

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

1 March 2018

Notification under section 708A(12C)(e) of the Corporations Act 2001 (Cth)

Seven Group Holdings Limited (“SGH”) (ASX Code: SVW) announced on 21 February 2018 that it had launched an offering to raise A\$350 million of senior, unsecured convertible notes due 2025 (“Notes”) convertible into ordinary shares. SGH expects to issue the Notes to institutional investors on 5 March 2018.

SGH gives this notice together with the attached offering circular to ASX as a notice under section 708A(12C)(e) of the *Corporations Act 2001* (Cth) (“**Corporations Act**”) as **notionally inserted by ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82** (“**ASIC Instrument 2016/82**”).

The full terms of the Notes are set out in the attached offering circular.

SGH confirms that:

- (a) **the Notes will be issued without disclosure to investors under Part 6D.2 of the Corporations Act;**
- (b) this notice together with the attached offering circular comprises the notice under section 708A(12C)(e) of the Corporations Act as inserted by ASIC Instrument 2016/82; and
- (c) this notice complies with section 708A(12D) of the Corporations Act as inserted by ASIC Instrument 2016/82.

No offer

This notice does not constitute an offer of any Notes for issue or sale, or an invitation to subscribe for or purchase any Notes, and is not intended to be used in connection with any such offer or invitation.

The attached offering circular is incorporated by reference into this notice. Neither this cleansing notice nor the offering circular constitutes a prospectus or an offer of securities to any person.

Yours sincerely

Seven Group Holdings Limited



Warren Coatsworth
Company Secretary

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES. THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached offering circular. In accessing the attached offering circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: This offering circular is being sent to you at your request and by accepting the e-mail and accessing the attached offering circular, you shall be deemed to represent to Deutsche Bank AG, Sydney Branch (the “**Lead Manager**”) that (1) the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and (2) you consent to delivery of the attached offering circular and any amendments or supplements thereto by electronic transmission.

The attached offering circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently neither the Lead Manager nor its affiliates, directors, officers, employees, representatives, agents and each person who controls the Lead Manager or its affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

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 SECURITIES 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 OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or the Lead Manager to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere directed selling efforts (within the meaning of Regulation S under the Securities Act). The materials relating to the offering 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 the offering be made by a licensed broker or dealer and the Lead Manager or any of its affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by it or such affiliate on behalf of the issuer in such jurisdiction.

You are reminded that you have accessed the attached offering circular 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 document, 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 the attached.

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

THE ATTACHED 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 FOWARDED TO ANY U.S. ADDRESS. 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.

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.

You are responsible for protecting against viruses and other destructive items. If you receive this document by e-mail, your use of this e-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.

Seven Group Holdings Limited

(ABN 46 142 003 469)

A\$350,000,000

2.20% Senior Unsecured Convertible Notes Due 2025

Convertible into Ordinary Shares of Seven Group Holdings Limited

Issue Price: 100%

The A\$350,000,000 2.20% Senior Unsecured Convertible Notes due 2025 (the “Notes”) will be issued by Seven Group Holdings Limited (“SGH” or the “Issuer”).

The Notes bear interest from (and including) 5 March 2018 at the rate of 2.20% per annum calculated by reference to the principal amount thereof and payable semi-annually in equal instalments in arrear on 5 March and 5 September in each year commencing with the first interest payment date falling on 5 September 2018.

Each Note will, at the option of the holder, be convertible (unless previously redeemed, converted or purchased and cancelled) on or after 16 April 2018 up to and including 5.00 p.m. (London time) on 26 February 2025 into fully paid ordinary shares of the Issuer (the “Ordinary Shares”) at an initial Conversion Price (as defined in the Terms and Conditions of the Notes) of A\$24.00 per Ordinary Share. The Conversion Price is subject to adjustment in the circumstances described under “Terms and Conditions of the Notes – Conversion of Notes”. The closing price of the Ordinary Shares on ASX Limited (ABN 98 008 624 691), also known as Australian Securities Exchange (the “ASX”), on 21 February 2018 (being the latest practicable date prior to the announcement of the proposed issue of the Notes) was A\$18.40 per Ordinary Share.

Unless and until shareholder approval is obtained in a general meeting of the Issuer in respect of the issuance of the Notes for ASX Listing Rule 7 purposes and notwithstanding the Conversion Right of each Noteholder, the Issuer must make an election to satisfy the exercise of a Conversion Right by making payment to the relevant Noteholder of the Cash Alternative Amount (each as defined in the Terms and Conditions of the Notes).

Unless previously redeemed, converted or purchased and cancelled, the Notes will be redeemed on 5 March 2025 at their principal amount together with accrued but unpaid interest to the date of redemption. The Issuer may redeem all but not some only of the Notes at any time at a redemption price equal to their principal amount together with accrued but unpaid interest to but excluding the date of redemption, if at any time at least 85% in principal amount of the Notes originally issued (including any further issued Notes issued pursuant to Condition 18 of the Terms and Conditions of the Notes (and each reference to “Condition” will be a reference to such Condition in the Terms and Conditions to the Notes) and consolidated and forming a single series with the Notes) has already been converted, redeemed or purchased and cancelled. The Notes may also be redeemed at the option of the holders at a redemption price equal to their principal amount together with accrued but unpaid interest to but excluding the date of redemption, on 3 January 2023 or upon the occurrence of a Change of Control or a Delisting (each as defined in the Terms and Conditions of the Notes). All but not some only of the Notes may be redeemed at any time at a redemption price equal to their principal amount together with accrued but unpaid interest to but excluding the date of redemption, in the event of certain changes relating to Australian taxation, subject to the non-redemption option of each Noteholder as described in the Terms and Conditions of the Notes. See “Terms and Conditions of the Notes – Redemption and Purchase” of this Offering Circular.

Approval in-principle has been received for the listing of the Notes on the Official List of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The SGX-ST assumes no responsibility for the correctness of any of the statements made or

opinions expressed or reports contained in this Offering Circular. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the Notes or the Ordinary Shares. The Ordinary Shares are listed on the ASX and application will be sought from the ASX for the listing of any new Ordinary Shares which may be issued on exercise of the conversion rights attached to the Notes.

Investing in the Notes and the Ordinary Shares involves certain risks. See “Risk Factors” section of this Offering Circular for a discussion of certain factors to be considered in connection with an investment in the Notes.

The Notes and the Ordinary Shares to be issued upon conversion of the Notes have not been, and will not be, registered under the U.S. Securities Act of 1933 (the “Securities Act”) or the securities laws of any state or other jurisdiction of the United States and they may not be offered or sold within the United States. The Notes are being offered and sold solely outside the United States pursuant to Regulation S under the Securities Act. For a description of these and certain further restrictions on offers and sales of the Notes and the Ordinary Shares to be issued upon conversion of the Notes and the distribution of this Offering Circular, see “Subscription and Sale” section of this Offering Circular.

The Notes will be represented by beneficial interests in a permanent global certificate (the “**Global Certificate**”) in registered form, without interest coupons attached, which will be registered in the name of a nominee of, and shall be deposited on or about 5 March 2018 (the “**Closing Date**”) with, a common depository 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. Except as described in the Global Certificate, certificates for Notes will not be issued in exchange for interests in the Global Certificate.

Lead Manager

Deutsche Bank

The date of this Offering Circular is 1 March 2018

IMPORTANT NOTICE

GENERAL

About this document

This document (the “**Offering Circular**”) is issued by Seven Group Holdings Limited (ABN 46 142 003 469). Any offering of the Issuer’s A\$350,000,000 2.20% Senior Unsecured Convertible Notes due 2025 (the “**Notes**”) in Australia is made under this Offering Circular.

This Offering Circular is being lodged on ASX together with a notice that is being given to the ASX in accordance with the requirements of Australian Securities and Investments Commission (“**ASIC**”) Corporations (*Sale Offers: Securities Issued on Conversion of Convertible Notes*) Instrument 2016/82 made under section 741 of the Corporations Act 2001 (Cth) (“**Corporations Act**”) and which provides relief so that the Ordinary Shares may be on-sold to retail investors if a notice containing disclosure required by section 708A(12D) of the Corporations Act (as inserted by ASIC Corporations (*Sale Offers: Securities Issued on Conversion of Convertible Notes*) Instrument 2016/82) is released in connection with the issue of the Notes to institutional investors. Any offering of Notes within Australia is open only to selected investors who are sophisticated or professional investors as respectively referred to in sections 708(8) and 708(11) of the Corporations Act.

Neither this Offering Circular nor any other disclosure document in relation to the Notes or Ordinary Shares has been, or will be, lodged with ASIC and is not, and does not purport to be, a prospectus or a document containing disclosure to investors for the purposes of Part 6D.2 or Part 7.9 of the Corporations Act. This document is not intended to be used in connection with any offer for which such disclosure is required and does not contain all the information that would be required if this document was a prospectus, disclosure document or product disclosure statement under Part 6D.2 or Part 7.9 of the Corporations Act. This Offering Circular is not to be provided to any “retail client” as defined in section 761G of the Corporations Act. The Issuer is not licenced to provide financial product advice in respect of the Notes or the Ordinary Shares. Cooling-off rights do not apply to the acquisition of the Notes or Ordinary Shares.

A person may not make or invite an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia) or distribute or publish this Offering Circular or any other offering material or advertisement relating to the Notes in Australia unless the minimum aggregate consideration payable by each offeree is at least A\$500,000 calculated in accordance with both section 708(9) of the Corporations Act and regulation 7.1.18 of the Corporations Regulations 2001 (Cth) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act, and such action complies with all applicable laws, regulations and directives.

None of ASIC or ASX or their respective officers takes 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 Ordinary Shares and may quote the Ordinary Shares into which the Notes are convertible is not to be taken in any way as an indication of the merits of the Ordinary Shares, the Notes or the Issuer.

The Issuer has confirmed to Deutsche Bank AG, Sydney Branch (the “**Lead Manager**”) that this Offering Circular contains or incorporates by reference all information regarding the Issuer, the Issuer and its subsidiaries as a whole (the Issuer and its subsidiaries collectively, the “**Group**”), the Notes and the Ordinary Shares which is (in the context of the issue of the Notes) material; such information is true

and accurate in all material respects and is not misleading or deceptive, or likely to mislead or deceive, in any material respect; any opinions, intentions and expectations expressed in this Offering Circular on the part of the Issuer and the Group are honestly held or made and will be based on reasonable assumptions and reasonable grounds; this Offering Circular does not omit to state any fact necessary to make such information, opinions, intentions and expectations (in such context) not misleading or deceptive, or likely to mislead or deceive, in any material respect; and all reasonable enquiries have been made to ascertain and to verify the accuracy of the foregoing. This Offering Circular is based on information provided by the Issuer, and the Issuer accepts responsibility for the information contained in this Offering Circular. 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. In the case of any doubt, investors should seek the advice of a financial or other professional adviser.

None of the Issuer, any member of the Group, the Lead Manager, The Bank of New York Mellon, London Branch (the “**Trustee**”) or the Agents (as defined in the Terms and Conditions of the Notes) or their respective affiliates, advisers, representatives, officers, associates or directors guarantees the success of the offering of the Notes (the “**Offering**”) or any particular rate of capital or income return. Investment-type products are subject to investment risk, including possible loss of income and capital invested.

None of the Issuer, the Lead Manager, the Trustee or the Agents or any of their respective affiliates, advisers, representatives, officers, associates or directors 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 Notes. Investors must comply with all laws that apply to them in any place in which they buy, offer or sell any Notes or possess this Offering Circular. Investors must also obtain any consents or approvals that they need in order to purchase the Notes. None of the Issuer, the Lead Manager, the Trustee or the Agents (as defined in the Terms and Conditions of the Notes) are responsible for investors’ compliance with any such legal requirements. The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as expressly contained in this Offering Circular or as approved in writing for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer, the Lead Manager, the Trustee or the Agents.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Note shall in any circumstance create any implication 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 the Group since the date of this Offering Circular.

In this Offering Circular, unless otherwise specified, references to “**A\$**” and “**Australian Dollars**” are to Australian Dollars and “**US\$**” and “**US Dollars**” are to United States Dollars.

Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Offering Circular shall (without liability or responsibility on the part of the Issuer or the Lead Manager, the Trustee or the Agents (or any of their respective affiliates, advisers, representatives, officers, associates or directors)) lapse and cease to have any effect if (for any reason whatsoever) the Notes are not issued by the Issuer to the Lead Manager.

The information on any websites referred to in this Offering Circular or any website directly or indirectly linked to such websites is not incorporated by reference into this Offering Circular and should not be relied on as authorised or confirmed by the Issuer, the Lead Manager, the Trustee or the Agents.

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 Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Lead Manager, the Trustee or the Agents or any of their respective affiliates, advisers, representatives, officers, associates or directors. Neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, constitute an offer of, or an invitation by, or on behalf of, the Issuer, the Lead Manager, the Trustee or the Agents or any of their respective affiliates, advisers, representatives, officers, associates or directors to subscribe for, or purchase, any of the Notes. This Offering Circular does not constitute an offer, and may not be used for the purpose of an offer, to anyone in any jurisdiction or in any circumstances in which such an offer is not authorised or is unlawful.

None of the Lead Manager, the Trustee or the Agents or any of their respective affiliates, advisers, representatives, officers, associates or directors has separately verified the information contained in or incorporated in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Lead Manager, the Trustee or any Agent or any of their respective affiliates, advisers, representatives, officers, associates or directors as to the accuracy or completeness of the information (including the financial information) contained or incorporated in this Offering Circular or any other information (including the financial information) provided by the Issuer or in connection with the Notes or their distribution. Nothing contained or incorporated in this Offering Circular is, or shall be relied upon as, a promise or representation by the Lead Manager, the Trustee or any Agent or any of their respective affiliates, advisers, representatives, officers, associates or directors.

This Offering Circular is not intended to provide the basis of any credit or other evaluation and nor should it be considered as a recommendation by the Issuer, the Lead Manager, the Trustee or the Agents or any of their respective affiliates, advisers, representatives, officers, associates or directors that any recipient of this Offering Circular should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigations as it deems necessary.

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

This Offering Circular does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Subscription Agreement (as defined herein) and the issue of the Notes by the Issuer to the Lead Manager pursuant to the Subscription Agreement.

The distribution of this Offering Circular and the offering, sale and delivery of Notes and the Ordinary Shares to be issued on conversion of the Notes 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 Notes and on distribution of this Offering Circular and other offering material relating to the Notes, see “Subscription and Sale” section of this Offering Circular.

The Notes and the Ordinary Shares to be issued upon conversion of the Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States. The Notes are being offered and sold solely outside the United States pursuant to Regulation S under the Securities Act.

Any offering of Notes in Australia is made under this Offering Circular and is open only to select investors who are sophisticated or professional investors as respectively defined within sections 708(8) or 708(11) of the Corporations Act.

Prospective purchasers of the Notes must comply with all laws that apply to them in any place in which they buy, offer or sell any Notes or possess this Offering Circular. Each prospective investor must also obtain any consents or approvals that they need in order to purchase any Notes. The Issuer, the Lead Manager, the Trustee and the Agents and their respective affiliates, advisers, representatives, officers, associates or directors are not responsible for the compliance with relevant legal requirements by the prospective purchasers.

MiFID II product governance / Professional investors and ECPs only target market

Solely for the purposes of the Lead Manager's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the Lead Manager's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Lead Manager's target market assessment) and determining appropriate distribution channels.

PRIIPs regulation / prohibition of sales to EEA retail investors

The Notes 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 MiFID II; and (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), 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 Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Listing of the Notes on the SGX-ST

Approval in-principle has been received for the listing of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the Notes or the Ordinary Shares.

Listing of Ordinary Shares

The Ordinary Shares of the Issuer are quoted on the stock market operated by the ASX. Upon conversion of the Notes, application will be made for quotation of the Ordinary Shares issuable upon conversion of the Notes on the ASX.

Global Certificate

The Notes will be in registered form. The Notes will be represented on issue by a Global Certificate. On or around the Closing Date, the Global Certificate will be registered in the name of a nominee of, and deposited with, a common depository for Euroclear and Clearstream, Luxembourg. The Global Certificate will be exchangeable, in whole or in part, for individual definitive Notes in registered form, serially numbered, in denominations of A\$200,000 and integral multiples of A\$100,000 in excess thereof (but only in the limited circumstances described in the Global Certificate).

Stabilisation

IN CONNECTION WITH THE ISSUE OF THE NOTES, THE LEAD MANAGER, AS THE STABILISING MANAGER (THE “**STABILISING MANAGER**”) (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OUTSIDE AUSTRALIA (AND ON A MARKET OPERATED OUTSIDE AUSTRALIA), AND OTHERWISE SUBJECT TO ALL APPLICABLE LAWS, OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL (“**STABILISATION ACTION**”). HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR PERSON(S) ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Further information on the Group

The Issuer is a “disclosing entity” for the purposes of the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules of ASX (the “**ASX Listing Rules**”). Copies of documents regarding the Issuer lodged with ASIC or ASX, respectively, may be obtained from, or inspected at, any ASIC office or the ASX, respectively.

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

- the audited consolidated annual reports of the Group for the financial years ended 30 June 2016 and 30 June 2017;
- the reviewed half-year financial reports of the Group for the half years ended 31 December 2016 and 31 December 2017; and
- any other document used to notify ASX of information relating to the Group under the continuous disclosure provisions of the ASX Listing Rules and the Corporations Act after the lodgement with ASIC of the annual report of the Group for the financial year ended 30 June 2017 and before lodgement of this Offering Circular with ASX.

These documents may be obtained from the Issuer, free of charge, by contacting the Company Secretary at the head office of the Issuer at Level 2, 38-42 Pirrama Road, Pyrmont NSW 2009, Australia. These documents, and all other regular reporting and disclosure documents of the Issuer, are also available electronically on the website of ASX, at www.asx.com.au and the Issuer at www.sevengroup.com.au.

Seven West Media Limited (“**Seven West Media**”) (ASX ticker code: “SWM”) and Beach Energy Limited (“**Beach Energy**”) (ASX ticker code: “BPT”) are listed on the ASX and each is a “disclosing entity” for the purposes of the Corporations Act and subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. Copies of documents regarding Seven West Media or Beach Energy lodged with ASIC or ASX, respectively, may be obtained from, or inspected at, any ASIC office or the ASX, respectively.

Risk Factors

Prospective purchasers of Notes should carefully consider the risks and uncertainties described or referred to in this Offering Circular before making a decision to invest in the Notes. An investment in the Notes should be considered speculative due to various factors, including the nature of the Group’s business. See “Cautionary Statement Regarding Forward-Looking Statements” (below) and “Risk Factors” section of this Offering Circular.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements concerning anticipated developments in the Issuer’s or the Group’s operations in future periods, planned exploration activities, the adequacy of the Issuer’s or the 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 the Issuer or the 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”. The Issuer’s and the Group’s forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and neither the Issuer nor the Group assumes 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.

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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 the 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 the Group for the half years ended 31 December 2016 and 31 December 2017, including the auditors' 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 incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Issuer and the 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 herein by reference may be obtained on request without charge from the Company Secretary at Level 2, 38-42 Pirrama Road, Pyrmont NSW 2009, Australia, telephone +61 2 8777 7777. These documents are also available electronically through the internet from the ASX or the Issuer as set out in the "Important Notice" section.

