as at 31 December 2017. The Cromwell Riverpark Trust has delivered a total annual return of approximately 16.4 per cent. annualised (net of fees) since inception, as at 31 December 2017, and is currently distributing 11.25 cents per unit per annum, paid monthly.

### ***Cromwell Ipswich City Heart Trust***

The Cromwell Ipswich City Heart Trust was established in December 2011 and owns the Ipswich City Heart building in Queensland, which was valued at A\$118 million as at 31 December 2017. The NTA per unit has risen from the pro forma A\$0.92 at the practical completion of the building, to A\$1.34 per unit as at 31 December 2017. The Cromwell Ipswich City Heart Trust has delivered a total annual return of approximately 13.7 per cent. annualised (net of fees) since inception, as at 31 December 2017, and is currently distributing 9.25 cents per unit, per annum, paid monthly.

### ***Cromwell Property Trust 12***

The Cromwell Property Trust 12 was established in October 2013, owning three assets across Victoria and South Australia; the Rand Distribution Centre located in South Australia, a commercial office building located in Dorcas Street, South Melbourne, and the ATO building in Dandenong. In May 2015 the Cromwell Property Trust 12 received an unsolicited offer to purchase the South Melbourne asset, which subsequently sold at a 20.4 per cent. increase on the purchase price. The Rand Distribution Centre and the ATO Building continue to be held by the Cromwell Property Trust 12, with the ATO Building valued at A\$94 million and the Rand Distribution Centre valued at A\$46 million as at 30 September 2017. The NTA per unit has risen from the pro forma A\$0.89 at the commencement of the Trust, to A\$1.28 per unit as at 31 December 2017. The Cromwell Property Trust 12 has delivered a total annual return of approximately 15.1 per cent. annualised (net of fees) since inception, and is currently distributing 8.5 cents per unit, per annum, paid monthly.

### ***Cromwell Direct Property Fund***

The Cromwell Direct Property Fund was established in August 2013 and owns units in all of Cromwell Property Group's underlying property syndicates, including Cromwell Riverpark Trust, Cromwell Ipswich City Heart Trust, and Cromwell Property Trust 12. Since inception,

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the Cromwell Direct Property Fund has gone on to buy direct property assets in its own right that fit its purchasing fundamentals. The Cromwell Direct Property Fund currently owns a 100 per cent. holding in a commercial office building in Canberra, a retail centre site in Parafield, South Australia, a Bunnings Warehouse at Munno Para West, also in South Australia and an office asset in Spring Hill, Queensland. The Cromwell Direct Property Fund is an open ended, unlisted direct property fund that aims to provide investors with diversification across high quality property assets throughout Australia. The Cromwell Direct Property Fund is currently distributing 7.00 cents per unit, per annum, paid on a monthly basis, and has returned 11.3 per cent. per annum annualised (net of fees) since inception as at 31 December 2017.

#### ***Cromwell Australian Property Fund***

The Cromwell Australian Property Fund was established in September 2013 and invests its funds into direct property and listed property securities via the Cromwell Direct Property Fund and the Cromwell Phoenix Property Securities Fund. The Cromwell Australian Property Fund is an open ended, diversified property fund that aims to provide investors with diversification across high quality property assets and listed property securities. The Cromwell Australian Property Fund is currently distributing 6.00 cents per unit, per annum, paid on a monthly basis and has returned 11.9 per cent. per annum annualised (net of fees) since inception as at 31 December 2017.

#### ***Cromwell Phoenix Property Securities Fund***

The Cromwell Phoenix Property Securities Fund provides its unitholders with a diversified exposure to a broad range of ASX-listed property and property related securities. The Cromwell Phoenix Property Securities Fund aims to provide its unitholders with a total return in excess of the S&P/ASX 300 AREIT Accumulation Index. The Cromwell Phoenix Property Securities Fund has consistently outperformed this index since inception in April 2008. The Cromwell Phoenix Property Securities Fund has returned 9.8 per cent. per annum annualised (net of fees) since inception as at 31 December 2017. The fund was closed for new investment in February 2015, but reopened in October 2017 for a limited A\$30 million capital raise.

#### ***Cromwell Phoenix Core Listed Property Fund***

The Cromwell Phoenix Core Listed Property Fund provides its unitholders with exposure to a broad portfolio of ASX-listed securities invested in a wide range of office, retail, industrial, hotel and other property related assets. The Cromwell Phoenix Core Listed Property Fund aims to provide its unitholders with a total return in excess of the S&P/ASX 200 A-REIT Accumulation Index. The Cromwell Phoenix Core Listed Property Fund has returned 8.6 per cent. per annum annualised (net of fees) since inception as at 31 December 2017.

#### ***Cromwell Phoenix Opportunities Fund***

The Cromwell Phoenix Opportunities Fund provides its unitholders with exposure to undervalued ASX-listed microcaps using Phoenix Portfolios' "best ideas" approach and aims to find hidden value in under-researched stocks. The Cromwell Phoenix Opportunities Fund aims to provide its unitholders with a total return in excess of inflation (as measured by the Consumer Price Index) plus 7.5 per cent. per annum and to outperform the S&P/ASX Small Ordinaries Accumulation Index after fees and costs. The Cromwell Phoenix Opportunities Fund has returned 22.3 per cent. per annum annualised (net of fees and costs, inclusive of the value of franking credits) since inception as at 31 December 2017. The fund was closed to investment in January 2018 due to reaching capacity.

**Cromwell Funds Management Limited ACN 114 782 777 AFSL 333214 ("CFM") is the responsible entity of, and the issuer of units in, the Cromwell Australian Property Fund ARSN 153 092 516 ("APF"), Cromwell Direct Property Fund ARSN 165 011 905 ("DPF"), Cromwell Ipswich City Heart Trust ARSN 154 498 923 ("ICH"), Cromwell Phoenix Core Listed Property Fund ARSN 604 286 071 ("PCF"), Cromwell Phoenix Opportunities Fund ARSN 602 776 536 ("POF"), Cromwell Phoenix Property Securities Fund ARSN 129 580 267 ("PSF"), Cromwell Property Trust 12 ARSN 166 216 995 ("C12") and Cromwell Riverpark Trust ARSN 135 002 336 ("CRT") , while Cromwell EREIT Management Pte. Ltd is the manager of Cromwell European REIT ("CEREIT") (collectively, the "Funds"). In making an investment decision in relation to one or more of the Funds, it is important that you read the Product Disclosure Statement ("PDS") for the relevant fund. The PDS for each of the Funds is issued by CFM and is available from [www.cromwell.com.au](http://www.cromwell.com.au) or by calling Cromwell on 1300 276 693. ICH, C12 and CRT are not open for investment. PSF and POF are closed to new investment. Applications for units in APF, DPF and PCF can only be made on the application form accompanying the relevant PDS.**

## **Corporate activity**

### *Investment portfolio*

Cromwell Property Group continually seeks to realign its portfolio to maximise value and recently undertook a number of major acquisitions as well as the sale of some non-core properties.

In December 2013, Cromwell Property Group launched its first unlisted wholesale fund, the Cromwell Partners Trust. The unitholders of the Cromwell Partners Trust are Cromwell Property Group and Redefine, each of which holds a 50% ownership interest. In December 2013, the Cromwell Partners acquired a North Sydney office building, Northpoint Tower, for approximately A\$278 million. Northpoint Tower is one of North Sydney's most recognisable office towers, holding a prime corner position. No further assets have been acquired by the Cromwell Partners Trust to date. The Northpoint asset has undergone a major redevelopment of its retail space and development of a 187-room hotel on site. Construction is on budget and on time and is due to complete in March 2018. With 25 lease transactions completed as at 31 December 2017, full leasing of retail and "Eat Street" tenancies is on track.

In the period between July 2015 and 2017 year-end, Cromwell Property Group has sold seven properties for combined proceeds of approximately A\$361 million (which, in aggregate, amounts to approximately A\$100 million more than original purchase price of the seven properties) and repaid approximately A\$111 million of associated borrowings. This includes the sale of Health House and Forestry House, which settled in November 2017 for approximately A\$66 million, generating an IRR of 20 per cent.

In December 2017, Cromwell Property Group acquired Adelaide's Wakefield Private Hospital and Clinic for \$50 million. The site will suit a wide variety of uses and purposes as a redevelopment opportunity due to its versatile Capital City zoning, premier location and multiple street frontages.

### ***Funds management***

Cromwell Property Group has continued to raise capital through its fund management operations through raising 9 retail funds since 2008. In addition, in 2011 Cromwell Property Group established CREP to enable institutional investors to co-invest with Cromwell Property Group into property in Australia. CREP is the trustee of Cromwell Partners Trust, which (as described above) acquired the Northpoint Tower asset at a price of approximately A\$278 million. As described above, fifty per cent. of the units in Cromwell Partners Trust are held by Redefine, with the remainder held by Cromwell Property Group.

In addition to the organic growth of the funds management business, Cromwell Property Group has made several acquisitions in order to supplement organic growth and supplement existing offerings to the market.

In 2009, Cromwell Property Group acquired a 50 per cent. interest in Phoenix Portfolios, a property securities investment manager. Cromwell Property Group currently holds a 45 per cent. interest in Phoenix Portfolios. Phoenix Portfolios is the investment manager of the Cromwell Phoenix Property Securities Fund and the Cromwell Phoenix Core Listed Property Fund, each of which invests in listed property securities. The Cromwell Phoenix Property Securities Fund is a "benchmark unaware" fund that closed to new investment in February 2015, but reopened in October 2017 for a limited A\$30 million capital raise. Investors can also invest indirectly in the Cromwell Phoenix Property Securities Fund through an investment in the Cromwell Australian Property Fund. The Cromwell Phoenix Core Listed Property Fund was established in March 2015, soon after the Cromwell Phoenix Property Securities Fund was closed to new investment. The Cromwell Phoenix Core Listed Property Fund also invests in listed property securities, although it differentiates by operating as an active "benchmark aware" fund, investing primarily in large cap securities within the S&P ASX 200 A-REIT index.

Phoenix Portfolios also manage Cromwell Property Group's only non-property fund, the Cromwell Phoenix Opportunities Fund, a microcap fund established in 2011, which opened to retail investors in April 2015 and was closed to new investment due to reaching maximum target capacity in January 2018.

In 2014, Cromwell Property Group acquired a 50 per cent. stake in the New Zealand fund manager Oyster Property Group. Oyster Property Group has total assets under management of approximately NZ\$1.2 billion as at 31 December 2017 through a combination of retail funds management, via property syndicates and an institutional property management business. Oyster Property Group's total assets under management is expected to increase by NZ\$209 million following Overseas Investment Office approval for the purchase of an additional asset with an international private equity joint venture partner.

Cromwell Property Group will look to grow the Oyster Property Group business through selected loans to assist the business to warehouse assets before raising capital, and through advice on how to improve distribution. There is also potential for Oyster Property Group to distribute Cromwell Property Group products into New Zealand.

In March 2015, Cromwell Property Group acquired Valad Europe, a pan-European wholesale property fund manager. Valad Europe, which has now been rebranded into Cromwell Europe, has approximately €4.0 billion (A\$6.2 billion) assets under management.

On 30 November 2017, CEREIF successfully debuted on SGX-ST. The listing marked a significant broadening of the focus and nature of the European funds management business and a major step forward in securing a stable revenue base for the business. CEREIF acquired four of Cromwell Europe's funds, including the Cromwell European Cities Income Fund, which launched in December 2016. Cromwell Property Group has retained an initial 35 per cent. stake in CEREIF (approximately €303 million), which will provide additional stable secure revenue.

Cromwell Property Group intends to continue to broaden the focus of the European business from private equity funds and mandates to include longer term and more secure revenue sources.

### Asset overview

Cromwell Property Group owns and manages 24<sup>4</sup> assets across Australia as at 31 December 2017, as detailed in the table below:

Asset	State	Book Value (A\$m)	Cap Rate	NLA	Occupancy	WALE
Qantas HQ	NSW	455.0	5.60%	47,910	100.00%	13.7 years
Kent Street, Sydney	NSW	279.0	5.75%	21,069	95.37%	3.7 years
700 Collins Street	VIC	267.5	5.50%	33,489	99.69%	7.7 years
Tuggeranong Office Park Building 2	ACT	260.0	5.25%	35,970	99.04%	14.7 years

<sup>4</sup> Excludes Northpoint and Campbell Park.

Miller Street, North Sydney <sup>5</sup>	NSW	257.5	5.25%	26,959	84.46%	2.3 years
McKell Building	NSW	230.0	5.50%	25,251	100.00%	10.5 years
HQ North Tower	QLD	216.0	6.75%	29,357	98.49%	3.0 years
Victoria Avenue	NSW	208.0	6.25%	24,812	95.21%	3.4 years
Musk Avenue, Kelvin Grove	QLD	84.0	7.25%	14,144	83.54%	4.0 years
Cromwell House	QLD	71.0	8.00%	13,352	80.95%	3.3 years
TGA Complex	ACT	61.0	11.50%	18,524	100.00%	4.5 years
Tuggeranong Office Park	ACT	52.5	11.25%	30,757	0.00%	N/A
Wakefield St, Adelaide	SA	50.0	10.00%	18,218	100.00%	1.5 years
Station Street, Penrith	NSW	39.5	6.75%	8,437	100.00%	10.5 years
Crown Street, Wollongong	NSW	34.0	7.75%	9,070	100.00%	10.4 years
Farrer Place, Queanbeyan	NSW	29.2	6.75%	6,300	100.00%	10.5 years
19 National Circuit	ACT	27.0	8.00%	7,073	100.00%	12.7 years
Bull Street, Newcastle	NSW	25.8	7.50%	6,236	100.00%	10.5 years
Oracle Building	ACT	25.8	9.75%	8,537	66.07%	4.1 years
Lovett Tower	ACT	21.5	11.00%	20,540	44.02%	0.5 years
Regent Cinema Centre	NSW	16.1	8.00%	5,849	94.47%	2.2 years
Village Cinema Geelong	VIC	15.7	7.25%	4,701	100.00%	7.2 years
Vodafone	TAS	4.5	11.00%	6,222	0.00%	N/A
Borrowdale House	ACT	1.8	12.50%	2,143	0.00%	N/A
Sturton Rd, Edinburgh Park	SA	0.7	0.00%	-	N/A	N/A

### **Key property statistics (as at 31 December 2017)**

<b>Key property statistics</b>	<b>31 December 2017</b>
Number of properties <sup>6</sup>	24
Value <sup>7</sup>	A\$2.5bn
Weighted average capitalisation rate <sup>8</sup>	6.43 per cent.
Occupancy	84.5 per cent.

<sup>5</sup> Reflects 50 per cent. share

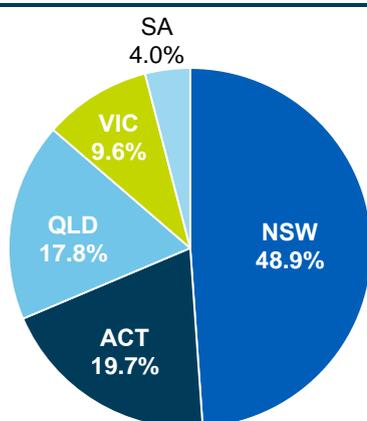
<sup>6</sup> Northpoint and Campbell Park are excluded.

<sup>7</sup> Northpoint and Campbell Park are excluded.

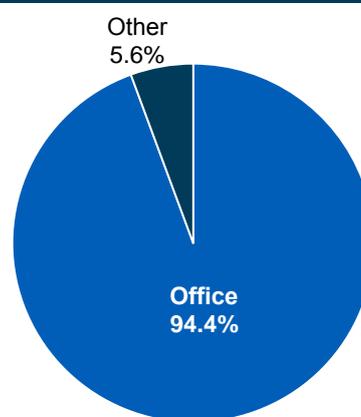
<sup>8</sup> Northpoint and Campbell Park are excluded.

Tenant	% Gross Income	Cumulative %	Credit Rating <sup>9</sup>
Federal Government	23.0%	23.0%	AAA
Qantas	14.6%	37.6%	BBB-
NSW State Government	13.1%	50.7%	AAA
AECOM Australia Pty Ltd	5.0%	55.7%	AA+
Calvary Healthcare	4.0%	59.7%	
<b>Total</b>	<b>59.7%</b>		

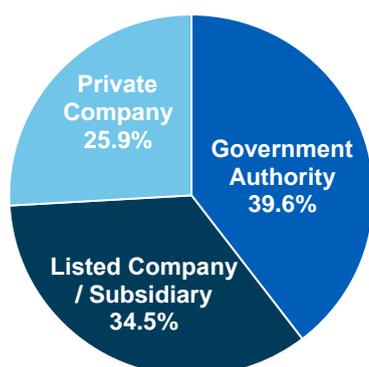
Geographic Diversification (by income)



Sector Diversification (by income)



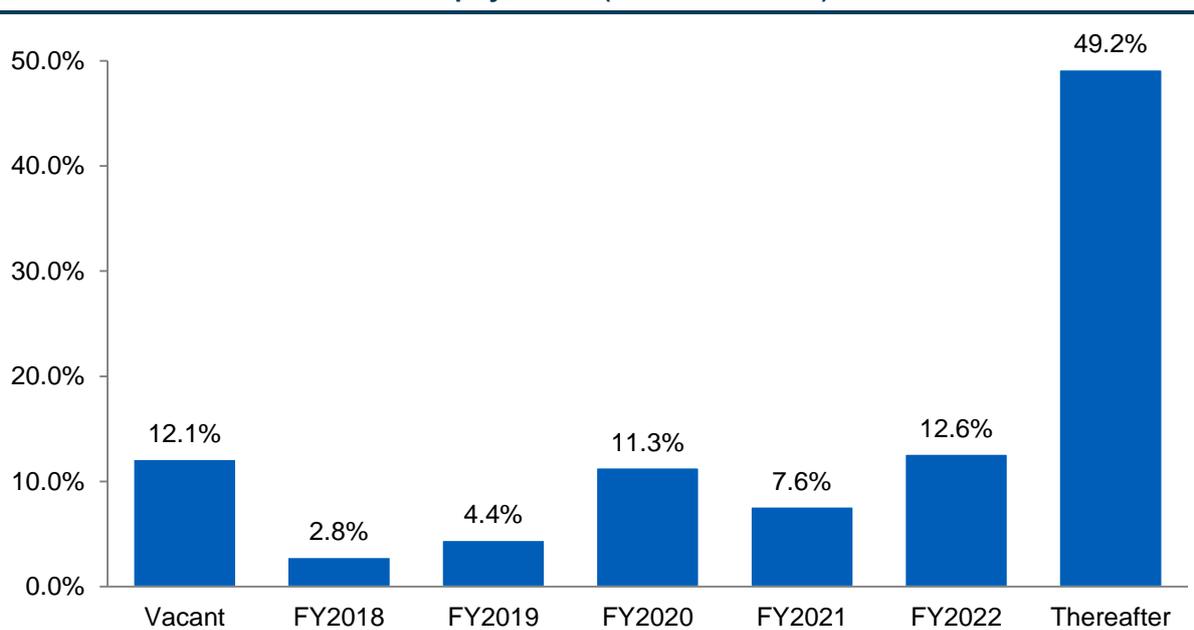
Geographic Diversification (by income)



<sup>9</sup> S&P Ratings as at 23 February 2018.

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### Lease Expiry Profile (% Gross Income)<sup>10</sup>



#### *Asset revaluations*

Properties of Cromwell Property Group are generally independently valued at least once in every financial year, although exceptions are made from time to time.

Valuations are undertaken by a registered valuer with not less than five years' relevant experience and based on the price at which the property might reasonably be expected to be sold at the date of the valuation.

In addition, Cromwell Property Group will not instruct a registered valuer to prepare an independent valuation for more than two consecutive years on the same property. Valuers are instructed to undertake their valuation in accordance with industry standards and to outline their valuation methodology within the valuation report.

At the end of each six monthly financial reporting period, the valuation of each property of Cromwell Property Group is reviewed by the directors of Cromwell Property Group and updated if necessary.

The valuation procedure of the Trust and the methodology for valuing assets is further described in Cromwell Property Group's 2017 Annual Report.

<sup>10</sup> "Vacant" includes vacancy, holdover, casual.

## **Capital management**

### ***Capital management process***

The capital management activities of Cromwell Property Group are overseen by the Chief Capital Officer and the Head of Treasury in line with policies approved by the Board of Cromwell Property Group. The Chief Capital Officer reports to the CEO and The Head of Treasury reports to the CFO.

The Chief Capital Officer's responsibility is to source and manage the capital required to maintain and grow Cromwell Property Group's business, property portfolio and investments, including the coordination and expansion of relationships with capital partners across each of the structures that Cromwell Property Group operates.

The Head of Treasury's responsibilities include the implementation of Cromwell Property Group's debt and hedging policies. Cromwell Property Group's business plan includes debt and hedging strategies, which conform to these policies.

### ***Debt management***

Borrowings or gearing enhance the potential of capital gain for investors if property assets increase in value but may also increase any capital loss in the event that the value of the property falls relative to an un-gearred property investment.

The objective of Cromwell Property Group's debt strategy, within its overall funding strategy, is to provide:

- (a) diversity;
- (b) cost effectiveness; and
- (c) flexibility.

When establishing new facilities or renegotiating existing facilities Cromwell Property Group seeks to:

- (a) set a specific maximum level of gearing;
- (b) set a specific minimum level of interest cover; and
- (c) actively manage the interest rate risk associated with the borrowings by using hedging instruments such that the exposure of Cromwell Property Group to adverse movements in interest rates is minimised where it is cost effective to do so.

Cromwell Property Group seeks to keep the market fully informed of the activities of the business and its funding activities.

The level of gearing, interest cover, interest rates and hedging strategies is monitored by the Head of Treasury and reported to the CEO and the Board of Cromwell Property Group monthly or as and when required.

Managing gearing appropriately is a key capital management initiative of Cromwell Property Group whereby:

- (a) gearing is reduced before peak of property cycle via valuation increases and asset sales; and
- (b) gearing is increased at bottom of property valuation cycle through selective acquisitions.

Gearing is currently being reduced consistent with previous public statements.

Cromwell Property Group has a stated strategy of maintaining a gearing range of 35 per cent. to 55 per cent. (total debt to total assets) and a minimum average debt term of 2 years.

As at 31 December 2017 Cromwell Property Group's gearing was 40.1 per cent. and its weighted average maturity was 1.8 years. Pro forma gearing has reduced further to 38.9 per cent. due to events subsequent to 31 December 2017, including the recent SPP and sale of the Huntingfield Avenue asset for A\$4.5 million.

### ***Debt facilities***

In May 2014, a new syndicated finance facility was established, with a subsequent variation in March 2016. The syndicated finance facility is secured by first registered mortgages over a pool of the investment properties held by the Trust and is split into five tranches and a bridge facility. Expiries as at 31 December 2017 were as follows:

<b>Facility</b>	<b>Secured</b>	<b>Maturity Date</b>	<b>Facility (A\$M)</b>	<b>Utilised (A\$M)</b>
Syndicated facility – Bridging 1	Yes	Jun-18	100.0	65.0
Syndicated facility – Bridging 2	Yes	Jul-18	140.0	140.0
Syndicated facility – Tranche 1(a)	Yes	May-19	18.0	18.0
Syndicated facility – Tranche 1(b)	Yes	Jan-20	85.2	85.2
Syndicated facility – Tranche 1(c)	Yes	Mar-20	185.3	167.2
Syndicated facility – Tranche 2(a)	Yes	Jan-21	123.5	-
Syndicated facility –	Yes	Mar-21	449.1	325.6

Tranche 2(b)				
<b>Syndicated debt platform</b>			<b>1,101.1</b>	<b>801.0</b>
Tuggeranong – Tranche A	Yes	Jul-18	30.5	30.5
Tuggeranong – Tranche B	Yes	Jul-18	159.5	146.1
Euro bridging facility	Yes	Jul-19	214.4	214.4
Convertible bond	No	Feb-20	229.7	229.7
<b>Total borrowing facilities</b>			<b>1,735.2</b>	<b>1,421.7</b>

The Tuggeranong debt facility, which expires in July 2018, is split into two tranches, and has limited recourse secured against assets located at Tuggeranong Office Park, Greenway, ACT. The principal loan balance as at 31 December 2017 was A\$30.5 million for Tranche A (fully drawn) and A\$146.1 million for Tranche B (total facility A\$159.5 million).

Interest on both of the above loans is payable monthly in arrears at variable rates based on the 30 day BBSY rate (which was 1.76 per cent. at 31 December 2017), plus a loan margin.

Save as set out herein, there are no restrictions on the Trust's use of leverage, by borrowing or otherwise, other than those which may be imposed by applicable law, rule or regulation.

The Euro-denominated bridging facility expires in July 2019 and was fully drawn at 31 December 2017. The original facility limit was €160.0 million at inception which reduced to €140.0 million (approx. A\$214.4 million) due to a repayment of €20.0 million. The funds were utilised for the acquisition of the investment in CEREIF. Interest is payable monthly in arrears at variable rates based on the applicable Euro Interbank Offered Rate plus a loan margin. An affiliate of Goldman Sachs Australia Pty Ltd, a Lead Manager, is a lender under this facility. A portion of the estimated net proceeds of the issue of the Bonds may be applied towards full or partial repayment of this facility.

### ***Credit rating***

In February 2016, Moody's Investors Service assigned a Baa2 senior, secured credit rating to the Guarantors in relation to its senior, secured bank facilities and a senior, unsecured Baa3 credit rating to the Issuer and Cromwell Property Group.

On 14 December 2017, Moody's downgraded the senior secured and the senior unsecured ratings by one notch to Baa3 and Ba1 respectively and confirmed the withdrawal of Cromwell Property Group's rating following a request from Cromwell on 14 September 2017. In Moody's view the downgrade reflected, amongst other things, the Cromwell Property Group's exposure to the weaker Canberra and Brisbane office markets, willingness

to take advantage of market opportunities which may enhance unitholder returns but at an increased risk to debt holders and its gearing threshold of 35 to 55% being one of the highest within the Moody's rated A-REIT universe. As at 31 December 2017 Cromwell Property Group's gearing was 40.1%. Pro forma gearing has reduced further to 38.9% due to events subsequent to 31 December 2017. Cromwell is comfortable with its strategy of diversifying away from the standard passive, rent collecting A-REIT model and augmenting it with earnings from its growing funds management business. Cromwell has requested Moody's to withdraw the senior, unsecured rating of the Issuer which may be actioned by Moody's in the near term.

For additional information on Cromwell Property Group's credit rating, please refer to 'Risk Factors – Potential downgrading of credit rating' on page 47.

### ***Interest rate and currency hedging***

Cromwell Property Group seeks to actively manage the interest rate risk associated with loans using simple hedging instruments such that the exposure of Cromwell Property Group to adverse movements in interest rates is minimised.

Where appropriate Cromwell Property Group seeks a known interest cost environment that provides certainty in relation to the cost of debt financing and does so by actively managing the interest rate risk management of its debt facilities and maintains a level of hedging across the total portfolio.

Leverage obtained through the use of derivatives and other non-fully funded instruments is embedded in the instrument and as such could be said to be granted by the issuer of the instrument or the counterparty to the derivative contract.

Management actively monitors the interest rate market and makes decisions as to hedging strategies in line with the cash flow needs of Cromwell Property Group and prudent requirements.

Cromwell Property Group's hedging policy is under constant review to make allowances for changing market conditions.

As a general guide, and subject to the prevailing market conditions at the time, it is anticipated that interest rates on at least 75 per cent. of Cromwell Property Group's total debt facilities may be fixed or otherwise hedged for a period of 2-5 years.