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

THE OFFERING

The following summary contains some basic information about the Notes and is qualified in its entirety by the remainder of this Offering Circular. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in “Terms and Conditions of the Notes” and “Summary of Provisions Relating to the Notes in Global Form” shall have the same meanings in this summary. For a more complete description of the terms of the Notes, see “Terms and Conditions of the Notes” section of this Offering Circular.

Issuer	Seven Group Holdings Limited (ABN 46 142 003 469).
The Notes	A\$350,000,000 2.20% Senior Unsecured Convertible Notes due 2025.
The Offering	The Notes are being offered and sold by the Lead Manager solely outside the United States pursuant to Regulation S under the Securities Act.
Issue Price	100% of the principal amount.
Denomination	A\$200,000 and integral multiples of A\$100,000 in excess thereof.
Closing Date	5 March 2018.
Interest Rate	The Notes bear interest from and including the Closing Date at the rate of 2.20% per annum calculated by reference to the principal amount thereof and payable semi-annually in equal instalments in arrear on 5 March and 5 September in each year, with the first payment of interest to be made on 5 September 2018.
Status	The Notes will constitute direct, unconditional, unsubordinated and (subject to Condition 2) unsecured obligations of the Issuer, as provided in the Conditions, ranking <i>pari passu</i> and rateably, without any preference among themselves. The payment obligations of the Issuer under the Notes rank equally with all its other existing and future unsecured and unsubordinated obligations, save for 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, Noteholders will have the right to convert Notes into Ordinary Shares at the then applicable Conversion Price. Each Note will, at the option of the holder thereof, be convertible (unless previously redeemed, converted, or purchased and cancelled) at any time on or after 16 April 2018 provided that the relevant Conversion Date shall not fall later than on the date falling seven days prior to the Final Maturity Date (as defined below) or, if such Note shall have been called for redemption by the Issuer before the Final Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than the seventh day prior to the date fixed for redemption thereof, unless there shall be default in making payment in respect of such Note on such date fixed for redemption, in which event the Conversion Right may be exercised up to 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 days prior to the Final Maturity Date. If such final date for exercise of the Conversion Rights is not a business day at the place aforesaid, then the period for exercise of the Conversion Rights by the Noteholders shall end on the immediately preceding business day at the place aforesaid.

Conversion Price

The initial Conversion Price shall be A\$24.00. The Conversion Price will be subject to adjustment in certain circumstances described in Condition 6(b).

Mandatory Cash Settlement

Unless and until shareholder approval is obtained in a general meeting of the Issuer in respect of the issuance of the Notes for ASX Listing Rule 7 purposes and notwithstanding the Conversion Right of each Noteholder, at any time when the delivery of Ordinary Shares deliverable upon conversion of the Notes would otherwise be required to satisfy the Conversion Right, the Issuer must make a Cash Alternative Election (as defined in the Terms and Conditions of the Notes) in relation to such Reference Shares (as defined in the Terms and Conditions of the Notes). See Condition 6(m).

Final Maturity Date

Unless previously purchased and cancelled, redeemed or converted, the Notes will be redeemed in cash on 5 March 2025 (the “**Final Maturity Date**”) at their principal amount.

Redemption at the Option of the Issuer

The Issuer may redeem all but not some only of the Notes on any date at their principal amount, together with accrued interest up to but excluding the redemption date, if Conversion Rights (as defined in the Terms and Conditions of the Notes) shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85% or more in principal amount of the Notes. See Condition 7(b).

Redemption at the Option of Noteholders

On the Put Option Date and at any time following the occurrence of a Delisting or a Change of Control (each as defined in the Terms and Conditions of the Notes), the holder of any Note will have the right, at such holder’s option, to require the Issuer to redeem all or some only of that holder’s Notes on the Put Option Date or, as the case may be, the Relevant Event Redemption Date (as defined in the Terms and Conditions of the Notes) at their principal amount, together with accrued interest up to but excluding the redemption date. See Conditions 7(e) and 7(f).

Withholding Taxes

All payments made by or on behalf of the Issuer in respect of the Notes will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of 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 to be made by law. In that event, the Issuer shall (except in certain circumstances as set out in the Terms and Conditions of the Notes) pay such additional

amounts as will result in the receipt by the Noteholders of such amounts as would have been receivable had no such withholding or deduction been required. See Condition 9.

Tax Redemption

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount together with accrued but unpaid interest to but excluding the date fixed for redemption, (i) in the event that as a result of any change in, or amendment of, the laws or regulations of the Commonwealth of Australia or any political subdivision thereof or any authority thereof or therein having power to tax or any change in the application or official interpretation of such laws or regulations, if the change becomes effective on or after 21 February 2018, the Issuer has or will become obliged to pay additional amounts in respect of payments on the Notes; and (ii) the Issuer is still obliged to pay such additional amounts after taking reasonable measures available to it.

If the Issuer gives a Tax Redemption Notice (as defined in the Terms and Conditions of the Notes), each Noteholder will have the right to elect that his Note(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 Note(s) which falls due after the relevant Tax Redemption Date (as defined in the Terms and Conditions of the Notes). See Condition 7(c).

Negative Pledge

The Notes will contain a negative pledge provision given by the Issuer in respect of itself and its Material Subsidiaries in respect of Relevant Indebtedness (other than a Permitted Security Interest) (each as defined in the Terms and Conditions of the Notes). See Condition 2.

Cross Default

The Notes will contain a cross default provision, applicable to the Issuer and to financial indebtedness guaranteed by the Issuer only, subject to a threshold of A\$30,000,000 (or its equivalent in other currencies). See Condition 10(c).

Events of Default

For a description of certain events that will permit acceleration of the Notes, see Condition 10. Upon acceleration for any such event, the Notes will become immediately due and repayable at their principal amount, together with accrued but unpaid interest.

Undertakings

For a description of certain undertakings made by the Issuer, see Condition 11.

Trust Deed

The Notes will be constituted by a trust deed proposed to be dated 5 March 2018 between the Issuer and the Trustee (“**Trust Deed**”).

Trustee

The Bank of New York Mellon, London Branch.

Governing Law

The Notes and the Trust Deed will be governed by, and construed in accordance with, English law.

Principal Paying and Conversion Agent

The Bank of New York Mellon, London Branch.

Registrar and Transfer Agent

The Bank of New York Mellon SA/NV, Luxembourg Branch.

Form of the Notes and Delivery

The Notes 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 depositary for Euroclear and Clearstream, Luxembourg on or about the Closing Date.

Selling Restrictions

There are restrictions on offers and sales of the Notes, *inter alia*, in the United States, the United Kingdom, Australia, Hong Kong, Singapore, the European Economic Area, Japan and Switzerland. See “Subscription and Sale” section of this Offering Circular.

Listing

Approval in-principle has been received for the listing of the Notes on the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size of A\$200,000 for so long as any of the Notes are listed on the SGX-ST. The Issuer has not applied to have the Notes admitted to dealing on the ASX.

Upon conversion of the Notes, application will be made for quotation of the Ordinary Shares issuable upon conversion of the Notes on the ASX.

Lock up

The Issuer has agreed to certain restrictions on its ability and the ability of its subsidiaries to issue or dispose of Ordinary Shares or related securities during the period commencing on the date of the Subscription Agreement (as defined in this Offering Circular) and ending 60 days after the Closing Date (both days inclusive). See “Subscription and Sale” section of this Offering Circular.

ISIN

XS1785357739.

Common Code

178535773.

Use of Proceeds

The net proceeds of the issue of the Notes are expected to amount to approximately A\$344.0 million, after adjustment for certain expenses in connection with the Offering. The net proceeds will be used for the purposes as set out in “Use of Proceeds” section of this Offering Circular.

MARKET PRICE INFORMATION

Price of Ordinary Shares

The Issuer's Ordinary Shares have been listed on the ASX since 30 April 2010. The following table sets out the high and low closing prices, in Australian Dollars, of Ordinary Shares on the ASX for the calendar year periods indicated.

<u>Period</u>	<u>High (A\$)</u>	<u>Low (A\$)</u>	<u>Total trading volume of Ordinary Shares (000s)</u>
2017			
Fourth Quarter	15.61	11.82	33,724
Third Quarter.....	12.97	10.31	35,695
Second Quarter.....	12.02	9.85	20,294
First Quarter	10.81	7.22	28,851
2016			
Fourth Quarter	9.22	7.81	23,860
Third Quarter.....	8.63	6.25	35,777
Second Quarter.....	6.02	5.04	19,410
First Quarter	6.73	4.16	30,593
2015			
Fourth Quarter	5.58	4.36	35,637
Third Quarter.....	6.41	4.36	59,165
Second Quarter.....	7.63	6.21	30,008
First Quarter	7.69	5.13	38,053

Source: Bloomberg L.P has published this trading data and has not consented to the use of the trading data in this Offering Circular.

Note: First Quarter is 1 July to 30 September; Second Quarter is 1 October to 31 December; Third Quarter is 1 January to 31 March; and Fourth Quarter is 1 April to 30 June.

DIVIDENDS AND DIVIDEND POLICY

The following table sets forth the aggregate number of outstanding Ordinary Shares entitled to dividends and the cash dividends per Ordinary Share in respect of each of the years indicated.

	For the year ended 30 June	
	Number of Shares Entitled to Dividend	Cash Dividends per Share (A\$)
2015 – FY2015 interim	296,181,800	0.20
2015 – FY2015 final.....	292,895,903	0.20
2016 – FY2016 interim	281,548,514	0.20
2016 – FY2016 final.....	281,240,870	0.20
2017 – FY2017 interim	281,240,870	0.20
2017 – FY2017 final.....	281,484,308	0.21

Note: FY is financial year ended 30 June

RISK FACTORS

There are numerous widespread risks associated with investing in any form of business and with investing in notes and the share market generally. There are also a range of specific risks associated with the Group's business and an investment in the Notes or the Ordinary Shares of the Issuer should be considered speculative. Many of these risk factors are largely beyond the control of the Issuer and its Directors because of the nature and location of the existing and proposed business activities of the Issuer.

Investors should carefully consider the risks described below before making a decision to invest in the Notes. The risks described below do not necessarily comprise all those faced by the Issuer and are not intended to be presented in any assumed order of priority.

The investment referred to in this Offering Circular may not be suitable for all of its recipients. Investors are advised to examine the contents of this Offering Circular and to consult their professional advisers before making a decision to subscribe for Notes.

GENERAL INVESTMENT RISKS

Global economic developments and market conditions

The Group's operational results may be adversely impacted by factors including significant changes in general economic conditions such as interest rates, inflation, deflation, currency fluctuations and general market levels. A number of factors affect the performance of stock markets, which could affect the price at which the Issuer's securities trade on the ASX and the price at which its listed investment portfolio trades. Among other things, movements on international and domestic stock markets, interest rates, inflation and inflationary expectations, deflation and deflationary expectations, currency fluctuations, general economic outlook and overall economic conditions and investor sentiment, as well as government taxation and other policy changes may affect the demand for, and price of, the Ordinary Shares. Volatility in the Australian or international financial markets may influence the trading price of the Ordinary Shares on the ASX.

Global security environment and political risks

An outbreak or a material escalation of hostilities including a declaration of war in major countries of the world or acts of terrorism may affect the global economic and commercial environment and in turn directly or indirectly affect the Group's future revenues, operating costs and share price.

RISKS RELATING TO THE GROUP

Investment opportunities

The financial performance of the Issuer and the returns available to its shareholders will be affected by the recognition and availability of suitable investment opportunities in the future. Investment opportunities are subject to market conditions and other factors largely outside of the control of the Issuer. The Issuer's ability to divest its investments will also be subject to these factors.

Minority investment risk

The Issuer holds minority interests in a number of listed and unlisted companies, including Seven West Media and Beach Energy, as well as investments in unlisted offshore media funds. Where the Issuer holds an investment and is limited in its ability to exert control over the investee entity, it may become subject to the operational control of other parties and any impacts on financial performance this may entail. Additionally, the Issuer will be exposed to the risks inherent in minority shareholdings and may not be able to achieve an easy or profitable exit from its investments. This could lead to a reduction in the financial performance of the Issuer. Listed equity markets fluctuate with time, which leads to the risk that the value of the Issuer's significant listed investment portfolio will also fluctuate.

Free float

The Issuer is controlled by a majority shareholder and, as a result, has a limited free float which means that the Issuer's share price can be more volatile given comparatively lower average daily trading volumes.

Acquisitions, investments and divestments

The Issuer's corporate strategy includes growth through the acquisition of or investment in businesses and divestment of some assets. Difficulty in integrating new businesses acquired, or poor performance of investments in other businesses, could adversely affect the Issuer's financial performance. No assurance can be given as to the effect of acquisitions, investments or divestments on the Issuer's overall financial performance.

Investment portfolio

The Issuer has investments in a number of ASX listed, and unlisted, companies that it does not control. There are price, liquidity and other risks associated with any investment in such companies, including the risk that distributions paid to security holders will be reduced, adversely impacting the yield of the broader portfolio. The Issuer also has a number of direct and indirect property investments as well as investments in offshore media investment funds.

The price of shares in the Issuer's portfolio and the value of its unlisted direct and indirect investments may rise or fall due to numerous factors, which may affect the market performance of the Issuer. These include changes in Australian and international stock markets and investor sentiment, domestic and world economic conditions and outlook, occupancy rates, inflation rates, interest rates, employment, taxation and changes to government policy, legislation or regulation. See also "Minority Investment Risks" of this Offering Circular.

Reliance on key personnel

The Group's operating and financial success will depend partly upon the performance, efforts and expertise of its personnel. There can be no assurance that the Group will be successful in attracting and retaining key management and operating personnel. Operations could be adversely affected if the Group were to lose certain key people which it was unable to replace with equally qualified personnel.

Cyclical operating businesses

The Group's operating businesses are cyclical in nature. An economic slowdown or a decrease in general economic activity could cause weakness in its end markets and have adverse effects on the Issuer's revenues and operating results.

Customer default

Customers of WesTrac Pty Ltd and its operating subsidiaries ("**WesTrac**") and Coates Group Holdings Pty Limited and its operating subsidiaries ("**Coates Hire**") may default due to bankruptcy or other reasons. A customer's termination of, or default under, a contract with WesTrac or Coates Hire, could result in a loss of expected revenues from the sale or rental of equipment and the provision of parts and maintenance, and additional expenses for the Group. Accordingly, the termination of, or default under, a contract by any of operating business customers could have an adverse effect on Issuer's business, financial condition and results of operations.

Dependence on Caterpillar

WesTrac is dependent on Caterpillar to maintain its position as the authorised dealer of Caterpillar equipment and parts in its Western Australia and New South Wales/ACT territories. The dealer agreements with Caterpillar can be terminated by either party upon 90-day notice at any time. The dealer agreements also contain provisions for automatic or accelerated termination in certain circumstances,

such as material breach, insolvency events, and changes in control without Caterpillar consent, and are not exclusive.

The Caterpillar dealer agreements are not, however, subject to periodic renewal requirements and are perpetual in nature (subject to the termination right noted above). In the event Caterpillar terminates or appoints another dealer or deals directly in the territories in which WesTrac operates, it would have a material adverse effect on WesTrac's business, financial condition and results of operations as well as trigger accelerated prepayments across the Group's key funding arrangements.

WesTrac is dependent on Caterpillar for timely supply of equipment and parts from their global manufacturing factories and distribution warehouses. During periods of intense demand or in the event of disruption to Caterpillar's business there may be delays in the supply of equipment and parts to WesTrac. In the event that Caterpillar is unable to supply its products in the quantities and timeframes required by WesTrac's customers, it may have a material adverse effect on WesTrac's business, financial condition and results of operations. WesTrac is also dependent on Caterpillar to maintain product development and innovation to ensure that it has a quality product offering for its customers.

Decline in demand from mining or construction industries

WesTrac's customer base consists primarily of companies in the mining and civil construction industries. Demand for WesTrac's products and services in these industries is driven by the volume of earth and material moved. This is in turn driven by demand for commodities, stripping ratios in mining, demand for construction materials and the number and scale of infrastructure projects. If these are negatively impacted, WesTrac's business, financial condition and results of operations could be materially adversely affected.

The demand for mining equipment products and related services sold by the Group may be adversely affected by competition from technology development in energy efficiency, changes in consumer behaviour and activism resulting in a change of mining production outside the control of the Issuer. A fall in demand for the Group's current mining equipment and related services could adversely affect its profitability, financial performance and prospects.

Risks associated with sales and rental revenues and inventory management

The timing of equipment sales and rentals associated with certain projects cannot be predicted with certainty by WesTrac as customers may decide to cancel or delay the purchase or rental of equipment. As orders of equipment and parts need to be made from Caterpillar, WesTrac could be left with a large inventory. If WesTrac is unable to substitute a terminated or delayed contract with another contract, this may have an adverse impact on WesTrac's business, financial condition and results of operations. If WesTrac's equipment and parts inventory is not effectively managed, the increased working capital investment and holding costs to WesTrac may have an adverse effect on WesTrac's business, financial condition and results of operations.

Shortage and retention of qualified personnel

There is a growing global shortage of qualified technicians. A shortage in the supply of experienced technical and operational staff could impact the ability of the WesTrac or Coates Hire to achieve its operational objectives and also result in an increase in salaries which would increase operational costs.

Dependence on key suppliers

Coates Hire is dependent on its relationships with key suppliers to obtain equipment and other supplies for its business on acceptable terms. If one or more key suppliers defaults or terminates existing supply arrangements, this could impact the ability of Coates Hire to meet customer demand and comply with its contractual arrangements with customers.

Competition

The markets of the Issuer's underlying operating businesses are highly competitive. Customers of businesses including Coates Hire and WesTrac have alternative sources of supply and maintaining competitive pricing and customer service is important to preserving market share. Competitive pressures could lead to a decrease in market share or in prices that could impact its profitability.

Seven West Media competes for audience share and advertising revenues with all forms of media such as free-to-air television, newspapers, magazines, radio, outdoor advertising, pay television, direct mail, cinema and the internet. The Australian media industry is highly concentrated and competitive, with a number of operators competing for market share and advertising revenue through the same or alternate products. The actions of an existing competitor or the entry of new competitors in a media segment in which Seven West Media operates, a competing media segment or generally in the media sector may have a material adverse effect on Seven West Media.

The introduction and development of new and innovative forms of media has the capacity to fragment audiences and reduce advertising spend directed to existing media. Alternative forms of media such as internet and social media platforms could become more attractive for advertisers because of their cost reductions, ease of production or ability to target audiences. Any of these circumstances related to the development of other forms of media could adversely impact the media advertising markets which Seven West Media operates within, and in turn Seven West Media's revenue and profitability.

The demand for oil, gas and other products of the Group's energy assets may be adversely affected by competition from alternative sources of oil or gas, competition from other sources of energy supply, technological developments in energy efficiency, changes in consumer behaviour, policy shifts towards lower carbon emissions, changes to competition policy and a large number of other factors outside the control of the Issuer. A fall in demand for the Group's current energy products could adversely affect its profitability, financial performance and prospects.

Dependence on information systems

Disruptions in the Issuer's businesses' information technology systems or a compromise of security with respect to these systems could adversely affect its operating results by limiting the businesses' ability to effectively monitor and control their operations, adjust to changing market conditions, implement strategic initiatives or support their online ordering systems.

Changes in technology

The media industry is characterised by changing technology, evolving industry standards and the emergence of new technologies. Technology plays an increasingly important role in the delivery of media content to customers in a cost-effective manner. Seven West Media's ability to compete in the media industry effectively in the future may be impacted by its ability to maintain or develop appropriate technology platforms for the efficient delivery of its services. No assurance can be given that Seven West Media will have the resources to acquire or the ability to develop new competitive technologies. In addition, maintaining or developing appropriate technologies may require significant capital investment by Seven West Media. Any of these events may have an adverse effect on the financial performance and prospects of Seven West Media.

Energy risks

The prices of oil and natural gas, as publicly traded commodities, are variable and can be volatile, as a result of a number of factors outside of the control of the Issuer, including worldwide oil supply and demand, the level of economic activity in the markets that its energy investments serve, regional political developments and military conflicts in oil producing countries and regions, the price and availability of new technology and the availability and cost of alternative sources of energy. It is impossible to predict future oil and gas prices with certainty. A material, extended or substantial decline in the realised price for oil and in the contracted price for gas may have a material adverse impact on the

financial results and future prospects of the Group and/or the ability of its energy investments to fund future exploration, appraisal and development activities.

The introduction of government legislation and policy including gas reservation and fracking restrictions may impact the supply of oil and gas. In addition, the development timetable of the Issuer's interests in certain energy assets is subject to the decision making of the Issuer's controlling partners in relation to these assets due to access to processing, approval of drilling program and finalisation of key development concepts. The development timetable for each asset could be deferred, impacting the recoverable value of the Issuer's oil and gas operations.

The Issuer, through a subsidiary, holds production rights to a number of offshore oil and gas fields. Any oil or gas project may be exposed to production decrease or stoppage, which may be the result of facility shut-downs, mechanical or technical failure, climate-related events and other unforeseeable events. A significant failure to maintain production could result in lower production forecasts, loss of revenue and additional operational costs to bring production back online. Beach Energy may be exposed to movements in gas prices as its existing gas supply contracts and/or gas sales agreements expire or come up for renewal and are re-contracted at prevailing prices.

In order to access markets for the sale of its oil and gas production, the Group's energy investments will rely on access to infrastructure on commercially acceptable terms. There can be no guarantee that the Group will be able to maintain or obtain access to relevant infrastructure on commercially acceptable terms. A failure to obtain or maintain access to relevant infrastructure on commercially viable terms, or an event which results in a significant interruption to access to such infrastructure due to unforeseen circumstances, could have an adverse effect on the operating and financial performance of the Group.

Oil and gas reserves are finite and are depleted on an ongoing basis through production, with replacement only possible through successful exploration or acquisitions. Exploration for hydrocarbons is inherently risky and subject to geological interpretations and technological uncertainties. Inadequate exploration success could have an adverse effect on the future operating and financial performance of the Group.

Media investments

The demand for advertising and the price at which advertising can be sold by Seven West Media is dictated by the overall demand for advertising. Since businesses generally reduce or relocate their advertising budgets during economic recessions or downturns, the strong reliance upon advertising revenue by Seven West Media makes its operating results susceptible to prevailing economic conditions. There can be no assurance that advertising spend in the media industries in Australia will not contract in the future. Any contraction in advertising spend in Australia could have a material adverse effect on the television and magazine advertising market as a whole, and in turn the operating and financial performance of Seven West Media. See also "Cyclical operating business" of this Offering Circular.

Viewer fragmentation in television and reduction in magazine and newspaper readership results in declines in advertising markets across all three platforms. This could negatively impact the future level of profitability of the media sector and their generation of free cash flow.

Seven West Media's ability to generate television advertising revenue is a factor of its audience ratings which is strongly influenced by its programming. Increases in programming costs may not be offset by incremental advertising revenues, which could negatively impact the Issuer's profitability.

The operating and financial performance of Seven West Media is dependent upon its ability to produce and purchase relevant television programming. Some of Seven West Media's programming is sourced from external content suppliers under existing contracts. There is a risk that Seven West Media could be unable to secure competitive programming, through new contracts or the renewal of existing contracts on terms favourable to Seven West Media or with the necessary rights to enable Seven West Media to exploit programming across a range of digital platforms.

There is also a risk that programming costs may increase. Programming costs represent a significant component of Seven West Media's overall costs. An increase in programming costs would be likely to impact adversely on Seven West Media's financial and operating performance.

Seven West Media's operating and financial performance could also be adversely affected by new programming initiatives, the acquisition of new programming rights or increased promotional activities by its competitors.

There is no certainty that Seven West Media's ratings relative to other free-to-air networks will improve or be maintained. If Seven West Media's ratings decline, this could materially adversely affect its operating and financial performance.

Workplace safety and security

Employee safety is a fundamental principle in all the Group's activities. However, the nature of the Group's operations involves a variety of risks which could result in accidents or environmental incidents, causing injuries or loss of life for its workforce and the public, and could result in regulatory action, legal liability and damage to the Group's reputation.

Financing risk

The Issuer and its subsidiaries will need to refinance debt facilities that mature in the future. An inability to secure new debt at similar quantum and costs to existing debt facilities may adversely impact the performance of the Group.

For instance, the oil and gas business involves significant capital expenditure on exploration and development, production, processing and transportation. Beach Energy relies on cash flows from operating activities and bank borrowings and offerings of debt or equity securities to finance capital expenditure. If cash flows decrease or Beach Energy is unable to access necessary financing, this may result in postponement of or reduction in planned capital expenditure, relinquishment of rights in relation to assets, or an inability to take advantage of opportunities or otherwise respond to market conditions. Any of these outcomes could have a material adverse effect on Beach Energy's ability to expand its business and/or maintain operations at current levels, which in turn could have an adverse effect on the Group's business, financial performance, financial condition and operations.

Interest rate, liquidity and bank default risk

The Issuer has substantial cash reserves on deposit with a number of major financial institutions. These reserves are invested in both cash call and term deposit accounts. Cash call accounts are immediately available to the Issuer but offer lower yields. Conversely, term deposits lock up the Issuer's cash reserves for a specified period of time but earn higher yields. The use of term deposits exposes the Issuer to liquidity risk as it may be unable to access its cash reserves to fund an immediately available investment opportunity if the reserves are invested for a specified period of time. The Issuer is exposed to the risk that the interest rates offered for both cash call and term deposit accounts could materially fluctuate, which may affect its financial and operating performance.

Change in government policy and regulation

There can be no assurance that government policy or regulation will not be changed to the detriment of the Issuer and the Group. A change in government regime may significantly result in changes to fiscal, monetary, property rights and other issues which may result in a material adverse impact on the Group's business and its operations.

Seven West Media may be adversely affected by changes in government policy, regulation or legislation applying to companies in the media industry or to Australian companies in general. This includes policies such as applicable accounting standards or legislation such as the Broadcasting Services Act 1992 (Cth) ("**Broadcasting Services Act**") that regulates ownership interests and control of Australian media organisations.

The Australian Communications and Media Authority (“ACMA”) is the regulatory authority overseeing the procedural allocation and regulation of commercial free-to-air television licences under the Broadcasting Services Act. Any issue of new licences would increase the level of competition faced by Seven West Media in the free-to-air television broadcasting industry, and this may materially adversely impact on its ratings and its operating and financial performance.

ACMA could exercise its powers to suspend, cancel or refuse to renew one or more of Seven West Media’s commercial television licences in the future if there was a breach of licence conditions attached to existing commercial television broadcasting licences or any other circumstances that lead ACMA to find that it was not a “suitable person” to hold a licence under the Broadcasting Services Act. The suspension, cancellation or non-renewal of one or more of Seven West Media’s commercial television licences may have an adverse impact on its operating and financial performance and its standing in the Australian free-to-air television broadcasting industry. The media industry is also subject to restrictions on intellectual property, defamation and contempt, obscene material and advertising and marketing standards and a breach of these restrictions could result in regulatory action, legal liability and damage to the Group’s reputation.

WesTrac’s business is subject to environmental laws and regulations. Future changes to environmental laws and regulations that impose additional requirements or costs on WesTrac could have an adverse impact on WesTrac’s business, financial condition and results of operations.

The Group’s energy business operations and its financial position could be impacted by changes in government policy or applicable laws, including in relation to environmental protection and the methodologies permitted to be used in oil and gas exploration and production activities. All petroleum licences held by Beach Energy are subject to the granting and approval of relevant government bodies and ongoing compliance with licence terms and conditions. Companies in the oil and gas industry may also be required to pay direct and indirect taxes, royalties and other imposts in addition to normal company taxes and the Group’s profitability may be affected by changes in government taxation and royalty policies or in the interpretation or application of such policies in each of these jurisdictions.

Litigation

The risk of litigation and claims is a general risk of the Issuer’s business. The Group may be involved in investigations, inquiries or disputes, debt recoveries, contractual claims with respect to its activities (including with suppliers, customers and joint venturers), employee claims, environmental claims, occupational health and safety claims, native title claims, pre-emptive right disputes, and land tenure and access disputes. The media industry in which Seven West Media operates involves particular risks associated with defamation litigation and litigation to protect media and intellectual property rights.

An adverse outcome in litigation or the cost of responding to potential or actual litigation or investigation may have a material adverse impact on the financial performance of the Issuer.

Insurance

The Issuer has insurance covering its significant assets and operations at limits customarily carried for similar assets and operating activities. However, investors should be aware that this insurance does not cover certain acts of terrorism and other specific risks such as defamation. An act of terrorism or other catastrophic event may have an adverse impact on the Issuer’s financial position.

Land access and Native Title

Beach Energy is required to obtain the consent of owners and occupiers of land within its licence areas. Compensation may be required to be paid to the owners and occupiers of land in order to carry out exploration activities.

Beach Energy operates in a number of areas within Australia that are or may become subject to claims or applications for native title determinations or other third party access. Native title claims have the

potential to introduce delays in the granting of petroleum and other licences and, consequently, may have an effect on the timing and cost of exploration, development and production.

Native or indigenous title and land rights may also apply or be implemented in other jurisdictions in which Beach Energy operates outside of Australia.

Environmental and climate change risk

Oil and gas exploration, development and production activities may cause harm to the environment. If the Group is responsible for environmental harm it will be required to remediate the harm which may involve substantial expenditure. In addition, a material environmental incident may result in operations being suspended, a forfeiture of a critical permit, the imposition of a financial guarantee or surety, or a financial penalty or compensation order, as well damage to the Group's reputation.

Environmental contamination resulting from an oil or gas leak would have a material reputational and financial impact on the Issuer.

With increasing government and public sensitivity to environmental sustainability, environmental regulation is becoming more stringent. The Group's energy assets could be subject to increasing environmental responsibility and liability, including laws and regulations dealing with air quality, water and noise pollution and other discharges of materials into the environment, carbon emissions, plant and wildlife protection, the reclamation and restoration of certain of its properties, hydraulic stimulation, the storage, treatment and disposal of wastes and the effects of its business on the water table and groundwater quality. Increased regulation of greenhouse gas emissions in response to climate change, including the progressive introduction of a carbon tax (or other mechanism to address carbon emissions) is likely to raise energy costs and costs of production and adversely impact on the Group's energy assets' profitability.

Sanctions for non-compliance with laws and regulations may include administrative, civil and criminal penalties, revocation of permits, reputational issues, increased licence conditions and corrective action orders. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party's negligence or fault. Increased costs associated with regulatory compliance and/or with litigation could have a material and adverse effect on earnings and cash flows. Increased environmental activism also presents potential increased costs and reputational risks, including management time in managing and responding to the various anti-gas campaigns, and share sell-offs by investors.

In a transition to a low-carbon energy future, the oil and gas industry will be exposed to varied risks, including regulatory and compliance risks, physical risks and reputational risks. Future regulatory policies may adversely impact the growth opportunities, revenue and product demand of the Group's energy assets (and a resultant stranding of higher cost assets). Changing investor expectations, uncertainty regarding emerging policy and regulations (including that governments may introduce unilateral carbon prices, which could increase operating costs relative to international competitors) and stakeholder activism (including divestment campaigns directed at oil and gas producers) may impact the Issuer's reputation, reduce appetite for funding its energy operations, impact its share price and increase personal litigation risk, which may in turn have a material adverse effect on the Group's financial position, performance and prospects.

Material change to reserves and resources

Underground oil and gas reserves and resources estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which are valid at a certain point in time may alter significantly or become uncertain when new oil and gas reservoir information becomes available through additional drilling, or reservoir engineering over the life of the field. As reserves and resources estimates change, development and production plans may be altered in a way that may adversely affect the Group's energy business operations and financial results.

The Group owns certain oil and gas assets which are not expected to be developed for several years. Any benefits of those assets will not be reflected in the financial performance of the Group in the short term although the Group will incur holding costs of those assets in the meantime.

Risks relating to impairment losses

Under Seven West Media's accounting policies, goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Given the sensitivity of the recoverable amount to key assumptions, an adverse change may result in the need for Seven West Media to recognise an impairment expense in its results for the financial year ending in June 2018, or subsequently.

The valuation of the Group's oil and gas assets is affected by a number of assumptions, including the quantity of reserves and resources booked in relation to these oil and gas assets and their expected cash flows. An extended or substantial decline in oil and/or gas prices or demand, or an expectation of such a decline, may reduce the expected cash flows and/or quantity of reserves and resources booked in relation to the associated oil and gas assets, which may lead to a reduction in the valuation of these assets. If the valuation of an oil and gas asset is below its carrying value, a non-cash impairment adjustment to reduce the historical book value of these assets will be made with a subsequent reduction in the reported net profit in the same reporting period.

Any impairment of the Group's assets could have a material adverse effect on the Group's financial position and performance.

Foreign exchange

WesTrac is exposed to foreign exchange risk with the purchase of equipment and inventory which is denominated in US Dollars. As part of its pricing of equipment globally, Caterpillar generally resets pricing annually for mining equipment and parts which is denominated in US\$. Movement in the pricing of equipment impacts WesTrac's cost of machines and may also affect the overall profit earned on the sale of equipment to customers which is denominated in either A\$, US\$ or both. Fluctuations in the A\$ and US\$ exchange rate could have an adverse impact on WesTrac's business, financial condition and results of operations which are reported in Australian dollars. The Issuer's investments in oil and gas assets in the United States have not been hedged given the indeterminable duration of the investment horizon, which exposes it to foreign exchange risk with respect to these assets.

Tax

The Group may be subject to reviews by taxation authorities from time to time in the ordinary course of business. These reviews may result in the taxation authorities taking a different view on the tax treatment of particular transactions from that of the Group, which could lead to additional tax liabilities.

RISKS RELATING TO THE NOTES

Lack of a public market for the Notes

The Notes are a new issue of securities for which there is currently no established trading market when issued, and one may never develop. Approval in-principle has been received for the listing of the Notes on the SGX-ST. However, there can be no assurance that the Issuer will be able to maintain such a listing or that, if listed; a trading market will develop for the Notes on the SGX-ST. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have an adverse effect on the market value of Notes.

If an active trading market were to develop, the Notes could trade at a price that may be lower than the initial offering price of the Notes. Whether or not the Notes will trade at lower prices depends on many factors, including:

- prevailing interest rates and the market for similar securities;
- general economic, market and political conditions;
- the Issuer's financial condition, financial performance and future prospects as well as the market price and volatility of the Ordinary Shares;
- the publication of earnings estimates or other research reports and speculation in the press or investment community in relation to the Issuer; and
- changes in the industry and competition affecting the Issuer.

The Notes are unsecured obligations

The Notes constitute direct, unconditional, unsubordinated and (subject to "Terms and Conditions of the Notes – Negative Pledge") unsecured obligations of the Issuer ranking *pari passu* and rateably, without any preference among themselves. The payment obligations of the Issuer under the Notes rank equally with all its other existing and future unsecured and unsubordinated obligations, save for such obligations that may be preferred by provisions of law that are mandatory and of general application. The repayment of the Notes may be compromised if:

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

If any of the above events occurs, the Group's assets may not be sufficient to pay amounts due on the Notes.

Restrictions on the delivery of Ordinary Shares on Conversion

The Issuer does not have current placement capacity under ASX Listing Rule 7.1 to issue the Ordinary Shares upon conversion of the Notes. The Issuer will seek approval of its shareholders for the issuance of the Ordinary Shares on or before the next annual general meeting expected to be held in November 2018. There is no assurance that shareholders will vote in favour of a resolution issuing such Ordinary Shares. Until such shareholder approval is obtained, at any time when the delivery of such Ordinary Shares deliverable upon conversion of the Notes is required to satisfy the Conversion Right in respect of a Conversion Notice (as defined in the Terms and Conditions of the Notes), the Issuer shall only be able to pay to the relevant Noteholder an amount of cash in Australian Dollars equal to the Cash Alternative Amount in order to satisfy such Conversion Right.

Noteholders will bear the risk of fluctuation in the price of the Ordinary Shares

The trading price of the Ordinary Shares will directly affect the trading price of the Notes. It is impossible to predict whether the price of the Ordinary Shares will rise or fall.

There are various risks associated with investing in any form of business and with investing in the stock market generally. The value or trading price of the Ordinary Shares and the value of the Ordinary Shares issued upon conversion of the Notes will depend upon the general stock market and economic conditions as well as other factors including, but not limited to, the Issuer's credit quality, operating results, economic and financial prospects and other factors. In addition, the price of the Ordinary Shares is also subject to varied and often unpredictable influences on the market for equities, including, but not limited to:

- general economic conditions, including the performance of the Australian Dollar, the US Dollar and commodities on world markets;
- inflation rates, foreign exchange rates and interest rates;
- changes to government policy, legislation or regulation;
- industrial disputes; and
- general operational and business risks.

There is no guarantee of profitability, dividends, return of capital, or the price at which the Ordinary Shares will trade on the ASX after conversion of the Notes. The past performance of the Ordinary Shares is not necessarily an indication as to future performance as the trading price of shares can fluctuate.

Noteholders have limited anti-dilution protection

The Conversion Price will be adjusted in the event that there is a Share subdivision or consolidation or reclassification, rights offering and equity issuances at less than 90% of the then Current Market Price (as defined in the Terms and Conditions of the Notes), bonus issue, certain stock dividends, Capital Distributions (as defined in the Terms and Conditions of the Notes) (including dividends) and other analogous dilutive events, but only in the circumstances and only to the extent provided in “Terms and Conditions of the Notes – Conversion”. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Ordinary Shares. Such events, should they occur, may adversely affect the value of the Ordinary Shares and, therefore, where no adjustment is required to be made, may adversely affect the value of the Notes.

There is an absence of covenant protection for the Notes

Other than as described herein, the Trust Deed will not limit the Issuer’s ability to incur additional debt or liabilities (including secured indebtedness). The Trust Deed will not contain any provision specifically intended to protect holders of the Notes in the event of a future leveraged transaction by the Issuer (other than secured capital markets transactions in the circumstances described in the Terms and Conditions of the Notes).

The Issuer may in future incur further indebtedness and other liabilities. The Issuer has provided, and may in the future provide, guarantees and/or indemnities in respect of such liabilities.

The Issuer may be unable to redeem or repay the Notes when due

In the event the Ordinary Shares cease to be listed on ASX, a holder of the Notes may require the Issuer to redeem all of such Noteholder’s Notes. The Issuer may also be required to redeem all the Notes upon the occurrence of a Change of Control. Following acceleration of the Notes upon an Event of Default, the Issuer would be required to pay all amounts then due in accordance with the Conditions. Unless previously redeemed, converted or purchased and cancelled, the Issuer will be required to redeem the Notes on 5 March 2025. The Issuer may not be able to redeem all or any of such Notes or pay all or any amounts due under the Notes if the Issuer does not have sufficient cash flows to do so. The Issuer cannot assure the Noteholders that, if required, it would have sufficient cash or other financial resources or would be able to arrange financing to redeem the Notes in cash.