Cromwell Property Group reserves the right to alter the above should Cromwell Property Group consider that it is not in the best interests of holders of Stapled Securities to enter into hedging arrangements on this basis.

Interest rate risk management for Cromwell Property Group's debt facilities is considered on a case by case basis taking into account the following:

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- (a) the weighted average hedge term of the portfolio;
  - (b) length of particular debt facility;
  - (c) income stream of the property that is the subject of the debt facility;
  - (d) the term of lease(s) of the property that is the subject of the debt facility;
  - (e) prevailing interest rate market conditions;
  - (f) prevailing economic conditions; and
  - (g) anticipated ownership horizon of the property that is the subject of the debt facility.

Management reviews Cromwell Property Group's hedging strategy on a constant basis and reports to the Board of Cromwell Property Group monthly in relation to:

- (a) any new hedging agreements entered into; and
- (b) current hedging arrangements for Cromwell Property Group's portfolio.

As at 31 December 2017, 73 per cent. of Cromwell Property Group's debt was hedged (look-through figure) for a weighted average duration of 2.6 years.

Currency risk management for Cromwell Property Group is considered on a case by case basis taking into account the following:

- (a) the underlying cashflow denomination;
- (b) length and surety of such cashflows and balance sheet investments;
- (c) matching assets and lending in the same currency;
- (d) the use of cross currency swaps to synthetically match both cashflows and balance sheet positions; and
- (e) prevailing economic conditions.

### **Distribution policy**

Cromwell Property Group pays distributions quarterly in arrears. These distributions are sourced from operating earnings and Cromwell Property Group aims to pay out 85-95 per cent. of operating earnings as distributions.

Cromwell Property Group maintains a dividend reinvestment plan where holders of Stapled Securities can elect to participate and have their distributions reinvested for additional Stapled Securities. The dividend reinvestment price under the plan is the market price, which

is generally the average of the daily volume weighted average price of Stapled Securities traded on the ASX during the 10 trading days immediately prior to the relevant plan record date to which the distribution relates, less any discount. Details of any discount are announced at the time of each distribution announcement.

### Fees and expenses

The Responsible Entity is entitled to certain fees for managing the Trust and to recover expenses incurred in managing the Trust, performing its obligations and exercising its powers under the constitution of the Trust. The maximum fees set out under the Trust's constitution are described on page 92. However, as these fees are charged by the Responsible Entity or another company owned by Cromwell Property Group, they represent an internal charge which is eliminated when preparing the financial reports of Cromwell Property Group.

### Corporate structure

The following outlines name, jurisdiction and percentage ownership of each company in Cromwell Property Group.

Name of subsidiary	Place of incorporation	Percentage of shares held per cent.
Cromwell Property Securities Limited	Australia	100
Cromwell Property Services Pty Ltd	Australia	100
Marcoola Developments Pty Ltd	Australia	100
Votrait No. 662 Pty Ltd	Australia	100
Cromwell Capital Pty Ltd	Australia	100
Cromwell Finance Pty Ltd	Australia	100
Cromwell Operations Pty Ltd	Australia	100
Cromwell Funds Management Limited	Australia	100
Cromwell Seven Hills Pty Limited	Australia	100
Cromwell Holding Trust No 1 Pty Ltd	Australia	100
Cromwell Holding Trust No 2 Pty Ltd	Australia	100
Cromwell Real Estate Partners Pty Ltd	Australia	100
Cromwell Project & Technical Solutions Pty Ltd	Australia	100
Cromwell Infrastructure Pty Ltd	Australia	100
CPT Operations Pty Limited	Australia	50
CDPT Finance Pty Ltd	Australia	100
CDPT Finance No.2 Pty Ltd	Australia	100
Cromwell BT Pty Ltd	Australia	100
Cromwell SPV Finance Pty Ltd	Australia	100
Valad Australia Pty Ltd	Australia	100
Phoenix Portfolios Pty Ltd	Australia	45
Cromwell Aged Care Holdings Pty Ltd	Australia	100
Oyster Property Group Limited	New Zealand	50

<b>Name of subsidiary</b>	<b>Place of incorporation</b>	<b>Percentage of shares held per cent.</b>
Cromwell European Holdings Limited	United Kingdom	<b>100</b>
Cromwell European Finance Limited	United Kingdom	<b>100</b>
Cromwell EREIT Management Pte. Ltd.	Singapore	<b>100</b>
Cromwell Singapore Holdings Pte. Ltd.	Singapore	<b>100</b>

For more information about controlled entities of Cromwell Property Group, see the Cromwell Property Group's 2017 Annual Report.

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## DIRECTORS

### Issuer

The following table provides details of the Board of the Issuer as at the date of this Offering Circular:

Name/position	Background
Michael Wilde <i>Director</i>	Michael was Cromwell Property Group's Group Financial Controller for over 9 years before being appointed the Chief Financial Officer in 2015. Prior to working at Cromwell Property Group, Michael worked in the audit divisions of PricewaterhouseCoopers and Johnston Rorke (now Pitcher Partners). Michael has a Bachelor of Commerce and a Bachelor of Science and is a member of the Chartered Accountants Australia and New Zealand and a member of the Governance Institute of Australia (previously Institute of Chartered Secretaries and Administrators).
Brett Hinton <i>Director</i>	Brett is responsible for debt facility structuring and management, compliance and interest rate strategy for the Group. In his role as Head of Treasury, he procures and manages Cromwell Property Group's banking and finance relationships. Brett has 19 years' experience in corporate banking and capital markets, specialising in real estate investment and development.

### Cromwell Property Group

The following table provides details of the Board of Cromwell Property Group as at the date of this Offering Circular:

Name/position	Background
Geoffrey Levy, AO <i>Chairman</i>	Mr Levy has extensive public company executive and directorship experience and is the former Chief Executive Officer of Investec Bank (Australia) Ltd and former Chairman and non-executive director of a number of ASX listed entities and has chaired various Federal and State Governments entities, taskforces and panels. He is the current Chairman of Monash Private Capital and its groups of companies and funds. He was appointed an Officer in the Order of Australia in the Queen's Birthday Honours List in June 2005. Mr Levy is Chairman of Cromwell Property Group's Nomination & Remuneration Committee and a member of Cromwell Property Group's

**Name/position****Background**

<b>Name/position</b>	<b>Background</b>
<hr/> <p>Paul Weightman <i>Chief Executive Officer</i></p>	<p>Investment Committee.</p> <hr/> <p>Mr Weightman has been the key driver of Cromwell Property Group's success since inception in 1998. He has extensive experience in property development and investment, financial structuring, public listings, mergers and acquisitions, revenue matters and joint ventures. Mr Weightman was Cromwell Property Group's Executive Chairman from 1998 – 2008 and has acted as a director of companies in the property, energy and retail sectors. He practised as a solicitor for more than 20 years and holds degrees in commerce and law. Mr Weightman is a member of Cromwell Property Group's Investment Committee.</p> <hr/>
<p>Michelle McKellar <i>Non-executive Director</i></p>	<p>Ms McKellar has over 30 years of property and portfolio management experience throughout the Asia-Pacific. Ms McKellar was responsible for establishing the CBRE business in New Zealand and served as the Hong Kong-based Managing Director of the company's Greater China operations. She subsequently served as the CEO of Jen Group of Companies and is a founding Director of China-based Dash Brands. She is a senior member of the Property Institute of New Zealand, and a Fellow of the Australian Institute of Company Directors. Ms McKellar is Chairman of Cromwell Property Group's Investment Committee and a member of Cromwell Property Group's Audit &amp; Risk and Nomination &amp; Remuneration Committees. Ms McKellar is also a Director of Oyster Property Group, Cromwell Property Group's Joint venture Funds Management company in New Zealand.</p> <hr/>
<p>Marc Wainer <i>Non-executive Director</i></p>	<p>Mr Wainer has more than 40 years' experience in the property industry in South Africa. Marc is the Executive Chairman and an Executive Director of listed South African property group Redefine Properties Limited which he founded, and which is a substantial securityholder of Cromwell Property Group. He also is a Non-executive Director of Redefine International P.L.C., a listed property investment company in the United Kingdom and also serves as a Non-executive Director of Redefine BDL Hotel Group which owns and manages a portfolio of hotels in the United Kingdom as well as a Non-Executive Director of Echo Polska Properties.</p> <hr/>
<p>Jane Tongs <i>Non-executive Director</i></p>	<p>Ms Tongs has over 20 years of management expertise, serving on the boards of insurance, funds management and other financial services entities. She is currently</p> <hr/>

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Name/position	Background
	<p>Chairman of the Netwealth Group and Chairman of the Lend Lease Australian Prime Property Fund Investors Committee and a Director of Australian Energy Marketing Operator Limited, Catholic Church Insurances Ltd and Warakirri Asset Management Ltd. Ms Tongs also served as director of Run Corp Limited from 2005 until her resignation in 2014. Ms Tongs is also a Fellow of Chartered Accountants Australia and New Zealand and of CPA Australia and a member of the Australian Institute of Company Directors. Ms Tongs is Chairman of Cromwell Property Group's Audit &amp; Risk Committee and a member of Cromwell Property Group's Nomination &amp; Remuneration Committee.</p>
<p>Andrew Konig <i>Non-executive Director</i></p>	<p>Mr Konig was appointed as Financial Director and to the board of Redefine Properties in January 2011 and elected as Chief Executive Officer in August 2014. He is Chairman of the Executive Committee and member of the Investment Committee, and holds external appointments as Executive Director of Fountainhead Manco, Non-executive Director of Delta Property Fund and Echo Polska Properties and an alternate Director to Marc Wainer on the Redefine International PLC Board. Mr Konig is a qualified Chartered Accountant with 24 years of commercial and financial experience, and was previously Group Financial Director of Independent News and Media. He is responsible for the management of Redefine and for ensuring the Board's strategy is implemented as well as all aspects of regulatory compliance, corporate activity and communications.</p>
<p>Leon Blitz <i>Non-executive Director</i></p>	<p>Mr Blitz is the co-founder and CEO of Grovepoint, a London-based pan European investment firm specialising in private equity, investment management, and specialist debt and financing activities. His experience includes property, banking, risk management and fundraising, and he is the former Head of Principal Investments, Private Banking and Property Lending at Investec Bank. Mr Blitz has acted as a Non-executive director of a number of operating, financial and investment companies throughout Europe. Mr Blitz is the chairman of a London-based chamber of commerce and plays a leadership role in a number of charitable and communal organisations. Mr Blitz is a Chartered Accountant and holds an honours degree in finance. Mr Blitz is a member of Cromwell Property Group's Audit &amp; Risk and Nomination &amp;</p>

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**Name/position**

**Background**

Remuneration Committees.

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## SENIOR MANAGEMENT

### Issuer

The following table provides details of the executive officer of the Issuer:

Name/position	Background
Lucy Laakso <i>Company Secretary</i>	Ms Laakso has over 15 years' experience in the financial services industry, having worked as a legal practitioner and in the areas of company secretariat, corporate governance, compliance and business banking. Prior to joining Cromwell Property Group, Lucy was an in-house lawyer at a fund manager and a manager in the company secretariat/compliance team at a private investment advisory firm. Before that, she worked at a Top 20 ASX-listed financial services company in areas including corporate secretariat, compliance and business banking. Lucy also has private practice experience at a top tier firm. She holds a Juris Doctor (First Class Honours), an MBA (specialising in Corporate Governance) and a Bachelor of Business.

### Cromwell Property Group

The following table provides details of the executive officers of Cromwell Property Group:

Name/position	Background
Paul Weightman <i>Chief Executive Officer</i>	As set out above on page 79.
Michael Wilde <i>Chief Financial Officer</i>	As set out above on page 78.
Lucy Laakso <i>Company Secretary</i>	As set out above on page 82.
Jodie Clark <i>Chief Operations Officer</i>	Jodie is Cromwell Property Group's Chief Operations Officer and is tasked with ensuring the smooth working of the Group's property platform and operational infrastructure. Her responsibilities cover all people, technology, marketing and operational matters in 15 countries throughout Europe and also Australia. She has over 25 years' experience in the property industry and has held a variety of different property related roles across the commercial, industrial, residential and development sectors. Jodie also sits on the board of Oyster Property Group in New Zealand, is Chair of their Nomination and

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Name/position	Background
	Remuneration Committee and is Chair of the Cromwell Property Foundation Committee. She also sits on the Property Council of Australia Qld Diversity Committee and is a member of the Australian Institute of Company Directors.
Simon Garing <i>Chief Capital Officer</i>	Mr. Garing is an experienced global real estate capital markets manager, analyst and investor. He has over 25 years' successful track record in global real estate, predominantly with bulge bracket investment banks. Mr Garing joined Cromwell Property Group in 2017 as Chief Capital Officer from Bank of America Merrill Lynch Hong Kong where he was previously Deputy Director of Research - Asia Pacific. Mr. Garing has a Bachelor of Commerce (BCom) focused in Double major accounting and finance from UNSW Australia. He is also a Fellow of the CPA (Aust.) and a member of the Hong Kong Institute of Directors.
Brett Hinton <i>Head of Treasury</i>	As set out above on page 78.

## RIGHTS AND LIABILITIES OF THE STAPLED SECURITIES

### Issued capital

As at the date of this Offering Circular, Cromwell Property Group have 1,981,637,716 Stapled Securities on issue. Neither Australian law nor the constitutions of the Company or the Trust (collectively, the "**Constitutions**") imposes a limit on the maximum number of Shares or Units, respectively, that each entity is authorised to issue.

The Trust is a registered scheme under the Corporations Act. The Corporations Act requires that the constitution of a registered scheme must be contained in a document that is legally enforceable as between the unitholders of the Trust and the responsible entity. A copy of the constitution of the Trust (as amended) has been lodged with ASIC.

The constitution of the Trust provides that the constitution of the Trust is binding on the Responsible Entity and each unitholder of the Trust and all persons claiming through them as if they were parties to the constitution of the Trust. Generally, each applicant, by signing the application for new Units, agrees and acknowledges that the applicant is bound by the provisions of the constitution of the Trust.

The constitution of the Trust sets out the rights and benefits attaching to the Units, and the respective rights and obligations of the Responsible Entity and unitholder of the Trust. Some of the key provisions of the constitution of the Trust are set out on pages 89 to 93 of this Offering Circular.

The constitution of the Trust may only be modified in accordance with the requirements of the Corporations Act and the constitution of the Trust. Section 601GC(1) of the Corporations Act provides that:

'The constitution of a registered scheme may be modified, or repealed and replaced with a new constitution:

- (a) by special resolution of the members of the scheme; or
- (b) by the responsible entity if the responsible entity reasonably considers the change will not adversely affect members' rights.'

This constitution of the Trust is governed by and is to be construed in accordance with the laws of the State of Queensland. The Responsible Entity, the unitholders of the Trust and applicants irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of Queensland and courts entitled to hear appeals from those courts.

A final and conclusive judgment of the Court of the United Kingdom and the Senior Courts of England and Wales ("**Relevant Court**") (in respect of the Bonds), would be enforced by the courts of the Relevant Jurisdiction without examination of the merits of the case if the following requirements of the Foreign Judgments Act 1991 (Cth) are met:

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- (a) the judgment is a money judgment, being a judgment for a definite sum of money other than in respect of taxes or other charges of a like nature or a fine or other penalty;
  - (b) the judgment is valid;
  - (c) the judgment is enforceable by execution in England;
  - (d) the judgment is not obtained by fraud;
  - (e) the enforcement of the judgment would not be contrary to public policy in the Relevant Jurisdiction;
  - (f) the proceedings in the English court did not involve a denial of the principles of natural justice recognised by the courts of the Relevant Jurisdiction;
  - (g) the judgment is obtained in proceedings of which a defendant received sufficient notice to enable it to appear, or in which a defendant appeared;
  - (h) the matter in dispute was not the subject of a final and conclusive judgment by another court having jurisdiction in the matter given before the judgment was given in the English court.

Such a judgment may be registered under the Foreign Judgments Act 1991 (Cth) in the Supreme Court of the Relevant Jurisdiction and would be enforceable by action in the courts of the Relevant Jurisdiction without a re-examination of the merits of the issues determined by the proceedings in the English court.

In respect of any judgment of an English court of law (in respect of the Bonds), an application may also be made to the Supreme Court of the Relevant Jurisdiction to allow the judgment to be enforced in the Relevant Jurisdiction based on common law principles, including:

- (a) the foreign court must have recognised a jurisdiction over the judgment debtor which the Australian courts will recognise the foreign judgment must be final and conclusive;
- (b) the parties to the foreign judgment and the enforcement proceedings must be identical and in the same interest;
- (c) the judgment must be for a fixed sum;
- (d) the judgment must not be obtained by fraud or duress;
- (e) the enforcement of the judgment must not be contrary to public policy in the Relevant Jurisdiction; and

- (f) the proceedings in the English court must not have involved a denial of the principles of natural justice recognised by the courts of the Relevant Jurisdiction.

In this paragraph, "Relevant Jurisdiction" means the State of Queensland and a reference to "laws of the Relevant Jurisdiction" includes a reference to Queensland law and applicable laws of the Commonwealth of Australia in force in the Relevant Jurisdiction.

### **Rights and liabilities attached to Stapled Securities**

The rights and liabilities attaching to Stapled Securities are set out in the Constitutions, the stapling deed in respect of Cromwell Property Group dated 7 December 2006 as amended by deed dated 7 December 2012 ("**Stapling Deed**") as well as the Corporations Act, exemptions and declarations given by ASIC, the ASX Listing Rules (subject to waivers) and the general law.

The Constitutions and the Stapling Deed ensure that, for as long as the two entities remain jointly quoted on ASX, the number of quoted Units and the number of quoted Shares shall be equal and that unitholders and shareholders will be identical.

A summary of the rights attaching to Stapled Securities is set out below. This summary is not exhaustive and reference should be made to the materials referred to in the foregoing paragraph. Full details of the rights attaching to the Stapled Securities are set out in the Constitutions, copies of which can be inspected at the registered office of Cromwell Property Group at Level 19, 200 Mary Street, Brisbane Queensland, Australia 4000 during normal business hours.

The duties of the Responsible Entity are set out under the general law, the Corporations Act and the constituent documents of the Trust. These duties include the following:

- (a) to comply with its duties under the Corporations Act, as modified by any applicable instrument of relief or declaration provided or issued by ASIC, and the duties applicable to it under the general law. Under the Corporations Act, the Responsible Entity must (among other things);
- (i) act honestly;
  - (ii) exercise the degree of care and diligence that a reasonable person would exercise if they were in the Responsible Entity's position;
  - (iii) act in the best interests of the unitholders of the Trust and, if there is a conflict between the unitholder's interests and its own interests, give priority to the unitholder's interests;
  - (iv) treat the unitholders of the Trust who hold interests of the same class equally and unitholders of the Trust who hold interests of different classes fairly;

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- (v) not make use of information acquired through being the responsible entity in order to:
    - (A) gain an improper advantage for itself or another person; or
    - (B) cause detriment to the unitholders of the Trust;
  - (vi) ensure that scheme property is:
    - (A) clearly identified as scheme property; and
    - (B) held separately from property of the Responsible Entity and property of any other scheme;
  - (vii) ensure that the scheme property is valued at regular intervals appropriate to the nature of the property;
  - (viii) ensure that all payments out of the scheme property are made in accordance with the constitution of the Trust and the Corporations Act; and
  - (ix) report to ASIC any breach of the Corporations Act that:
    - (A) relates to the Trust; and
    - (B) has had, or is likely to have, a materially adverse effect on the interests of unitholders of the Trust,

as soon as practicable after it becomes aware of the breach;
  - (i) to carry out or comply with any other duty, not inconsistent with the Corporations Act, conferred on it under the constitution of the Trust;
  - (j) to comply with any representations, promises or covenants given by it or to which it is bound by law in disclosure documentation or marketing material given to or accessible by investors;
  - (k) to comply with its duties under the compliance plan of the Trust;
  - (l) to comply with the conditions of its Australian financial services licence;
  - (m) while the Trust is listed on the ASX, to comply with the ASX Listing Rules; and
  - (n) to comply with its duties under contract in respect of its role as responsible entity of the Trust.

## Company constitution

The Constitution of the Company sets out the rights and benefits attaching to the Shares. The key provisions of the constitution of the Company include:

- **(Shares)** The directors of the Company may:
  - issue and allot or dispose of the Shares on terms and at a price determined by the directors of the Company and with certain rights and restrictions;
  - grant options over unissued Shares; and
  - issue preference shares.
- **(Transfer)** The Shares are transferable in accordance with any method of transfer required or permitted by the Corporations Act and the ASX. The directors of the Company must refuse to register any transfer of Shares where they are required to do so by the ASX Listing Rules and the constitution of the Company.
- **(General meetings)** A director of the Company may call a meeting of the Company's shareholders and must call annual general meetings in accordance with the Corporations Act. The Company's shareholders may also request or call and arrange to hold general meetings in accordance with the Corporations Act. Each shareholder of the Company is entitled to receive notice of general meetings and attend and unless not eligible, vote at general meetings. While stapling applies, a meeting of the Company's shareholders may be held in conjunction with a meeting of the Trust's unitholders.
- **(Votes of members)** At a general meeting of the Company, every shareholder of the Company has one vote on a show of hands and one vote for each fully paid Share on a poll or a fraction of a vote equivalent to the proportion which the amount paid is of the total amounts paid on the Share. A shareholder of the Company may vote in person, by proxy, attorney or representative.
- **(Appointment and removal of directors)** By resolution passed in a general meeting, a director of the Company may be removed and where that outgoing director is a non-executive director, another may be elected.
- **(Powers and duties of directors)** The Company's directors may exercise all powers of the Company that the Constitution of the Company, Corporations Act or the ASX Listing Rules do not require to be exercised by the Company in a general meeting. The powers of the directors include the power to borrow money, charge any property or business of the Company, give a security and to provide a guarantee.
- **(Dividends and reserves)** The Company's directors may by resolution declare a dividend or determine a dividend is payable. The directors may also set aside an amount out of profits as a reserve before such declaration or determination. All fully paid Shares are entitled to participate in dividends equally and each partly paid Shares is entitled to a fraction of the dividend declared or paid on a fully paid Share of the

same class, equivalent to the proportion which the amount paid is of the total amounts paid on the Share. The Company's directors may:

- deduct amounts payable by the relevant shareholder of the Company to the Company from any dividend payable;
  - resolve to pay a dividend wholly or partly by the transfer or distribution of specific assets;
  - establish a plan under which the Company's shareholders may elect to reinvest cash dividends by subscribing for Shares;
  - to the extent authorised by resolution in a general meeting, resolve that the Company's shareholders may elect to receive Shares in lieu of dividends; and
  - resolve to capitalise profits or reserves of the Company for distribution.
- **(Winding up)** If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide the assets of the Company amongst the Company's shareholders or vest all or any of the assets of the Company in a trustee.
  - **(Indemnity and insurance)** To the extent permitted by law, the Company may indemnify any current or former officer of the Company, against any liability incurred by that person in that capacity (except liability for legal costs) and reasonable legal costs incurred in defending or resisting proceedings in which the person becomes involved because of that capacity. The Company may purchase insurance, to the extent permitted by law, insuring a person who is or has been an officer of the Company, against any liability incurred by the person in that capacity.
  - **(Shareholder disclosure)** Where a shareholder of the Company enters into an arrangement restricting the transfer or other disposal of Shares and it is an arrangement which the Company is required to disclose under the ASX Listing Rules, the shareholder of the Company must provide the required information to the Company.

### **Trust constitution**

The constitution of the Trust sets out the rights and benefits attaching to the Units. The key provisions of the Constitution of the Trust include:

- **(Units)** The Responsible Entity may:
  - issue Units at the current market value with or without special rights or restrictions or otherwise in accordance with ASIC relief;
  - issue options or financial instruments on such terms and conditions and price as it determines; and
  - not offer, allot or issue Units unless, at the same time, Shares are also offered, allotted or issued (as applicable) to the same person, to form a Stapled Security.

- **(Powers of the Responsible Entity)** The Responsible Entity has all powers and responsibilities of a natural person and a body corporate including the power to invest, borrow, raise money, enter into any financial arrangement and appoint an agent.
- **(Valuation)** Subject to an applicable law, the value of an asset will be the current market value of that asset determined having regard to an applicable law, the nature and characteristics of the asset and the market for that asset at the time of valuation and the basis of that determination.
- **(Transfer)** The Responsible Entity may refuse to register a transfer subject to the ASX Listing Rules and the constitution of the Trust. The Responsible Entity must refuse to register any transfer of Units where they are required to do so by the ASX Listing Rules and the constitution of the Trust.
- **(Application)** The Responsible Entity may reject an application in whole or in part without giving reasons for the rejection. The Responsible Entity may set a maximum or minimum application amount and a maximum or minimum holding for the Trust.
- **(Issue price)** Unless the Corporations Act (including as modified by ASIC relief) or the constitution of the Trust provides otherwise, the issue price for the issue of new Units is the average of the daily volume weighted average price for all Stapled Securities sales (including sales that are special crossings) on the ASX during the previous 10 trading days, calculated on the date not more than 5 trading days prior to that day, divided by the average paid up proportion of Stapled Securities less the issue price of a Share or such other amount determined by the Responsible Entity.
- **(Redemption)** The holders of Units do not have a right to redeem Units. However, under the ASX Listing Rules, the Responsible Entity must not be under an obligation to allow a unitholder of the Trust to withdraw from the Trust. As such, while the Trust is listed on the ASX, a unitholder of the Trust is not entitled to redeem their Units. Rather, to exit their investment in the Trust, a unitholder of the Trust must transfer their Units, which is ordinarily done via a sale on the market operated by the ASX.
- **(Unitholder meetings)** A unitholder meeting may be called and arranged by the Responsible Entity. Unitholders of the Trust with at least 5 per cent. of votes that may be cast on the resolution or at least 100 unitholders of the Trust who are entitled to vote on the resolution, may request a unitholder meeting be held or put resolutions to meetings of unitholders of the Trust. Each unitholder of the Trust is entitled to receive a notice of meeting.
- **(Votes of members)** Every unitholder of the Trust has one vote on a show of hands and one vote for each dollar of the value of the total units they have in the Trust on a poll. Each unitholder of the Trust is entitled to receive notice of general meetings and attend and unless not eligible, vote at unitholder meetings.

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- **(Distributions)** The provisions in the Trust's constitution regarding distributions are different depending on whether the Trust is an "attribution managed investment trust" under Australian taxation law ("**AMIT**") in any particular financial year. The Responsible Entity of the Trust elected to apply the new AMIT regime from 1 July 2017.

#### Provisions applicable when the Trust is not an AMIT

The Responsible Entity may determine at any time to distribute capital or income to the unitholders of the Trust for a distribution period being either a calendar quarter or such period nominated by the Responsible Entity. The amount of the distribution is determined by the Responsible Entity or if no determination is made for a period ending the 30 June of any year, the distribution amount is the net income of the Trust for that period as defined for tax purposes, though excluding net capital gains and amounts that have not been realised or received during the relevant period. The Responsible Entity may withhold from distributions an amount which the Responsible Entity considers is necessary to minimise variability in distribution amounts over distribution periods.