Before conversion, Noteholders will not be entitled to any shareholder rights, but will be subject to all changes affecting the Ordinary Shares

Unless and until the Noteholders acquire the Ordinary Shares upon conversion of the Notes, they will have no rights with respect to the Ordinary Shares, including any voting rights or rights to receive any regular dividends or other distributions with respect to the Ordinary Shares. Upon conversion of the Notes, these holders will be entitled to exercise the rights of holders of the Ordinary Shares only as to actions for which the applicable record date occurs after the date of conversion.

Short selling of the Ordinary Shares by purchasers of the Notes could materially and adversely affect the market price of the Ordinary Shares

The issuance of the Notes may result in downward pressure on the market price of the Ordinary Shares. Many investors in convertible Notes seek to hedge their exposure in the underlying equity securities, often through short selling the underlying equity securities or similar transactions. Any short selling or similar hedging activity could place significant downward pressure on the market price of the Ordinary Shares, thereby having a material adverse effect on the market value of the Ordinary Shares as well as on the trading price of the Notes.

Future issuances of Ordinary Shares or equity-related securities may depress the trading price of the Ordinary Shares

Any issuance of the Issuer's equity securities after the offer of the Notes could dilute the interest of the existing shareholders and could substantially decrease the trading price of the Ordinary Shares. The Issuer may issue equity securities in the future for a number of reasons, including to finance its operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions), to adjust its ratio of debt to equity, to satisfy its obligations upon the exercise of outstanding warrants, options or other convertible notes or for other reasons. Sales of a substantial number of Ordinary Shares or other equity-related securities in the public market (or the perception that such sales may occur) could depress the market price of the Ordinary Shares, and impair the Issuer's ability to raise capital through the sale of additional equity securities. There is no restriction on the Issuer's ability to issue further unsecured notes or the ability of any of the Issuer's shareholders to dispose of, encumber or pledge the Ordinary Shares, and there can be no assurance that the Issuer will not issue further unsecured notes or that the Issuer's shareholders will not dispose of, encumber or pledge the Ordinary Shares. The Issuer cannot predict the effect that future sales of the Ordinary Shares or other equity-related securities would have on the market price of the Ordinary Shares. In addition, the price of the Ordinary Shares could be affected by possible sales of the Ordinary Shares by investors who view the Notes as a more attractive means of obtaining equity participation in the Issuer and by hedging or engaging in arbitrage trading activity involving the Notes.

The Trustee may request Noteholders 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 Terms and Conditions of the Notes and the taking of steps, action and/or proceedings pursuant to Condition 15 of the Terms and Conditions of the Notes), the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of Noteholders. The Trustee shall not be obliged to take any such actions if not 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 actions, 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 Trust Deed and the Terms and Conditions of the Notes and applicable laws and regulations, it will be for the Noteholders to take such actions directly.

Modifications and waivers

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to any modification of the Trust Deed, any trust deed supplemental to the Trust Deed,

the Agency Agreement, any agreement supplemental to the Agency Agreement, the Notes or the Terms and Conditions of the Notes which in the opinion of the Trustee will not be materially prejudicial to the interests of Noteholders and to any modification of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Notes or the Terms and Conditions of the Notes which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law.

In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Notes or the Terms and Conditions of the Notes (other than a proposed breach, or a breach relating to the subject of certain reserved matters) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Change of Law

The Issuer must 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 may be subject could differ materially from current requirements.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) the Notes are legal investments for it; (2) the Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk based capital or similar rules.

The risks described above do not necessarily comprise all those faced by the Group and are not intended to be presented in any assumed order of priority.

The investment referred to in this Offering Circular may not be suitable for all of its recipients. Investors are accordingly advised to consult an investment adviser before making a decision to subscribe for Notes.

USE OF PROCEEDS

The estimated net proceeds from the issue of the Notes will be, after deduction of commissions, professional fees and other administrative expenses, approximately A\$344.0 million. The net proceeds from the issue of the Notes will be used to partially repay the existing A\$466 million syndicated debt facilities of Coates Hire allowing the Group to benefit from reduced cash funding costs and greater diversification of its funding sources.

CAPITALISATION AND INDEBTEDNESS

Capitalisation and Indebtedness of the Group

The following table sets forth the indebtedness and capitalisation of the Group extracted from the Reviewed Consolidated Statement of Financial Position adjusted for events subsequent to 31 December 2017 as indicated below. These adjustments show:

- the impact on indebtedness and capitalisation of the Notes at the Closing Date had no shareholder approval been required to issue additional Ordinary Shares: and
- the partial repayment of the existing syndicated debt facilities of Coates Hire as described in the “Use of Proceeds” section of this Offering Circular.

This table should be read in conjunction with the consolidated audited financial statements and related notes incorporated by reference in this Offering Circular.

A\$m	Reviewed	Adjustments			Pro-forma
	Dec 17	Issuance of notes	Transaction costs	Repay Coates Hire debt	Dec 17
Current borrowings	119.7				119.7
Non-current borrowings	2,251.0	285.5	(6.0)	(344.0)	2,186.5
Total indebtedness	2,370.7	285.5	(6.0)	(344.0)	2,306.2
Equity					
Contributed equity	2,858.6	64.5			2,923.1
Reserves	(798.8)				(798.8)
Retained earnings	685.3				685.3
Total equity	2,745.1	64.5	-	-	2,809.6
Total capitalisation	5,115.8	350.0	(6.0)	(344.0)	5,115.8

Note: The disclosure above assumes that the Issuer did not require shareholder approval to issue additional Ordinary Shares upon conversion of the Notes. Until this approval is obtained, which is expected to be at the Issuer’s 2018 Annual General Meeting, the equity portion of the Notes included in contributed equity in the table above will be reflected as a derivative held at fair value within total liabilities. Following shareholder approval, the equity portion of the Notes reflected in the table will need to be remeasured to reflect the fair value of the equity option at that time.

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

- The table has not been audited and has been prepared using Australian equivalents to International Financial Reporting Standards and reflects the accounting policies of the Issuer.
- The Adjustments for the issuance of the Notes reflects provisional accounting adjustments. Actual results may change between the date of this Offering Circular and the completion of the proposed transaction.

Pro-forma transactions:

- The pro forma adjustments reflect the issue of Notes with a combined face value of A\$350 million less estimated costs of the offer of A\$6.0 million.
- The table is based on the assumption that the net proceeds of the Notes will be used to repay existing debt.

Issued capital

Description	No. of Ordinary Shares
Number of ordinary shares on issue as at 31 December 2017	316,485,208
Number of TELYS4 ⁽¹⁾ shares on issue as at 31 December 2017	4,963,640
Possible issue of shares under proposed Notes ⁽²⁾	14,583,333
Number of ordinary shares on issue giving effect to the possible issue of shares under proposed Notes	331,068,541

Notes:

(1) Transferable Extendable Listed Yield Shares (“TELYS4”)

(2) Ordinary Shares issued under the Note issue are approximate only. The final number of shares issued may be impacted by any adjustments to the conversion price under the terms of the Note issue and is subject to shareholder approval being obtained with respect to the Ordinary Shares.

Share options on issue

There are no options on issue.

Share rights

There are 57,251 performance rights to an equivalent number of fully paid ordinary shares in the Issuer issued to Mr Ryan Stokes under the Issuer’s FY2014 Long-term Incentive Plan (“LTI Plan”). In addition to the performance rights issued to Mr Ryan Stokes, there are 828,880 performance rights issued to other senior executives. 120,195 of these rights were granted under the FY2014 LTI Plan on 1 December 2014 and expired on 1 September 2017. 267,639 of these rights were granted under the FY2016 LTI Plan on 3 August 2016 and will expire on 1 September 2019. 441,046 of these rights were granted under the FY2017 LTI Plan on 1 July 2016 and will expire on 1 September 2020. These rights do not carry an entitlement to participate in any share issue. Rights were granted for nil consideration.

On 1 July 2017, 33,881 deferred share rights were granted to Mr Ryan Stokes and a further 68,119 to other senior executives. They will vest on 1 July 2018, subject to the executive remaining employed by the Group.

Effects of the Notes on the Issuer

The Ordinary Shares to be issued upon conversion of the Notes will be issued fully paid and will rank from the date of issue equally for dividend and other rights with existing Ordinary Shares. Upon conversion of the Notes, the Issuer will apply to the ASX for quotation of the Ordinary Shares issued on conversion of the Notes.

In the event of a full conversion of the Notes issued, assuming shareholder approval for the issuance of the Ordinary Shares is obtained and based on the initial Conversion Price of the Notes and the number of Ordinary Shares on issue at the date this Offering Circular, following conversion of the Notes into Ordinary Shares:

- The Issuer would issue 14,583,333 new Ordinary Shares.
- The Ordinary Shares issued as a result of conversion would constitute 4.4 per cent of the Ordinary Shares on issue of 331,068,541 including the total Ordinary Shares outstanding at the date of this Offering Circular (which has not changed since 31 December 2017) plus those issued under the conversion of Notes.

SUMMARY FINANCIAL INFORMATION

The financial information below has been derived from, and should be read in conjunction with, the audited annual consolidated financial statements of the Group for the years ending 30 June 2016 and 30 June 2017 respectively, and 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 those financial statements can be obtained from the 2016 and 2017 financial reports and the 2017 and 2018 half year financial reports of the Group from ASX at www.asx.com.au or the Issuer's website at www.sevengroup.com.au.

Consolidated Income Statement

Continuing operations (A\$m)	Underlying trading performance		Less: significant items		Statutory results (as reported)	
	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16
Revenue	2,282.3	2,237.2	-	-	2,282.3	2,237.2
Other income	51.7	69.5	(4.4)	(17.2)	56.1	86.7
Share of results from equity accounted investees	121.0	90.0	303.3	(1.0)	(182.3)	91.0
Impairment of equity accounted investees	-	-	(128.4)	0.4	128.4	(0.4)
Fair value movement of derivatives	-	-	(1.9)	(4.2)	1.9	4.2
Expenses excluding depreciation and amortisation	(2,127.3)	(2,092.1)	8.8	17.1	(2,136.1)	(2,109.2)
Profit before depreciation, amortisation, net finance costs and tax	327.7	304.6	177.4	(4.9)	150.3	309.5
Depreciation and amortisation	(30.5)	(33.1)	-	-	(30.5)	(33.1)
Profit before net finance costs and tax	297.2	271.5	177.4	(4.9)	119.8	276.4
Net finance expense	(81.3)	(85.7)	(4.8)	-	(76.5)	(85.7)
Profit before tax	215.9	185.8	172.6	(4.9)	43.3	190.7
Income tax expense	(28.8)	(16.4)	(1.9)	(9.7)	(26.9)	(6.7)
Profit for the period	187.1	169.4	170.7	(14.6)	16.4	184.0

Discontinued operations (A\$m)	Underlying trading performance		Less: significant items		Statutory results (as reported)	
	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16
Revenue	602.4	600.5	-	-	602.4	600.5
Other income	4.2	6.7	-	-	4.2	6.7
Fair value movement of derivatives	-	-	(2.1)	(1.0)	2.1	1.0
Expenses excluding depreciation and amortisation	(567.4)	(571.0)	-	2.5	(567.4)	(573.5)
Profit before depreciation, amortisation, net finance costs and tax	39.2	36.2	(2.1)	1.5	41.3	34.7
Depreciation and amortisation	(3.1)	(4.9)	-	-	(3.1)	(4.9)
Profit before net finance costs and tax	36.1	31.3	(2.1)	1.5	38.2	29.8
Net finance expense	(2.2)	(3.5)	-	-	(2.2)	(3.5)
Profit before tax	33.9	27.8	(2.1)	1.5	36.0	26.3
Income tax expense	(5.6)	(13.0)	0.6	(0.5)	(6.2)	(12.5)
Profit for the period	28.3	14.8	(1.5)	1.0	29.8	13.8

Total operations (A\$m)	Underlying trading performance		Less: significant items		Statutory results (as reported)	
	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16
Revenue	2,884.7	2,837.7	-	-	2,884.7	2,837.7
Other income	55.9	76.2	(4.4)	(17.2)	60.3	93.4
Share of results from equity accounted investees	121.0	90.0	303.3	(1.0)	(182.3)	91.0
Impairment of equity accounted investees	-	-	(128.4)	0.4	128.4	(0.4)
Fair value movement of derivatives	-	-	(4.0)	(5.2)	4.0	5.2
Expenses excluding depreciation and amortisation	(2,694.7)	(2,663.1)	8.8	19.6	(2,703.5)	(2,682.7)
Profit before depreciation, amortisation, net finance costs and tax	366.9	340.8	175.3	(3.4)	191.6	344.2
Depreciation and amortisation	(33.6)	(38.0)	-	-	(33.6)	(38.0)
Profit before net finance costs and tax	333.3	302.8	175.3	(3.4)	158.0	306.2
Net finance expense	(83.5)	(89.2)	(4.8)	-	(78.7)	(89.2)
Profit before tax	249.8	213.6	170.5	(3.4)	79.3	217.0
Income tax expense	(34.4)	(29.4)	(1.3)	(10.2)	(33.1)	(19.2)
Profit for the period	215.4	184.2	169.2	(13.6)	46.2	197.8

Consolidated Income Statement (cont.)

Continuing operations (A\$m)	Underlying trading performance		Less: significant items		Statutory results (as reported)	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Revenue	1,397.2	1,063.4	-	-	1,397.2	1,063.4
Other income	35.6	29.8	(4.0)	(2.8)	39.6	32.6
Share of results from equity accounted investees	73.2	69.2	(3.0)	9.9	76.2	59.3
Revaluation of equity interest on acquisition of Coates Hire	-	-	(14.5)	-	14.5	-
Loss on sale of WesTrac China	-	-	5.3	-	(5.3)	-
Recycling of FCTR on sale of WesTrac China	-	-	(79.9)	-	79.9	-
Impairment of equity accounted investees	-	-	91.3	139.6	(91.3)	(139.6)
Fair value movement of derivatives	-	-	-	-	-	-
Expenses excluding depreciation and amortisation	(1,238.2)	(990.3)	7.0	7.3	(1,245.2)	(997.6)
Profit before depreciation, amortisation, net finance costs and tax	267.8	172.1	2.2	154.0	265.6	18.1
Depreciation and amortisation	(44.3)	(14.2)	-	-	(44.3)	(14.2)
Profit before net finance costs and tax	223.5	157.9	2.2	154.0	221.3	3.9
Net finance expense	(47.3)	(41.1)	-	(4.7)	(47.3)	(36.4)
Profit before tax	176.2	116.8	2.2	149.3	174.0	(32.5)
Income tax expense	(16.4)	(28.5)	(0.6)	(3.7)	(15.8)	(24.8)
Profit for the period	159.8	88.3	1.6	145.6	158.2	(57.3)

Discontinued operations (A\$m)	Underlying trading performance		Less: significant items		Statutory results (as reported)	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Revenue	189.9	239.3	-	-	189.9	239.3
Other income	2.3	2.9	-	-	2.3	2.9
Expenses excluding depreciation and amortisation	(174.2)	(222.5)	-	(0.9)	(174.2)	(221.6)
Profit before depreciation, amortisation, net finance costs and tax	18.0	19.7	-	(0.9)	18.0	20.6
Depreciation and amortisation	(0.8)	(1.8)	-	-	(0.8)	(1.8)
Profit before net finance costs and tax	17.2	17.9	-	(0.9)	17.2	18.8
Net finance expense	(2.1)	(1.6)	-	-	(2.1)	(1.6)
Profit before tax	15.1	16.3	-	(0.9)	15.1	17.2
Income tax expense	(4.7)	(0.6)	-	0.3	(4.7)	(0.9)
Profit for the period	10.4	15.7	-	(0.6)	10.4	16.3

Total operations (A\$m)	Underlying trading performance		Less: significant items		Statutory results (as reported)	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Revenue	1,587.1	1,302.7	-	-	1,587.1	1,302.7
Other income	37.9	32.7	(4.0)	(2.8)	41.9	35.5
Share of results from equity accounted investees	73.2	69.2	(3.0)	9.9	76.2	59.3
Revaluation of equity interest on acquisition of Coates Hire	-	-	(14.5)	-	14.5	-
Loss on sale of WesTrac China	-	-	5.3	-	(5.3)	-
Recycling of FCTR on sale of WesTrac China	-	-	(79.9)	-	79.9	-
Impairment of equity accounted investees	-	-	91.3	139.6	(91.3)	(139.6)
Fair value movement of derivatives	-	-	-	-	-	-
Expenses excluding depreciation and amortisation	(1,412.4)	(1,212.8)	7.0	6.4	(1,419.4)	(1,219.2)
Profit before depreciation, amortisation, net finance costs and tax	285.8	191.8	2.2	153.1	283.6	38.7
Depreciation and amortisation	(45.1)	(16.0)	-	-	(45.1)	(16.0)
Profit before net finance costs and tax	240.7	175.8	2.2	153.1	238.5	22.7
Net finance expense	(49.4)	(42.7)	-	(4.7)	(49.4)	(38.0)
Profit before tax	191.3	133.1	2.2	148.4	189.1	(15.3)
Income tax expense	(21.1)	(29.1)	(0.6)	(3.4)	(20.5)	(25.7)
Profit for the period	170.2	104.0	1.6	145.0	168.6	(41.0)

Significant items (A\$m)	1HFY18	2HFY17	1HFY17	2HFY16	1HFY16
Impairment - SWM equity	(91.3)	268.0	(139.6)	181.8	(182.2)
Impairment - Echuca Shoals	(5.6)	-	-	-	-
Gain/(loss) on sale of business and mark-to-market of derivatives	78.6	3.1	(1.2)	1.7	2.3
Restructuring, redundancy and other costs	(1.4)	(0.1)	(4.7)	(7.9)	(2.6)
Share of equity accounted investees' significant items	3.0	(293.4)	(9.9)	(17.1)	18.1
Other items	14.5	0.2	2.3	-	9.3
Significant items - EBIT	(2.2)	(22.2)	(153.1)	158.5	(155.1)
Net finance income	-	0.1	4.7	-	-
Share of SWM impairment and significant items - no tax expense	-	(53.6)	-	-	-
Tax benefit relating to resolution of historical tax matters	-	-	-	10.0	-
Tax benefit relating to significant items	0.6	51.5	3.4	(50.4)	50.6
Significant items - NPAT	(1.6)	(24.2)	(145.0)	118.1	(104.5)
Statutory NPAT	168.6	87.2	(41.0)	190.7	7.1
NPAT excluding significant items	170.2	111.4	104.0	72.6	111.6

Notes:

EBIT comprises profit before net finance expense, income tax expense and significant items.

EBIT is not a standard measure under the Australian Accounting Standards adopted by the Australian Accounting Standards Board and should not replace a review of the underlying figures set out above or included in the audited annual consolidated financial statements and the reviewed half year consolidated financial statements of the Group incorporated by reference into this Offering Circular.

Consolidated Balance Sheet

A\$m	Reviewed		Audited	
	Dec 17	Dec 16	Jun 17	Jun 16
Current assets				
Cash and cash equivalents	350.7	294.9	172.5	366.8
Trade and other receivables	526.7	542.4	336.5	554.4
Inventories	693.2	853.6	654.7	831.3
Other financial assets	2.2	-	-	-
Current tax assets	1.3	-	-	-
Other current assets	44.7	46.1	14.0	28.9
Derivative financial instruments	5.4	1.6	0.3	1.7
Assets held for sale	2.8	-	731.4	-
Total current assets	1,627.0	1,738.6	1,909.4	1,783.1
Non-current assets				
Other receivables	5.0	4.8	4.9	-
Investments accounted for using the equity method	906.2	1,127.4	1,136.5	998.0
Other financial assets	542.8	647.2	598.8	974.6
Property, plant and equipment	826.4	164.9	159.9	172.0
Producing and development assets	213.1	220.1	213.9	214.5
Exploration and evaluation assets	218.2	220.1	222.2	218.0
Intangible assets	1,684.8	701.7	456.7	779.9
Deferred tax assets	0.2	10.1	0.2	6.4
Derivative financial instruments	122.4	165.1	133.5	184.4
Total non-current assets	4,519.1	3,261.4	2,926.6	3,547.8
Total assets	6,146.1	5,000.0	4,836.0	5,330.9
Current liabilities				
Trade and other payables	400.8	409.8	288.6	347.0
Interest bearing loans and borrowings	119.7	117.7	40.7	220.1
Deferred income	75.3	171.1	88.5	228.7
Current tax liability	-	3.3	0.6	9.9
Provisions	59.8	51.9	40.0	48.5
Employee benefits	65.4	34.4	37.8	36.8
Derivative financial instruments	12.5	5.5	2.4	16.4
Liabilities held for sale	-	-	188.0	-
Total current liabilities	733.5	793.7	686.6	907.4
Non-current liabilities				
Other payables	1.9	-	0.9	0.4
Interest bearing loans and borrowings	2,251.0	1,565.7	1,439.9	1,514.2
Deferred tax liabilities	245.3	34.2	122.6	125.9
Deferred income	11.3	12.2	11.8	12.7
Provisions	65.0	51.9	64.1	50.8
Employee benefits	18.2	11.6	12.8	12.5
Derivative financial instruments	63.9	56.9	72.1	8.8
Total non-current liabilities	2,656.6	1,732.5	1,724.2	1,725.3
Total liabilities	3,390.1	2,526.2	2,410.8	2,632.7
Net assets	2,756.0	2,473.8	2,425.2	2,698.2
Equity				
Contributed equity	2,858.6	2,472.9	2,472.9	2,472.7
Reserves	(798.8)	(549.9)	(647.7)	(466.0)
Retained earnings	685.3	538.7	588.0	679.7
Total equity attributable to equity holders of the Company	2,745.1	2,461.7	2,413.2	2,686.4
Non-controlling interest	10.9	12.1	12.0	11.8
Total equity	2,756.0	2,473.8	2,425.2	2,698.2
Net debt	(2,020.0)	(1,388.5)	(1,308.1)	(1,367.5)
Net debt / (net debt + equity)	42%	36%	35%	34%

Pro-forma Income Statement – twelve months ended 31 December 2017

The selected unaudited pro forma consolidated income statement for the twelve months ended 31 December 2017 is derived from the audited consolidated income statement of the Group for the financial year ended 30 June 2017 and the reviewed consolidated income statement of the Group for the half years ended 31 December 2016 and 31 December 2017 incorporated by reference in this Offering Circular and has been prepared to give effect to (i) the acquisition by the Group of the remaining 53.3 per cent. of the interest in Coates Hire, (ii) the participation in and sub-underwriting of the Beach Energy rights issue which increased the Group's interest in Beach Energy from 22.73 per cent. to 25.60 per cent. and (iii) the sale of the WesTrac China business (together the “**Corporate Transactions**”), in each case as if the Corporate Transactions had occurred on 1 January 2017.

The unaudited pro forma consolidated financial information appearing in the section entitled “Summary Financial Information” should be read in conjunction with the historical reviewed and audited financial statements of the Group incorporated by reference in this Offering Circular.

The selected unaudited pro forma consolidated financial information is based on the consolidated income statement prepared in accordance with the Australian Accounting Standards adopted by the Australian Accounting Standards Board, subject to the assumptions described in the notes appearing in the section entitled “Summary Financial Information” of this Offering Circular. The objective of the unaudited pro forma information is to provide information about the impact of the Corporate Transactions by indicating how the Corporate Transactions might have affected historical consolidated financial statements of the Group had it occurred as of 1 January 2017. The unaudited pro forma consolidated income statement comprise historical financial information which has been retroactively combined to reflect the effect of the Corporate Transactions as described in the notes thereto and does not reflect any adjustments to reflect significant trends or other factors that may be of relevance in considering future performance.

The unaudited pro forma consolidated financial information has been prepared for illustrative purposes only and does not purport to be indicative of what the operating results of the Group would have been had the Corporate Transactions actually taken place on 1 January 2017. In addition, the unaudited pro forma financial information in this Offering Circular may not be directly comparable to the corresponding financial information for the period from 1 January 2017 to 31 December 2017 and the financial information of the Group in future years. Consequently, such unaudited pro forma consolidated financial information should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review by an independent auditor. Neither the Lead Manager or its affiliates, directors or advisors makes any representation or warranty, express or implied, regarding the accuracy or completeness of such unaudited pro forma consolidated financial information or their sufficiency for an assessment of, and investors are cautioned not to place undue reliance on the unaudited pro forma consolidated financial information appearing below.

Continuing operations (A\$m)	Statutory results	Less: significant items	Underlying trading performance	Pro-forma adjustments					Pro-forma
	LTMDec 17	LTMDec 17	LTMDec 17	Coates Hire			Beach Energy equity accounted earnings ⁴	Interest savings ⁵	LTMDec 17
				Eliminate equity accounted earnings ¹	Post-acquisition earnings ²	LTM earnings ³			
Revenue	2,616.1	-	2,616.1	-	(158.3)	930.4	-	-	3,388.2
Other income	63.1	(5.6)	57.5	(1.3)	(0.6)	5.5	-	-	61.2
Share of results from equity accounted investees	(165.4)	290.4	125.0	(22.8)	-	-	2.4	-	104.6
Revaluation of equity interest on acquisition of Coates Hire	14.5	(14.5)	-	-	-	-	-	-	-
Loss on sale of WesTrac China	(5.3)	5.3	-	-	-	-	-	-	-
Recycling of FCTR on sale of WesTrac China	79.9	(79.9)	-	-	-	-	-	-	-
Impairment of equity accounted investees	176.7	(176.7)	-	-	-	-	-	-	-
Fair value movement of derivatives	1.9	(1.9)	-	-	-	-	-	-	-
Expenses excluding depreciation and amortisation	(2,383.7)	8.5	(2,375.2)	-	102.1	(616.3)	-	-	(2,889.4)
Profit before depreciation, amortisation, net finance costs and tax	397.8	25.6	423.4	(24.1)	(56.8)	319.6	2.4	-	664.6
Depreciation and amortisation	(60.6)	-	(60.6)	-	28.2	(166.9)	-	-	(199.3)
Profit before net finance costs and tax	337.2	25.6	362.8	(24.1)	(28.6)	152.7	2.4	-	465.3
Net finance expense	(87.4)	(0.1)	(87.5)	-	9.7	(65.2)	-	23.5	(119.5)
Profit before tax	249.8	25.5	275.3	(24.1)	(18.9)	87.5	2.4	23.5	345.8
Income tax expense	(17.9)	1.2	(16.7)	-	8.0	(27.4)	(0.7)	(7.1)	(43.9)
Profit for the period	231.9	26.7	258.6	(24.1)	(10.9)	60.1	1.7	16.5	301.9

Notes:

^{1, 2, 3} These pro-forma adjustments assume that the acquisition of the remaining 53.3 per cent of Coates Hire was effective from 1 January 2017 (and not 31 October 2017 as included in the statutory results). To give effect to this, the equity accounted earnings of Coates Hire for the ten month period ended 31 October 2017 (Note 1) and the consolidated earnings of Coates Hire for the two months ended 31 December 2017 (Note 2) included in the underlying trading performance for the last twelve months have been removed and replaced with the underlying trading performance of Coates Hire for the twelve months ended 31 December 2017 (Note 3).

⁴ This pro-forma adjustment assumes that the step-up in the Group's interest in Beach Energy from 22.73 per cent to 25.60 per cent as a result of participation in and sub-underwriting of the Beach Energy rights issue was effective from 1 January 2017 rather than 10 October 2017 and 24 October 2017 respectively. Accordingly, the adjustment reflects the increased share of underlying equity accounted earnings of Beach Energy for the 12 months ended 31 December 2017.

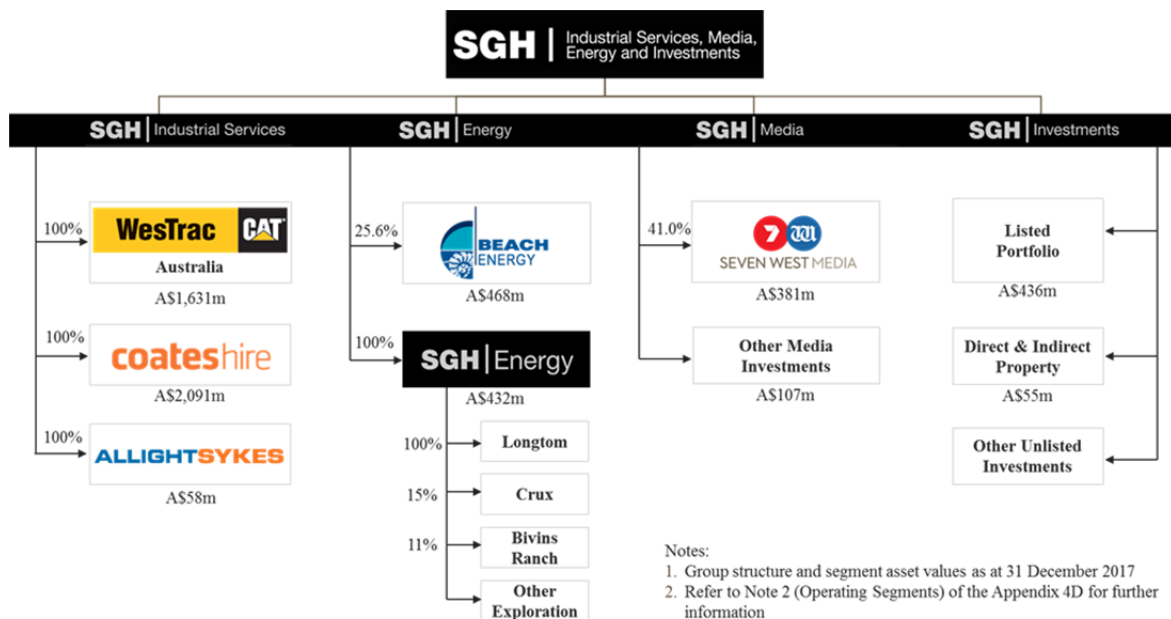
⁵ This pro-forma adjustment reflects the pro-forma interest savings if the funds received from the sale of WesTrac China (A\$535.4 million) and the net proceeds from the SGH Equity raising of A\$385.2 million were received on 1 January 2017 and then applied on the same day to fund the acquisition of Coates Hire (A\$487.4 million), the additional equity interest in Beach Energy (A\$117.5 million) and partially repay Coates Hire debt of A\$315.7 million. This pro-forma adjustment excludes any interest or costs associated with the Notes.

BUSINESS

OVERVIEW

Seven Group Holdings Limited (“SGH”) is a diversified operating and investment group with businesses and investments in industrial services, media and energy sectors. In industrial services, WesTrac is the authorised Caterpillar dealer in Western Australia, New South Wales and the Australian Capital Territory in Australia. SGH also owns Coates Hire, Australia’s largest equipment hire business, and AllightSykes, a supplier of lighting towers, generators and pumps. The Group has a 25.6 per cent shareholding in Beach Energy, an oil and gas exploration and production company listed on the ASX, and has interests in oil and gas projects in Australia and the United States. In media, SGH has a 41.0 per cent shareholding in Seven West Media, a multiple platform media company listed on the ASX.

The following table sets out the structure and segment asset values of the Group as at 31 December 2017.



Recent transactions include the acquisition of the remaining 53.3 per cent of Coates Hire in October 2017 for A\$487 million net of cash acquired, the sale of WesTrac China, which was the authorised Caterpillar dealer in North Eastern China for A\$535 million in October 2017 and the 2.9 per cent increase holding in Beach Energy to 25.6 per cent following SGH’s underwrite of Beach Energy’s capital raising to fund its acquisition of the assets of Lattice Energy Limited from Origin Energy.

SGH is listed on the ASX under the ticker code “SVW”, had a market capitalisation at 21 February 2018 of approximately A\$6.2 billion and employs over 5,100 people across its direct operating businesses.

Key Statistics:

Item	Statistic as at 31 December 2017
Total Assets (A\$ million)	6,146.1
Total Revenue (A\$ million)	1,397.2
Market Capitalisation: (A\$ billion)	approximately 5.26
- Ordinary	approximately 4.85
- Telys4	approximately 0.41 #
Free float:	approximately 34 per cent
Largest Shareholder	Entities associated with Mr. Kerry Stokes AO (approximately 65.6 per cent)
ASX ticker code	SVW (ordinary shares) & SVWPA (preference shares)
Year Listed	2010
Key Market Sectors	Mining, Infrastructure, Construction, Energy and Media
Employees	approximately 5,100
Countries	Australia, Indonesia, Dubai, New Zealand, United States of America and South Africa

This reflects the market value and does not reflect the carrying value as per the Appendix 4D Half Year Report for the half year ended 31 December 2017.

KEY BUSINESSES

WesTrac

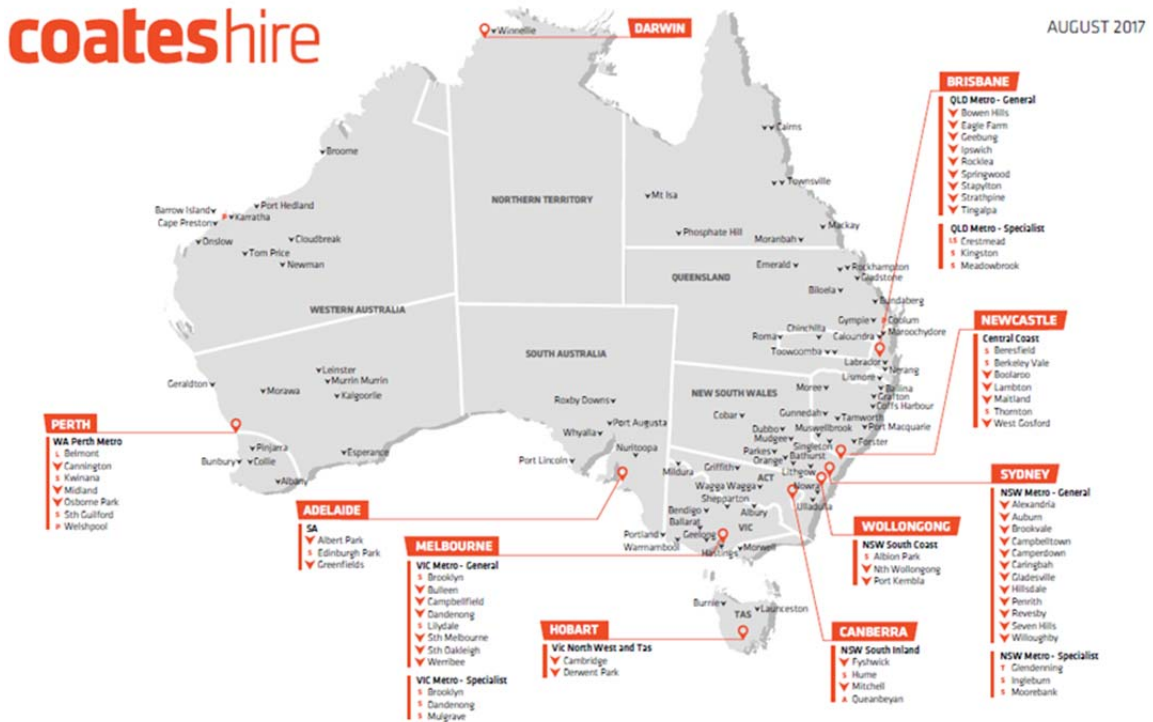
WesTrac specialises in the supply and maintenance of Caterpillar mining and industrial equipment employing over 2,700 employees. It services the mining, construction and transport industries of Western Australia (“WA”), New South Wales (“NSW”) and Australian Capital Territory (“ACT”), where it has operated as the authorised Caterpillar dealer since 1989 (WA) and 2003 (NSW/ACT).

Its dealership territories in WA and NSW have different end markets. In WA, mining support is predominantly related to iron ore whereas in NSW the focus is on thermal coal. NSW also has a greater exposure to infrastructure and construction markets.

The business model of WesTrac is to provide a total equipment management solution to customers extending beyond the sale of equipment. The revenue cycle starts with the sale of equipment and is followed by the servicing of equipment and sale of replacement parts. The sale of new equipment leads to a recurring revenue stream over the life of the equipment in the form of higher margin service and parts revenues. WesTrac’s revenue mix by end product indicates that approximately half of its revenue for FY2017 related to iron ore or coal mining.

Coates Hire

Coates Hire is the largest equipment hire group in Australia with a national footprint of over 200 branches¹ and diverse range of end markets including engineering, mining and resources, manufacturing, construction, infrastructure and major events.



The types of equipment rented out include compaction equipment, access equipment, portable accommodation units, portable toilets, temporary fencing, containers, storage containers, generators, lighting towers, air compressors, welders, pumps, skid steer loaders, forklifts, bulldozers, excavators graders, traffic management, shoring and general tools and equipment.

Beach Energy

SGH currently has a 25.6 per cent interest in Beach Energy, an oil and gas exploration and production company listed on the ASX (ticker code: “BPT”) with a market capitalisation of A\$2.8 billion as at 31 December 2017 and has two representatives on its Board of Directors.

Beach Energy’s core operations are in South Australia’s Cooper Basin, with an operated oil business on the Western Flank of the Cooper Basin and an active operated drilling program focused on key Western Flank play fairways. Beach Energy also has a major gas business comprising operated and non-operated assets. In addition to the Cooper Basin, Beach Energy has permits in other basins in Australia and New Zealand and continues to pursue growth opportunities within Australia and internationally. Beach Energy released its interim half-year financial report for the half year ended 31 December 2017 on 19 February 2018.

Beach Energy acquired the assets of Lattice Energy Limited in a A\$1.498 billion transaction (after adjustments) which significantly changed its scale and profile from a single basin producer to a multi-basin on shore and offshore producer with a significant presence across Australia and New Zealand.

¹ Branch Network includes storage facilities and maintenance locations of WesTrac and AllightSykes

Beach Energy is a “disclosing entity” for the purposes of the Corporations Act and subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. Copies of documents regarding Beach Energy lodged with ASIC or ASX, respectively, may be obtained from, or inspected at, any ASIC office or the ASX, respectively.