#### Provisions applicable when the Trust is an AMIT

The Responsible Entity may make an election that the Trust will be an AMIT with effect from the commencement of any financial year of the Trust. Where the Trust is an AMIT:

- the Responsible Entity may attribute "Attribution Amounts" (as defined) for tax purposes to unitholders on a fair and reasonable basis in accordance with the constitution;
- the Responsible Entity may distribute any amount of income or capital of the Trust to unitholders;
- any taxes paid or remitted on behalf of a unitholder are taken to be made for that unitholder;
- the Responsible Entity has specific powers to issue and amend "AMMA Statements" (as defined in the constitution of the Trust) to unitholders;
- the Responsible Entity has powers in relation to "unders" and "overs" as permitted in the AMIT regime;
- the Responsible Entity is not liable, nor obliged, to account to a unitholder, or former unitholder, as a consequence of the Responsible Entity exercising any choices, powers or discretions in complying with the AMIT rules;
- should a unitholder object to an attribution as afforded under the AMIT regime, the unitholder must give notice and provide information to the Responsible Entity and the unitholder must meet all costs or liabilities incurred by the Responsible Entity associated with the process of acknowledging the objection and assessing the impact on other unit holders; and
- each unitholder indemnifies the Responsible Entity for any tax payable by the Responsible Entity in complying with the AMIT rules that reasonably relates to the unitholder.

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Provisions applicable whether or not the Trust is an AMIT

Unitholders of the Trust may reinvest the distribution where the right is offered under a disclosure document issued by the Responsible Entity or by notice in writing to all unitholders of the Trust, by giving notice to the Responsible Entity to request it.

- **(Responsible Entity's powers and rights)** The Responsible Entity and its associates may hold Units in any capacity. The Responsible Entity in a capacity other than as responsible entity of the Trust, may contract with unitholders of the Trust, the Trust or any authorised investments or property proposed to be acquired as an asset of the Trust if the transaction is not in breach of any covenant contained in the constitution of the Trust and the Responsible Entity acts with good faith to the unitholders of the Trust. If the Responsible Entity acts in good faith and without gross neglect, fraud, deceit or a material breach of covenant, it is not liable to account to nor to indemnify the Trust or unitholders of the Trust or persons claiming under or on behalf of a unitholder of the Trust. The liability of the Responsible Entity to the unitholders of the Trust is limited to the extent the assets of the Trust are vested in the Responsible Entity or received and/or held by it in accordance with the constitution of the Trust. The Responsible Entity is entitled to be indemnified out of the assets of the Trust for any liability incurred by it in properly performing its functions and duties or exercising its powers under the constitution of the Trust or at law except where the liability is incurred or payable in respect of or as a result of gross neglect, deceit or a material breach of covenant of the Responsible Entity.
- **(Responsible Entity's remuneration)** In consideration of the Responsible Entity properly performing its duties under the Trust's constitution and the Corporations Act, the Responsible Entity and/its associates are entitled to the following fees out of the income and capital of the Trust:
  - an ongoing base annual management fee of up to 0.65% of the average gross asset value of the Trust. However, the Responsible Entity is currently charging a reduced fee of 0.4% of the average gross asset value of the Trust and intends to continue to do so. This fee is payable to the Responsible Entity monthly in arrears;
  - a bonus performance fee of up to 10% of the amount by which the internal rate of return on that asset exceeds 11.5%, payable upon the sale of any real property asset and paid upon settlement of that sale. However, the Responsible Entity has not charged a performance fee since December 2006 and does not intend to do so in the future;
  - an acquisition fee of up to 5% of the acquisition price of real property assets acquired by the Trust, payable upon acquisition of any real property asset. However, the Responsible Entity has not charged a fee for any acquisition since December 2006 and does not intend to do so in the future;
  - a fee of up to 1% of the sale price of any real property asset or of any controlled entity of the Trust which owns any real property asset where an associate of the

Responsible Entity is appointed the selling agent, payable on completion of the sale;

- other fees as specified in a disclosure document so long as those fees are only payable out of amounts successfully raised pursuant to that disclosure document including without limitation a fee for financial, property and other due diligence services provided to the Responsible Entity by an associate of the Responsible Entity in respect of the successful acquisition of any real property asset or any company, trust or managed investment scheme which owns any real property asset. This fee may only be paid on completion of the acquisition;
- where any real property asset is leased, purchased or sold by or in conjunction with any party with whom the Trust has entered into a partnership or joint venture for the purpose, such fees as may be reasonable and properly payable to such party;
- managing agent's fees out of the Trust which are reasonable and properly payable, where managing agent's services are being provided in respect of any asset. These fees are payable whether the asset is managed by an independent managing agent paid by the Responsible Entity or by an associate of the Responsible Entity acting in the capacity of managing agent and will be paid out of the Trust in addition to any other remuneration payable to the Responsible Entity;
- fees at standard market rates project management, development management or other management services, and accounting services and financial reporting for the Trust and its unitholders.

The Responsible Entity's remuneration described above is to be paid in addition to all other amounts to which it is entitled under the Trust's constitution by way of reimbursement or indemnity.

- **(Termination)** Upon termination, assets or proceeds remaining after application to current, contingent or prospective expenses and liabilities will be distributed to unitholders of the Trust pro rata to their holdings of units in the Trust.

## MARKET PRICE INFORMATION AND OTHER INFORMATION CONCERNING THE STAPLED SECURITIES

The Stapled Securities are currently listed on the ASX.

The table below sets forth, for the periods indicated, the high and low quoted closing prices per Stapled Security in Australian Dollars as quoted on the ASX, the average daily trading volume of the Stapled Securities traded on the ASX and the high and low of the ASX Index.

	<b>Closing price per Stapled Security</b>		<b>Average daily trading volume</b> <i>(number of Stapled Securities in millions)</i>	<b>S&amp;P / ASX 200 Index</b>	
	<b>High</b>	<b>Low</b>		<b>High</b>	<b>Low</b>
	<i>(Australian dollars)</i>	<i>(Australian dollars)</i>		<i>(Points)</i>	<i>(Points)</i>
<b>2014</b>					
First Quarter.....	1.02	0.95	4.937	5462.31	5070.31
Second Quarter ..	1.00	0.96	3.729	5536.07	5358.95
Third Quarter .....	1.05	0.95	4.882	5658.51	5264.22
Fourth Quarter....	1.07	0.94	3.402	5549.13	5152.34
<b>2015</b>					
First Quarter.....	1.19	1.04	5.298	5975.49	5299.24
Second Quarter ..	1.14	1.02	4.813	5982.69	5422.49
Third Quarter .....	1.12	0.95	7.327	5706.72	4918.43
Fourth Quarter....	1.07	0.95	3.152	5351.57	4909.56
<b>2016</b>					
First Quarter.....	1.06	0.97	3.760	5270.48	4765.35
Second Quarter ..	1.07	0.98	4.442	5408.02	4924.39
Third Quarter .....	1.11	0.94	5.019	5587.39	5197.50
Fourth Quarter....	1.00	0.89	4.299	5699.07	5156.56
<b>2017</b>					
First Quarter.....	1.03	0.95	3.575	5896.23	5610.97
Second Quarter ..	1.03	0.95	3.670	5956.52	5665.72
Third Quarter .....	0.99	0.92	4.658	5785.10	5655.42
Fourth Quarter....	1.04	0.96	4.114	6088.14	5651.77

Source: Bloomberg 20 March 2018

The closing price of the Stapled Securities on 20 March 2018 was A\$1.085 per Stapled Security as quoted on the ASX.

## USE OF PROCEEDS

The estimated net proceeds of the issue of the Bonds will be, after deduction of commissions, professional fees and other administrative expenses, approximately €225.3 million.

The net proceeds will be used by the Issuer to provide financial accommodation to Cromwell Property Group for the following purposes:

- (a) repurchasing up to €150 million of the Existing Bonds on issue from holders of those bonds in accordance with the terms of those bonds;
- (b) repay financial indebtedness; and
- (c) any further amount raised and/or not applied as per (a) or (b) above will be used by Cromwell Property Group for general corporate purposes.

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## CAPITALISATION AND INDEBTEDNESS – ISSUER

### Capitalisation and indebtedness of Cromwell SPV Finance Pty Ltd

The following table sets forth the Reviewed Statement of Financial Position as at 31 December 2017 adjusted for events subsequent to 31 December 2017 as indicated below. This table should be read in conjunction with the consolidated audited financial statements.

	Balance at 31 Dec 2017 A\$'000	Adjusted for fixed rate of exchange A\$'000	Issuance of Bonds A\$'000\$	Pro forma post- issue A\$'000	Buy back of 80% of Existing Bonds A\$'000	Pro forma post 80% buy back A\$'000	Buy back remaining 20% of Existing Bonds A\$'000	Pro forma at 31 Dec 2017 A\$'000
<b>Liabilities</b>								
Borrowings	229,709	9,327	343,329	582,365	(191,229)	391,136	(47,807)	343,329
Other liabilities	1,859	-	23,192	25,051	-	25,051	-	25,051
<b>Total liabilities</b>	<b>231,568</b>	<b>9,327</b>	<b>366,521</b>	<b>607,416</b>	<b>(191,229)</b>	<b>416,187</b>	<b>(47,807)</b>	<b>368,380</b>
<b>Equity</b>								
Contributed equity	-	-	-	-	-	-	-	-
Retained earnings	27	-	-	27	-	27	-	27
<b>Total equity</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>27</b>
<b>Total Capitalisation</b>	<b>231,595</b>	<b>9,327</b>	<b>366,521</b>	<b>607,443</b>	<b>(191,229)</b>	<b>416,214</b>	<b>(47,807)</b>	<b>368,407</b>

The Issuer is a special purpose vehicle whose only purpose is to issue the Bonds and then on-lend to Cromwell Property Group.

The proceeds from the Bonds and the proceeds from the Existing Bonds will or are on-loaned on terms and conditions matching those of the Bonds and Existing Bonds. Any interest payable under the Bonds or Existing Bonds is matched to interest receivable from the Cromwell Property Group, as such there will be no impact to the Issuer from either the proposed repurchase of the Existing Bonds or the issue of the Bonds.

This is the case in either scenario as the Issuer itself is effectively a pass-through vehicle and the amount of Existing Bonds repurchased or otherwise will be passed on to another group entity.

## CAPITALISATION AND INDEBTEDNESS – CROMWELL PROPERTY GROUP

### Capitalisation and indebtedness of Cromwell Property Group

The following table sets forth the Reviewed Statement of Financial Position as at 31 December 2017 adjusted for events subsequent to 31 December 2017 as indicated below. This table should be read in conjunction with the consolidated audited financial statements.

	Balance at 31 Dec 2017 A\$M	Security Purchase Plan	Sale of Huntingfield Avenue	Buy back of Existing Bonds	Issuance of Bonds	Pro forma at 31 December 2017
<b>Liabilities</b>						
Borrowings	1,404.7	-	-	(219.8)	336.3	1,521.2
Distribution payable	37.5	-	-	-	-	37.5
Derivative financial liabilities	8.8	-	-	(3.0)	23.2	29.0
Other liabilities	61.0	-	-	-	-	61.0
<b>Total liabilities</b>	<b>1,512.0</b>	<b>-</b>	<b>-</b>	<b>(222.8)</b>	<b>359.5</b>	<b>1,648.7</b>
<b>Equity</b>						
Contributed equity	116.7	1.9	-	-	-	118.6
Reserves	22.9	-	-	-	-	22.9
Accumulated losses	(185.6)	-	-	(18.2)	(0.3)	(204.1)
Non-controlling interests	1,859.3	32.5	-	-	-	1,891.8
<b>Total equity</b>	<b>1,813.3</b>	<b>34.4</b>	<b>-</b>	<b>(18.2)</b>	<b>(0.3)</b>	<b>1,829.2</b>
<b>Total Capitalisation</b>	<b>3,325.3</b>	<b>34.4</b>	<b>-</b>	<b>(241.0)</b>	<b>359.2</b>	<b>3,477.9</b>

The following adjustments and assumptions have been made in the preparation of the table above:

- the table assumes that 100% of the Existing Bonds will be bought back;
- the table has not been audited and has been prepared using Australian equivalents to International Financial Reporting Standards and reflects the accounting policies of Cromwell Property Group; and
- the adjustments for the buy back of the Existing Bonds and issuance of the Bonds reflect provisional accounting adjustments. Actual results may change between the date of this Offering Circular and the completion of the proposed transaction.

#### Pro forma transactions

- Security purchase plan – pro forma adjustment reflects the issuance of 37,066,571 securities at a price of A\$0.947, for a total of A\$35 million in issued capital.
- Sale of Huntingfield Avenue – pro forma adjustment reflects the sale of the asset at Huntingfield Avenue for A\$4.5 million, equivalent to the carrying amount at 31 December 2017.

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- (c) The pro forma adjustments reflect the repurchase and cancellation of the Existing Bonds with a combined face value of €150 million. The exchange rate is assumed to be at A\$1.0000 to €0.6275, resulting in a cash redemption of A\$243.2 million. Borrowing costs to be written off as a result of the Existing Bonds redemption will be approximately A\$2.0 million.
  - (d) The pro forma adjustments reflect the issue of the Bonds with a combined face value of €230 million, less estimated costs of the offer of A\$7.5 million. The exchange rate is assumed to be at A\$1.0000 to €0.6275, resulting in a combined face value of A\$366.5 million and estimated costs of A\$7.5 million.
  - (e) For accounting purposes, the Bonds are allocated between debt and a financial liability (derivative, due to the conversion feature of the Bonds) at issue. The debt will be accounted for at amortised cost and the financial liability component at fair value through profit or loss.
  - (f) The derivative component of A\$23.2 million has been calculated using a theoretical option pricing model. Transaction costs of A\$0.5 million allocated to the derivative component are immediately expensed to profit or loss and have been determined on a pro rata basis.
  - (g) The debt component is calculated as the Bonds amount less the derivative liability less transaction costs of A\$7.0 million. Transaction costs allocated to the debt component are capitalised and deducted from the carrying value of the debt.

## Issued capital – movement in issued capital from 1 July 2017 to 31 December 2017

	30 June 2017 '000	Issued pursuant to DRP scheme '000	Issued pursuant to PRP scheme '000	Issued pursuant to Strategic Placement '000	31 December 2017 '000
<b>Number of Stapled Securities issued</b>	<b>1,762,361</b>	<b>3,007</b>	<b>2,839</b>	<b>175,053</b>	<b>1,943,260</b>

### Securities issued pursuant to Strategic Placement

In December 2017, Cromwell Property Group announced a A\$170 million Strategic Placement to entities associated with the cornerstone investors in CEREIF, Mr Gordon Tang and Mrs Celine Tang. Approximately 175 million new Cromwell Property Group Stapled Securities were issued under the strategic placement at a 4.9 per cent discount to Cromwell Property Group's 30 day VWAP.

### Performance Rights Plan on issue for the period from 1 July 2017 to 31 December 2017

The following performance rights have been issued in accordance with Cromwell Property Group's Performance Rights Plan ("PRP"). Under the PRP, eligible employees are allocated performance rights. Each performance right enables the participant to acquire a Stapled Security in Cromwell Property Group, at a future date and exercise price, subject to conditions. The number of performance rights allocated to each participant is set by the Board or the Nomination & Remuneration Committee of Cromwell Property Group and is based upon individual circumstances and performance.

Exercise price	Balance at 1 July 2017	Granted during period	Exercised/ forfeited during period	Balance at 31 December 2017	Expiry date
<b>A\$0.00</b>	522,046	-	(522,046)	-	1/10/2017
<b>A\$0.20</b>	28,135	-	(28,135)	-	1/10/2017
<b>A\$0.30</b>	33,697	-	(33,697)	-	1/10/2017
<b>A\$0.40</b>	41,967	-	(41,967)	-	1/10/2017
<b>A\$0.50</b>	2,213,267	-	(2,213,267)	-	1/10/2017
<b>A\$0.00</b>	565,041	-	-	565,041	2/12/2018
<b>A\$0.30</b>	132,863	-	-	132,863	2/12/2018
<b>A\$0.40</b>	163,650	-	-	163,650	2/12/2018
<b>A\$0.50</b>	259,602	-	-	259,602	2/12/2018
<b>A\$0.50</b>	1,254,530	-	-	1,254,530	10/10/2018
<b>A\$0.00</b>	1,069,160	-	-	1,069,160	30/11/2019
<b>A\$0.20</b>	143,225	-	-	143,225	30/11/2019

<b>A\$0.50</b>	1,061,136	-	-	1,061,136	30/11/2019
<b>A\$0.50</b>	2,788,525	-	-	2,788,525	1/01/2020
<b>TOTAL</b>	10,276,844	-	(2,839,112)	7,437,732	

### Effects of the Bonds on Cromwell Property Group

The Stapled Securities to be issued upon conversion of the Bonds will be issued fully paid and will rank from the date of issue equally for distributions/dividends and other rights with existing Stapled Securities. Upon conversion of the Bonds, Cromwell Property Group will apply to the ASX for quotation of the Stapled Securities on conversion of the Bond.

In the event of a full conversion of the Bonds issued (and assuming that securityholder approval is given for the issue of the Further Stapled Securities (as defined in the Conditions)), based upon the initial conversion price of the Bonds and the number of Stapled Securities on issue at the date of this Offering Circular, following conversion of the Bonds into Stapled Securities:

- (a) Cromwell Property Group would issue 311,376,348 new Stapled Securities; and
- (b) the Stapled Securities issued as a result of the conversion constitute approximately 13.58 per cent. of 2,293,014,064 total Stapled Securities, comprising the Stapled Securities on issue at the date of this Offering Circular (being 1,981,637,716) and the Stapled Securities issued under conversion of the Bonds (being 311,376,348).

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## TERMS AND CONDITIONS OF THE BONDS

*The following, subject to completion and amendment, and save for the paragraphs in italics, is the text of the Terms and Conditions of the Bonds.*

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

The issue of the €230 million 2.5 per cent. Guaranteed Convertible Bonds due 2025 (the “**Bonds**”, which expression shall, unless otherwise indicated, include any Further Bonds), was (save in respect of any such Further Bonds) authorised by a resolution of the board of directors of Cromwell SPV Finance Pty Ltd (ACN 603 578 310) (the “**Issuer**”) passed on 21 March 2018.

The issue of shares in Cromwell Corporation Limited (ACN 001 056 980) (“**CCL**”) and units in the Cromwell Diversified Property Trust (ARSN 102 982 598) (“**CDPT**”) upon conversion into Stapled Securities (as defined below in Condition 3) in accordance with the Conditions (as defined below) was authorised by a resolution of the board of directors of the Issuer passed on 21 March 2018 and by a resolution of the board of directors of each of CCL and Cromwell Property Securities Limited (ACN 079 147 809) in its capacity as responsible entity for CDPT (the “**CDPT Guarantor**”, and each of the CDPT Guarantor and CCL being a “**Guarantor**”) passed on 21 March 2018. The giving of the guarantee of the Bonds was authorised by a resolution of the board of directors of each Guarantor passed 21 March 2018.

The Bonds are constituted by a trust deed dated 29 March 2018 (the “**Trust Deed**”) between the Issuer, each Guarantor and Citicorp International Limited (the “**Trustee**”, which expression shall include all persons for the time being appointed as the trustee or trustees under the Trust Deed) as trustee for the holders (as defined below in Condition 3) of the Bonds. The statements set out in these Terms and Conditions (the “**Conditions**”) are summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Bonds. The Bondholders (as defined below in Condition 3) are entitled to the benefit of and are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and those provisions applicable to them which are contained in the Paying, Transfer and Conversion Agency Agreement dated 29 March 2018 (the “**Agency Agreement**”) relating to the Bonds between the Issuer, each Guarantor, the Trustee, Citibank, N.A., London Branch in its capacities as principal paying agent, principal transfer agent and principal conversion agent (the “**Principal Paying, Transfer and Conversion Agent**”, which expression shall include any successor as principal paying, transfer and conversion agent under the Agency

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Agreement) and Citigroup Global Markets Deutschland AG in its capacity as registrar (the “**Registrar**”, which expression shall include any successor as registrar under the Agency Agreement). References to “**Paying Agents**” means the paying agents appointed as such from time to time under the Agency Agreement, and includes the Principal Paying, Transfer and Conversion Agent. References to “**Transfer Agents**” means the transfer agents appointed as such from time to time under the Agency Agreement, and includes the Principal Paying, Transfer and Conversion Agent. References to “**Conversion Agents**” means the conversion agents appointed as such from time to time under the Agency Agreement, and includes the Principal Paying, Transfer and Conversion Agent. References to “**Agents**” means the Principal Paying, Transfer and Conversion Agent, the Registrar, any other Paying Agent, any other Transfer Agent and any other Conversion Agent, and in each case includes their successors as Agents under the Agency Agreement. Copies of the Trust Deed and the Agency Agreement are available for inspection at the specified office of the Principal Paying, Transfer and Conversion Agent.

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

## 1 **Form, Denomination, Title and Status**

### (a) *Form and Denomination*

The Bonds are in registered form, serially numbered, in principal amounts of €100,000 each and integral multiples thereof (an “**authorised denomination**”).

### (b) *Title*

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

### (c) *Status*

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 2(a)) unsecured obligations of the Issuer ranking *pari passu* and ratably, without any preference among themselves. The payment obligations of the Issuer under the Bonds rank equally with all its other existing and future unsecured and unsubordinated obligations, save for, in the event of a winding up,

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such obligations that may be preferred by provisions of law that are mandatory and of general application.

(d) *Guarantee*

The payment of the principal and interest in respect of the Bonds and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by each Guarantor (the “**Guarantee**”) in the Trust Deed.

(e) *Status of the Guarantee*

The obligations of each Guarantor under the Guarantee constitute direct, unconditional and (subject to the provisions of Condition 2) unsecured obligations of that Guarantor and (subject as stated above) rank and will rank *pari passu* and rateably with all its other existing and future unsecured and unsubordinated obligations, save for, in the event of a winding up, such obligations that may be preferred by provisions of law that are mandatory and of general application.

## 2 **Negative Pledge and Subsidiary Guarantee**

(a) *Negative Pledge*

So long as any of the Bonds remain outstanding (as defined in the Trust Deed), neither the Issuer nor any Guarantor will create or permit to subsist, and each will ensure that none of their respective Subsidiaries will create or permit to subsist, any Security Interest upon the whole or any part of its present or future business, undertaking, property, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee of, or indemnity in respect of, any Relevant Indebtedness unless in any such case, before or at the same time as the creation of the Security Interest, any and all action necessary shall have been taken to the satisfaction of the Trustee to ensure that:

- (i) all amounts payable by it under the Bonds, the Trust Deed and the Guarantee are secured by the relevant Security Interest equally and rateably with the Relevant Indebtedness or guarantee or indemnity, as the case may be, to the satisfaction of the Trustee; or
- (ii) such other Security Interest or guarantee or indemnity or other arrangement (whether or not including the giving of a Security Interest) is provided in respect of all amounts payable by it under the Bonds, the Trust Deed and the Guarantee either (i) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (ii) as shall be

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approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

(b) *Subsidiary Guarantee*

So long as any of the Bonds remain outstanding (as defined in the Trust Deed), the Issuer and the Guarantors will ensure that none of their respective Subsidiaries will create, issue or provide any guarantee (a **Subsidiary Guarantee**) for or in respect of any Relevant Indebtedness unless in any such case, before or at the same time as the creation of the Subsidiary Guarantee, any and all action necessary shall have been taken to the satisfaction of the Trustee to ensure that:

- (i) all amounts payable by it under the Bonds, the Trust Deed and the Guarantee are provided the benefit of the relevant Subsidiary Guarantee equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or
- (ii) such other Subsidiary Guarantee or other arrangement (whether or not including the giving of a Subsidiary Guarantee) is provided in respect of all amounts payable by it under the Bonds, the Trust Deed and the Guarantee either (i) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (ii) as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

### 3 Definitions

In these Conditions, unless otherwise provided:

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

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

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

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

“**Australian Securities Exchange**” means ASX Limited (ABN 98 008 624 691).

“**Bondholder**” and, in relation to a Bond, “**holder**” mean the person in whose name a Bond is registered in the Register (as defined in Condition 4(a)).

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

“**Capital Distribution**” has the meaning provided in Condition 6(b)(iii).

“**Cash Distribution**” has the meaning provided in Condition 6(b)(iii)(B).

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

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

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

“**Closing Date**” means 29 March 2018.

“**Conversion Date**” has the meaning provided in Condition 6(h).

“**Conversion Notice**” has the meaning provided in Condition 6(h).

“**Conversion Period**” has the meaning provided in Condition 6(a).

“**Conversion Price**” has the meaning provided in Condition 6(a).

“**Conversion Right**” has the meaning provided in Condition 6(a).

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

“**Current Market Price**” means, in respect of a Stapled Security at a particular date, the average of the Volume Weighted Average Price of a Stapled Security on each of the five consecutive dealing days ending on the dealing day immediately preceding such date; provided that if at any time during the said five consecutive dealing-day period the Volume Weighted Average Price shall have been based on a price ex-Distribution (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Distribution (or cum- any other entitlement), then:

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

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- (b) if the Stapled Securities to be issued or transferred and delivered do rank for the Distribution (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Stapled Securities shall have been based on a price ex-Distribution (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Distribution or entitlement per Stapled Security as at the date of first public announcement of such Distribution (or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit),

and provided further that:

- (1) if on each of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum-Distribution (or cum- any other entitlement) in respect of a Distribution (or other entitlement) which has been declared or announced but the Stapled Securities to be issued or transferred and delivered do not rank for that Distribution (or other entitlement) the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Distribution or other entitlement per Stapled Security as at the date of the first public announcement of such Distribution or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit;
- (2) for the purposes of any calculation or determination required to be made pursuant to paragraphs (a)(i) or (a)(ii) of the definition of “Distribution”, if on any of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum the relevant Distribution or capitalisation giving rise to the requirement to make such calculation or determination, the Volume Weighted Average Price on any such dealing day shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of the relevant Cash Distribution; and
- (3) if the Volume Weighted Average Price of a Stapled Security is not available on one or more of the said five dealing days (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in that 5-dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no,

such Volume Weighted Average Price is available in the relevant period the Current Market Price shall be determined in good faith by a Financial Adviser.

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

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

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

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

where:

A is the announced Cash Distribution; and

B equals one minus the DRP Discount.