Seven West Media

The Group holds a 41.0 per cent interest in Seven West Media, a multiplatform media company in television, content production, digital, magazine and newspaper publishing listed on the ASX (ticker code: “SWM”). Seven West Media had a market capitalization of A\$0.9 billion at 31 December 2017. Seven West Media’s business includes the following brands – Seven, 7TWO and 7mate, 7flix, Seven Studios, The West Australian, The Sunday Times, Pacific Magazines, and Yahoo7, including television programs and magazine titles such as My Kitchen Rules, House Rules, Home and Away, Sunrise, the Australian Football League, the Olympic Games, Better Homes and Gardens, marie claire, Who, The West Australian, The Sunday Times, Perth Now, racing.com and 7plus. Seven West Media released its interim half-year financial report for the half year ended 31 December 2017 on 20 February 2018.

Seven West Media is a “disclosing entity” for the purposes of the Corporations Act and subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. Copies of documents regarding Seven West Media lodged with ASIC or ASX, respectively, may be obtained from, or inspected at, any ASIC office or the ASX, respectively.

CREDIT CONSIDERATIONS

A\$m	At 31 Dec 17	Pro-forma
		LTM 31 Dec 17
Net assets	2,756.0	
Gross debt (excl. derivatives)	(2,370.7)	
Debt derivatives	49.2	
Cash	350.7	
Net debt (incl. derivatives)	(1,970.8)	
Listed portfolio	436.4	
Net debt (incl. listed portfolio)	(1,534.4)	
EBITDA		664.6
Less: dividends from listed portfolio		(31.4)
Adjusted EBITDA (excl. listed portfolio dividends)		633.2
Net finance expense		(119.5)
Interest coverage ratio		5.3
Net debt (incl. derivatives) / EBITDA		3.0
Net debt (incl. listed portfolio) / Adjusted EBITDA		2.4

Notes:

Interest coverage ratio calculated as adjusted EBITDA divided by net finance expense.

EBITDA comprises profit before depreciation, amortisation, net finance expense, income tax expense and significant items.

EBITDA is not a standard measure under the Australian Accounting Standards adopted by the Australian Accounting Standards Board and should not replace a review of the underlying figures set out above or included in the audited annual consolidated financial statements and the reviewed half year consolidated financial statements of the Group incorporated by reference into this Offering Circular.

CREDIT STRENGTHS

SGH's underlying businesses are diversified across multiple sectors equipment, energy and media. This diversification mitigates the underlying cyclicality of its underlying businesses.

The Group maintains a portfolio of listed and unlisted investments. The listed portfolio has a market value of A\$436 million at 31 December 2017 and comprises minority stakes in high yielding securities that are listed on the ASX. These securities are highly liquid with 80 per cent of the value of the portfolio representing less than 1 per cent of the issued capital of those securities. SGH considers it is reasonable to assume that, if required, the listed portfolio could be monetised at market value at the relevant time, without any need for substantial discounting against that market value.

The unlisted portfolio includes investments in a Chinese media fund with a carrying value of A\$106 million as well as direct and indirect property-related investments with a carrying value of A\$55 million at 31 December 2017.

CASH CONVERSION

Cash flow is a core focus across the Group with an emphasis on the conversion of earnings into cash flow. The table below, which reflects underlying operating cash flow as a percentage of underlying EBITDA indicates the Group's track record of managing this process:

A\$m	FY16	FY17	1H FY17	1H FY18
Underlying EBIT	302.8	333.3	175.8	223.5
Add: depreciation and amortisation	38.0	33.6	16.0	44.3
Underlying EBITDA	340.8	366.9	191.8	267.8
Operating cash flow	314.4	295.8	57.6	112.8
Add: interest and other costs of finance paid	81.8	71.8	42.2	38.8
Income taxes (refunded)/paid	2.9	13.2	10.7	1.3
Add: restructuring costs	9.7	4.8	4.7	1.4
(Less)/add: other cash significant items	(28.3)	(32.8)	(22.6)	-
Underlying operating cash flow	380.5	352.8	92.8	154.3
Underlying EBITDA cash conversion	112%	96%	48%	58%

Notes:

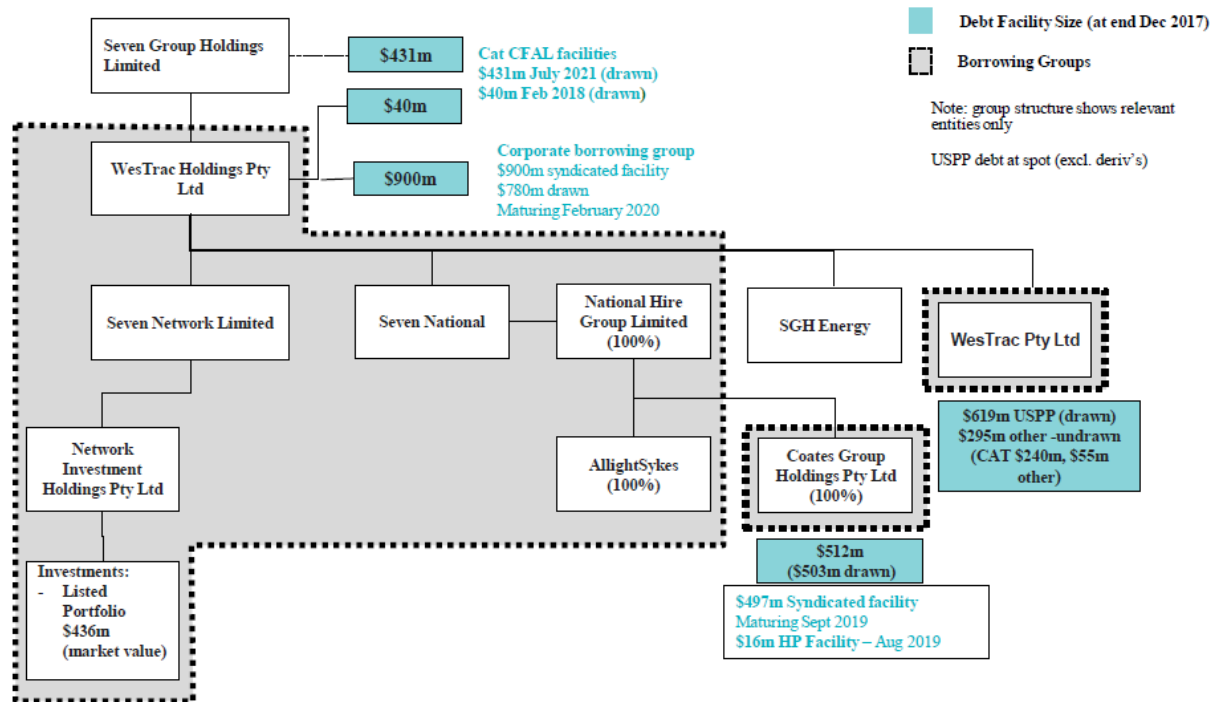
First half ("1H") FY2018 excludes WesTrac China, the remaining comparatives include WesTrac China.

Underlying EBITDA cash conversion is calculated as underlying operating cash flow divided by underlying EBITDA. EBITDA comprises profit before depreciation, amortisation, net finance expense, income tax expense and significant items. EBITDA is not a standard measure under the Australian Accounting Standards adopted by the Australian Accounting Standards Board and should not replace a review of the underlying figures set out above or included in the audited annual consolidated financial statements and the reviewed half year consolidated financial statements of the Group incorporated by reference into this Offering Circular.

FUNDING

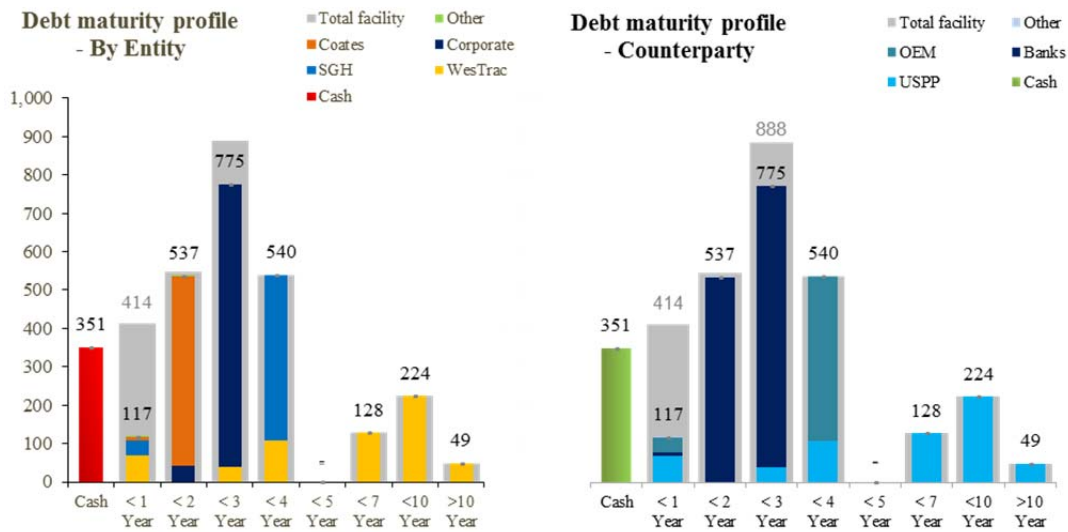
The Group has a diverse funding base with a mix of Caterpillar, United States Private Placement ("USPP") debt and bank funding. The Group is supported by its debt providers and WesTrac has an established presence in the USPP market having accessed that market on three separate occasions.

Borrowing Groups



Debt maturity

The Group's debt maturity profile as at 31 December 2017 is shown below.



Operating lease commitments

The profile of the Group's premises and equipment operating lease rentals as at 30 June 2017 is shown below with pro-forma adjustments to reflect the sale of WesTrac China and the 100 per cent acquisition of Coates Hire as if they occurred at 1 July 2016. See Note 27 to the Consolidated Financial Statements for the year ended 30 June 2017 for further detail on operating lease commitments.

Operating lease commitments (A\$m)	30 Jun 17	Less: WesTrac China	Add: Coates Hire	Pro-forma 30 Jun 17
WesTrac Australia	311.6	-	-	311.6
WesTrac China	4.3	(4.3)	-	-
AllightSykes	3.2	-	-	3.2
Coates Hire	-	-	249.6	249.6
Other	0.1	-	-	0.1
	319.1	(4.3)	249.6	564.4
Payable not later than 1 year	54.7	(2.0)	65.1	117.8
Later than 1 year but not later than 5 years	145.6	(2.2)	148.4	291.7
Later than 5 years	118.8	(0.0)	36.1	154.9
	319.1	(4.3)	249.6	564.4

DIRECTORS AND MANAGEMENT

BOARD OF DIRECTORS

Brief profiles of the directors of SGH as at the date of this Offering Circular are as follows:

Kerry Matthew Stokes AC

Executive Chairman of SGH since 22 April 2010. Executive Chairman of Seven Network Limited since July 1999. Prior to that Non-Executive Chairman since June 1995. Appointed a Companion in the General Division of the Order of Australia in the Queen's Birthday Honours announced on 9 June 2008.

Chairman of Seven Media Group Pty Limited since December 2006. Chairman of Australian Capital Equity Pty Limited Group which has significant interests in activities which include media and entertainment, resources, energy, property, pastoral and industrial activities. Chairman of Seven West Media (formerly West Australian Newspapers Holdings Limited) since 11 December 2008.

Appointed a Director on 25 September 2008. Mr Stokes is Chairman and Fellow (since November 2015) for the Australian War Memorial (previously a Council Member).

Ryan Kerry Stokes

Mr Ryan Stokes is Managing Director & Chief Executive Officer of SGH. He was previously Chief Operating Officer of SGH from 28 August 2012 until 30 June 2015 and an Executive Director of SGH since 16 February 2010. Mr Stokes is a Director of Seven West Media, WesTrac Pty Ltd and Coates Hire. Mr Stokes was appointed to the Board of Beach Energy in July 2016. Mr Stokes is Chief Executive Officer of Australian Capital Equity Pty Limited. Australian Capital Equity Pty Limited is a private company with its primary investment being an interest in SGH.

Mr Stokes is Chairman of the National Library of Australia since 2012. He is also a member of the Prime Ministerial Advisory Council on Veterans' Mental Health established in 2014. In 2015, he became a Committee member of innovationXchange (within the Department of Foreign Affairs and Trade), which provides strategic guidance on innovation in aid programs. He is also a member of the International Olympic Committee Olympic Education Commission. Mr Stokes holds a BComm from Curtin University.

Sally Annabelle Chaplain

Director of SGH since 24 November 2015. Chair of the Audit & Risk Committee, member of the Remuneration & Nomination Committee and member of the Independent & Related Party Committee. Ms Chaplain brings to SGH extensive experience in financial services and mining, engineering and infrastructure services.

Ms Chaplain is the independent chairman of Queensland Airports Ltd and chairman of Canstar Pty Ltd. She is a director of Downer EDI Ltd and a former director of EFIC, Australia's export credit agency. Since April 2017, Ms Chaplain has served as a member of the Australian Ballet board of directors. A Fellow of the Australian Institute of Company Directors, Ms Chaplain holds an MBA from the University of Melbourne, a B.A. majoring in Economics and Mandarin from Griffith University and a diploma from the Securities Institute of Australia. In 2015, Ms Chaplain was awarded Griffith University Business School's Outstanding Alumnus of the year and in 2016, Griffith University conferred on her an honorary doctorate in recognition of her distinguished service to banking, finance and the community. She is a member of the Griffith University Business School's Strategic Advisory Board. Ms Chaplain is the former Chair of School Council for St Margaret's Anglican Girls School in Brisbane and is a member of Chief Executive Women.

Terry James Davis

Director of SGH since 1 June 2010. Group Managing Director, Coca-Cola Amatil Limited from 12 November 2001 to 3 March 2014.

Chairman of the Independent & Related Party Committee, member of the Remuneration & Nomination Committee. Chairman of the Remuneration & Nomination Committee from 3 August 2017. Director of St. George Bank Limited from December 2004 to December 2008. Over fifteen years experience in the global wine industry including Managing Director of Beringer Blass (the wine division of Foster's Group Limited) and Managing Director of Cellarmaster Wines Group between 1987 and 1997. Council Member of the University of New South Wales Council from June 2006 to June 2014.

Christopher John Mackay

Director of SGH since 1 June 2010. Managing Director of MFF Capital Investments Limited since 1 October 2013. Former Chairman of Magellan Financial Group Limited. Member of the Audit & Risk Committee and of the Independent & Related Party Committee. Considerable experience in business management, capital allocation, risk management and investment. A former investment banker and corporate and banking lawyer, with broad experience in the financial and corporate sectors over many years. Formerly Chairman of the investment bank UBS Australasia, having previously been its Chief Executive Officer. A director of Consolidated Media Holdings Limited from 8 March 2006 until 19 November 2012, when the company was taken over by News Corporation.

David Ian McEvoy

Director of SGH since 27 May 2015. Member of the Audit & Risk Committee and member of the Independent & Related Party Committee. Mr McEvoy has been engaged in the oil and gas industry for over 40 years, in a variety of technical, senior executive and non-executive director roles. He was employed for almost 34 years with ExxonMobil. He concluded his executive career at ExxonMobil in 2002 as Vice President Business Development, ExxonMobil Exploration Company. Mr McEvoy earlier served as a Regional Vice President of Exxon Exploration Company from 1992 to 1997, where he was responsible for exploration activities in the Far East, USA, Canada and South America. He joined Esso Australia Limited in 1969. Mr McEvoy graduated from the University of New South Wales with a degree in Science and a graduate diploma in Applied Geophysics. Mr McEvoy is a Non-Executive Director of AWE Limited (since 2006). Mr McEvoy is a former Non-Executive Director of Woodside Petroleum Limited (September 2005 to May 2017) and a former Non-Executive Director of Acer Energy (formerly Innamincka Petroleum Limited) and Po Valley Energy Ltd.

Bruce Ian McWilliam

Director of SGH since 28 April 2010. Director of Seven Network Limited since September 2003. Commercial Director of Seven Network Limited since May 2003. Commercial Director of Seven West Media. Director of Seven Media Group Pty Limited since December 2006. Former partner of law firms Gilbert & Tobin, Turnbull McWilliam and Allen Allen & Hemsley specialising in media and commercial law. Former Director BSKyB, Executive Director News International Television and General Counsel, News International plc. Director of Australian News Channel Pty Limited from 1 June 2005 to 1 December 2016. Alternate Director of Seven West Media from 4 November 2008 to 5 March 2015. Honorary Fellow of the University of Sydney.

The Hon. Warwick Leslie Smith AM

Director of SGH since 12 September 2014. Member of the Audit & Risk Committee and member of the Remuneration & Nomination Committee.

Board Director of ANZ Bank China and Chairman ANZ Bank Thailand. Chairman of the Advisory Board of the Australian Capital Equity Group of companies. Recently resigned from role as Chairman, New South

Wales and Australian Capital Territory and Senior Managing Director, Australia for Australia and New Zealand Banking Group Limited.

Director of Estia Health Limited since May 2017. Director of Coates Hire since May 2016. Chairman of the Australia China Council and Global Trustee of the Asia Society.

Former Executive Director with the Macquarie Bank Group of companies and a former Chairman of E*Trade Limited. Former Chairman of the Australian Sports Commission. Former Telecommunications Ombudsman. Former Minister for Sport, Territories and Local Government, Minister Assisting the Prime Minister on the Olympic Games in Sydney and Minister for Family Services. Mr. Smith was awarded the Member of the Order of Australia (AM) in 2008, for service to the Parliament of Australia, to the telecommunications industry, to the promotion of international trade and tourism and to philanthropy through a range of charitable and community organisations.

Richard Anders Uechtritz

Director of SGH since 1 June 2010. Member of the Remuneration & Nomination Committee and member of the Independent & Related Party Committee. Chairman of the Remuneration & Nomination Committee until 3 August 2017. Director of JB Hi-Fi Limited since 28 April 2011. Chief Executive Officer and Director of JB Hi-Fi Limited from June 2000 to May 2010. Over thirty years experience in retailing. Co-founder of Rabbit Photo and Smith's Kodak Express. Director of Kodak (Australasia) Proprietary Limited from 30 July 1998 to 20 July 2000.

KEY MANAGEMENT – GROUP

Richard Richards – Chief Financial Officer

BComs/Law (Hons), LLM, MAppFin

Richard is currently Chief Financial Officer of SGH (since October 2013). He is responsible for Finance across the diversified conglomerate (equipment manufacture, sales and service, equipment hire, investments, property, media and oil and gas). He was appointed to the Board of Beach Energy on 4 February 2017 and then elected to that Board as an independent director on 23 November 2017. He is also a member of the Beach Energy Audit Committee.

Richard is a member of the Board of Directors of WesTrac Pty Ltd and SGH Energy; a Director and Chair of the Audit and Risk Committee of Coates Hire; a Director and Chair of the Audit and Risk Committee of KU Children Services (NFP) and a member of the Marcia Burgess Foundation Committee (DGR). Richard held senior finance roles with Downer EDI and Qantas.

Murray Vitlich – Chief Operating Officer

BBus (Econ & Fin)

Murray joined SGH in June 2017 as Chief Operating Officer for the Group, working across the portfolio of industrial businesses within SGH. In this capacity, Murray's focus is on driving the operational and financial performance of the businesses across the Group's portfolio, contributing to the development and delivery of key strategic initiatives for SGH, and supporting Group level relationships with key partners and customers.

Murray is a member of the Board of Directors of WesTrac Pty Ltd, Coates Hire, SGH Energy and AllightSykes, and previously held senior operational roles at Asciano Limited, UGL Limited and Wesfarmers Limited.

Gitanjali Bhalla – Group Executive People And Culture

BA, LLB (Hons), MIntlBus

Gitanjali joined SGH in October 2017 and is the Group Executive People & Culture responsible for human resources, culture and safety across the Group. Gitanjali has over eighteen years' of senior executive experience in leading and delivering human resources strategy and business transformational change in large organisations. Prior to joining SGH, Gitanjali spent eleven years consulting to private and publicly listed companies at Ernst & Young both in Australia and overseas before holding senior human resources and corporate services roles at UGL Limited and Cushman & Wakefield.

KEY MANAGEMENT – OPERATIONS

Jarvas Croome – Chief Executive (“CE”) WesTrac WA / CEO WesTrac Australia

BEng (Hons) Mech / BCom

Jarvas was appointed CE WA and CEO of WesTrac Australia in March 2014. Jarvas has a broad range of experience across the industrial sector having held a variety of senior roles in Australia and overseas. Prior to joining WesTrac, Jarvas spent 10 years with Woodside Energy in a variety of roles including President and Chairman of Woodside Energy USA Inc, Vice President Australia Business Unit and Vice President of Technical Services. Jarvas previously worked for the Shell Company of Australia, Kvaerner RJ Brown Engineering and as Graduate Engineer for Woodside. Member of Board of Directors for WesTrac Pty Ltd and Energy Power Systems Australia.

Greg Graham – CE WesTrac NSW

BBu, MBA

Greg Graham has been CE of WesTrac in NSW and the ACT since 2013. Greg has over 30 years' experience in the capital equipment sector, spanning diverse roles including sales, operations and senior leadership positions across Australia and Europe. Prior to joining WesTrac, Greg was Managing Director of Liebherr Australia Pty Ltd. Concurrent with this position, Greg held the position of Executive Vice President, Sales and Marketing, for Liebherr Mining Equipment SAS, assuming global responsibility for the sales and marketing of Liebherr's mining equipment products.

Greg has previously held a range of roles in Australia and Europe with Caterpillar, O&K Australia and Emeco International. Greg is currently Chairman of Energy Power Systems Australia (EPSA) and a director of WesTrac Pty Ltd.

Jeff Fraser – CEO of Coates Hire

BComm

Jeff was appointed CEO of Coates Hire in July 2016. He joined Coates Hire in July 2015 as a director and Chief Financial Officer. Jeff's broad business experience includes a wide range of industries, including services and infrastructure. Prior to joining Coates Hire, Jeff spent six years with Downer EDI where he held the position of Chief Financial Officer – Specialist Services. This preceded various senior positions Jeff had within the Downer EDI group. Jeff held roles with Tabcorp and Nemco as well as various roles within BHP Billiton in both the US and Australia.

Margaret Hall – CEO of SGH Energy

BEng (Met) (Hons)

Margaret was appointed CEO of SGH Energy in September 2015 and is also a director of SGH Energy. Margaret has over 25 years of experience in the oil and gas industry, spanning both super-major and junior

companies. Prior to this Margaret held senior management roles in Nexus Energy and ExxonMobil in Australia, across production and development in the Victorian Gippsland Basin and joint ventures across Australia.

TERMS AND CONDITIONS OF THE NOTES

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

The issue of the A\$350,000,000 2.20% Senior Unsecured Convertible Notes due 2025 (the “**Notes**”, which expression shall, unless otherwise indicated, include any further Notes issued pursuant to Condition 18 and consolidated and forming a single series with the Notes) was (save in respect of any such further Notes) authorised by a resolution of the board of directors of Seven Group Holdings Limited (ABN 46 142 003 469) (the “**Issuer**”) passed on 21 February 2018. The Notes are constituted by a trust deed dated 5 March 2018 (as amended and/or supplemented from time to time, the “**Trust Deed**”) between the Issuer and The Bank of New York Mellon, London Branch (the “**Trustee**”, which expression shall include all persons for the time being appointed as the trustee or trustees under the Trust Deed) as trustee for the holders (as defined below) of the Notes. The statements set out in these Terms and Conditions (the “**Conditions**”) are summaries of, and are subject to, the detailed provisions of the Trust Deed. The Noteholders (as defined below) 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 to have notice of those provisions applicable to them which are contained in the Paying, Transfer and Conversion Agency Agreement dated 5 March 2018 (as amended and/or supplemented from time to time, the “**Agency Agreement**”) relating to the Notes between the Issuer, the Trustee and The Bank of New York Mellon, London Branch (the “**Principal Paying and Conversion Agent**”, which expression shall include any successor as principal paying and conversion agent under the Agency Agreement) and The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as registrar (the “**Registrar**”, which expression shall include any successor as registrar under the Agency Agreement) and as transfer agent (the “**Transfer Agent**”, which expression shall include any successor as transfer agent under the Agency Agreement). The Principal Paying and Conversion Agent together with any other paying agents and conversion agents for the time being appointed under the Agency Agreement are referred to below as the “**Paying Agents** and the “**Conversion Agents**”, respectively, which expressions shall include their successors as Paying Agents and Conversion Agents, respectively, under the Agency Agreement. Copies of the Trust Deed and the Agency Agreement are available for inspection at all reasonable times during normal business hours at the principal office for the time being of the Trustee (being at the Closing Date at One Canada Square, London E14 5AL, United Kingdom and at the specified offices of the Principal Paying and Conversion Agent) following prior written request and proof of holding to the satisfaction of the Trustee or, as the case may be, the Principal Paying 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 Notes are in registered form, serially numbered, in principal amounts of A\$200,000 and integral multiples of A\$100,000 in excess thereof (“**authorised denominations**”). A note certificate (each a “**Certificate**”) will be issued to each Noteholder in respect of its registered holding of Notes.

Upon issue, the Notes will be represented by the Global Certificate deposited with a common depositary for, and representing Notes registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg. The Conditions are modified by certain provisions contained in the Global Certificate. Except in the limited circumstances described in the Global Certificate, owners of interests in Notes represented by the Global Certificate will not be entitled to receive definitive Certificates in

respect of their individual holdings of Notes. The Notes are not issuable in bearer form. See “The Global Certificate”.

(b) *Title*

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

(c) *Status*

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

2 Negative Pledge

So long as any of the Notes remain outstanding (as defined in the Trust Deed), the Issuer will not create or permit to subsist, and will ensure that none of its Material Subsidiaries will create or permit to subsist, any mortgage, charge, lien, pledge or other form of encumbrance or security interest (including any security interest arising under sections 12(1) or 12(2) of the Personal Property Securities Act 2009 of Australia) (each a “**Security Interest**”) upon the whole or any part of its present or future property or assets (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee of or indemnity in respect of any Relevant Indebtedness (other than a Permitted Security Interest) 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 ensure that:

- (i) all amounts payable by the Issuer under the Notes and the Trust Deed are secured equally and rateably with the Relevant Indebtedness or guarantee or indemnity, as the case may be; 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 the Issuer under the Notes and the Trust Deed either (x) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders or (y) as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

3 Definitions

In these Conditions, unless otherwise provided:

“**Additional Cash Alternative Amount**” has the meaning provided in Condition 6(m).

“**Additional Ordinary Shares**” has the meaning provided in Condition 6(c).

“**Alternative Stock Exchange**” means at any time, in the case of the Ordinary Shares, if they are not at that time listed and traded on the Australian Securities Exchange, the principal stock exchange or securities market on which the Ordinary Shares are then listed or quoted or dealt in.

“**Associate**” has the meaning it has in section 128F(9) of the Income Tax Assessment Act 1936 of the Commonwealth of Australia.

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

“**Australian Dollars**”, “**Australian cents**” and “**A\$**” means the lawful currency of the Commonwealth of Australia.

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

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

“**Cash Alternative Amount**” means an amount in Australian dollars calculated in good faith by the Issuer in accordance with the following formula and which shall be payable by the Issuer to a Noteholder 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 = a number of Ordinary Shares equal to the Reference Shares;
- P_n = the Volume Weighted Average Price of an Ordinary Share on the nth Dealing Day of the Cash Alternative Calculation Period; and
- N = 20, being the number of Dealing Days in the Cash Alternative Calculation Period,

provided that if any Dividend or other entitlement in respect of the Ordinary Shares 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 Dividend 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-Dividend 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 Dividend or other entitlement per Ordinary Share as at the date of the first public announcement of such Dividend 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, and if any doubt shall arise as to the calculation of the Cash Alternative Amount or if such amount cannot be determined as provided above, the Cash Alternative Amount shall be equal to such amount as is determined in such other manner as an Independent Adviser shall consider in good faith to be appropriate to give the intended result.

“**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(m).

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

“**Cash Election Date**” has the meaning provided in Condition 6(m).

“**Change of Control**” means:

- (i) a takeover bid is made to acquire the issued ordinary share capital of the Issuer other than any shares owned by the bidder and its associates;
- (ii) a scheme of arrangement is proposed by the Issuer (other than an Exempt Newco Scheme); or
- (iii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the assets of the Issuer to any other person or persons acting together (unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring Control over the Issuer),
and that transaction having become unconditional in all respects, and:
- (iv) where the offeror is not the Existing Major Shareholder, more than 50 per cent of the Voting Rights of the issued share capital of the Issuer have or will become unconditionally vested in the offeror together with its associates; or
- (v) where the offeror is the Existing Major Shareholder, more than 75 per cent of the Voting Rights of the issued share capital of the Issuer have or will become unconditionally vested in the Existing Major Shareholder.

“**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 5 March 2018.

“**Closing Price**” means, in respect of an Ordinary Share or any Security, Spin-Off Security, option, warrant or other rights or assets on any Dealing Day, the closing price on the Relevant Stock Exchange on such Dealing Day of an Ordinary Share or, as the case may be, such Security, Spin-Off Security, option, warrant or other right or asset published by or derived from Bloomberg page HP (or any successor page) (setting Last Price, or any other successor setting and using values not adjusted for any event occurring after such Dealing Day; and for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) in respect of such Ordinary Share, Security, Spin-Off Security, option, warrant or other right or asset (all as determined by an Independent Adviser) (and for the avoidance of doubt such Bloomberg page for the Ordinary Shares as at the Closing Date is SVW AU Equity HP), if available or, in any other case, such other source (if any) as shall be determined in good faith to be appropriate by an Independent Adviser on such Dealing Day and translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such Dealing Day, provided that if on any such Dealing Day (for the purpose of this definition, the “**Original Date**”) such price is not available or cannot otherwise be determined as provided above, the Closing Price of an Ordinary Share, Spin-off Security, Security, option, warrant, or other right or asset, as the case may be, in respect of such Dealing Day shall be the Closing Price, determined as provided above, on the immediately preceding Dealing Day on which the same can be so determined, and further provided that if such immediately preceding Dealing Day falls prior to the fifth day before the Original Date, an Independent Adviser shall determine the Closing Price in respect of the Original Date in good faith, all as determined by an Independent Adviser.

“**Control**” means (i) the ownership or control, either directly or indirectly, of more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of a company or business entity, or (ii) control within the meaning of section 50AA of the Corporations Act.

“**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 Period Commencement Date**” 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 of Australia.

“**Current Market Price**” means, in respect of an Ordinary Share at a particular date, the average of the daily Volume Weighted Average Price of an Ordinary Share on each of the five consecutive Dealing Days ending on the Dealing Day immediately preceding such date, provided that:

- (i) for the purposes of determining the Current Market Price pursuant to Conditions 6(b)(iv) or 6(b)(vi) in circumstances where the relevant event relates to an issue of Ordinary Shares, if at any time during the said five dealing-day period (which may be on each of such five Dealing Days) the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex- any other entitlement) and/or during some other part of that period (which may be on each of such five Dealing Days) the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), in any such case which has been declared or announced, then:
 - (a) if the Ordinary Shares to be issued or transferred and delivered do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price cum-Dividend (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 Dividend or entitlement per Ordinary Share as at the Effective Date relating to such Dividend or entitlement (or, where on each of the said five Dealing Days the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement), as at the date of first public announcement of such Dividend 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
 - (b) if the Ordinary Shares to be issued or transferred and delivered (if applicable) do rank for the Dividend or entitlement in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex-Dividend (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 Dividend or entitlement per Ordinary Share as at the Effective Date relating to such Dividend (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;
- (ii) for the purposes of any calculation or determination required to be made pursuant to paragraphs (a)(1) or (a)(2) of the definition of “**Dividend**”, if on any of the said five Dealing Days the Volume Weighted Average Price shall have been based on a price cum the relevant Dividend 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 Dividend, determined on a

gross basis and disregarding any withholding or deduction require to be made for or on account of tax, and disregarding any associated tax credit; and

- (iii) for any other purpose, if any day during the said five-Dealing-Day period was the Effective Date in relation to any Dividend (or any other entitlement) the Volume Weighted Average Prices that shall have been based on a price cum- such Dividend (or cum- such 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 Dividend or entitlement per Ordinary Share as at the Effective Date relating to such Dividend or entitlement.

“Dealing Day” means a day on which the Relevant Stock Exchange is open for business and on which Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets (as the case may be) may be dealt in (other than a day on which the Relevant Stock Exchange is scheduled to or does close prior to its regular closing time).

a **“Delisting”** occurs when the Ordinary Shares (a) cease to be listed or admitted to trading on the Australian Securities Exchange or any Alternative Stock Exchange (as relevant) or (b) are suspended from trading for a period of more than 45 consecutive Dealing Days.

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

- (a) where: (1) a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Ordinary Shares or other property or assets, or where an issue of Ordinary Shares to Shareholders by way of 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 Shareholder or Shareholders be, satisfied by the payment of cash, then the Dividend or capitalisation in question shall be treated as a Cash Dividend of an amount equal to the greater of: (i) the Fair Market Value of such cash amount (in the case of an issue of Ordinary Shares pursuant to the DRP, provided that the discount per Ordinary Share as determined and announced by the Issuer at which Ordinary Shares may be issued pursuant to the DRP in respect of such Dividend is equal to or less than 5 per cent.) and (ii) (a) other than in the case of a DRP where the discount per Ordinary Share as determined and announced by the Issuer exceeds 5 per cent., the Current Market Price of such Ordinary Shares or, as the case may be, the Fair Market Value of such other property or assets in any such case (as at the first date on which the Ordinary Shares are traded ex- the relevant Dividend or capitalisation (as the case may be) or if later, the date on which the number of Ordinary Shares (or amount of such other property or assets, as the case may be) which may be issued or transferred and delivered is determined), save that where a Dividend in cash is announced which may at the election of a Shareholder or Shareholders be satisfied by the issue or delivery of Ordinary Shares or an issue of Ordinary Shares to Shareholders by way of capitalisation of profits or reserves is announced which may at the election of a Shareholder or Shareholders be satisfied by the payment of cash where the number of Ordinary Shares which may be issued or delivered is to be determined at a date or during a period following such announcement and is to be determined by reference to a publicly available formula based on the Closing Price or volume weighted average price or any like or similar pricing benchmark of the Ordinary Shares, without factoring in any discount to such price or benchmark, then such Dividend shall be treated as a Cash Dividend in an amount equal to the Fair Market Value of such cash amount on such date as such cash amount is determined as aforesaid or (b)

in the case of a DRP where the discount per Ordinary Share as determined and announced by the Issuer exceeds 5 per cent., the Fair Market Value of such cash amount (which may be an Extraordinary Dividend and adjusted for pursuant to Condition 6(b)(iii)(B)) and the difference between the Current Market Price (as at the settlement date of the DRP) of an Ordinary Share and the price per Share of the DRP (which shall be a Capital Distribution and adjusted for pursuant to Condition 6(b)(iii)(A) on the date of settlement of the DRP), or (2) there shall be any issue of Ordinary Shares to Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where (other than in circumstances subject to proviso (1) above) such issue is or is expressed to be in lieu of a Dividend (whether or not a cash Dividend equivalent or amount is announced) or a Dividend in cash that is to be satisfied (other than in circumstances subject to proviso (1) above) by the issue or delivery of Ordinary Shares or other property or assets, the capitalisation or Dividend in question shall be treated as a Cash Dividend of an amount equal to the Current Market Price of such Ordinary Shares or, as the case may be, the Fair Market Value of such other property or assets as at the first date on which the Ordinary Shares are traded ex- the relevant capitalisation or, as the case may be, ex- the relevant Dividend on the Relevant Stock Exchange (or, if later, the date on which the number of Ordinary Shares or amount of such other property or assets, as the case may be, is determined), save that where a Dividend in cash is announced which is to be satisfied by the issue or delivery of Ordinary Shares where the number of Ordinary Shares to be issued or delivered is to be determined at a date or during a period following such announcement and is to be determined by reference to a publicly available formula based on the Closing Price or volume weighted average price or any like or similar pricing benchmark of the Ordinary Shares, without factoring in any discount to such price or benchmark, then such Dividend shall be treated as a Cash Dividend in an amount equal to the Fair Market Value of such cash amount on such date as such cash amount is determined as aforesaid;

- (b) any issue of Ordinary Shares falling within Conditions 6(b)(i) or 6(b)(ii) shall be disregarded;
- (c) a purchase or redemption or buy back of share capital of the Issuer by the Issuer or any Subsidiary of the Issuer shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Ordinary Shares by or on behalf of the Issuer or its Subsidiaries, the weighted average price per Ordinary Share (before expenses) on any one day (a “**Specified Share 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 5 per cent. the average of the daily Volume Weighted Average Price of: (1) an Ordinary Share on the Relevant Stock Exchange (as published by or derived from the Relevant Stock Exchange) on the five Dealing Days on which sales in Ordinary Shares were recorded immediately preceding the Specified Share Day; or, (2) 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 Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Ordinary Shares at some future date at a specified price or where a tender offer is made, on the five Dealing Days on which sales in Ordinary Shares were recorded immediately preceding the date of such announcement or the date of first public announcement of such tender offer (and regardless whether or not a price per Ordinary Share, a minimum price per Ordinary Share or a price range or a formula for the determination thereof is or is not announced at such time), as the case may be, in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in the Relevant Currency to the extent that the aggregate price paid (before expenses) in respect of such Ordinary Shares purchased, redeemed or bought back by the Issuer or, as the case may be, any of its Subsidiaries (translated where appropriate into the Relevant Currency as provided above) exceeds the product of (i) 105 per cent. of the average of the daily Volume Weighted Average Price of an Ordinary

Share determined as aforesaid and (ii) the number of Ordinary Shares so purchased, redeemed or bought back;

- (d) if the Issuer or any of its Subsidiaries shall purchase, redeem or buy back any depositary or other receipts or certificates representing Ordinary Shares, the provisions of paragraph (c) of the proviso to this definition shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Adviser;
- (e) where a dividend or distribution is paid or made to Shareholders pursuant to any plan implemented by the Issuer for the purpose of enabling Shareholders to elect, or which may require Shareholders, to receive dividends or distributions in respect of the Ordinary Shares held by them from a person other than, or in addition to the Issuer, such dividend or distribution shall for the purposes of these Conditions be treated as a dividend or distribution made or paid to Shareholders by the Issuer, and the foregoing provisions of this definition and the provisions of these Conditions shall be construed accordingly;
- (f) provided that where a Dividend in cash is declared which provides for payment by the Issuer to Shareholders in the Relevant Currency or an amount in cash is or may be paid in the Relevant Currency, whether at the option of Shareholders or otherwise, it shall be treated as a Cash Dividend in the amount of such Relevant Currency or, as the case may be, an amount in such Relevant Currency, and in any other case it shall be treated as a Cash Dividend or, as the case may be, an amount in cash in the currency in which it is payable by the Issuer; and
- (g) a dividend or distribution that is a Spin-Off shall be deemed to be a Dividend paid or made by the Issuer,

and any such determination shall be made 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.