- (b) where there shall be any issue of Stapled Securities to Stapled Securityholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue is or is expressed to be in lieu of a Distribution (whether or not a cash Distribution equivalent or amount is announced) or a Distribution in cash that is to be satisfied by the issue or delivery of Stapled Securities or other property or assets, the capitalisation or Distribution in question shall be treated as a Cash Distribution of an amount equal to the Current Market Price of such Stapled Securities or, as the case may be, the Fair Market Value of such other property or assets as at the first date on which the Stapled Securities are traded ex- the relevant capitalisation or, as the case may be, ex- the relevant Distribution on the Relevant Stock Exchange or, if later, the date on which the number of Stapled Securities or amount of such other property or assets, as the case may be, is determined, save that where a Distribution in cash is announced which is to be satisfied by the issue or delivery of Stapled Securities where the number of Stapled Securities to be issued or delivered is to be determined during a period following such announcement and is to be determined by reference to the closing price or volume weighted average price or any like or similar pricing benchmark of the Stapled Securities, without any discount, or in respect of a period commencing, not earlier than the date of the first public announcement in respect of such Distribution, then such Distribution shall be treated as a Cash Distribution in an amount equal to the Fair Market Value of such cash amount;
- (c) any issue of Stapled Securities falling within Condition 6(b)(i) or 6(b)(ii) shall be disregarded;
- (d) a purchase or redemption or buy back of the share capital of the Stapled Entities by, or on behalf of, the Stapled Entities or any other member of the Group shall not constitute a Distribution unless, in the case of a purchase or redemption or buy back of Stapled Securities by or on behalf of the Stapled Entities or any member of the Group, the weighted average price per Stapled Security (before expenses) on any one day (a “**Specified Security Day**”) in respect of such purchases or redemptions or buy backs (translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such day) exceeds by more than five

per cent. the average of the closing prices of the Stapled Securities on the Relevant Stock Exchange (as published by or derived from the Relevant Stock Exchange) on the five dealing days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Stapled Securityholders or any notice convening such a meeting of Stapled Securityholders) has been made of the intention to purchase, redeem or buy back Stapled Securities at some future date at a specified price or where a tender offer is made, on the five dealing days immediately preceding the date of such announcement or the date of first public announcement of such tender offer (and regardless of whether or not a price per Stapled Security, a minimum price per Stapled Security or a price range or a formula for the determination thereof is or is not announced at such time), in which case such purchase, redemption or buy back shall be deemed to constitute a Distribution in the Relevant Currency in an amount equal to the amount by which the aggregate price paid (before expenses) in respect of such Stapled Securities purchased, redeemed or bought back by, or on behalf of, the Stapled Entities or, as the case may be, any member of the Group (translated where appropriate into the Relevant Currency as provided above) exceeds the product of (i) 105 per cent. of the average closing price of the Stapled Securities determined as aforesaid and (ii) the number of Stapled Securities so purchased, redeemed or bought back; and

- (e) if the Stapled Entities or any other member of the Group shall purchase, redeem or buy back any depositary or other receipts or certificates representing Stapled Securities, the provisions of paragraph (d) shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by a Financial Adviser.

“**DRP**” means the Distribution Reinvestment Plan of the Stapled Securities in effect on 21 March 2018 or any amendment or successor plan thereto.

“**EC Treaty**” means the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

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

“**Exempt Newco Scheme**” means a Newco Scheme (as defined below) where immediately after completion of the relevant Scheme of Arrangement the ordinary shares or units (or

equivalent) of Newco (as defined below) are (1) admitted to trading on the Relevant Stock Exchange or (2) admitted to listing on such other regulated, regularly operating, recognised stock exchange or securities market as the Issuer or Newco may determine.

“**External Administrator**” means an administrator, controller or managing controller (each as defined in the Corporations Act), trustee, provisional liquidator, liquidator or any other person (however described) holding or appointed to an analogous office or acting or purporting to act in an analogous capacity.

“**Extraordinary Dividend**” has the meaning provided in Condition 6(b)(iii)(B).

“**Extraordinary Resolution**” has the meaning provided in the Trust Deed.

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

deduction required to be made for or on account of tax and disregarding any associated tax credit.

“**Final Maturity Date**” means 29 March 2025.

“**Fixed Rate of Exchange**” means €1.00=A\$1.59357.

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

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

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

“**Indebtedness**” means any present or future indebtedness (whether being principal, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan capital, loan stock, certificates of deposit, commercial paper or other securities or instruments, offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash.

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

“**Newco Scheme**” means a Scheme of Arrangement which effects the interposition of a limited liability company (“**Newco**”) between the Stapled Securityholders of the Stapled Entities immediately prior to completion of the Scheme of Arrangement (the “**Existing Stapled Securityholders**”) and the Stapled Entities; provided that (i) only shares, stapled securities or units or equivalent of Newco or depositary or other receipts or certificates representing shares, stapled securities or units or equivalent of Newco are issued to Existing Stapled Securityholders; (ii) immediately after completion of the Scheme of Arrangement the only holders of shares, stapled securities, units or equivalent of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing shares, stapled securities or units or equivalent of Newco (other than a nominal holding by initial

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subscribers) are Existing Stapled Securityholders holding in the same proportions as immediately prior to completion of the Scheme of Arrangement; (iii) immediately after completion of the Scheme of Arrangement, Newco is (or one or more wholly-owned Subsidiaries of Newco are) the only Stapled Securityholder of the Stapled Entities; (iv) all Subsidiaries of the Stapled Entities immediately prior to the Scheme of Arrangement (other than Newco, if Newco is then a Subsidiary of the Stapled Entities) are Subsidiaries of the Stapled Entities (or of Newco) immediately after completion of the Scheme of Arrangement; and (v) immediately after completion of the Scheme of Arrangement the Stapled Entities (or Newco) holds, directly or indirectly, the same percentage of the share capital and equity share capital of those Subsidiaries as was held by the Stapled Entities immediately prior to the Scheme of Arrangement.

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

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

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

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

“**Permitted Indebtedness**” means:

- (a) any Indebtedness incurred pursuant to the Syndicated Facilities Agreement; or
- (b) any Indebtedness incurred by a Project Subsidiary.

“**Potential Event of Default**” means any event or circumstance which could, with the giving of notice, lapse of time, issue of a certificate and/or the fulfilment of any other requirement provided for in Condition 10(a), become an Event of Default (as defined in Condition 10(a)).

“**Prevailing Rate**” means:

- (i) in respect of any pair of currencies (of which neither is Euro) on any calendar day, the spot rate of exchange between the relevant currencies prevailing as at or about 12:00 noon (London time) on that date as appearing on or derived from the Relevant Page; or
- (ii) in respect of any pair of currencies of which one is Euro and any other currency on any day, the European Central Bank reference rate for such pair of currencies on that day as appearing on or derived from the Relevant Page.

If such a rate cannot be determined as aforesaid, the Prevailing Rate shall be determined *mutatis mutandis* but with respect to the immediately preceding day on which such rate can

be so determined or if such rate cannot be so determined by reference to the Relevant Page, the rate determined in such other manner as a Financial Adviser shall consider in good faith appropriate.

“**Principal Subsidiary Group**” means a group of one or more Subsidiaries of either of the Guarantors:

- (a) each of which is in continuing default of Conditions 10(f), 10(g)(i), 10(h), 10(i), 10(j) or 10(p), provided that a Principal Subsidiary Group may not be comprised of Subsidiaries in breach of different Events of Default; and
- (b) whose gross assets (consolidated in the case of a Subsidiary which itself has Subsidiaries), as shown by each of their audited balance sheets, consolidated on a pro forma basis, are at least 20 per cent. of the consolidated gross assets of the Group as shown by the latest published audited consolidated balance sheet of the Group.

For the purposes of calculating the gross assets of a Subsidiary or the Group:

- (a) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Group relate, the reference to the then latest consolidated audited accounts of the Group for the purposes of the calculation above shall, until consolidated audited accounts of the Group for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Group adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
- (b) if at any relevant time in relation to a Guarantor or any Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, gross assets of a Guarantor and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Guarantors for the purposes of preparing a certificate thereon to the Trustee;
- (c) if at any relevant time in relation to any Subsidiary, no accounts are audited, its gross assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Guarantors for the purposes of preparing a certificate thereon to the Trustee;
- (d) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (i) above of this registration) are not consolidated with those of the Guarantors, then

the determination of whether or not such Subsidiary is a member of a Principal Subsidiary Group shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Guarantors; and

- (e) where a Subsidiary within a Principal Subsidiary Group transfers all or substantially all of its business, undertaking and assets to another Subsidiary (A) the transferor Subsidiary shall immediately cease to be a member of the Principal Subsidiary Group and (B) the transferee Subsidiary shall immediately become a member of the Principal Subsidiary Group, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a member of a Principal Subsidiary Group shall be determined pursuant to the provisions of the sub-paragraphs above.

A certificate prepared by an authorised representative of the Guarantors, stating that in his or her opinion, a Subsidiary or Subsidiaries does or does not comprise a Principal Subsidiary Group shall, in the absence of manifest error, be conclusive and binding on all parties.

**“Project Subsidiary”** means any Subsidiary:

- (a) which is a joint venture, partnership, company, trust or other entity whose principal assets and activities are constituted by, or relate to, a project or asset which have been acquired or developed after the Closing Date; and
- (b) whose obligations in respect of any Relevant Indebtedness created to fund or acquire such project or assets are not subject to any recourse to the Issuer or, the Guarantors or any of its other Subsidiaries, except in connection with an enforcement of any encumbrance given by the Issuer, the Guarantors or any of their other Subsidiaries over the Issuer’s, the Guarantors’ or such other Subsidiary’s shares, units or other equity capital of such entity.

**“RE”** means Cromwell Property Securities Limited (ACN 079 147 809) in its capacity as responsible entity for CDPT.

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

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

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

**“Relevant Date”** means, in respect of any Bond, whichever is the later of (i) the date on which payment in respect of it first becomes due and (ii) if any amount of the money payable is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer or each Guarantor to the Bondholders in accordance with Condition 17 that, upon further presentation of the Bond, where required pursuant to these Conditions, being made, such payment will be made, provided that such payment is in fact made as provided in these Conditions.

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

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

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

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

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

**“Securities”** means any securities including, without limitation, (i) the shares, stapled securities and/or units in the capital of the Stapled Entities, and (ii) shares, units, options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Stapled Entities.

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

- (a) a consignor under a consignment of goods (other than retention of title);
- (b) a lessor under a lease of goods which would, in accordance with the Accounting Standards, not be treated as a finance lease or capital lease;

- (c) a bailor under a bailment (other than a bailment by way of or pursuant to a pledge, lien, charge or similar transaction); or
- (d) a transferee under a transfer of an account or chattel paper (other than an assignment or mortgage or otherwise by way of security for the payment or performance of an obligation).

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

“**Spin-Off**” means:

- (a) a distribution of Spin-Off Stapled Securities by the Stapled Entities to Stapled Securityholders as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or securities of or in or issued or allotted by any entity) by any entity (other than the Stapled Entities) to Stapled Securityholders as a class or, in the case of or in connection with a Scheme of Arrangement, Existing Stapled Securityholders as a class (but excluding the issue and allotment of shares, units and/or stapled securities (or depositary or other receipts or certificates representing such shares, units or stapled securities) by Newco to Existing Stapled Securityholders as a class), pursuant in each case to any arrangements with the Issuer, each Guarantor or any other member of the Group.

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

“**Stapled Entities**” means CCL and CDPT and where the context requires, CCL and the RE.

“**Stapled Security**” means a stapled security traded on the Relevant Stock Exchange as a single listed security of Cromwell Property Group, comprising one fully-paid ordinary share of CCL (or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of CCL) and one ordinary unit in CDPT as provided for in the constitution of CDPT pursuant to the terms of the constitutions of the Stapled Entities and the terms of the Stapling Deed or stapled securities of any class or classes resulting from any subdivision, consolidation or re-classification of those Stapled Securities.

“**Stapled Securityholders**” means the holders of Stapled Securities.

“**Stapling Deed**” means the stapling deed between CCL and the RE dated 7 December 2006 (as amended by an amending deed dated 7 December 2012).

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

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

“**Syndicated Facilities Agreement**” means the A\$ Syndicated Facilities Agreement dated May 2014 between, among others, CDPT Finance Pty Limited, each Initial Guarantor named therein, each Initial Financier named therein, CBA Corporate Services (NSW) Pty Limited as Security Trustee and Commonwealth Bank of Australia as Agent, as amended and or restated from time and any agreement entered into in replacement of the facilities under such Syndicated Facilities Agreement.

“**TARGET Business Day**” means a day (other than a Saturday or Sunday) on which the TARGET System is operating.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) system which was launched on 19 November 2007 or any successor thereto.

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

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

“**Transaction Documents**” means the Bonds, the Agency Agreement and the Trust Deed, together with any amendments or supplements thereto.

“**Volume Weighted Average Price**” means, in respect of a Stapled Security or, as the case may be, a Spin-Off Stapled Security, option, warrant or other right on any dealing day, the order book volume-weighted average price of a Stapled Security, Security or, as the case may be, a Spin-Off Stapled Security, option, warrant or other right published by or derived (in the case of a Stapled Security) from Bloomberg page CMW AU (or any other successor or page) (setting Weighted Average Line, or any other successor setting and using values not adjusted for any event occurring after such dealing day; and for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar

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setting, switched off) or (in the case of a Security (other than a Stapled Security), Spin-Off Stapled Security, option, warrant or other right) from the principal stock exchange or securities market on which such Security, Spin-Off Stapled Securities, option, warrant or other right are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined to be appropriate by a Financial Adviser on such dealing day, provided that if on any such dealing day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Stapled Security, Security or a Spin-Off Stapled Security, option, warrant or other right, as the case may be, in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined as a Financial Adviser might otherwise determine in good faith to be appropriate.

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

“**€**” and “**Euro**” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

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

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

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

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

#### **4 Registration and Transfer of Bonds**

*(a) Registration*

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

*(b) Transfer*

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

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

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

(c) *Formalities Free of Charge*

Such transfer will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (iii) such regulations as the Issuer may from time to time agree with the Registrar and the Trustee (the initial regulations being as initially set out in the Agency Agreement).

(d) *Closed Periods*

Neither the Issuer nor the Registrar will be required to register the transfer of any Bond (or part thereof) (i) during the period of 15 days ending on and including the day immediately prior to the Final Maturity Date or any earlier date fixed for redemption of the Bonds pursuant to Condition 7(b) or Condition 7(c); (ii) in respect of which a Conversion Notice has been delivered in accordance with Condition 6(h); (iii) in respect of which a holder shall have exercised its option to require the Issuer to redeem pursuant to Condition 7(e) or (iv) during the period of 15 days ending on (and including) any Record Date in respect of any payment of interest on the Bonds.

(e) *Restrictions on transfer*

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

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

## 5 Interest

(a) *Interest Rate*

The Bonds bear interest from and including the Closing Date at the rate (the “**Interest Rate**”) of 2.5 per cent. per annum calculated by reference to the principal amount thereof and payable semi-annually in equal instalments in arrear on 29 March and 29 September in each year (each an “**Interest Payment Date**”), commencing with the Interest Payment Date falling on 29 September 2018.

The amount of interest payable in respect of any period which is shorter than an Interest Period shall be calculated on the basis of the number of days in the relevant period from (and including) the first day of such period to (but excluding) the last day of such period divided by the product of the number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Closing Date) to (but excluding) the next Interest Payment Date and the number of Interest Periods normally ending in any year.

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

(b) *Accrual of Interest*

Each Bond will cease to bear interest (i) where the Conversion Right shall have been exercised by a Bondholder, from the Interest Payment Date immediately preceding the relevant Conversion Date or, if none, the Closing Date (subject in any such case as provided in Condition 6(j)) or (ii) where such Bond is redeemed or repaid pursuant to Condition 7 or Condition 10, from the due date for redemption or repayment thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue at 5 per cent. per annum (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder and (b) the day seven days after the Trustee or the Principal Paying, Transfer and Conversion Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

**6 Conversion of Bonds**

(a) *Conversion Right and Conversion Price*

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

The number of Stapled Securities to be issued on exercise of a Conversion Right shall (subject as aforesaid) be determined by dividing the aggregate principal amount of all the Bonds (translated into Australian dollars at the Fixed Rate of Exchange) to be converted by such converting Bondholders by the conversion price (the “**Conversion Price**”) in effect on the relevant Conversion Date.

The initial Conversion Price is A\$1.1771 per Stapled Security. The Conversion Price is subject to adjustment in the circumstances described in Condition 6(b).

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

Subject to and as provided in these Conditions, the Conversion Right in respect of a Bond may be exercised, at the option of the holder thereof, subject to any applicable fiscal or other laws or regulations and as hereinafter provided, at any time on or after 7 May 2018 (the “**Conversion Period Commencement Date**”), provided that the relevant Conversion Date shall not fall later than on the date falling seven business days (in the place where the relevant Bond is delivered for Conversion) prior to the Final Maturity Date or, if such Bond is to be redeemed pursuant to Condition 7(b) or Condition 7(c) prior to the Final Maturity Date (both days inclusive), not later than the seventh business day (in the place aforesaid) before the date fixed for redemption thereof pursuant to Condition 7(b) or Condition 7(c), unless there shall be default in making payment in respect of such Bond on such date fixed for redemption, in which event the Conversion Right may be exercised up to and including the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given in accordance with Condition 17 or, if earlier, the date falling seven business days (in the place aforesaid) prior to the Final Maturity Date; provided that, in each case, if such final date for the exercise of Conversion Rights is not a business day at the place aforesaid, then the period for exercise of Conversion Rights by Bondholders shall end on the immediately preceding business day at the place aforesaid.

Notwithstanding the foregoing, if a Change of Control occurs, the Conversion Right may be exercised prior to the Conversion Period Commencement Date, in which case Bondholders exercising the Conversion Right prior to the Conversion Period Commencement Date shall, as a pre-condition to receiving Stapled

Securities, be required to certify in the Conversion Notice, among other things, that it or, if it is a broker-dealer acting on behalf of a customer, such customer:

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

Conversion Rights may not be exercised (i) following the giving of notice by the Trustee pursuant to Condition 10 or (ii) in respect of a Bond in respect of which the relevant Bondholder has exercised its right to require the Issuer to redeem that Bond pursuant to Condition 7(e).

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

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

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

Fractions of Stapled Securities will not be issued on exercise of Conversion Rights or pursuant to Condition 6(c) and no cash payment or other adjustment will be made in lieu thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that the Stapled Securities to be issued on conversion or pursuant to Condition 6(c) are to be registered in the same name, the number of such Stapled Securities to be issued in respect thereof shall be calculated

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on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Stapled Securities.

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

Each of the Issuer and the Guarantors undertake to make or cause to be made, an application for the Stapled Securities to be issued on conversion of the Bonds to be quoted on the Australian Securities Exchange.

(b) *Adjustment of Conversion Price*

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

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

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

where:

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

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

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

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

where:

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

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

- (iii) **Capital Distribution:**

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

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

where:

- A is the Current Market Price of one Stapled Security on the Effective Date; and
- B is the portion of the Fair Market Value of the aggregate Capital Distribution attributable to one Stapled Security, with such

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

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

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

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

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

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

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

where:

- A is the Current Market Price of one Stapled Security on the Effective Date;
- B is the portion of the Fair Market Value of the aggregate Extraordinary Distribution attributable to one Stapled Security, with such portion being determined by dividing the Fair Market Value of the aggregate Extraordinary Distribution by the number of Stapled Securities entitled to receive the Relevant Distribution; and
- C is the amount (if any) by which the Threshold Amount in respect of the Relevant Fiscal Year exceeds an amount equal to the aggregate of the Fair Market Values of any previous Cash Distributions per Stapled Security declared, announced, made or paid in respect of such Relevant Fiscal Year (where C shall be zero if such previous Cash Distributions per Stapled Security are equal to, or exceed, the Threshold Amount in respect of such Relevant Fiscal Year). For the avoidance of doubt “C” shall equal the Threshold Amount in respect of the Relevant Fiscal Year where no previous Cash Distributions per Stapled Security have been declared, announced, made or paid in respect of such Relevant Fiscal Year.

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

“**Effective Date**” means, in respect of this Condition 6(b)(iii)(B), the first date on which the Stapled Securities are traded ex-the Relevant Distribution on the Relevant Stock Exchange.

“**Extraordinary Distribution**” means any Cash Distribution (the “**Relevant Distribution**”) declared, announced, made or paid in respect of a fiscal year of the Stapled Entities (the “**Relevant Fiscal Year**”), if (a) the Fair Market Value of the Relevant Distribution per Stapled Security or (b) the sum of (i) the Fair Market Value of the Relevant Distribution per Stapled Security and (ii) an amount equal to the aggregate of the Fair Market Value or Fair Market Values of any other Cash Distribution or Cash Distributions per Stapled Security declared, announced, paid or made in respect of the Relevant Fiscal Year, exceeds the Threshold Amount in respect of such Relevant Fiscal

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

“**Threshold Amount**” means, in respect of any Relevant Fiscal Year, an amount per Stapled Security equal to A\$0.0725 (adjusted pro rata for any adjustments to the Conversion Price made pursuant to the provisions of this Condition 6(b), including this Condition 6(b)(iii)).

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

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

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

- (C) For the purposes of the above, Fair Market Value shall (subject as provided in paragraph (a) of the definition of “Distribution” and in the definition of “Fair Market Value”) be determined as at the Effective Date.
- (D) In making any calculations for the purposes of this Condition 6(b)(iii), such adjustments (if any) shall be made as a Financial Adviser may determine in good faith to be appropriate to reflect (i) any consolidation or sub-division of any Stapled Securities or the issue of Stapled Securities by way of capitalisation of profits or reserves (or any like or similar event) or any increase in the number of Stapled Securities in issue in relation to the fiscal year of the Stapled Entities in question, or (ii) any change in the fiscal year of the Stapled Entities, or (iii) any adjustment to the Conversion Price made in the fiscal year of the Stapled Entities in question.

(iv) **Rights Issues of Stapled Securities or options over Stapled Securities:** If and whenever the Stapled Entities or any Subsidiary of the Stapled Entities or (at the direction or request or pursuant to any arrangements with the Stapled Entities or any Subsidiary of the Stapled Entities) any other company, person or entity shall issue Stapled Securities to all or substantially all Stapled Securityholders as a class by way of rights, or issue or grant to all or substantially all Stapled Securityholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Stapled Securities or any Securities which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or the right to otherwise acquire, any Stapled Securities (or shall grant any such rights in respect of existing Securities so issued), in each case at a price per Stapled Securities which is less than 95 per cent. of the Current Market Price on the Effective Date of the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

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

where:

- A is the number of Stapled Securities in issue on the Effective Date;
- B is the number of Stapled Securities which the aggregate consideration (if any) receivable for the Stapled Securities issued by way of rights, or

for the Securities issued by way of rights and upon exercise of rights of conversion into, or exchange or subscription for, or the right to otherwise acquire, Stapled Securities, or for the options or warrants or other rights issued by way of rights and for the total number of Stapled Securities deliverable on the exercise thereof, would purchase at such Current Market Price per Stapled Security on the Effective Date; and

- C is the number of Stapled Securities issued or, as the case may be, the maximum number of Stapled Securities which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase or other rights of acquisition in respect thereof at the initial conversion, exchange, subscription, purchase or acquisition price or rate;

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

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

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

- (v) **Rights issues of other Securities:** If and whenever the Stapled Entities or any Subsidiary of the Stapled Entities or (at the direction or request or pursuant to any arrangements with the Stapled Entities or any Subsidiary of the Stapled Entities) any other company, person or entity shall issue any Securities (other than Stapled Securities or options, warrants or other rights to subscribe for or purchase or otherwise acquire Stapled Securities or

Securities which by their terms carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or rights to otherwise acquire, Stapled Securities) to all or substantially all Stapled Securityholders as a class by way of rights or grant to all or substantially all Stapled Securityholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Securities (other than Stapled Securities or options, warrants or other rights to subscribe for or purchase or otherwise acquire Stapled Securities or Securities which by their term carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or rights to otherwise acquire, Stapled Securities), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

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

where:

- A is the Current Market Price per Stapled Security on the Effective Date; and
- B is the Fair Market Value on the Effective Date of the portion of the rights attributable to one Stapled Security.

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

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

- (vi) **Issues at less than the Current Market Price:** If and whenever the Stapled Entities shall issue (otherwise than as mentioned in Condition 6(b)(iv) above) wholly for cash or for no consideration any Stapled Securities (other than Stapled Securities issued on conversion of the Bonds (which term shall for this purpose include any Further Bonds) or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, or rights to otherwise acquire Stapled Securities and other than where it is determined to constitute a Cash Distribution pursuant to paragraph (a) of the definition of “Distribution”) or if and whenever the Stapled Entities or any Subsidiary of the Stapled Entities or (at the direction or request or pursuant to any

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arrangements with the Stapled Entities or any Subsidiary of the Stapled Entities) any other company, person or entity shall issue or grant (otherwise than as mentioned in Condition 6(b)(iv) above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase or otherwise acquire Stapled Securities (other than the Bonds, which term shall for this purpose include any Further Bonds), in each case at a price per Stapled Security which is less than 95 per cent. of the Current Market Price on the date of the first public announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

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

where:

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

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

exchange, subscription, purchase, or acquisition had taken place on the Specified Date.

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

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

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

where:

- A is the number of Stapled Securities in issue immediately before such issue or grant (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Stapled Securities which have been issued, purchased or acquired by the Stapled Entities or any Subsidiary of the Stapled Entities (or at the direction or request or pursuant to any arrangements with the Stapled Entities or any Subsidiary of the Stapled Entities) for the purposes of or in connection with such issue, less the number of such Stapled Securities so issued, purchased or acquired);

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- B is the number of Stapled Securities which the aggregate consideration (if any) receivable for the Stapled Securities to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to such Securities or, as the case may be, for the Stapled Securities to be issued or to arise from any such reclassification or redesignation would purchase at such Current Market Price per Stapled Security on the date of such first public announcement; and
- C is the maximum number of Stapled Securities to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription, purchase or acquisition attached thereto at the initial conversion, exchange, subscription, purchase or acquisition price or rate or, as the case may be, the maximum number of Stapled Securities which may be issued or arise from any such reclassification or redesignation;

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

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

- (viii) **Modification of rights of Conversion:** If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any Securities (other than the Bonds, which term shall for this purpose include any Further Bonds) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or the right to otherwise acquire, any Stapled Securities (other than in accordance with the terms (including terms as to adjustment)

applicable to such Securities upon issue) so that following such modification the consideration per Stapled Security receivable has been reduced and is less than 95 per cent. of the Current Market Price on the date of the first public announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

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

where:

- A is the number of Stapled Securities in issue on the dealing day immediately before such modification (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for, or purchase or acquisition of, Stapled Securities which have been issued, purchased or acquired by, or on behalf of, the Stapled Entities or any of their respective Subsidiaries (or at the direction or request or pursuant to any arrangements with the Stapled Entities or any their respective Subsidiaries) for the purposes of or in connection with such Securities, less the number of such Stapled Securities so issued, purchased or acquired);
- B is the number of Stapled Securities which the aggregate consideration (if any) receivable for the Stapled Securities to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to the Securities so modified would purchase at such Current Market Price per Stapled Security on the date of such first public announcement or, if lower, the existing conversion, exchange, subscription purchase or acquisition price or rate of such Securities; and
- C is the maximum number of Stapled Securities which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription, purchase or acquisition price or rate but giving credit in such manner as a Financial Adviser shall consider appropriate for any previous adjustment under this Condition 6(b)(viii) or Condition 6(b)(vii) above;

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

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

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

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

where:

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

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

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

(i) an offer is made to all (or as nearly as may be practicable all) Stapled Securityholders (or all (or as nearly as may be practicable all) Stapled Securityholders other than the offeror and/or any associate (as defined in section 12 of the Corporations Act) of the offeror) to acquire the whole or any part of the issued Stapled Securities (an “**Offer**”); or

(ii) any person proposes a Scheme of Arrangement (including an informal scheme or similar arrangement involving the Issuer or each Guarantor) with regard to such acquisition (other than an Exempt Newco Scheme) (a “**Scheme**”),

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

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

(each such event a “**Change of Control**”), then upon any exercise of Conversion Rights where the Conversion Date falls during the period (the “**Change of Control Period**”) commencing on the occurrence of the Change of Control and ending 30 calendar days following the Change of Control or, if later, 30 calendar days following the date on which a Change of Control Notice as required by Condition 6(g) is given, the Conversion Price (the

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“**Change of Control Conversion Price**”) shall be as determined pursuant to the following formula:

$$\text{COCCP} = \text{OCP} / (1 + (\text{CP} \times \text{c} / \text{t}))$$

where:

COCCP = means the Change of Control Conversion Price

OCP = means the Conversion Price in effect on the relevant Conversion Date

CP = means 7.500 per cent. (expressed as a fraction)

c = means the number of days from and including the date the Change of Control occurs to but excluding the Final Maturity Date

t = means the number of days from and including the Closing Date to but excluding the Final Maturity Date

For the avoidance of doubt, the appointment of a new trustee or responsible entity will not constitute a Change of Control if the new trustee or responsible entity is (1) a member of the Group and (2) has entered into an agreement with the Trustee to perform all of the obligations of the RE under the Trust Deed and the Bonds which are not novated to it pursuant to the operation of Division 3 of Part 5C.2 of the Corporations Act.

- (xi) **Other Events:** If the Issuer (after consultation with the Trustee) determines that an adjustment should be made to the Conversion Price as a result of one or more circumstances not referred to above in this Condition 6(b) (even if the relevant circumstance is specifically excluded from the operation of Conditions 6(b)(i) to 6(b)(x) (both inclusive) above), the Issuer shall, at its own expense and acting reasonably, request a Financial Adviser to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof and the date on which such adjustment should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this Condition 6(b)(xi) if such Financial Adviser is so requested to make such a determination not more than 21 days after the date on which the relevant circumstance arises and if the adjustment would result in a reduction to the Conversion Price.

Notwithstanding the foregoing provisions:

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

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

- (A) the aggregate consideration receivable or price for Stapled Securities issued for cash shall be the amount of such cash;
- (B) (x) the aggregate consideration receivable or price for Stapled Securities to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities and (y) the aggregate consideration receivable or price for Stapled Securities to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price

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received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant date of the first public announcement as referred to in Conditions 6(b)(vi), 6(b)(vii) or 6(b)(viii), as the case may be, plus in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights of subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (z) the consideration receivable or price per Stapled Security upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Stapled Securities to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;

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

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

(c) *Retroactive Adjustments*

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

(d) *Decision of a Financial Adviser*

If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or the Threshold Amount or as to the appropriate adjustment to the Conversion Price or Threshold Amount or as to the occurrence of a Change of

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Control, the Issuer and each Guarantor shall consult a Financial Adviser and the written opinion of such Financial Adviser in respect of such adjustment to the Conversion Price or Threshold Amount shall be conclusive and binding on Bondholders and all parties, save in the case of manifest error.

(e) *Employees' Security Schemes*

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

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

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

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

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

(g) *Change of Control*

Within 14 calendar days following the occurrence of a Change of Control, the Issuer shall give notice thereof to the Trustee and the Principal Paying, Transfer and Conversion Agent in writing and to the Bondholders in accordance with

Condition 17 (a “**Change of Control Notice**”). Such notice shall contain a statement informing Bondholders of their entitlement to exercise their Conversion Rights as provided in these Conditions and their entitlement to require the Issuer to redeem their Bonds as provided in Condition 7(e)(i).

The Change of Control Notice shall also specify:

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

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

(h) *Procedure for exercise of Conversion Rights*

Conversion Rights may be exercised by a Bondholder during the Conversion Period by delivering the relevant certificate evidencing the Bond to the specified office of any Conversion Agent, no later than 3:00 p.m. (London time), accompanied by a duly completed and signed notice of conversion (a “**Conversion Notice**”) in the form (for the time being current) obtainable from any Conversion Agent. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the

specified office of the Conversion Agent to whom the relevant Conversion Notice is delivered is located.

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

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

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

A Conversion Notice, once delivered, shall be irrevocable.

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

A Bondholder exercising a Conversion Right must pay directly to the relevant authorities any taxes and capital, stamp, issue and registration and transfer taxes and duties arising on conversion (other than any taxes and capital, stamp, issue and registration and transfer taxes and duties payable in Australia (or any state or territory thereof) or in any other jurisdiction in which the Issuer or the Guarantors may be domiciled or resident or to whose taxing jurisdiction it may be generally subject, in respect of the issue or transfer and delivery of any Stapled Securities in respect of the issue and transfer of any Stapled Securities on such conversion or in respect of the delivery of any Stapled Securities on such conversion (including any Additional Stapled Securities), which shall be paid by the Issuer (failing which, the Guarantors)) and such Bondholder shall be responsible for paying all, if any, taxes

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arising by reference to any disposal or deemed disposal of a Bond or interest therein in connection with such conversion. If the Issuer or the Guarantors shall fail to pay any taxes and capital, stamp, issue and registration and transfer taxes and duties payable for which they are responsible as provided above, the relevant Bondholder shall be entitled to tender and pay the same and each of the Issuer and the Guarantors as a separate and independent stipulation, covenants to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

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

Each Bondholder exercising a Conversion Right must provide to the Principal Paying, Transfer and Conversion Agent a certificate confirming (i) its compliance with applicable fiscal or other laws or regulations; and (ii) that all relevant taxes and capital, stamp, issue and registration and transfer taxes and duties (if any) have been paid, and the Principal Paying, Transfer and Conversion Agent and the Trustee shall be entitled to rely conclusively on such certificate.

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

Statements of holdings for Stapled Securities issued on exercise of Conversion Rights through CHESS will be dispatched by the Issuer by mail free of charge as

soon as practicable but in any event within 10 Sydney business days after the relevant Conversion Date.

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

Notwithstanding the provisions of Condition 6(a), if (a) the Issuer (or, as the case may be, any Guarantor) shall default in making payment in full in respect of any Bond which shall have been called for redemption on the date fixed for redemption thereof, (b) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events under Condition 10, or (c) any Bond is not redeemed on the Maturity Date in accordance with Condition 7(a), the Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Conversion Agent or the Trustee and notice of such receipt has been duly given to the Bondholders and notwithstanding the provisions of Condition 6(a), any Bond in respect of which the certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date (as defined above in Condition 6(h) below) notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Paying, Transfer and Conversion Agent or the Trustee before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.

Notwithstanding any other provisions of these Conditions, a Bondholder exercising its Conversion Right following a Change of Control Conversion Right Amendment as described in Condition 11(b)(vi) will be deemed, for the purposes of these Conditions, to have received the Stapled Securities to be issued arising on conversion of its Bonds in the manner provided in these Conditions, and have exchanged such Stapled Securities for the consideration that it would have received therefor if it had exercised its Conversion Right in respect such Bonds at the time of the occurrence of the relevant Change of Control.

(j) *Stapled Securities*

(i) Stapled Securities (including any Additional Stapled Securities) issued upon conversion of the Bonds will be fully paid and will in all respects rank *pari passu* with the fully paid Stapled Securities in issue on the relevant Conversion Date or, in the case of Additional Stapled Securities, on the relevant Reference Date, except in any such case for any right excluded by

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mandatory provisions of applicable law and except that such Stapled Securities or, as the case may be, Additional Stapled Securities will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the relevant Conversion Date or, as the case may be, the relevant Reference Date.

- (ii) Save as provided in Condition 6(k), no payment or adjustment shall be made on conversion for any interest which otherwise would have accrued on the relevant Bonds since the last Interest Payment Date preceding the Conversion Date relating to such Bonds (or, if such Conversion Date falls before the first Interest Payment Date, since the Closing Date).

(k) *Interest on Conversion*

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

(l) *Purchase or Redemption of Stapled Securities*

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

(m) *No duty to Monitor*

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

(n) *Cash Alternative Election*

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

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

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The Issuer will pay the relevant Cash Alternative Amount, together with any other amount as aforesaid, by not later than five TARGET Business Days following the last day of the Cash Alternative Calculation Period by transfer to a euro account with a bank in a city in which banks have access to the TARGET System in accordance with instructions contained in the relevant Conversion Notice.

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

The Issuer will pay the Additional Cash Alternative Amount not later than five TARGET Business Days following the relevant Reference Date by transfer to a euro account with a bank in a city in which banks have access to the TARGET System in accordance with instructions contained in the relevant Conversion Notice.

For the purposes of these Conditions: “**Additional Cash Alternative Amount**” has the meaning provided in Condition 6(n).

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

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

where:

- CAA = the Cash Alternative Amount;
- S = the number of Stapled Securities equal to the Cash Settled Securities;
- P<sub>n</sub> = the Volume Weighted Average Price of a Stapled Security on the nth dealing day of the Cash Alternative Calculation Period, translated into Euros at the Prevailing Rate on such dealing day; and

N = 20, being the number of dealing days in the Cash Alternative Calculation Period,

provided that if any Distribution or other entitlement in respect of the Stapled Securities is announced, whether on or prior to or after the relevant Conversion Date, in circumstances where the record date or other due date for the establishment of entitlement in respect of such Distribution or other entitlement shall be on or after the relevant Conversion Date and if on any dealing day in the Cash Alternative Calculation Period the price determined as provided above is based on a price ex- Distribution or ex- any other entitlement, then the Volume Weighted Average Price on such dealing day shall be increased by an amount equal to the Fair Market Value of any such Distribution or other entitlement per Stapled Security as at the date of the first public announcement of such Distribution or entitlement (or, if that is not a dealing day, the immediately preceding dealing day), determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit.

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

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

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

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

“**Market Price**” means the Volume Weighted Average Price of a Stapled Security on the relevant Reference Date, translated into Euros at the Prevailing Rate on the Reference Date, provided that if any Distribution or other entitlement in respect of the Stapled Security is announced whether on or prior to or after the relevant Conversion Date in circumstances where the record date or other due date for the establishment of entitlement in respect of such Distribution or other entitlement shall be on or after the Conversion Date and if, on the relevant Reference Date, the Volume Weighted Average Price of an Stapled Security is based on a price ex- Distribution or ex- any other entitlement, then such price shall be increased by an amount equal to the Fair Market Value of such Distribution or entitlement per Stapled Security as at the date of first public announcement of such Distribution or entitlement (or if that is not a dealing day, the immediately preceding dealing day, determined on a gross basis

and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit).

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

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

*(o) Mandatory Cash Settlement*

Unless and until the approval of securityholders is obtained in a general meeting of the Stapled Entities in respect of the issuance of Further Stapled Securities (for the purposes of ASX Listing Rule 7.1 and any other required purpose) and notwithstanding the Conversion Right of each Bondholder in respect of each Bond, if at any time the Stapled Entities shall not, for any reason, be able to satisfy the Conversion Right of any converting Bondholder by the valid issue of Stapled Securities satisfying the requirements of these Conditions, the Stapled Entities shall not issue, and the Issuer will not be required to procure the issue of, such Stapled Securities and the Issuer must exercise its rights under this Condition 6 to make a Cash Alternative Election in relation to such Further Stapled Securities or those Stapled Securities that otherwise cannot be validly issued so as to satisfy the requirements of these Conditions.

For the purposes of this Condition 6(o), “**Further Stapled Securities**” means the number of Stapled Securities to be issued pursuant to the exercise of Conversion Rights in excess of the number of Stapled Securities which the Stapled Entities are able to issue without securityholder approval for the purposes of ASX Listing Rule 7.1 (or without an exception under ASX Listing Rule 7.2 applying) on the Closing Date, being 94,103,065 Stapled Securities.

## **7 Redemption and Purchase**

*(a) Final Redemption*

Unless previously purchased and cancelled, redeemed or converted as herein provided, the Bonds will be redeemed at their principal amount, together with accrued but unpaid interest on the Final Maturity Date. The Bonds may only be

redeemed at the option of the Issuer prior to the Final Maturity Date in accordance with Condition 7(b) or Condition 7(c).

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

Subject as provided in Condition 7(d) on giving not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Trustee in writing and to the Bondholders (which notice shall be irrevocable) in accordance with Condition 17, the Issuer may redeem all but not some only of the Bonds on the date (the "**Optional Redemption Date**") specified in the Optional Redemption Notice at their principal amount, together with accrued but unpaid interest to but excluding such date:

- (i) at any time on or after 22 August 2022, provided that the closing price of the Stapled Securities (as published by or derived from the Relevant Stock Exchange for any 20 dealing days (translated into Euros at the Prevailing Rate on each such dealing day) in any period out of 30 consecutive dealing days, the last of which falls not earlier than 14 days prior to the date upon which notice of such redemption is published was at least 130 per cent. of the Conversion Price (as adjusted) in effect on each such dealing day (translated into Euros at the Fixed Rate of Exchange on such dealing day); or
- (ii) at any time if prior to the date the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90 per cent. or more in principal amount of the Bonds originally issued (which shall for this purpose include any Further Bonds).

(c) *Redemption for Taxation Reasons*

Subject as provided in Condition 7(d) at any time the Issuer may, having given not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders (which notice shall be irrevocable) redeem (subject to the second following paragraph of this Condition 7(c)) all but not some only, of the Bonds on the date (the "**Tax Redemption Date**") specified in the Tax Redemption Notice at their principal amount, together with accrued but unpaid interest to such date, if (i) the Issuer or, as the case may be, a Guarantor, certifies to the Trustee immediately prior to the giving of such notice that the Issuer (or if the Guarantee was called, the relevant Guarantor) has or will become obliged to pay additional amounts in respect of payments on the Bonds pursuant to Condition 9 as a result of any change in, or amendment to, the laws or regulations of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax, or

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any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 21 March 2018 and (ii) such obligation cannot be avoided by the Issuer or, as the case may be, the relevant Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the relevant Guarantor would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition 7(c), the Issuer shall deliver to the Trustee (a) a certificate signed by two directors of the Issuer or, as the case may be, the relevant Guarantor stating that the obligation referred to in (i) above of this Condition 7(c) cannot be avoided by the Issuer or, as the case may be, the relevant Guarantor taking reasonable measures available to it and (b) an opinion of independent legal or tax advisers of recognised international standing to the effect that such change or amendment has occurred and that the Issuer or, as the case may be, the relevant Guarantor has or will be obliged to pay such additional amounts as a result thereof (irrespective of whether such amendment or change is then effective) and the Trustee shall accept without any liability for so doing such certificate and opinion as sufficient evidence of the matters set out in (i) and (ii) above of this Condition 7(c) which shall be conclusive and binding on the Bondholders.

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

If the Issuer gives a Tax Redemption Notice, each Bondholder will have the right to elect that his Bond(s) shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment of interest to be made on such Bond(s) which falls due after the relevant Tax Redemption Date whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 9 and payment of all amounts of interest on such Bonds shall be made subject to the deduction or withholding of the taxation required to be withheld or deducted by the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of election, in the form for the time being current, obtainable from the specified office of any Paying Agent together with the relevant Bonds on or before the day falling 10 days prior to the Tax Redemption Date.

References in this Condition 7(c) to the Commonwealth of Australia shall be deemed also to refer to any jurisdiction in respect of which any undertaking or covenant equivalent to that in Condition 9 is given pursuant to the Trust Deed, (except that as regards such jurisdiction the words “becomes effective on or after 21 March 2018” in Condition 7(c)(i) above shall be replaced with the words “becomes effective after, and has not been announced on or before, the date on which any undertaking or covenant equivalent to that in Condition 9 was given pursuant to the Trust Deed”).

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

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

“**Offer Period**” has the meaning given to it in the Corporations Act and, in addition, also includes (i) any period commencing on the date of first public announcement of an offer or tender (howsoever described) by any person or persons in respect of all or a majority of the issued and outstanding Stapled Securities and ending on the date that offer ceases to be open for acceptance or, if earlier, on which that offer lapses, terminates or (ii) any period commencing on the date of first public announcement of a Scheme of Arrangement relating to the acquisition of all or a majority of the issued and outstanding Stapled Securities and ending on the date such Scheme of Arrangement is or becomes effective or, if earlier, the date such Scheme of Arrangement is cancelled or terminated.

Any Optional Redemption Notice or Tax Redemption Notice shall be irrevocable. Any such notice shall specify (i) the Optional Redemption Date or, as the case may be, the Tax Redemption Date, (ii) the Conversion Price, the aggregate principal amount of the Bonds outstanding and the closing price of the Stapled Securities as derived from the Relevant Stock Exchange, in each case as at the latest practicable date prior to the publication of the Optional Redemption Notice or, as the case may be, the Tax Redemption Notice and (iii) the last day on which Conversion Rights may be exercised by Bondholders.

(e) *Redemption at the option of Bondholders*

- (i) **Bondholder Put Option:** The holder of each Bond will have the right to require the Issuer to redeem that Bond on 1 August 2022 (the “**Optional Put**”

**Date**”) at 100.00 per cent. of its principal amount, together with accrued but unpaid interest to such date. To exercise such right, the holder of the relevant Bond must deliver such Bond to the specified office of the Principal Paying Agent or any other Paying Agent, together with a duly completed and signed notice of exercise in the form for the time being currently obtainable from the specified office of the Principal Paying Agent or any other Paying Agent (the “**Optional Put Exercise Notice**”), not earlier than 30 days nor less than 15 days prior to the Optional Put Date.

Payment in respect of any such Bond shall be made by transfer to a Euro account with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the Optional Put Exercise Notice.

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

- (ii) **Change of Control:** Following the occurrence of a Change of Control, the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Change of Control Put Date at its principal amount, together with accrued but unpaid interest to such Change of Control Put Date. To exercise such right, the holder of the relevant Bond must deliver such Bond to the specified office of any Paying Agent together with a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of any Paying Agent (a “**Change of Control Put Exercise Notice**”) at any time in the Change of Control Period. The “**Change of Control Put Date**” shall be the 14th TARGET Business Day after the expiry of the Change of Control Period.

Payment in respect of any such Bond shall be made by transfer to a Euro account with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the Change of Control Put Exercise Notice.

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

- (iii) **Delisting/Suspension of Trading:** In the event that the Stapled Securities cease to be quoted, listed, admitted to trading or are suspended from trading

(as applicable) on the Australian Securities Exchange for a period of at least 30 consecutive dealing days (each, a “**Delisting**”), the holder of each Bond will have the right (the “**Delisting Put Right**”) to require the Issuer to redeem that Bond on the Delisting Put Date (as defined below in this Condition 7(e)(ii)) at its principal amount, together with accrued but unpaid interest to such date (the “**Delisting Put Price**”).

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

The Delisting Notice shall also specify:

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

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

To exercise such right, the holder of the relevant Bond must, at any time in the period (the “**Delisting Period**”) commencing on the occurrence of the Delisting and ending 30 calendar days following the Delisting or, if later, 30 calendar days following the date on which a Delisting Notice is given, deliver a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of any Paying Agent

(a “**Delisting Put Exercise Notice**”) to the specified office of any Paying Agent. The “**Delisting Put Date**” shall be the 14th TARGET Business Day after the expiry of the Delisting Period.

Payment in respect of any such Bond shall be made by transfer to a Euro account with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the Delisting Put Exercise Notice.

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

(f) *Purchase*

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

(g) *Cancellation*

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

(h) *Multiple Notices*

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

## 8 **Payments**

(a) *Principal*

Payment of principal in respect of the Bonds and accrued interest payable on a redemption of the Bonds other than on an Interest Payment Date will be made to the persons shown in the Register at the close of business on the Record Date and

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subject to the surrender of the Bonds at the specified office of the Registrar or of any of the Paying Agents.

(b) *Interest and other Amounts*

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

(c) *Record Date*

“**Record Date**” means the fifth business day in the place of the Specified Office of the Registrar before the due date for the relevant payment.

(d) *Payments*

Each payment in respect of the Bonds pursuant to Condition 8(a) and (b)(i) will be made by transfer to a Euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

Payment instructions (for value on the due date or, if that is not a TARGET Business Day, for value the first following day which is a TARGET Business Day) will be initiated on the TARGET Business Day preceding the due date for payment (for value the next TARGET Business Day).

(e) *Payments subject to fiscal laws*

All payments in respect of the Bonds are subject in all cases to (i) any applicable fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof (“**FATCA**”) or any law implementing an intergovernmental approach to FATCA. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(f) *Delay in payment*

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date not being a TARGET Business Day.

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(g) *Agents, etc.*

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

(h) *Fractions*

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

(i) *Non-payment business days*

If any due date for payment in respect of any Bond is not a business day, the holder shall not be entitled to payment until the next following business day. In this Condition 8, “**business day**” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in London and which is also a TARGET Business Day

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

## 9 Taxation

All payments made by or on behalf the Issuer or a Guarantor in respect of the Bonds will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges

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of whatever nature imposed or levied by or on behalf of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required to be made by law.

In the event that any such withholding or deduction is required to be made, the Issuer or, as the case may be, the relevant Guarantor will make any such withholding or deduction required (including any deduction or withholding required from any additional amount payable under this Condition 9), remit the amount deducted or withheld to the relevant authorities and will pay such additional amounts as will result in the receipt by the Bondholders of the amounts which would otherwise have been receivable had no such withholding or deduction been required, except that no such additional amount shall be payable in respect of any Bond:

- (a) to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the Commonwealth of Australia otherwise than merely by holding the Bond or by receiving amounts in respect of the Bond; or
- (b) if the deduction is required as a result of taxes which would not be required to be deducted by the Issuer (or the person making a payment on its behalf) if the relevant beneficial owner of the Bond complied with a request of the Issuer, its agent or any tax authority to provide their name, address, registration number or similar details or any relevant tax exemption or similar details or to ensure that any third party complied with any other statutory requirements (such as making a declaration of non-residence or similar claim) for any relevant tax exemption; or
- (c) (in the case of a payment on redemption) if the Bond is surrendered more than 30 days after the Relevant Date, or in any case if the relevant Bondholder does not provide the necessary account details for payment in accordance with these Conditions within 24 days after the Relevant Date, except to the extent that the holder would have been entitled to such additional amount had the Issuer or the relevant Guarantor been obliged, following the surrender of the Bond (in the case of payment on redemption) and provision of the necessary account details for payment in accordance with these Conditions, to make the payment on the last day of the period of 30 days following the Relevant Date; or
- (d) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or governmental charges by reason of the holder being an offshore associate of the Issuer or any Guarantor, being a person to whom a payment of

interest in respect of the Bonds may be subject to tax by reason of the operation of section 128F(6) of the Income Tax Assessment Act 1936 of Australia (as amended).

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

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

## 10 Events of Default

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

- (a) **Non-Payment:** a default is made for more than one day in the payment of any principal or three days in the payment of any interest or any other amount due in respect of the Bonds;
- (b) **Breach of Other Obligations:** the Issuer or any Guarantor does not perform or comply with one or more of its other obligations in the Bonds or the Trust Deed which default is, in the opinion of the Trustee, incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer or the relevant Guarantor by the Trustee;
- (c) **Failure to deliver Stapled Securities:** any failure by any Guarantor to deliver or procure the delivery of any Stapled Securities as and when the Stapled Securities are required to be delivered following Conversion of Bonds in accordance with these Conditions and such failure continues for more than three days;
- (d) **Scheme:** in relation to any Guarantor, any of the following events provided it has a material adverse effect on the ability of the Issuer or the relevant Guarantor to meet its obligations in respect of the Bonds or the Guarantee or on the validity or enforceability of the Trust Deed, the Bonds and/or the Guarantee:

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- (i) the constitution of CCL or CDPT does not at any time contain such particulars of the terms of CCL or CDPT (as applicable) and of rights and entitlements of the Stapled Securityholders as are required by law to be set out in constitution of CCL or CDPT (as the case maybe) and that default is not remedied within 30 Sydney business days after written notice of such default shall have been given to CCL and the RE by the Trustee;
  - (ii) CCL or the RE does any act or thing which constitutes a material breach of the constitution of CCL or CDPT (as applicable) and that default is not remedied within 30 Sydney business days after written notice of such default shall have been given to CCL or the RE by the Trustee;
  - (iii) the Stapled Securities are held by a court or is conceded by CCL or the RE not to have been constituted or to have been imperfectly constituted;
- (e) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (a) to enable the Issuer and each Guarantor lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Trust Deed, (b) to ensure that those obligations are legally binding and enforceable and (c) to make the Bonds and the Trust Deed admissible in evidence in the courts of Australia and England is not taken, fulfilled or done and such default is not remedied within 30 days after written notice of such default shall have been given to the Issuer or the relevant Guarantor by the Trustee;
- (f) **Cross default:**
- (i) the Issuer or any Guarantor or all of the Subsidiaries within a Principal Subsidiary Group are in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least A\$25,000,000 (or its equivalent in the relevant currency of payment) beyond any period of grace provided with respect thereto; or
  - (ii) the Issuer or any Guarantor or all of the Subsidiaries within a Principal Subsidiary Group are in default in the performance of or compliance with any term of any evidence of any Indebtedness (or guarantee or indemnity in respect thereof) in an aggregate outstanding principal amount of at least A\$25,000,000 (or its equivalent in the relevant currency of payment) or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such

Indebtedness (or guarantee or indemnity in respect thereof) has become, or becomes capable of being declared, due and payable before its stated maturity or before its regularly scheduled dates of payment; or

- (iii) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of Indebtedness to convert such Indebtedness into equity interests), the Issuer or any Guarantor or all of the Subsidiaries within a Principal Subsidiary Group have become obliged to purchase or repay such Indebtedness (or guarantee or indemnity in respect thereof) before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least A\$25,000,000 (or its equivalent in the relevant currency of payment);
- (g) **Insolvency:** (i) the Issuer or any Guarantor or all of the Subsidiaries within a Principal Subsidiary Group are insolvent within the meaning of section 95A of the Corporations Act; or (ii) the RE within the meaning of section 95A of the Corporations Act and is not replaced as the trustee of CDPT within 60 days after it becomes aware of the above circumstance by a member of the Group which has entered into an agreement with the Trustee to perform all of the obligations of the RE under the Trust Deed which are not novated to it pursuant to the operation of Division 3 of Part 5C.2 of the Corporations Act;
- (h) **Winding Up and Administration:** except for the purpose of a solvent reconstruction or amalgamation previously approved by an Extraordinary Resolution of Bondholders:
  - (i) an application or an order is made, proceedings are commenced, a resolution is passed or proposed in a notice of meeting, an application to a court or other steps are taken for the winding up, dissolution or administration of CDPT, the Issuer, any Guarantor or all of the Subsidiaries within a Principal Subsidiary Group except where (a) two directors of CCL have certified in writing to the Trustee that in their reasonable opinion the application, proceeding, notice or step is frivolous or vexatious and (b) such application, proceeding, notice or step has not been dismissed, withdrawn, stayed or set aside within 45 days (or such longer period as agreed between the Issuer and the Trustee) of such certification; or
  - (ii) CDPT, the Issuer, any Guarantor or all of the Subsidiaries within a Principal Subsidiary Group are entering into an arrangement, compromise or composition with or assignment for the benefit of the creditors generally or a class of them or proposes to do so; or

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- (iii) the RE ceases, suspends or threatens to cease or suspend the conduct of all or substantially all of the business and activities of CDPT or is required to wind up CDPT under the constitution of CDPT or applicable law; or
  - (iv) an External Administrator is appointed to any assets of CDPT, the Issuer, any Guarantor or all of the Subsidiaries within a Principal Subsidiary Group or a step is taken to do so; or
  - (v) (A) an execution, distress, attachment or other legal process takes place or is attempted or an order to execute a judgment (however described) is made against any of the assets of the Issuer, a Guarantor or all of the Subsidiaries within a Principal Subsidiary Group and is not discharged within 30 days (or such longer period as agreed between the Issuer and the Trustee), or (B) a Security Interest becomes enforceable or is enforced over all or any of the assets and undertakings of the Issuer, a Guarantor or all of the Subsidiaries within a Principal Subsidiary Group;
- (i) **Insolvency and suspension of payments:** the Issuer or any Guarantor or all of the Subsidiaries within a Principal Subsidiary Group:
    - (i) is, or under legislation is presumed or taken to be, insolvent (other than as the result of a failure to pay a debt or claim the subject of a good faith dispute); or
    - (ii) stops or suspends or threatens to stop or suspend payment of all or a class of its debts;
  - (j) **Analogous events:** any event occurs with respect to the Issuer, any Guarantor or all of the Subsidiaries within a Principal Subsidiary Group which under the laws of any jurisdiction is analogous to any of the events described in Conditions 10(g) to 10(i) (both inclusive), provided that the applicable grace period and cure right, if any, which shall apply shall be the one applicable to the relevant proceeding which most closely corresponds to the proceeding described in the relevant Condition;
  - (k) **Cessation of indemnification:** the RE or any other Guarantor ceases to be entitled to be indemnified out of the assets of the relevant trust in respect of its obligations under the relevant documentation relating to such trust or to have a lien over them;
  - (l) **Guarantee:** if the Guarantee ceases to be, or is claimed by any Guarantor not to be, in full force and effect;
  - (m) **Ceasing to be trustee and appointment of new trustee or responsible entity in the absence of consent:**

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- (i) the RE ceases to be the trustee of CDPT and a new trustee or responsible entity, as the case may be, is not appointed within a period of 20 Sydney business days (or such longer period as agreed between the Issuer and the Trustee); or
  - (ii) unless previously approved by an Extraordinary Resolution of Bondholders, a new or additional trustee or responsible entity is appointed in respect of CDPT (other than a member of the Group which has entered into an agreement with the Trustee to perform all of the obligations of the RE under the Trust Deed, the Bonds and the Guarantee which are not novated to it pursuant to the operation of Division 3 of Part 5C.2 of the Corporations Act) or the Stapling Deed or the constitutional documents of the Stapled Entities is amended so as to materially and adversely affect the RE's ability to perform its obligations under the Trust Deed, the Bonds or the Guarantee;
- (n) **Loss of authorisation:** the RE or any Guarantor ceases to be authorised under the terms of CDPT to hold the property of the relevant trust in its name and (as applicable) to perform its obligations under the Trust Deed, the Bonds or the Guarantee (unless replaced by a member of the Group which has entered into an agreement with the Trustee to perform all of the obligations of the RE under the Trust Deed, the Bonds or the Guarantee which are not novated to it pursuant to the operation of Division 3 of Part 5C.2 of the Corporations Act or unless replaced by a trustee or responsible entity, as the case may be, within a period of 20 Sydney business days (or such longer period as agreed between the Issuer and the Trustee));
- (o) **Illegality:** a law or anything done by a Government Agency wholly or partially renders illegal, prevents or restricts the performance or effectiveness of a Transaction Document or otherwise has a material adverse effect on the ability of the Issuer or the relevant Guarantor to meet its obligations in respect of the Bonds or the Guarantee or on the validity or enforceability of the Trust Deed, the Bonds and the Guarantee;
- (p) **Final judgment:** a final judgment or judgments for the payment of money aggregating in excess of A\$25,000,000 (or its equivalent in the relevant currency of payment) are rendered against one or more of the Issuer, any Guarantor or all of the Subsidiaries within a Principal Subsidiary Group and which judgments are not, within 20 Sydney business days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 20 Sydney business days after the expiration of such stay (in each case, or such longer period as agreed between the Issuer and the Trustee);

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- (q) **Registration:** the registration of the RE under the Corporations Act or any other applicable legislation is cancelled and it is not replaced as the trustee of CDPT within 20 Sydney business days after it becomes aware of the above circumstance by a member of the Group which has entered into an agreement with the Trustee to perform all of the obligations of the RE under the Trust Deed which are not novated to it pursuant to the operation of Division 3 of Part 5C.2 of the Corporations Act; and
  - (r) **Destapling:** the Stapled Securities are de-stapled or otherwise cease to comprise one share in CCL and one unit in the CDPT without the prior consent of Bondholders by Extraordinary Resolution.

For the avoidance of doubt, and without prejudice to the provisions of the Trust Deed and these Conditions, the Trustee shall not in any event be obliged in relation to any of Conditions 10(b), 10(e), 10(h)(i), 10(m)(i), 10(n) or 10(p) to exercise its discretion to agree any longer period with the Issuer or give any notice and shall be entitled in any such case to decline to exercise any such discretion in the absence of approval by Extraordinary Resolution of the Bondholders and/or where it has not first been indemnified and/or secured and/or prefunded to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which in its opinion it may incur by so doing so.

## 11 Undertakings

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

- (a) not issue or pay up any Securities, in either case by way of capitalisation of profits or reserves, other than:
  - (i) pursuant to a Scheme of Arrangement involving a reduction and cancellation of Stapled Securities and the issue to Stapled Securityholders of an equal number of Stapled Securities by way of capitalisation of profits or reserves; or
  - (ii) pursuant to a Newco Scheme; or
  - (iii) by the issue of fully paid Stapled Securities or other Securities to Stapled Securityholders and other holders of securities in the capital of the Stapled Entities which by their terms entitle the holders thereof to receive Stapled

Securities or other shares or Securities on a capitalisation of profits or reserves; or

- (iv) by the issue of Stapled Securities paid up in full (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a cash distribution; or
- (v) by the issue of fully paid equity capital (other than Stapled Securities) to the holders of equity capital of the same class and other holders of securities in the capital of the Stapled Entities which by their terms entitle the holders thereof to receive equity capital (other than Stapled Securities); or
- (vi) by the issue of fully paid Stapled Securities to Stapled Securityholders in accordance with the DRP; or
- (vii) by the issue of Stapled Securities or any equity capital to, or for the benefit of, any employee or contractor or former employee or contractor (including Directors or the personal service company of any such person) or their spouses or relatives, in each case, of the Stapled Entities or any of their Subsidiaries or any associated company or to trustees to be held for the benefit of any such person, in any such case pursuant to an employees' security or option scheme whether for all employees, directors, or executives or any one or more of them,

unless, in any such case, the same constitutes a Distribution or otherwise falls to be taken into account for a determination as to whether an adjustment is to be made to the Conversion Price pursuant to Condition 6(b), regardless of whether in fact an adjustment falls to be made in respect of the relevant capitalisation, gives rise (or would, but for the provisions of Condition 6(f) relating to roundings and minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Conversion Price. For the avoidance of doubt, this Condition 11(a) shall not prevent or restrict the Stapled Entities from issuing or paying up any Stapled Securities in any manner that does not involve the capitalisation of profits or reserves; or

- (b) not modify the rights attaching to the Stapled Securities with respect to voting, distribution or liquidation nor issue any other class of equity capital carrying any rights which are more favourable than the rights attaching to the Stapled Securities but so that nothing in this Condition 11(b) shall prevent:
  - (i) any consolidation, reclassification, redesignation or subdivision of the Stapled Securities; or

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- (ii) any modification of such rights which is not, in the opinion of a Financial Adviser, materially prejudicial to the interests of the holders of the Bonds; or
  - (iii) any issue of equity capital where the issue of such equity capital results, or would, but for the provisions of Condition 6(f) relating to the roundings or carry forward of adjustments or, where comprising Stapled Securities, the fact that the consideration per Stapled Security receivable therefor is at least 95 per cent. of the Current Market Price per Stapled Security at the relevant time for determination thereof pursuant to the relevant provisions of Condition 6(b), otherwise result, in an adjustment to the Conversion Price; or
  - (iv) any issue of equity capital or modification of rights attaching to the Stapled Securities, where prior thereto the Issuer and any Guarantor shall have instructed a Financial Adviser to determine what (if any) adjustments should be made to the Conversion Price as being fair and reasonable to take account thereof and such Financial Adviser shall have determined either that no adjustment is required or that an adjustment resulting in a decrease in the Conversion Price is required and, if so, the new Conversion Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly);
  - (v) any alteration to the constitutional documentation of the Stapled Entities made in connection with the matters described in this Condition 11 or which is supplemental or incidental to any of the foregoing (including any amendment made to enable or facilitate procedures relating to such matters and any amendment dealing with the rights and obligations of holders of Securities, including Stapled Securities, dealt with under such procedures); or
  - (vi) any amendment of the constitutional documents of the Stapled Entities following or in connection with a Change of Control to ensure that any Bondholder exercising Conversion Rights where the Conversion Date falls on or after the occurrence of a Change of Control will receive, in whatever manner, the same consideration for the Stapled Securities arising on such exercise as it would have received in respect of such Stapled Securities had such Stapled Securities been entitled to participate in the relevant Scheme of Arrangement or to have been submitted into, and accepted pursuant to, the relevant offer (a “**Change of Control Conversion Right Amendment**”);
- (c) procure that no Securities (whether issued by the Issuer, any Guarantor or any of their respective Subsidiaries or procured by the Issuer, any Guarantor or any of

their respective Subsidiaries to be issued or issued by any other person pursuant to any arrangement with the Issuer, any Guarantor or any of their respective Subsidiaries) issued without rights to convert into, or exchange or subscribe for, Stapled Securities shall subsequently be granted such rights exercisable at a consideration per Stapled Security which is less than 95 per cent. of the Current Market Price per Stapled Security at the relevant time for determination thereof pursuant to the relevant provisions of Condition 6(b) unless the same gives rise (or would, but for the provisions of Condition 6(f) relating to roundings and minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Conversion Price and that at no time shall there be in issue Stapled Securities of differing nominal values, save where such Stapled Securities have the same economic rights;

- (d) not make any issue, grant or distribution or to take or omit to take any other action taken if the effect thereof would be that, on the exercise of Conversion Rights, Stapled Securities could not, under any applicable law then in effect, be legally issued as fully paid;
- (e) not reduce its issued capital, or any uncalled liability in respect thereof, or any non-distributable reserves, except:
  - (i) pursuant to the terms of issue of the relevant issued capital; or
  - (ii) by means of a purchase or redemption of issued capital of the Stapled Entities to the extent permitted by applicable law; or
  - (iii) where the reduction does not involve any distribution of assets to Stapled Securityholders; or
  - (iv) solely in relation to a change in the currency in which the nominal value of the Stapled Securities is expressed; or
  - (v) to create distributable reserves; or
  - (vi) pursuant to a Scheme of Arrangement involving a reduction and cancellation of Stapled Securities and the issue to Stapled Securityholders of an equal number of Stapled Securities by way of capitalisation of profits or reserves; or
  - (vii) pursuant to a Newco Scheme; or
  - (viii) by way of transfer to reserves as permitted under applicable law; or

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- (ix) where the reduction is permitted by applicable law and the Trustee is advised by a Financial Adviser, acting as an expert, that the interests of the Bondholders will not be materially prejudiced by such reduction; or
  - (x) where the reduction is permitted by applicable law and results in (or would, but for the provisions of Condition 6(f) relating to roundings or the carry forward of adjustments, result in) an adjustment to the Conversion Price or is otherwise taken into account for the purposes of determining whether such an adjustment should be made,

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

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

guarantee) subject to and as provided in the Trust Deed; or (b) Newco becomes a guarantor under the Bonds and the Trust Deed and, in either case, that (i) such amendments are made to these Conditions and the Trust Deed as are necessary, in the opinion of the Trustee, to ensure that the Bonds may be converted into or exchanged for ordinary shares or units or the equivalent in Newco *mutatis mutandis* in accordance with and subject to these Conditions and the Trust Deed and (ii) the ordinary shares or units or the equivalent of Newco are:

- (A) admitted to the Relevant Exchange; or
  - (B) admitted to listing on another regulated, regularly operating, recognised stock exchange or securities market.
- (h) use its best endeavours to ensure that the Stapled Securities issued upon exercise of Conversion Rights will, as soon as is practicable, be admitted to listing and to trading on the Relevant Stock Exchange and will be listed, quoted or dealt in, as soon as is practicable, on any other stock exchange or securities market on which the Stapled Securities may then be listed or quoted or dealt in (but so that this undertaking shall be considered as not being breached as a result of a Change of Control (whether or not recommended or approved by the Board of Directors of the Stapled Entities) that causes or gives rise to, whether following the operation of any applicable compulsory acquisition provision or otherwise, (including at the request of the person or persons controlling the Stapled Entities as a result of the Change of Control) a de-listing of the Stapled Securities);
- (i) for so long as any Bond remains outstanding, use all reasonable endeavours to ensure that its issued and outstanding Stapled Securities shall be admitted to listing on the Relevant Stock Exchange (but so that this undertaking shall be considered as not being breached as a result of a Change of Control (whether or not recommended or approved by the Board of Directors of the Stapled Entities) that causes or gives rise to, whether following the operation of any applicable compulsory acquisition provision or otherwise, (including at the request of the person or persons controlling the Stapled Entities as a result of the Change of Control) a de-listing of the Stapled Securities); and
- (j) not change the jurisdiction in which it is domiciled or resident or to whose taxing authority it is subject generally unless it would not thereafter be required pursuant to then current laws and regulations to withhold or deduct for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of such jurisdiction or any political

subdivision thereof or therein having power to tax in respect of any payment on or in respect of the Bonds;

- (k) if there is a change in the Relevant Stock Exchange, notify the Trustee in writing and the Bondholders in accordance with Condition 17 by not later than seven days prior to the change in the Relevant Stock Exchange.

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

## **12 Prescription**

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of such payment.

Claims in respect of any other amounts payable in respect of the Bonds shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

## **13 Replacement of Bonds**

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

## **14 Meetings of Bondholders, Modification and Waiver, Substitution**

### *(a) Meetings of Bondholders*

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee if requested in writing by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding and subject to it being indemnified and/or secured

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and/or prefunded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to change the Final Maturity Date, the Optional Put Date or the dates on which interest is payable in respect of the Bonds, (ii) to modify the circumstances in which the Issuer or Bondholders are entitled to redeem the Bonds pursuant to Conditions 7(b), 7(c) or 7(e) (other than removing the right of the Issuer to redeem the Bonds pursuant to Conditions 7(b) or 7(c)), (iii) to reduce or cancel the principal amount of, or interest on, the Bonds or to reduce the amount payable on redemption of the Bonds, (iv) to modify the basis for calculating the interest payable in respect of the Bonds, (v) to modify the provisions relating to, or cancel, the Conversion Rights (other than pursuant to or as a result of any amendments to these Conditions and the Trust Deed made pursuant to and in accordance with the provisions of Condition 11(g) (“**Newco Scheme Modification**”), and other than a reduction to the Conversion Price), (vi) to increase the Conversion Price (other than in accordance with these Conditions or pursuant to a Newco Scheme Modification), (vii) to change the currency of the denomination of the Bonds or of any payment in respect of the Bonds, (viii) to change the governing law of the Bonds, the Trust Deed or the Agency Agreement (other than in the case of a substitution of the Issuer (or any previous substitute or substitutes) under Condition 14(c)), or (ix) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 66 per cent., or at any adjourned meeting not less than 33 per cent., in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed). An Extraordinary Resolution is a resolution in respect of which not less than 75 per cent. of the votes cast shall have been in favour at a meeting of Bondholders duly convened and held in accordance with the Trust Deed.

The Trust Deed provides that (i) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate principal amount of Bonds for the time being outstanding (which may be contained in one document or several documents in the same form, each signed by or on behalf of two or more

Bondholders) or (ii) consents given by way of electronic consent through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than 75 per cent. of the aggregate principal amount of the Bonds for the time being outstanding, shall, in any such case, be effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held.

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

(b) *Modification and Waiver*

The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions which in the Trustee's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law and (ii) any other modification to the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions (except as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bond or these Conditions which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. The Trustee may (but shall not be obliged to), without the consent of the Bondholders, determine any Event of Default or a Potential Event of Default should not be treated as such, provided that in the opinion of the Trustee, the interests of Bondholders will not be materially prejudiced thereby. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee otherwise agrees, such modification shall be notified by the Issuer to the Bondholders promptly in accordance with Condition 17.

(c) *Substitution*

The Trustee may (but shall not be obliged to), without the consent of the Bondholders, agree with the Issuer and each Guarantor to the substitution in place of the Issuer (or any previous substitute or substitutes under this Condition 14(c)) as the principal debtor under the Bonds and the Trust Deed of any Subsidiary of the Issuer subject to (i) the Bonds being unconditionally and irrevocably guaranteed by

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

(d) *Entitlement of the Trustee*

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

## **15 Enforcement**

The Trustee may at any time, at its discretion and without notice, take such steps, action and proceedings against the Issuer and/or any Guarantor as it may think fit to enforce the provisions of the Trust Deed and the Bonds, but it shall not be bound to take any such steps, action and proceedings or any other action in relation to the Trust Deed or the Bonds unless (i) it shall have been so directed by an Extraordinary Resolution of the Bondholders or so requested in writing by the holders of at least 25 per cent. in principal amount of the Bonds then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder shall be entitled to proceed directly against the Issuer and/or any Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

## **16 The Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including relieving it from taking any action or proceedings unless

indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and/or any Guarantor and/or any entity related to the Issuer or any Guarantor without accounting for any profit. The Trustee may accept and rely without liability to Bondholders or any other person on any report, confirmation, information or certificate from or any advice or opinion of any accountants (including the Auditors), legal advisers, financial advisers, investment banks or other experts or advisers, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. In which event such report, confirmation, information, certificate, advice or opinion shall be binding on the Issuer, each Guarantor and the Bondholders in the absence of manifest error.

## **17 Notices**

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

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

## **18 Further Issues**

The Issuer may from time to time without the consent of the Bondholders create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Bonds) or in all respects except for the first payment of interest on them and the first date on which Conversion Rights may be exercised and so that such further issue shall be consolidated and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, conversion, premium, redemption and otherwise as the Issuer may determine at the time of their issue. Any Further Bonds consolidated and

forming a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other notes, bonds or debentures may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of notes, bonds or debentures of other series in certain circumstances where the Trustee so decides.

## **19 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999 (United Kingdom).

## **20 Governing Law and Jurisdiction**

### *(a) Governing Law*

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

### *(b) Jurisdiction*

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

(c) *Agent for Service of Process*

Each of the Issuer and each Guarantor has irrevocably appointed Minter Ellison at its registered office for the time being, currently at 6 Dowgate Hill, London EC4R 2SU as its agent in England to receive service of process in any Proceedings in England. Nothing herein or in the Trust Deed shall affect the right to serve process in any other manner permitted by law.

**21 Limitation of liability**

- (a) The RE has entered into the Transaction Documents in its capacity as the responsible entity for CDPT and in no other capacity, and the parties (other than the RE) acknowledge that any obligations the RE incurs under the Transaction Documents are incurred by it solely in that capacity.
- (b) The RE will not be liable to pay or satisfy any obligations under the Transaction Documents, and the parties (other than the RE) will not be entitled to enforce their rights against the RE except to the extent to which it is indemnified out of the assets of CDPT in respect of any liability incurred by it.
- (c) This limitation of liability applies despite any other provision of the Transaction Documents and extends to all liabilities and obligations of the RE in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Transaction Documents.
- (d) The parties (other than the RE) must not sue the RE in any capacity other than as the responsible entity of CDPT, including seeking the appointment of a receiver (except in relation to property of CDPT), a liquidator, an administrator or any similar person to the entity or prove in any liquidation, administration or arrangement of or affecting the RE (except in relation to property of CDPT).
- (e) The provisions of this Condition 21 will not apply to any obligation or liability of the RE to the extent that it is not satisfied because the RE's right of indemnification from the responsible entity of the CDPT or the assets of the CDPT has been reduced or lost as a result of the RE's fraud, negligence or breach of trust.
- (f) The RE is not obliged to do or refrain from doing anything under this document (including incur any liability) unless its liability is limited in the same manner as set out in this Condition 21.

## PROVISIONS RELATING TO THE BONDS REPRESENTED BY THE GLOBAL CERTIFICATE

*This section summarises the provisions relating to the Bonds while represented by the Global Certificate.*

### **Initial issue of Bonds**

Upon the initial registration of the Bonds in the name of a nominee of, and delivery of the Global Certificate to, a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**"), Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Bonds equal to the nominal amount thereof for which it has subscribed and paid.

### **Relationship of accountholders with clearing systems**

For so long as any of the Bonds are represented by the Global Certificate and such Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear and Clearstream, Luxembourg as the holder of a particular principal amount of such Bonds (each an "**Accountholder**") shall be treated as the holder of such principal amount of such Bonds for all purposes (including for the purposes of any quorum requirements of, or in the right to demand a poll at, meetings of the Bondholders) other than with respect to payment of principal and other amounts due on such Bonds and in respect of all rights relating to conversion of the Bonds, the rights to which shall be vested, as against the Issuer and the Trustee, solely in the holder of the Global Certificate in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the holder of the Global Certificate.

### **Exchange**

The Global Certificate will be exchangeable in whole but not in part (free of charge to the holder of the Global Certificate and the Bondholders) for definitive Bonds following the occurrence of an Exchange Event. An Exchange Event shall have occurred if Euroclear or Clearstream, Luxembourg (or any alternative successor clearing system on behalf of which the Global Certificate may be held) is closed for business for a continuous period of 14 days or more (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Trustee is available.

In the circumstances set out above, any individual Certificates issued in exchange for beneficial interests in the Global Certificate will, by not later than the Global Exchange Date, be issued to and, subject to the provision of the instruction referred to below, delivered to

such persons and registered in such name or names, as the case may be, as the holder of the Global Certificate shall instruct the Registrar.

**"Global Exchange Date"** means a day falling not later than 30 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar is located.

### **Conversion rights**

Subject to the requirements of Euroclear and Clearstream, Luxembourg, (or any Alternative Clearing System (as defined in the Trust Deed)), the Conversion Rights attaching to the Bonds represented by the Global Certificate may only be exercised by the presentation of one or more Conversion Notices (as defined in the Conditions) duly completed by or on behalf of the accountholders with Euroclear and/or Clearstream, Luxembourg to whose accounts with those clearing systems such Bonds are credited together with the Global Certificate to any Conversion Agent (as defined in the Trust Deed) (or such other Conversion Agent as shall have been notified to the holder of the Global Certificate for such purpose) for annotation and the principal amount of the Bonds will be reduced in the Register (as defined in the Conditions) accordingly. A Conversion Notice may not specify Euroclear or Clearstream, Luxembourg, or the common depository who holds the Bonds on their behalf, as the person to whom Stapled Securities are to be issued, pursuant to such Conversion Notice.

### **Redemption at the option of the Issuer**

The options of the Issuer provided for in Condition 7(b) of the Conditions shall be exercised by the Issuer giving notice to the Trustee in writing and the Bondholders within the time limits set out in that Condition.

### **Redemption for taxation reasons**

The option of the Issuer provided for in Condition 7(c) of the Conditions may be exercised by the Issuer giving notice to the Trustee and the Bondholders within the time limits set out in Condition 7(c) of the Conditions.

### **Bondholder Tax Election Option**

The option of the Bondholders to elect for their Bonds not to be redeemed for taxation reasons (and instead for tax to be deducted from their payments) provided for in Condition 7(c) of the Conditions may be exercised by Bondholders giving notice to any Paying Agent (as defined in the Trust Deed) within the time limits relating to the redemption of Bonds in Condition 7(c) of the Conditions. Such notice of election shall be obtainable from the specified office of any Agent and shall state the number of Bonds in respect of which the option is exercised.

### **Redemption at the option of the Bondholders – Bondholder Put Option**

The option of the Bondholders provided for in Condition 7(e)(i) of the Conditions may be exercised by the Bondholders by giving a written notice of the exercise to the Principal Paying Agent or any Paying Agent within the time limits set out in that Condition.

### **Redemption at the option of the Bondholders – Change of Control**

The option of the Bondholders provided for in Condition 7(e)(ii) of the Conditions may be exercised by the Bondholders by giving a written notice of exercise to any Paying Agent within the time limits relating to the redemption of Bonds in Condition 7(e)(ii) of the Conditions.

### **Redemption at the option of the Bondholders – Delisting or suspension of Stapled Securities**

The option of the Bondholders provided for in Condition 7(e)(iii) of the Conditions shall be exercised by the Bondholder giving a written notice of exercise to any Paying Agent within the time limits set out in that Condition.

### **Trustee's powers**

In considering the interests of Bondholders while the Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg (or any Alternative Clearing System) the Trustee may, to the extent it considers it appropriate to do so, but shall not be obliged to, have regard to any information provided to it by such clearing system or its operator or a participant in such system as to the identity (either individually or by category) of its Accountholders with entitlements to the Global Certificate (or an interest in respect thereof) and may consider such interests as if such accountholders were the holder of the Global Certificate.

### **Enforcement**

For the purposes of enforcement of the provisions of the Trust Deed against the Trustee, the persons named in a certificate as the holder of the Bonds represented by the Global Certificate shall be recognised as the beneficiaries of the trusts set out in the Trust Deed to the extent of the principal amount of their interest in the Bonds set out in the certificate of the holder as if they were themselves the holders of Bonds in such principal amounts.

### **Payments**

Payments of principal, interest and premium (if any) in respect of Bonds represented by the Global Certificate will be made against presentation and endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of the Global Certificate to, or to the order of, the Registrar or the Principal Paying, Transfer and Conversion Agent or such other Paying Agent as shall have been notified to the holder of the Global Certificate for such purpose. A record of each payment will be endorsed on the appropriate schedule to the Global Certificate. Such endorsement will be conclusive evidence that such payment has been made in respect of the Bonds.

Each payment will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the Clearing System Business Day immediately prior to

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the date for payment (such day to be deemed to be, for the purpose of the Conditions, the Interest Record Date), where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

### **Notices**

So long as Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System, notices to the holders of such Bonds represented by the Global Certificate may be given by delivery of the relevant notice to the relevant clearing system for communication by it to entitled accountholders, in substitution for notification, as required by the Conditions and such notice will be deemed to have been given on the day after delivery thereof.

### **Prescription**

Claims in respect of principal, interest and other sums payable in respect of the Bonds will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of interest and other sums) from the date upon which such payments become due. None of the Trustee or any Agent shall have any responsibility, obligation or liability with respect to any Bondholder for any amounts so prescribed.

### **Purchase and Cancellation**

Cancellation of any Bond required by the Conditions following its redemption, purchase and cancellation or the exercise of Conversion Rights will be effected by reduction in the principal amount of the Bonds in the Register and endorsement by or on behalf of the Registrar or the Transfer Agent on the Global Certificate of the reduction in the principal amount of the Global Certificate. Such endorsement shall be conclusive evidence of such cancellation.

### **Meetings**

At any meeting of Bondholders, the holder of the Global Certificate will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Bondholders and, at any such meeting, as having one vote in respect of each €100,000 in principal amount of Bonds.

The Trustee may allow to attend and speak (but not to vote) at any meeting of Bondholders any accountholder (or the representative of any such person) of a clearing system with an interest in the Bonds represented by the Global Certificate on confirmation of entitlement and proof of his identity.

### **Transfers**

Transfers of interests in the Bonds will be effected through the records of Euroclear and Clearstream, Luxembourg (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream,

Luxembourg (or any Alternative Clearing System) and their respective direct and indirect participants.

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## TAXATION IMPLICATIONS

*The following is a general summary of the material Australian income tax and capital gains tax ("CGT") consequences arising under the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997 (together, the "Tax Act") and any relevant regulations, rulings, or judicial or administrative interpretations as at the date of this Offering Circular in relation to an investment in the Bonds by a Bondholder.*

*This general summary is not intended to be nor should it be construed to be legal or tax advice to any particular investor. Prospective investors are urged to contact their tax advisers for specific advice relating to their particular circumstances, in particular in relation to local taxes in their home jurisdictions.*

*While the Issuer has sought legal advice on the Australian taxation implications of the Bonds, it has not sought, and does not intend to seek, a ruling from the Australian Taxation Office or any other revenue authority in relation to this matter.*

### **Payments under the Bonds**

The Bonds should be characterised as debt interests in the Issuer for Australian tax purposes on the basis that the Issuer is under an effectively non-contingent obligation to pay the Bondholders (in the form of interest and the redemption price) an amount at least equal to the amount paid by Bondholders for the Bonds.

Payments made by way of return on the Bonds will constitute interest or amounts in the nature of interest, or in substitution for interest in the hands of the Bondholders.

### **Non-resident Bondholders**

#### ***Australian withholding tax***

This section applies to Bondholders that are non-residents of Australia for tax purposes that do not hold their Bonds in the course of carrying on a business at or through a permanent establishment in Australia. The commentary on Australian withholding tax (only) also applies to Australian tax residents that hold their Bonds in the course of carrying on a business outside of Australia at or through a permanent establishment outside Australia.

Payments of interest, amounts in the nature of interest or in substitution of interest to a Non-resident Bondholder will be subject to 10 per cent. interest withholding tax unless either the exemption provided by section 128F of the Tax Act applies or another exemption is available (e.g. under a double taxation treaty).

If section 128F of the Tax Act does apply, there will be no Australian withholding tax on payments of interest or amounts in the nature of interest or in substitution for interest on the Bonds, other than in respect of payments to certain 'offshore associates' (refer below).

The Issuer intends to issue the Bonds in a manner which will satisfy the public offer test and which otherwise meets all relevant requirements of section 128F of the Tax Act. On this basis and

based on the current legislation and administration policy of the Australian Taxation Office, an exemption from Australian interest withholding tax should be available.

The exemption in section 128F of the Tax Act is not available where the Bond is issued to, or interest is paid to an offshore 'associate' (as defined in section 128F of the Tax Act, of the Issuer other than in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme in relation to the payment of the interest).

Payments in the nature of interest made by the Guarantors to a non-resident Bondholder under the guarantee should also be free of Australian interest withholding tax where section 128F of the Tax Act applies to the primary interest payment – please see "Payments under the Guarantee" below. Similarly, no withholding tax should arise where a non-resident Bondholder does not provide a ABN or TFN where the interest is exempt under section 128F of the Tax Act from Australian withholding tax – please see "TFN and ABN withholding" below.

### ***Profits or gains on disposal of the Bonds***

For income tax purposes, a profit or gain may be included in the assessable income of a non-resident Bondholder who holds their Bonds on revenue account on disposal of the Bonds if such profit or gain has an Australian source (as described under "Australian Source" below) and subject to the terms of any applicable double taxation treaties. Similarly, a loss may be deductible against Australian income of the non-resident Bondholder if such a loss has an Australian source and any gain would have been assessable to the non-resident Bondholder.

If a gain in respect of the Bonds does not have an Australian source or the Bonds are held on capital account by the non-resident Bondholder, such a non-resident Bondholder may nonetheless make a capital gain that is subject to Australian tax if the Bonds constitute Taxable Australian Property ("TAP") of the Bondholder. Where a loss in respect of the Bonds does not have an Australian source or the Bond is held on capital account by the non-resident Bondholder, such a non-resident Bondholder may nonetheless make a capital loss, if the Bonds constitute TAP.

### ***Australian source***

Whether a gain on disposal of the Bonds has an Australian source is a question of fact that will be determined based on all the relevant circumstances existing at the time of the disposal.

In general, a gain should not have an Australian source provided that the Bonds are:

- (a) acquired and held outside Australia;
- (b) held in connection with a business conducted exclusively outside Australia; and
- (c) are disposed of under agreements executed outside Australia..

However, this is not an exhaustive list of the factors that can determine source, nor would the absence of one of these elements, of itself, mean that there is an Australian source.

### ***Double taxation treaties***

If the gain on disposal of a Bond has an Australian source, a non-resident Bondholder may be eligible for relief from Australian tax on such gain under a double taxation treaty between Australia and the non-resident Bondholder's country of residence. Prospective non-resident Bondholders should consult their tax advisers regarding their entitlement to benefits under a double taxation treaty.

### ***Capital gains tax***

Disposal of Bonds by a non-resident Bondholder should not give rise to any capital gains or capital losses on disposal unless the Bonds constitute TAP. Broadly, Bonds should not be considered TAP unless:

- (a) the Bondholder used the Bonds in the course of carrying on a business in Australia at or through a permanent establishment in Australia at any time; or
- (b) as a consequence of holding the Bonds, the Bondholder (together with its associates) owns or has owned throughout a twelve month period in the two years before disposal, shares or units or rights to acquire shares or units that represent at least 10 per cent. of the total paid up capital of the Stapled Entities and the market value of assets of the relevant Stapled Entity is wholly or predominantly attributable to Australian real property.

### ***Conversion of Bonds into Stapled Securities***

The conversion of Bonds to Stapled Securities is a taxable event. Any profit or gain realised by a non-resident Bondholder who holds the Bonds on revenue account, as a result of the conversion (i.e. the excess of the market value of the securities issued over the issue price of the Bonds) will be taxable if the profit or gain has an Australian source (as described under "Australian Source" above) and a double taxation treaty does not provide relief (refer "Double Taxation Treaties" above). Whilst not free from doubt, where the decision to convert is made offshore any subsequent profit or gain from conversion may not have an Australian source.

Nonetheless, if a gain on conversion does not have an Australian source or the Bonds are held on capital account, a non-resident Bondholder may make a capital gain that is subject to Australian tax if the rights under the Bonds constitute TAP of the Bondholder (refer to the discussion immediately above), subject to the availability of a roll over. Bondholders should seek their own tax advice as to whether rollover will be available having regard to their personal circumstances.

On conversion of the Bonds into Stapled Securities a non-resident holder of a Stapled Security (formerly a non-resident Bondholder) will be required to separately recognise each component of the Stapled Security for Australian tax purposes. That is, a non-resident holder of a Stapled Security will recognise each Stapled Security as a Share and a Unit.

### ***Distributions in respect of the Shares***

A non-resident holder of a Stapled Security will not include any dividends paid by the Company in their assessable income other than a dividend received by a non-resident holder carrying on business in Australia through a permanent establishment and provided that the dividend is

sufficiently connected with the permanent establishment. However, such dividends may be subject to Australian withholding tax, depending upon the extent to which the dividend is franked or sourced from foreign dividends and whether or not the holder would otherwise be exempt from Australian income tax. Withholding tax is a final tax.

A dividend will be treated as "franked" where the dividend is paid out of profits of the Company that have already been subject to Australian tax and the Company declares the dividend to be franked.

Fully franked dividends will not be subject to Australian income tax or withholding tax.

Generally, unfranked dividends paid to non-resident shareholders will be subject to withholding tax at a rate of 15 per cent. where a double taxation treaty is in existence between the holder's country of residence and Australia on which the non-resident holder can rely, though this rate may be reduced where the shareholder holds an associate inclusive interest in the Company of more than 10 per cent. Where a double taxation treaty is not in force (or the benefits of a treaty do not apply), withholding tax at a rate of 30 per cent. will generally apply to the unfranked portion of any dividends paid to non-resident shareholders.

However, notwithstanding the above, it should generally be possible for foreign dividends received by the Company to be paid to non-resident holders of shares in the Company free of Australian withholding tax, even where the dividends are not franked, provided that the Company can legally pay a dividend and the Company makes a valid declaration that the unfranked portion is conduit foreign income.

#### ***Distributions in respect of the Units***

The Responsible Entity elected to apply the Attribution managed investment trust ("**AMIT**") rules from 1 July 2017.

Where the Trust is an AMIT for the purposes of the Tax Act in the relevant year of income and where the AMIT carries out in Australia a substantial proportion of its investment management activities in relation to certain Australian assets, any net income paid to non-resident holders that is classified as a *fund payment* for the purposes of the AMIT rules (broadly any payments other than dividends, interest, royalties and other payments already subject to withholding tax) should be subject to Australian MIT withholding tax ("**MIT WHT**").

MIT WHT is a final tax and no further Australian tax should arise in respect of the fund payment portion of a distribution from the Trust to a non-resident holder.

The rate of MIT WHT on distributions to a non-resident of amounts which represent fund payments is 15 per cent. or 30 per cent., depending on the non-resident's country of residence. Residents of countries with which Australia has an Exchange of Information Agreement ("**EOI Countries**") are liable to MIT WHT at 15 per cent. whereas residents of non-EOI Countries are liable to MIT WHT at 30 per cent. in respect of distributions. If the Trust is not an AMIT or managed investment trust in the relevant year of income, the Responsible Entity will pay tax in respect of such income (which is not a final tax). The top marginal rate of tax on such income is currently 45 per cent. In these circumstances non-resident holders of Stapled Securities will

include in their assessable income their share of net income of the Trust which is attributable to sources in Australia and claim credit for the tax paid by the Responsible Entity against their Australian tax liability. The Responsible Entity will withhold and remit such tax as required by law and under the terms of the constitution of the Trust.

Distribution of amounts which represent interest derived by the Trust to a non-resident should be subject to 10 per cent. withholding tax which is a final tax.

On the basis that the Trust is an AMIT from 1 July 2017, cost base reductions may be made in respect of any money or property which the Unit holder has received, or has a right to receive for that year plus the amounts of any tax offsets. Cost base increases may be made by the amount included in the Unit holder's assessable income under the AMIT attribution regime (i.e. amounts attributed to the Unit holder). A capital gain will arise if there is a net reduction to the cost base of a unit in a AMIT and the net reduction is greater than the remaining cost base, provided that the Units constitute TAP (refer to "Capital Gains Tax" above).

Generally, where the Units are held on revenue account, no withholding tax liability should arise in respect of tax deferred distributions.

### ***Disposal of the Stapled Securities***

A subsequent disposal of the Stapled Securities by a non-resident holder should not give rise to any capital gains or capital losses on disposal unless either of the securities which make up the Stapled Securities constitute TAP. These securities should not be considered to be TAP unless the conditions described under "Capital Gains Tax" above apply.

Where Stapled Securities constitute TAP, holders of Stapled Securities will need to do a separate CGT calculation for each of the Shares and Units which are TAP. Bondholders will need to allocate, on a reasonable basis, their acquisition costs and capital proceeds between the Shares and the Units. For Stapled Securities acquired upon conversion of the Bonds the acquisition costs should be equal to the market value of the Bonds at conversion (assuming no roll over on the conversion is available). Where a rollover is available, the costs base will be equal to the cost base of the bonds plus any incidental costs of conversion and any amounts paid as conversion. For each calculation, a capital gain will arise where the capital proceeds received in respect of the disposal of each instrument exceed the cost base of that instrument. A capital loss will arise where the reduced cost base of that instrument exceeds the capital proceeds reasonably allocated to that instrument.

### **Australian resident Bondholders**

#### ***Interest***

Interest income paid under the Bonds will be included in a Bondholder's assessable income where the Bondholder is:

- (a) a resident of Australia for tax purposes that does not hold the Bonds in the course of carrying on a business outside of Australia at or through a permanent establishment outside Australia; or

- (b) a non-resident of Australia for tax purposes that holds the Bonds in the course of carrying on a business at or through a permanent establishment in Australia.

### ***Profits or gains on disposal of the Bonds***

Any profit or gain made on disposal of the Bonds by an Australian resident will be included in a Bondholder's assessable income. A loss made on disposal of the Bonds by an Australian resident should be deductible to the extent that the income would have been assessable.

### ***Conversion of Bonds into Stapled Securities***

The conversion of Bonds to Stapled Securities is a taxable event. Any profit or gain realised on conversion (i.e. the excess of the market value of the securities issued over the issue price) will be taxable in the hands of the Australian resident Bondholder (subject to the availability of a roll over). Bondholders should seek their own tax advice as to whether rollover will be available having regard to their personal circumstances.

On conversion of the Bonds into Stapled Securities a resident holder of a Stapled Security (formerly a resident Bondholder) will be required to separately recognise each component of the Stapled Security for Australian tax purposes. That is, a resident holder of a Stapled Security will recognise each Stapled Security as a Share in the Issuer and a Unit in the Trust.

### ***Distributions in respect of the Shares***

#### ***Individuals and complying superannuation entities***

Dividends paid to Australian resident holders of the Stapled Securities that are individuals and complying superannuation entities should be included in the holder's assessable income in the year the dividend is paid.

If the dividend is franked then the amount of the associated franking credit should (subject to satisfying applicable imputation integrity rules) also be included in the holder's assessable income. Generally, the holder will be entitled to a tax offset equal to the franking credits that have been included in their assessable income.

Shareholders will generally be entitled to a refund to the extent, broadly, that the franking credits attached to the dividends exceed their tax liability as assessed for the income year.

#### ***Corporate***

Subject to satisfying applicable imputation integrity rules, corporate holders of Stapled Securities are required to include both the dividend and, where the dividend is franked, the associated franking credit in their assessable income. A tax offset may be available to a corporate holder up to the amount of the franking credit on the dividend, but the corporate will not be entitled to a refund of any excess credits (though any such excess credits may be converted into tax losses of the corporate holder).

### ***Distributions in respect of the Units***

Australian resident holders of Stapled Securities will generally be assessable on their proportionate share of the Trusts' taxable income. The rate of tax will depend upon the nature of the distribution received and the particular tax profile of the holder.

On the basis that the Trust is an AMIT, Unitholders will be assessable on the determined member components which have been attributed to them on a fair and reasonable basis in accordance with the constitution of the Trust (as set out in the relevant AMMA Statement), even if it is not distributed to them until after that year.

Additionally, under the AMIT regime, generally:

- (a) Unit holders are required to reduce their cost base in the Units in respect of any distribution of money or property which the Unit holder has received, or has a right to receive for that year plus the amounts of any tax offsets; and
- (b) Unit holders can increase their cost base in the Units by the amount included in the Unit holder's assessable income under the AMIT attribution regime (i.e. amounts attributed to the Unit holder).

As a result of the above cost base adjustments, distributions of cash in excess of the attributable income (i.e. *tax deferred* distributions) should result in a net reduction to the cost base of the Units.

A capital gain will arise if there is a net reduction to the cost base of a unit in a AMIT and the net reduction is greater than the remaining cost base.

Generally, where the Units are held on revenue account, tax deferred distributions should not be assessable. Taxpayers should take the tax deferred amounts fully into account in calculating any gains and losses on those interests.

### ***Disposal of the Stapled Securities***

Australian resident holders of Stapled Securities will need to do two separate CGT calculations, one for the Shares and one for the Units.

Holders of Stapled Securities will need to allocate, on a reasonable basis, their acquisition costs and capital proceeds between the Shares and the Units. For Stapled Securities acquired upon conversion of the Bonds (and which are not rolled over) the acquisition costs should be equal to the market value of the Bonds at conversion. Where a rollover is available, the costs base will be equal to the cost base of the bonds plus any incidental costs of conversion and any amounts paid as conversion.

For each calculation, a capital gain will arise where the capital proceeds received in respect of the disposal of each instrument exceed the cost base of that instrument. A capital loss will arise where the reduced cost base of that instrument exceeds the capital proceeds reasonably allocated to that instrument.

A capital gain may be eligible to be a discount capital gain if the holder of a Stapled Security is an Australian resident individual (but not a temporary resident), trust or a complying superannuation entity and the disposal event occurs at least 12 months after the holder acquired them. Capital gains made by companies and other taxpayers are not discounted. Capital gains are only discounted after a holder's other capital losses and carried forward net capital losses have been applied against the gross capital gain.

The relevant discount percentages are 50 per cent. for individuals and trusts and 33.3 per cent. for complying superannuation funds.

### **Other tax issues relevant to both resident and non-resident Bondholders**

#### ***Taxation of financial arrangements regime ("TOFA")***

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

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

#### ***Tax reform***

The Government is currently reviewing the taxation of stapled structures. As at the date of this Circular, no recommendations have been made from the stapled structure review. Additionally, the Australian Taxation Office has issued Taxpayer Alert TA 2017/1, which highlights the key areas of concern for the Australian revenue authorities in relation to the use of stapled structures.

Based on the above, there is uncertainty in relation to the applicable law in relation to the taxation of stapled securities until the review is concluded and recommendations (if any) are announced and legislated.

#### ***Payments made under the guarantee***

Under the terms of the Bonds, the Guarantors will unconditionally and irrevocably guarantee the due and punctual payment of all amounts at any time becoming due and payable in respect of the Bonds.

Where a Guarantor makes a payment under the guarantee instead of the Issuer, the Australian Taxation Office's view, as reflected in Taxation Determination TD 1999/26, is that the payment is treated as interest for the purposes of Australian withholding tax. However, that Determination also states that where section 128F applies, the exemption under section 128F will apply to the payment of an amount under the guarantee if the requirements of that section are satisfied.

Australian resident Bondholders should include such payments in their assessable income as the payment is in lieu of ordinary income.

### ***TFN and ABN withholding***

Section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia ("**Taxation Administration Act**") currently imposes a type of withholding tax of 47 per cent on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number ("**TFN**"), (in certain circumstances) an Australian Business Number ("**ABN**") or proof of some other exception (as appropriate).

Assuming the requirements of section 128F are satisfied with respect to the Bonds, then withholding tax will not apply to payments to a holder of Bonds who is a non-resident of Australia and who does not hold those Bonds in the course of carrying on business at or through a permanent establishment in Australia.

Payments to other classes of holders of Bonds (including resident holders) may be subject to withholding where the holder of those Bonds does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate).

### ***Garnishee directions***

The Commissioner may give a direction requiring the Issuer to deduct from any payment (including on redemption) to a Bondholder any amount in respect of Australian tax payable by the Bondholder. If the Issuer is served with such a direction, then the Issuer will comply with that direction and make any deduction required by that direction.

### ***Goods and services tax ("GST")***

GST should not be payable by the Bondholders (resident and non-resident) in respect of the issue of Bonds by the Issuer, or the conversion of Bonds into Stapled Securities, or any interest income paid on the Bonds.

GST should also not be payable by the holders (resident and non-resident) of Stapled Securities in relation to their holding or disposal of Stapled Securities, or any distributions received on the Shares or Units.

### ***Stamp duty***

As the Bonds are not shares or units (albeit they may be converted into the ASX quoted Stapled Securities), and will be debt interests (within the meaning of Division 974 of the Income Tax Assessment Act 1997 (Cth)), the issue or transfer of the Bonds will not be subject to stamp duty in any Australian State or Territory (other than potentially Victoria).

In Victoria the issue or transfer of the Bonds will only be subject to stamp duty if on a conversion of the Bonds a person (on an associated person and/or associated transaction inclusive basis) would commence to hold 90 per cent. or more of the total issued Stapled Securities.

The conversion of the Bonds into ASX quoted Stapled Securities, or the transfer of the ASX quoted Stapled Securities after conversion, will not be subject to stamp duty in any Australian State or Territory, provided that no person (on an associated person and/or associated transaction inclusive basis) commences to hold 90 per cent. or more or more of the total issued Stapled Securities.

***Death duties***

Australia does not impose death, estate or succession duties on any assets (including Bonds or Stapled Securities) held at the time of death.

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## SUBSCRIPTION AND SALE

*This section summarises the Subscription Agreement entered into by the Issuer, Cromwell Property Group and the Lead Managers. It also sets out the restrictions on the Offer in various jurisdictions.*

### SUBSCRIPTION AGREEMENT

Pursuant to a Subscription Agreement dated 21 March 2018 between the Issuer, the Guarantors and the Lead Managers, the Issuer agreed to issue and the Lead Managers agreed to subscribe for €230 million 2.5 per cent. Guaranteed Convertible Bonds at 100 per cent. of their principal amount.

Each of the Issuer and the Guarantors has agreed to indemnify the Lead Managers in respect of certain matters pursuant to the Subscription Agreement and to reimburse the Lead Managers for certain expenses the Lead Managers properly incurred in connection with certain matters. The Subscription Agreement contains provisions entitling the Lead Managers to terminate the Subscription Agreement in certain circumstances prior to payment to the Issuer in respect of the Bonds.

The Issuer and the Stapled Entities have agreed in the Subscription Agreement with the Lead Managers that they will not, and will procure that no persons acting on their behalf will, (a) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Stapled Securities or securities of the same class as the Bonds or the Stapled Securities or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Stapled Securities or securities of the same class as the Bonds, the Stapled Securities or other instruments representing interests in the Bonds, the Stapled Securities or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Stapled Securities, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Stapled Securities or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Lead Managers between the date of the Subscription Agreement and the date which is 90 days after the closing date. The foregoing sentence shall not apply to: (a) the issue of the Bonds and any new Stapled Securities issued on conversion of the Bonds and any Stapled Securities issued pursuant to the terms of the Existing Bonds or (b) the issuance of Stapled Securities or any other securities under its publicly disclosed distribution reinvestment plan, employee option plan or employee security plan.

### INFORMATION ABOUT THE LEAD MANAGERS

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions.

This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

The Lead Managers and certain of their subsidiaries or affiliates have performed certain investment banking and advisory services for the Company and/or the Responsible Entity and/or their subsidiaries and affiliates from time to time for which they may have received fees and expenses. The Lead Managers may, from time to time, engage in transactions with and perform services for the Company and/or the Responsible Entity and/or their subsidiaries and affiliates in the ordinary course of their business.

Credit Suisse (Singapore) Limited and its affiliates have been appointed by the Company in connection with the repurchase and cancellation of the Existing Bonds. Under this agreement, any transaction carried out by Credit Suisse (Singapore) Limited and its affiliates in good faith pursuant to their appointment shall constitute a transaction carried out at the request of the Company and not on account or for Credit Suisse (Singapore) Limited and its affiliates.

An affiliate of Goldman Sachs Australia Pty Ltd is a lender to Cromwell Property Group. A portion of the estimated net proceeds of the issue of the Bonds may be applied towards full or partial repayment of the facilities to which it is a lender.

The Lead Managers and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their various business activities, the Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of Cromwell Property Group.

The Lead Managers or their affiliates may purchase the Bonds for its or their own account and enter into transactions, including (i) credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Bonds and/or other securities or (ii) equity derivatives and stock loan transactions relating to the Stapled Securities at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds). A portion of the Bonds may be allocated to the Lead Managers or their affiliates for the purpose of facilitating market making activities. The Lead Managers and certain of their subsidiaries or affiliates have performed certain commercial banking, investment banking and advisory services for the Company and/or the Responsible Entity and/or any other member of Cromwell Property Group from time to time for which they have received customary fees and expenses. In addition to the transactions services for the Company and/or the Responsible Entity, the Lead Managers may, from time to time, engage in other transactions with and perform services for the Company and/or the Responsible Entity and/or any other member of Cromwell Property Group in the ordinary course of business of the Company and/or the Responsible Entity and/or any other member of Cromwell Property Group. In addition, the Lead Managers and

certain of their subsidiaries and affiliates may hold Bonds and/or Stapled Securities as beneficial owners, on behalf of clients or in the capacity of investment advisers.

## **SELLING RESTRICTIONS**

### **General**

**No action has been or will be taken that would, or is intended to, permit a public offering of the Bonds, or the possession or distribution of this Offering Circular or any amendment or supplement thereto or any offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required.**

**Accordingly, the Bonds should not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material, circular, prospectus, product disclosure statement, form of application or advertisement in connection with the Bonds should be distributed or published in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer, Cromwell Property Group or the Lead Managers.**

**The Bonds and the Stapled Securities into which the Bonds are converted into may be subject to on-selling restrictions. Investors are advised to obtain professional advice.**

### **United States**

The Bonds, the Guarantee and the Stapled Securities to be issued upon conversion of the Bonds have not been, and will not be, registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Bonds and the Guarantee are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds and the Guarantee, an offer or sale of Bonds or Guarantee within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### **NOTICE TO ALL INVESTORS IN THE EUROPEAN ECONOMIC AREA ("EEA")**

This Offering Circular contains certain disclosures required under Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 as transposed into national law (the "**AIFM Directive**").

Cromwell Diversified Property Trust (ARSN 102 982 598) (the "**Trust**") is a "non-EU AIF" as defined in article 4(1)(aa) of the AIFM Directive. Cromwell Property Securities Limited (ACN 079 147 809), the "responsible entity" of the Trust (the "**Responsible Entity**"), is the "non-EU AIFM" of the Trust, as defined in article 4(1)(ab) of the AIFM Directive. References in this section of this Offering Circular to the AIFM Directive are to those provisions of the AIFM

Directive as implemented into the national laws or regulations of any EEA member state (each "**Member State**").

As at the date of this Offering Circular, the Trust has been notified, registered or approved (as the case may be and howsoever described) in accordance with the local law/regulations implementing article 42 of the AIFM Directive for marketing to professional investors into the United Kingdom and the Grand Duchy of Luxembourg and each Lead Manager agrees that it will market or offer the Bonds in the EEA only to investors in such jurisdictions. It is noted that this Offering Circular may only be distributed and units in the Trust may only be offered or placed to "professional investors" within the meaning of article 1 (53) of the Luxembourg law of 12 July 2013 on alternative investment funds managers in the territory of the Grand-Duchy of Luxembourg.

In relation to other Member States' implementation of the AIFM Directive, this Offering Circular may only be distributed and Bonds may only be offered or placed: (i) at the investor's own initiative; or (ii) to the extent that this Offering Circular may otherwise be lawfully distributed and the Bonds may lawfully be offered or placed in compliance with that Member State's implementation of the AIFM Directive and any other applicable laws or regulations.

Each Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds, the Guarantee or any Stapled Securities which are the subject of the offering contemplated by the Offering Circulars in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") ; or
  - (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**") ; and
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds, the Guarantee and the Stapled Securities to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, the Guarantee and the Stapled Securities.

In addition, the following restrictions apply to the distribution of this Offering Circular in the United Kingdom and Luxembourg:

### **United Kingdom**

This Offering Circular is being only issued in the United Kingdom to, and/or is directed at, only persons who are "professional investors" for the purposes of the Alternative Investment Fund

Managers Regulations 2013 of the United Kingdom ("the **UK AIFM Regs**") or to persons to or at whom it may lawfully be issued or directed under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 including persons who are authorised under the Financial Services and Markets Act 2000 ("**FSMA**"), certain persons having professional experience in matters relating to investments, high net worth companies, high net worth unincorporated associations or partnerships, or trustees of high value trusts or persons who qualify as certified sophisticated investors. The opportunity to invest in the Trust is only available to such persons in the United Kingdom and this Offering Circular must not be relied or acted upon by any other persons in the United Kingdom.

In order to qualify as a certified sophisticated investor a person must: (a) have a certificate in writing or other legible form signed by an authorised person to the effect that he is sufficiently knowledgeable to understand the risks associated with a particular type of investment; and (b) have signed, within the last 12 months, a statement in a prescribed form declaring, amongst other things, that he qualifies as a sophisticated investor in relation to such investments. This Offering Circular is exempt from the general restriction in Section 21 of FSMA on the communication of invitations or inducements to engage in investment activity on the grounds that it is being issued to and/or directed at only the types of person referred to above. The content of this Offering Circular has not been approved by an authorised person and such approval is, save where this Offering Circular is directed at or issued to the types of person referred to above, required by Section 21 of FSMA. Acquiring Units may expose an investor to a significant risk of losing all of the amount invested. Any person who is in any doubt about investing in the Trust should consult an authorised person specialising in advising on such investments.

Each of the Lead Managers has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to thing done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

## Luxembourg

The offer of the Bonds in the Grand Duchy Luxembourg will only be made to qualified investors within the meaning of the Luxembourg law of 10 July 2005 regarding prospectus for securities (the **Prospectus Law**). Accordingly, the Issuer is exempted from the obligation to issue a prospectus within the meaning of the Prospectus Law, and the present Offering Circular does not constitute a prospectus within the meaning of the Prospectus Law.

## Switzerland

The Bonds may not be offered or sold in, into or from Switzerland except in circumstances that will not result in the offer of the Bonds qualifying as a public offering in Switzerland pursuant to article 652a of the Swiss Code of Obligations ("**CO**") or distribution of collective investments schemes pursuant to article 3 of the Swiss Collective Investment Schemes Act ("**CISA**").

Accordingly, neither this document nor any accompanying letter or other document relating to the Bonds has been or will be submitted to the Swiss Financial Market Supervisory Authority FINMA and investors will not be protected by the provisions of the CO, the CISA or any other Swiss law. Neither this document nor any accompanying letter or other document relating to the Bonds constitutes a prospectus pursuant to article 652a or 1156 CO, a prospectus or simplified prospectus pursuant to the CISA or a prospectus pursuant to any other Swiss law, and neither this document nor any accompanying letter or other document relating to the Bonds may be distributed or otherwise made available in Switzerland except to regulated qualified investors within the meaning of article 10 paragraphs 3(a) and 3(b) of the CISA.

## Hong Kong

Each of the Lead Managers has represented, warranted and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds or any underlying securities other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds (or any underlying securities), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds (or any underlying securities) which are or are intended to be disposed of only to persons

outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) and any rules made under that Ordinance.

## Singapore

Each of the Lead Managers has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289) of Singapore ("SFA"). Accordingly, each of the Lead Managers has represented and agreed that it has not offered or sold any Bonds or Stapled Securities or caused the Bonds or Stapled Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds or Stapled Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA")) pursuant to under Section 274 of the SFA, (ii) to a relevant person pursuant (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds or Stapled Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds or Stapled Securities pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (a) where no consideration is or will be given for the transfer;
- (b) where the transfer is by operation of law;
- (c) as specified in Section 276(7) of the SFA; or
- (d) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

## Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**Financial Instrument and Exchange Act**"). Accordingly, each of the Lead Managers has represented and agreed that it has not, directly or indirectly, offered or sold, any will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale directly or indirectly in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instrument and Exchange Act and other relevant laws and regulations of Japan.

## Australia

The Offer is not being made by the Issuer under a disclosure document as that term is defined in Chapter 6D.2 of the Corporations Act. The Offer is only being made to persons to whom it is lawful to offer securities without a disclosure document, namely "sophisticated investors" (for the purposes of subsection 708(8) of the Corporations Act) and "professional investors" (for the purposes of subsection 708(11) of the Corporations Act). No Bonds will be issued in circumstances that would require the giving of a disclosure document under Chapter 6D.2 of the Corporations Act, and the Issuer will not accept an application for, or issue or transfer, Bonds offered under a disclosure document.

## ADDITIONAL INFORMATION

### OWNERSHIP RESTRICTIONS

#### Foreign Acquisitions and Takeovers Act

The acquisition of interests in Cromwell Property Group is regulated by the Australian *Foreign Acquisitions and Takeovers Act 1975* (Cth) ("**FATA**"), the *Foreign Acquisitions and Takeovers Regulation 2015* (Cth) ("**FATR**"), and other related legislation and guidelines.

The FATA requires a "foreign person" to seek and obtain prior clearance from the Treasurer of the Commonwealth of Australia ("**Australian Treasurer**"), who is advised by the Foreign Investment Review Board ("**FIRB**") before acquiring certain interests in Cromwell Property Group (including Stapled Securities and Bonds). The Australian Treasurer, or his or her delegate, may issue a 'no objection notification' unconditionally or on conditions ("**FIRB Clearance**"), or block the proposed acquisition. If an acquisition requiring FIRB Clearance proceeds without that clearance, the Australian Treasurer has powers to make adverse orders, including divestment. There are also criminal and civil penalties for non-compliance.

Cromwell Property Group is considered an "Australian land entity" under the FATA and its portfolio includes land that is considered "low threshold land" for the purposes of section 52(6) of the FATR. Accordingly, unless an exemption applies (see below), the acquisition of an interest in Cromwell Property Group (including Stapled Securities and Bonds) by a "foreign person" will require FIRB Clearance where the applicable monetary threshold is met.

The issue of the Bonds will confer an interest in the Stapled Securities considered to be "potential voting power" for the purposes of the FATA. As the Conversion Price will be subject to adjustment in certain circumstances described in Condition 6(b) of the Conditions including upon the making of a Capital Distribution or Extraordinary Distribution (as defined in the Conditions) by Cromwell Property Group and upon the occurrence of a Change of Control (as defined in the Conditions), the percentage interests held in the Stapled Securities and the levels of voting power and potential voting power conferred, cannot be determined precisely until the time the Bonds are converted. Relevantly in the circumstances, the FATA provides that in determining whether a person will acquire an interest that requires FIRB Clearance, FIRB will assume that all rights relating to the Bonds and Stapled Securities are exercised (regardless of if or when the rights are actually exercised).

The FATR exempts the application of the FATA in certain circumstances, including where the acquisition is of Shares or Units (as applicable) by a "foreign person" who, after the acquisition, will hold (together with its associates) an interest of less than 10 per cent. of:

- (a) the Stapled Securities on issue; or
- (b) the votes or potential votes (including through interests in Stapled Securities such as Bonds)

in Cromwell Property Group, and the foreign person is not in a position to influence or participate in the central management and control of Cromwell Property Group or influence, participate in or determine the policy of Cromwell Property Group ("**Passive Investor Exemption**").

Accordingly, investors who acquire interests for the first time (together with their associates) in Cromwell Property Group through the Bonds are likely to receive the benefit of the Passive Investor Exemption.

Investors who already hold interests in Cromwell Property Group (including through interests in Stapled Securities such as Bonds) and who do not have the benefit of the Passive Investor Exemption, or another exemption under the FATA or FATR will require FIRB Clearance. For example, if the investor is:

- (a) a "foreign government investor" who would hold (alone or together with its associates) an interest in at least 10 per cent. of the Stapled Securities on issue, or the votes or potential votes (including through interests in Stapled Securities such as Bonds) in Cromwell Property Group (regardless of the value of those interests);
- (b) a "foreign person" who is not a "foreign government investor" but who holds (alone or together with its associates) an interest in at least 10 per cent. of the Stapled Securities on issue, or the votes or potential votes (including through interests in Stapled Securities such as Bonds) in Cromwell Property Group and the value of or consideration paid for the interest being acquired through the Offer is more than A\$261 million (provided they will not acquire a right to occupy the land or to be involved in the central management and control of Cromwell Property Group through the Offer);
- (c) a "foreign person" who is not a "foreign government investor" (alone or together with its associates) who would hold an interest in at least 20 per cent. of the Stapled Securities on issue, or the votes or potential votes (including through interests in Stapled Securities such as Bonds) in Cromwell Property Group (regardless of the value of those interests).

The above summary does not purport to be a definitive statement of the FATA. Strict penalties (including civil and criminal penalties) may apply for breaches of the FATA so investors should ensure that they carefully consider how the FATA applies to them. It is the responsibility of any investor who wishes to invest in the Cromwell Property Group to satisfy themselves as to their compliance with the FATA, regulations made under the FATA, and guidelines issued by the FIRB, before acquiring any interest. Investors should seek their own independent legal advice.

### **Takeover restrictions**

The acquisition of interests in Cromwell Property Group are also regulated by the takeover provisions in Chapter 6 of the Corporations Act. These provisions prohibit (with the sanction of penalties) the acquisition of relevant interests in the Stapled Securities, if as a result of the acquisition the acquirer's (or another party's) "voting power" in Cromwell Property Group would increase to above 20 per cent., or would increase from a starting point that is above 20 per cent. and below 90 per cent. That prohibition is subject to a number of exceptions, including for acquisitions pursuant to a regulated takeover bid. Chapter 6C of the Corporations Act also contains provisions requiring market disclosure of relevant interests (and changes in relevant interests) in the Stapled Securities by persons holding "voting power" in Cromwell Property Group of 5 per cent. or more.

Investors requiring further information relating to takeover restrictions or disclosure requirements should consult their professional advisers as these matters may be applicable to the conversion of the Bonds.

### **ASX Listing Rules**

The ASX Listing Rules prohibit the issue of equity or convertible securities if those securities, when aggregated with any other securities issued during the previous 12 months, exceeds 15 per cent. of the ordinary securities on issue at the commencement of that period of 12 months except, *inter alia*, with prior securityholder approval, to ordinary securityholders pro rata, pursuant to an off-market takeover bid or scheme of arrangement, to finance a takeover or scheme of arrangement, or an exercise by the directors of a declared right to dispose of the shortfall remaining after a pro rata equity offering.

Investors requiring further information relating to the ASX Listing Rules should consult their professional advisers as these matters may be applicable to the conversion of the Bonds.

### **ASIC RELIEF**

The Issuer and Cromwell Property Group have obtained conditional individual (or case-by-case) relief from ASIC under section 741(1) and 1020F(1) of the Corporations Act to:

- (a) modify section 713 of the Corporations Act to enable the Issuer and Cromwell Property Group to issue jointly a transaction-specific prospectus in respect of the issue of the Bonds;
- (b) modify the requirements of a transaction-specific prospectus under the Part 6D.2 of the Corporations Act to enable this Offering Circular to be tailored to the Offer; and
- (c) modify sections 707 and 1012C of the Corporations Act to enable the Stapled Securities to be issued by Cromwell Property Group upon conversion of the Bonds to be on-sold within 12 months after their issue without requiring the giving of further disclosure by the Issuer or Cromwell Property Group, as would otherwise be required if ASIC relief had not been given.

### **ASX CONFIRMATIONS**

ASX has confirmed the following to Cromwell Property Group:

- (a) the terms of the Bonds are appropriate and equitable for the purposes of ASX Listing Rule 6.1;
- (b) ASX Listing Rule 6.12 does not apply to a redemption or conversion of the Bonds under their terms of issue;
- (c) the Bonds will not be regarded as options for the purposes of ASX Listing Rule 6.22;

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- (d) under ASX Listing Rule 7.1B.1, ASX does not object to Cromwell Property Group, for the purpose of issuing the Bonds without securityholder approval, notionally converting the Bonds into Stapled Securities based on the initial conversion price at the time of the issue of the Bonds; and
  - (e) under ASX Listing Rule 7.1B.2, ASX will not treat the Bonds that may be convertible beyond Cromwell Property Group's placement capacity under ASX Listing Rule 7.1 as a breach of that rule, provided that securityholder approval is obtained prior to the conversion of such Bonds to Stapled Securities.

## INTERESTS OF DIRECTORS AND ADVISERS

### INTERESTS AND REMUNERATION OF DIRECTORS

Other than as set out below or elsewhere in this Offering Circular, no Director of Cromwell Property Group or the Issuer has, or has had within the two years prior to the release of this Offering Circular, any interest in:

- the promotion or formation of the Issuer or Cromwell Property Group;
- property acquired or proposed to be acquired by the Issuer or Cromwell Property Group in connection with its formation or promotion of the Offer under this Offering Circular; or
- the Offer under this Offering Circular,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director:

- to induce him or her to become, or to qualify him or her as, a director of either the Issuer or Cromwell Property Group; or
- for services rendered by him or her in connection with the formation or promotion of the Issuer or Cromwell Property Group or the Offer under this Offering Circular.

#### *Directors' interests in the Issuer*

None of the Directors of the Issuer have any direct or indirect interest in or hold any shares of, or derive any direct financial benefits from, the Issuer. All of the issued shares of the Issuer are held by or behalf of the Responsible Entity in its capacity as responsible entity of the Trust.

#### *Directors' interests in Cromwell Stapled Securities*

As at the date of this Offering Circular, the Directors of Cromwell Property Group have the following direct or indirect interests in the following Stapled Securities:

Director	Number of Stapled Securities
Geoffrey Levy	3,329,195
Paul Weightman	22,592,276
Michelle McKellar	603,839
Marc Wainer	Nil
Jane Tongs	257,678
Andrew Konig	Nil
Leon Blitz	Nil

Full details of the interests in the Stapled Securities of the Directors of Cromwell Property Group are disclosed in Cromwell Property Group's 2017 Annual Report, as updated in any Appendix 3X and 3Y filings lodged by Cromwell Property Group since that date.

### *Directors' remuneration*

The following table sets out the total amounts paid or payable (excluding GST) to current Directors of the Issuer as fees and executive service remuneration (including cash, bonuses and equity-based compensation) in the two year period prior to the lodgement of this Offering Circular:

<b>Director</b>	<b>Annual directors' fees as at the date of this Offering Circular</b>	<b>1 July 2017 to 21 March 2018</b>	<b>12 months ended 30 June 2017</b>	<b>12 months ended 30 June 2016</b>
Michael Wilde	Nil	Nil	Nil	Nil
Brett Hinton	Nil	Nil	Nil	Nil

The following table sets out the total amounts paid or payable (excluding GST) in Australian dollars to current Directors of Cromwell Property Group as fees and executive service remuneration (including cash, bonuses and equity-based compensation) in the two year period prior to the lodgement of this Offering Circular:

<b>Director</b>	<b>Annual directors' fees as at the date of this Offering Circular</b>	<b>1 July 2017 to 28 February 2018</b>	<b>12 months ended 30 June 2017</b>	<b>12 months ended 30 June 2016</b>
Geoffrey Levy	228,685	141,173	211,515	201,941
Paul Weightman	3,746,826	1,272,478	3,792,988	2,705,470
Michelle McKellar	120,597	77,351	115,882	111,049
Richard Foster	52,959	52,959	115,882	105,752
Marc Wainer	101,130	64,876	97,182	92,541
Jane Tongs	127,441	81,755	122,482	117,581
Andrew Konig	101,130	59,535	97,182	81,917
Leon Blitz	98,693	65,355	-	-

Full details on the remuneration of Cromwell Property Group's Directors are contained in Cromwell Property Group's 2017 Annual Report.

### **INTERESTS OF ADVISERS**

#### *Interests of persons other than the Lead Managers*

As at the date of this Offering Circular, other than as set out below or elsewhere in this Offering Circular:

- no person named in this Offering Circular as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Offering Circular or as a promoter of the Issuer has, or during the last 2 years prior to the date of this Offering Circular has had, an interest in:
  - (a) the formation or promotion of the Issuer;
  - (b) any property acquired or proposed to be acquired by the Issuer in connection with its formation or promotion of the Offer under this Offering Circular; or
  - (c) the Offer under this Offering Circular; and
- no amounts, whether in cash or shares or otherwise, have been paid or agreed to be paid and no value or benefit has been given or agreed to be given to any person named in this Offering Circular as performing a function in a professional advisory or other capacity for services rendered in connection with the formation or promotion of the Issuer or the Offer under this Prospectus.

#### *Interests of the Lead Managers*

Under the Subscription Agreement, the Lead Managers have certain rights to subscribe for the Bonds and hold interests for its own account as set out in this Offering Circular.

In addition, under an engagement letter with the Company ("**Engagement Letter**"), the Lead Managers are entitled to be paid a management and underwriting fee, a non-discretionary fee and a discretionary incentive fee, in each case expressed as a percentage of the aggregate principal amount of the Bonds.

The Lead Managers are entitled to deduct such fees from the gross proceeds of the Offer, unless the Offer is not completed.

In addition, under the Engagement Letter the Company agrees to reimburse the Lead Managers for any reasonable out-of-pocket expenses incurred by the Lead Managers in connection with performing its obligations under the agreement, regardless of whether the Offer is completed, provided that the cost or expense to be reimbursed does not exceed, individually, USD1,000 or, when aggregated with all other costs and expenses, USD15,000, without the consent of the Company.

All fees and expenses payable under the Engagement Letter are net of all applicable withholding and similar taxes, as well as any indirect taxes such as Goods and Service Tax in Singapore.

The estimated aggregate fees and costs payable to the Lead Managers under the Engagement Letter are approximately A\$7.2 million plus any GST or other value-added tax thereon.

Fees and costs payable to Credit Suisse (Singapore) Limited under the appointment with respect to the buyback of Existing Bonds (as described on page 7) are in addition to fees and costs payable under the Engagement Letter.

*Payments made to the Trustee, Registrar and Principal Paying, Transfer and Conversion Agent*

Each of the Trustee, Registrar and Principal Paying, Transfer and Conversion Agent are entitled to hold interests in the Bonds for their own account.

Under the Trust Deed, the Trustee will be entitled to be paid such amounts as agreed between the Issuer and the Trustee. The Trustee will also be entitled to additional remuneration calculated at its normal hourly rates at any time after the occurrence of an "Event of Default" or "Potential Event of Default" (as defined in the Trust Deed). The estimated fees and costs payable to the Trustee are a A\$6,500 one-time fee and an annual fee of A\$6,500, in each case plus any GST or other value-added tax thereon. In addition to these fees and costs, the Trustee is entitled to the reimbursement of its legal costs in connection with its appointment.

Under the Agency Agreement, the Registrar and the Principal Paying, Transfer and Conversion Agent will each be entitled to be paid such amounts as agreed with the Issuer. The Registrar and the Principal Paying, Transfer and Conversion Agent have waived their fees other than a A\$455.00 fee payable for each conversion, plus any GST or other value-added tax thereon.

*Other fees*

In addition to the above, the following persons will also be entitled to the following fees in relation to the following services in connection with the Offer. All amounts are approximate unless the context otherwise requires.

<b>Person</b>	<b>Services</b>	<b>Amounts (approx.)</b>
MinterEllison	Legal services in connection with the Offer on behalf of the Issuer and Cromwell Property Group.	A\$175,000 plus GST and any disbursements for work performed to the date of this Offering Circular. Further amounts may be paid to MinterEllison in accordance with its time-based charges.
Pitcher Partners	Accounting and due diligence services in connection with the Offer on behalf of the Issuer and Cromwell Property Group.	A\$30,000 plus GST and any disbursements for work performed to the date of this Offering Circular. Further amounts may be paid to Pitcher Partner in accordance with its time-based charges.

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### *Estimated aggregate costs of the Offer*

The total estimated costs of the Offer payable by the Issuer or Cromwell Property Group (including all the professional fees described above, but also tax, listing, marketing, printing and administrative fees and expenses) will be approximately A\$7.5 million, and is calculated on the basis that €230 million has been raised under the Offer.

## **AUTHORISATIONS AND CONSENTS**

### **Consents**

Except for the Issuer, the Guarantors and Pitcher Partners, any person named in this Offering Circular:

- does not make, or purport to make, any statement in this Offering Circular, and is not aware of any statement in this Offering Circular which purports to be based on a statement made by them; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Offering Circular other than a reference to its name.

This Offering Circular contains statements made by, or statements said to be based on statements made by:

- (a) Cromwell SPV Finance Pty Ltd as Issuer;
- (b) Cromwell Property Group as Guarantors and as joint issuer (along with the Issuer) of the Offering Circular; and
- (c) Pitcher Partners as the auditors of Cromwell Property Group.

Each of the persons named above has consented to the inclusion of each statement it has made in the form and context in which the statement appears in this Offering Circular, has consented to the references to those statements in the form and context in which they are included in this Offering Circular and has not withdrawn those consents as at the date of this Offering Circular.

### **Directors' authorisations**

This Offering Circular is issued by the Issuer, the Company and the Responsible Entity. Each of their Directors consents to the release of this Offering Circular to ASX.

Third parties named in this Offering Circular, and not specifically referred to above as having given their consent, have not consented to the inclusion of their names in this Offering Circular, or to any statement attributed to them, or statement upon which a statement has been based. The Directors of the Company, the Responsible Entity and

the Issuer assume responsibility for the reference to those entities and statements which include those references.

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## GENERAL INFORMATION

- (a) The Company's corporate head office and principal place of business is located at Level 19, 200 Mary Street, Brisbane, Queensland, Australia.
- (b) The Responsible Entity's corporate head office and principal place of business is located at Level 19, 200 Mary Street, Brisbane, Queensland, Australia.
- (c) The Issuer's corporate head office and principal place of business is located at Level 19, 200 Mary Street, Brisbane, Queensland, Australia.
- (d) The auditors of Cromwell Property Group in Australia are Pitcher Partners.
- (e) The duties of the auditor of the Trust include the following:
  - (i) to form an opinion about whether the Trust's financial report complies with Australian accounting standards and gives a true and fair view, as well as about certain other matters and report to members about such matters;
  - (ii) to conduct their audit in accordance with Australian auditing standards;
  - (iii) to meet independence requirements (including professional standards) and give the directors of the Responsible Entity an auditor's independence declaration;
  - (iv) to maintain auditor independence by identifying conflict of interest situations and meeting requirements for auditor rotation; and
  - (v) to report certain suspected contraventions of the Corporations Act to ASIC.
- (f) The issue of the Bonds and the Stapled Securities to be issued on conversion of the Bonds and the terms of the Offer were approved by resolutions of the board of directors of the Company, the Responsible Entity and the Issuer (as the case may be) passed on 21 March 2018, subject to obtaining securityholder approval where relevant.
- (g) The giving of the Guarantee was authorised by resolutions of the board of directors of the Company and the Responsible Entity passed on 21 March 2018.
- (h) Copies of the constitutive documents of the Issuer and the Cromwell Property Group, the Trust Deed and the Agency Agreement (upon execution) and, subject to receipt of the same by the Principal Paying, Transfer and Conversion Agent from Cromwell Property Group, the published financial statements of the Cromwell Property Group, will be available for inspection and collection at the specified office of the Principal Paying, Transfer and Conversion Agent during normal business hours upon prior written request and satisfactory proof of holding a Bond, so long as any of the Bonds are outstanding.

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- (i) The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number for the Bonds is XS1797409072. The Common Code for the Bonds is 179740907.
  - (j) The Legal Entity Identifier (LEI) of the Issuer is 2549000ZS2EOSL69Z191.
  - (k) Each of the Issuer and Cromwell Property Group and the Guarantors has obtained or will at the date of issue obtain all consents, approvals and authorisations required to be obtained by them in connection with the issue and performance of the Bonds.
  - (l) There has been no significant change in the financial or trading position of Cromwell Property Group since 31 December 2017 and no material adverse change in the financial position, capitalisation or prospects of Cromwell Property Group since 31 December 2017.
  - (m) None of the Issuer, the Company or the Responsible Entity nor any of their subsidiaries are involved in any litigation or arbitration proceedings or any regulatory investigations relating to claims or amounts which are material in the context of the issue of the Bonds nor, so far as the Issuer, the Company or the Responsible Entity is aware, is any such litigation or arbitration pending or threatened.
  - (n) The audited annual consolidated financial statements of Cromwell Property Group for the financial years ended and as at 30 June 2016 and 30 June 2017, which are deemed to be incorporated by reference in this Offering Circular, have been audited by Pitcher Partners, auditors to Cromwell Property Group, as stated in their reports appearing therein.
  - (o) Approval in-principle has been received for the listing of and quotation for the Bonds on the Official List of SGX-ST. So long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption, in the event that the Global Certificate is exchanged for Certificates in definitive form. In addition, in the event that the Global Certificate is exchanged for Certificates in definitive form, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the individual definitive Bonds, including details of the paying agent in Singapore.
  - (p) The Trust uses a range of third party providers, in particular, its auditor, Pitcher Partners, legal counsel MinterEllison and its registry Link Market Services Limited.

MinterEllison provide independent legal advice on a wide range of legal issues including corporate governance, equity capital markets and funds management.

Link Market Services Limited, as Cromwell Property Group's registry provider maintains the securityholder register, administers corporate actions including the payment of distributions, and arranges contract settlements and security issues.

- (q) None of the agreements appointing the Responsible Entity, the auditors, legal counsel or any other of the Trust's service providers provides for any third party rights for investors.

Absent a direct contractual relationship between the unitholders of the Trust and the relevant service provider, unitholders of the Trust have no direct rights against the relevant service provider. Instead, in an action where a wrongdoing is alleged to have been committed against the Trust by the relevant service provider, the proper plaintiff is the Responsible Entity.

- (r) The Trust will make available to the unitholders of the Trust annual audited financial statements prepared in accordance with Australian Accounting Standards and half-yearly reviewed financial statements. To the extent required by the AIFM Directive, the following information will be disclosed to unitholders of the Trust by way of the Annual Report:
- (i) the percentage of Trust assets subject to special arrangements<sup>11</sup> arising from their illiquid nature (if any);
  - (ii) any new arrangements for managing the liquidity of the Trust;
  - (iii) the current risk profile of the Trust and the risk management systems employed by the Responsible Entity to manage those risks; and
  - (iv) the total amount of leverage employed by the Trust.

To the extent required by the AIFM Directive, any changes to the following information will be disclosed by the Responsible Entity to unitholders of the Trust by email in accordance with the AIFM Directive:

- (v) the maximum level of leverage (if any) which the Responsible Entity may employ on behalf of the Trust; and
- (vi) the grant of any right of re-use of collateral or any guarantee granted under any leveraging arrangement.

By subscribing for Bonds, prospective investors thereto are deemed to have confirmed that this information has been made available to them prior to their investment in the Trust (on Conversion), in accordance with the AIFM Directive.

All investor reports and disclosures are disseminated through ASX or directly by the Responsible Entity.

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<sup>11</sup> Level 2 Article 1(5) defines "special arrangement" as 'special arrangement' means an arrangement that arises as a direct consequence of the illiquid nature of the assets of an AIF which impacts the specific redemption rights of investors in a type of units or shares of the AIF and which is a bespoke or separate arrangement from the general redemption rights of investors.

**ISSUER**

**Cromwell SPV Finance Pty Ltd**  
 (ACN 603 578 310)  
 Level 19, 200 Mary Street  
 Brisbane, Queensland 4000

**GUARANTORS**

**Cromwell Corporation Limited**  
 (ACN 001 056 980)  
 Level 19, 200 Mary Street  
 Brisbane, Queensland 4000

**Cromwell Property Securities Limited**  
**in its capacity as responsible entity of the**  
**Cromwell Diversified Property Trust**  
 (ACN 079 147 809)  
 Level 19, 200 Mary Street  
 Brisbane, Queensland 4000

**LEAD MANAGERS**

**Credit Suisse (Singapore) Limited**  
 (Registration number 197702363D)  
 One Raffles Link, #03-01/#04-01 South Lobby  
 Singapore 039393

**Goldman Sachs Australia Pty Ltd**  
 (ACN 006 797 897)  
 Level 17, 101 Collins Street Melbourne  
 Victoria 3000 Australia

**REGISTRAR**

**Citigroup Global Markets Deutschland**  
**AG**  
 Reuterweg 16  
 60323 Frankfurt  
 Germany

**TRUSTEE**

**Citicorp International Limited**  
 39<sup>th</sup> Floor, Champion Tower  
 Three Garden Road  
 3 Garden Road, Central  
 Hong Kong

**PRINCIPAL PAYING, TRANSFER AND CONVERSION AGENT**

**Citibank, N.A., London Branch**  
 c/o Citibank, N.A., Dublin Branch  
 1 North Wall Quay  
 Dublin 1  
 Ireland

**LEGAL ADVISERS**

*Legal Adviser to the Issuer and the Guarantors  
 as to Australian Law*

**MinterEllison**  
 Governor Macquarie Tower  
 1 Farrer Place  
 Sydney NSW 2000  
 Australia

*Legal Adviser to the Lead Managers  
 as to Australian Law*

**Allens**  
 Level 28, Deutsche Bank Place  
 126 Phillip Street  
 Sydney NSW 2000  
 Australia

*Legal Adviser to the Lead Managers and the Trustee  
 as to English Law*

**Linklaters Singapore Pte. Ltd.**  
 One George Street #17-01  
 Singapore 049145

**AUDITORS OF THE CROMWELL PROPERTY GROUP**

**Pitcher Partners**  
 Level 30, 345 Queen Street  
 Brisbane QLD 4000