“**DRP**” means a Dividend Reinvestment Plan of the Issuer.

“**equity share capital**” means, in relation to any entity, 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 where immediately after completion of the relevant Scheme of Arrangement the ordinary shares or units or equivalent of Newco (or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco) 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.

“**Existing Major Shareholder**” means Mr. Kerry Stokes, entities controlled by Mr. Kerry Stokes and any of his and their respective associates.

“**Fair Market Value**” means, with respect to any property on any date, the fair market value of that property as determined in good faith by an Independent Adviser provided, that (i) the Fair Market Value of a Cash Dividend shall be the amount of such Cash Dividend; (ii) the Fair Market Value of any other cash amount shall be the amount of such cash; (iii) where Spin-Off Securities, Securities, options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by an Independent Adviser), the fair market value (a) of such Spin-Off Securities or Securities shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Spin-Off Securities or Securities and (b) of such options, warrants or other rights shall equal the arithmetic mean of the daily Closing Prices of such options, warrants or other rights, in the case of both (a) and (b) 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 Securities, Securities, options, warrants or other rights are publicly traded); (iv) where Spin-Off Securities, Securities, options, warrants or other rights are not publicly traded (as aforesaid), the Fair Market Value of such Spin-Off Securities, Securities, options, warrants or other rights shall be determined in good faith by an Independent 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 Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Spin-Off Securities, Securities, options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof; (v) in the case of (i) above translated into the Relevant Currency (if declared or paid or payable in a currency other than the Relevant Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend 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 and (vi) in the case of (i) and (ii) above disregarding any withholding or deduction required to be made on account of tax and any associated tax credit.

“**Final Maturity Date**” means 5 March 2025.

“**indebtedness for borrowed money**” means any present or future indebtedness (whether being principal, interest or other amounts) for or in respect of (i) money borrowed or raised (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock, certificates of deposit, commercial paper or other securities 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.

“**Independent Adviser**” means an independent adviser with appropriate expertise appointed by the Issuer at its own expense and notified in writing to the Trustee or, if the Issuer fails to make such appointment and such failure continues for a period of 30 calendar days (as determined by the Trustee in its sole discretion) and the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against the costs, fees and expenses of and other amounts payable to such adviser and otherwise in connection with the making of such appointment, appointed by the Trustee (without liability for so doing) following notification to the Issuer, which appointment shall be deemed to be made by the Issuer.

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

“**Market Price**” means the Volume Weighted Average Price of an Ordinary Share on the relevant Reference Date, provided that if any Dividend or other entitlement in respect of the Ordinary Shares 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 Dividend 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 Ordinary Share is based on a price ex-Dividend or ex- any other entitlement, then such Volume Weighted Average Price shall be increased by an amount equal to the Fair Market Value of such Dividend or entitlement per Ordinary Share as at the Effective Date relating to such Dividend or entitlement, 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).

“**Material Subsidiary**” means any Subsidiary of the Issuer:

- (a) whose profits before taxation (“**pre-tax profit**”) (consolidated in the case of a Subsidiary which itself has Subsidiaries) attributable to the Issuer, as shown by its latest audited profit and loss account, are at least 5 per cent. of the consolidated pre-tax profit as shown by the latest published audited consolidated profit and loss account of the Issuer and its consolidated Subsidiaries, including, for the

avoidance of doubt, the Issuer and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of associated entities and after adjustments for minority interests; or

- (b) whose gross assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) attributable to the Issuer, as shown by its latest audited balance sheet, are at least 5 per cent. of the consolidated gross assets of the Issuer and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Issuer and its consolidated Subsidiaries, including the investment of the Issuer and its consolidated Subsidiaries in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer and of associated companies and after adjustment for minority interests;

provided that, in relation to paragraphs (a) and (b) above of this definition:

- 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 Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer and its consolidated Subsidiaries for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer 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 Issuer and its Subsidiaries 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 the Issuer or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, pre-tax profit or gross assets of the Issuer and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Issuer for the purposes of preparing a certificate thereon to the Trustee; and
 - c. if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (a.) above) of this definition) are not consolidated with those of the Issuer, then the determination of whether or not such Subsidiary is a Material Subsidiary 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 Issuer; or
- (c) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (A) the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (B) the transferee Subsidiary shall immediately become a Material Subsidiary, 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 Material Subsidiary shall be determined pursuant to the provisions of the paragraphs above of this definition.

A certificate prepared by a Director of the Issuer who is also an Authorised Signatory of the Issuer, stating that in his or her opinion, a Subsidiary is or is not, or was or was not, a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

“**Newco Scheme**” means a scheme of arrangement or analogous proceeding (a “**Scheme of Arrangement**”) which effects the interposition of a limited liability company or trust (“**Newco**”) between the Shareholders of the Issuer immediately prior to the Scheme of Arrangement (the “**Existing Shareholders**”) and the Issuer; provided that (i) only ordinary shares or units or equivalent of Newco or depositary or other receipts or

certificates representing ordinary shares or units or equivalent are issued to Existing Shareholders; (ii) immediately after completion of the Scheme of Arrangement the only holders of ordinary shares, units or equivalent of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco are Existing Shareholders 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 shareholder of the Issuer; (iv) all Subsidiaries of the Issuer immediately prior to the Scheme of Arrangement (other than Newco, if Newco is then a Subsidiary of the Issuer) are Subsidiaries of the Issuer (or of Newco) immediately after completion of the Scheme of Arrangement; and (v) immediately after completion of the Scheme of Arrangement the Issuer (or Newco) holds, directly or indirectly, the same percentage of the ordinary share capital and equity share capital of those Subsidiaries as was held by the Issuer immediately prior to the Scheme of Arrangement.

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

“**Noteholder**” and “**holder**” mean the person in whose name a Note is registered in the Register (as defined in Condition 4(a)).

“**Offshore Associate**” means an Associate of the Issuer:

- (a) which is a non-resident of Australia and does not receive payment in respect of Notes (or an interest in Notes) that the Associate acquired in carrying on a business in Australia at or through a permanent establishment of the Associate in Australia; or
- (b) which is a resident of Australia and which receives payment in respect of Notes (or an interest in Notes) that the Associate acquired in carrying on a business in a country outside Australia at or through a permanent establishment of the Associate in that country,

and which, in either case, is not receiving payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme.

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

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

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

“**Ordinary Shares**” means fully paid ordinary shares in the capital of the Issuer.

“**Permitted Security Interest**” means a Security Interest in respect of property or assets of the Issuer or a Subsidiary of the Issuer, which (i) existed at the Closing Date and was not created in contemplation of the issue of Notes; or (ii) existed before the relevant entity became a Subsidiary of the Issuer and was not created in contemplation of such entity becoming a Subsidiary of the Issuer and provided that the principal amount of such Relevant Indebtedness is not increased.

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

“**Prevailing Rate**” means, in respect of a pair of currencies on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12.00 noon (Sydney time) on that date as appearing on or derived from the Relevant Page or if such a rate cannot be determined at such time, the rate prevailing as at or about 12 noon (Sydney time) on 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 an Independent Adviser shall consider in good faith appropriate.

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

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

“**Reference Shares**” means, in respect of the exercise of Conversion Rights by a Noteholder, the number of Ordinary Shares (rounded down, if necessary, to the nearest whole number) determined in good faith by the Issuer by dividing the aggregate principal amount of the Notes the subject of the relevant exercise of Conversion Rights by the Conversion Price in effect on the relevant Conversion Date.

“**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 Ordinary Shares are quoted or traded on the Relevant Stock Exchange.

“**Relevant Date**” means, in respect of any Note, 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 to the Noteholders in accordance with Condition 17 that, upon further presentation of the Note, where required pursuant to these Conditions, being made, such payment will be made, provided that such payment is in fact made as provided in these Conditions.

a “**Relevant Event**” occurs when:

- (i) there is a Delisting; or
- (ii) there is a Change of Control.

“**Relevant Event Notice**” has the meaning provided in Condition 7(f).

“**Relevant Event Redemption Date**” has the meaning provided in Condition 7(f).

“**Relevant Indebtedness**” means any present or future indebtedness (whether being principal, premium, interest or other amounts) in the form of or evidenced 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 or traded on any recognised listing authority, stock exchange, securities quotation system or over-the-counter or other securities market.

“**Relevant Page**” means the relevant page on Bloomberg or, if there is no such page, on Reuters or such other information service provider that displays the relevant information.

“**Relevant Stock Exchange**” means (i) in the case of Ordinary Shares, the Australian Securities Exchange or, if at the relevant time the Ordinary Shares are not at that time listed and admitted to trading on the Australian Securities Exchange, the Alternative Stock Exchange and (ii) in the case of Securities (other than Ordinary Shares), Spin-Off Securities, options, warrants or other rights or assets, the principal stock exchange or securities market on which such Securities (other than Ordinary Shares), Spin-Off Securities, options, warrants or other rights or assets are then listed, admitted to trading or quoted or dealt in.

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

“**Securities**” means any securities including, without limitation, Ordinary Shares, or options, warrants or other rights to subscribe for or purchase or acquire Ordinary Shares.

“**Shareholders**” means the holders of Ordinary Shares.

“**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 Securities by the Issuer to Shareholders 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 Issuer) to Shareholders as a class or, in the case of or in connection with a Newco Scheme, Existing Shareholders as a class (but excluding the issue and allotment of ordinary shares by Newco to Existing Shareholders as a class), pursuant in each case to any arrangements with the Issuer or any of its Subsidiaries.

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

“**Subsidiary**” means any entity which is a subsidiary of the Issuer within the meaning of Part 1.2 Division 6 of the Corporations Act or is a subsidiary of or otherwise controlled by the Issuer within the meaning of any approved accounting standard applicable to the Issuer.

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

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

“**Volume Weighted Average Price**” means, in respect of an Ordinary Share, Security or, as the case may be, a Spin-Off Security, option, warrant or other right or asset on any Dealing Day, the volume-weighted average price of an Ordinary Share, Security or, as the case may be, a Spin-Off Security published by or derived (in the case of an Ordinary Share) from Bloomberg page HP (or any successor page) (setting Weighted Average Line, or any other successor setting and using values not adjusted for any event occurring after such dealing day; and for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) for such Ordinary Share, Security, Spin-Off Security, option, warrant or other right or asset in respect of the Relevant Stock Exchange for such Ordinary Share, Security, Spin-Off Security, option, warrant or other right or asset (and for the avoidance of doubt such Bloomberg page for the Ordinary Shares where the Relevant Stock Exchange is the Australian Securities Exchange shall be SVW AU Equity HP), if any or, in any such case, such other source as shall be determined in good faith to be appropriate by an Independent Adviser on such dealing day, provided that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share, Security, Spin-Off Security, option, warrant or other right or asset 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, all determined by an Independent Adviser in such manner as it might otherwise determine in good faith to be appropriate.

“**Voting Rights**” means the right generally to vote at a general meeting of Shareholders (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 occurrence of any contingency).

References to any act or statute or any 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 Shareholders or Existing Shareholders “**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 Shareholders or Existing Shareholders, as the case may be, other than Shareholders or Existing Shareholders, 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 Closing Price, Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as an Independent Adviser considers in good faith appropriate to reflect any consolidation or sub-division of the Ordinary Shares or any issue of Ordinary Shares by way of capitalisation of profits or reserves, 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 Ordinary Shares or Ordinary Shares being “**issued**” shall include the transfer and/or delivery of Ordinary Shares, whether newly issued and allotted or previously existing or held by or on behalf of the Issuer or any of its Subsidiaries, and (b) Ordinary Shares held by or on behalf of the Issuer or any of its Subsidiaries (and which, in the case of Conditions 6(b)(iv) and 6(b)(vi), 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 Dividend, right or other entitlement.

4 Registration and Transfer of Notes

(a) *Registration*

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

(b) *Transfer*

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

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

The Registrar will within seven business days, in the place of the specified office of the Registrar, of any duly made application for the transfer of a Note register the relevant transfer and deliver a new Certificate to the transferee (and, in the case of a transfer of part only of a Note, deliver a Certificate 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 Certificate 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) compliance with the regulations referred to it in Condition 4(e).

(d) *Closed Periods*

Neither the Issuer nor the Registrar will be required to register the transfer of any Note (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 Notes 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 Condition 7(f), or (iv) during the period of 15 days ending on (and including) any Record Date (as defined in Condition 8(c)) in respect of any payment of interest on the Notes.

(e) *Regulations*

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning registration and transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written agreement of the Trustee and the Registrar, and by the Registrar, with the prior written agreement of the Trustee. A copy of the current regulations will be mailed by the Registrar to any Noteholder upon request.

(f) *Restrictions on transfer*

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

- (i) (where received in Australia) does not constitute an offer or invitation for which disclosure is required to be made to investors under Part 6D.2 of the Corporations Act;
- (ii) (where received in Australia) 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 Notes bear interest from and including the Closing Date at the rate of 2.20 per cent. per annum (the “**Interest Rate**”) calculated by reference to the principal amount thereof and payable semi-annually in equal instalments in arrear on 5 March and 5 September in each year (each an “**Interest Payment Date**”) commencing on the Interest Payment Date falling on 5 September 2018.

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

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

(b) *Accrual of Interest*

Each Note will cease to bear interest (i) where the Conversion Right shall have been exercised by a Noteholder, 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 Note is redeemed or repaid pursuant to Condition 7 or Condition 10, from the due date for redemption or repayment thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue from the due date for redemption or

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

6 Conversion of Notes

(a) Conversion

- (i) **Conversion Period and Conversion Price:** Subject to Condition 6(m), each Note shall entitle the holder to convert such Note into new and/or existing Ordinary Shares as determined by the Issuer, credited as fully paid, subject to and as provided in these Conditions (a “**Conversion Right**”).

The number of Ordinary Shares to be issued or transferred and delivered on exercise of a Conversion Right shall (subject as aforesaid) be determined by dividing the principal amount of the Notes to be converted by the conversion price (the “**Conversion Price**”) in effect on the relevant Conversion Date.

The initial Conversion Price is A\$24.00 per Ordinary Share but will be subject to adjustment in the manner provided in Condition 6(b).

A Noteholder may exercise the Conversion Right in respect of a Note by delivering the Certificate evidencing such Note 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 delivery to or as directed by the relevant Noteholder of Ordinary Shares credited as paid up in full as provided in this Condition 6.

Subject to, and as provided in these Conditions (including Condition 6(m)), the Conversion Right in respect of a Note may be exercised, at the option of the holder thereof, at any time subject to any applicable fiscal or other laws or regulations and as hereinafter provided, at any time on or after 16 April 2018 (the “**Conversion Period Commencement Date**”), provided that the relevant Conversion Date shall not fall later than on the date falling seven days prior to the Final Maturity Date (both days inclusive) or, if such Note is to be redeemed pursuant to Condition 7(b) or Condition 7(c) prior to the Final Maturity Date, not later than the seventh day before the date fixed for redemption thereof pursuant to Condition 7(b) or Condition 7(c), unless there shall be default in making payment in respect of such Note on such date fixed for redemption, in which event the Conversion Right may be exercised up to 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 days prior to the Final Maturity Date (the “**Conversion Period**”) 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 Noteholders 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, subject to Condition 6(m), be exercised prior to the Conversion Period Commencement Date, in which case Noteholders exercising the Conversion Right prior to the Conversion Period

Commencement Date shall, as a pre-condition to receiving Ordinary Shares, 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 Ordinary Shares; 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 in respect of a Note may not be exercised following the giving of a notice by the holder thereof pursuant to Condition 7(e) or Condition 7(f).

Conversion Rights may not be exercised following the giving of notice by the Trustee pursuant to Condition 10.

Save in the circumstances provided in Condition 6(j) in respect of any notice given by the Issuer pursuant to Conditions 7(b) or 7(c), Conversion Rights may not be exercised by a Noteholder 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 Notes and ending on the relevant Interest Payment Date (both days inclusive).

Conversion Rights may only be exercised in respect of an authorised denomination.

The Issuer will procure that Ordinary Shares to be issued or transferred and delivered on conversion will be issued or transferred and delivered to the holder of the Notes completing the relevant Conversion Notice or his nominee. Such Ordinary Shares will be deemed to be issued or transferred and delivered as of the relevant Conversion Date. Any Additional Ordinary Shares to be issued or transferred and delivered pursuant to Condition 6(c) will be deemed to be issued or transferred and delivered as of the date the relevant Retroactive Adjustment takes effect or if that is not a Dealing Day, the next following Dealing Day (each such date, the “**Reference Date**”).

- (ii) **Fractions:** Fractions of Ordinary Shares will not be issued or transferred and delivered on conversion 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 Note is exercised at any one time such that Ordinary Shares to be delivered on conversion or pursuant to Condition 6(c) are to be registered in the same name, the number of such Ordinary Shares to be issued or transferred and delivered in respect thereof shall be calculated on the basis of the aggregate principal amount of such Notes being so converted and rounded down to the nearest whole number of Ordinary Shares.

(b) *Adjustment of Conversion Price*

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

- (i) If and whenever there shall be a consolidation, reclassification, redesignation or subdivision in relation to the Ordinary Shares which alters the number of Ordinary Shares 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 Ordinary Shares in issue immediately before such consolidation, reclassification, redesignation or subdivision, as the case may be; and
- B is the aggregate number of Ordinary Shares in issue immediately after, and as a result of, such consolidation, reclassification, redesignation or subdivision, as the case may be.

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

- (ii) If and whenever the Issuer shall issue any Ordinary Shares to Shareholders credited as fully paid by way of capitalisation of profits or reserves (including any amount of any share premium account or capital redemption reserve) other than where it is determined to constitute a Cash Dividend, 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 Ordinary Shares in issue immediately before such issue; and
- B is the aggregate number of Ordinary Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Ordinary Shares.

(iii)

- (A) If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders, 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 Ordinary Share on the Effective Date; and
- B is the portion of the Fair Market Value of the aggregate Capital Distribution attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Capital Distribution by the number of Ordinary Shares entitled to receive the relevant Capital Distribution (or, in the case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares by or on behalf of the Issuer or any Subsidiary of the Issuer, by the number of Ordinary Shares in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Ordinary Shares, or any Ordinary Shares 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 Ordinary Shares are traded ex-the relevant Dividend on the Relevant Stock Exchange or, in the case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares, 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 Ordinary Shares are traded ex- the relevant Spin-Off on the Relevant Stock Exchange.

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

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

- (B) If and whenever the Issuer shall pay or make any Extraordinary Dividends to Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date (defined below) by the following fraction:

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

where:

A is the Volume Weighted Average Price of one Ordinary Share on the Effective Date; and

B is the portion of the Fair Market Value of the aggregate Extraordinary Dividend attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Extraordinary Dividend by the number of Ordinary Shares entitled to receive the relevant Dividend.

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 Dividend is capable of being determined as provided herein.

“**Cash Dividend**” means (i) any Dividend 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 Dividend determined to be a Cash Dividend pursuant to paragraph (a) of the definition of “**Dividend**”, and for the avoidance of doubt, a Dividend falling within paragraph (c) or (d) of the definition of “**Dividend**” shall be treated as being a Non-Cash Dividend.

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

“**Extraordinary Dividend**” means any Cash Dividend (the “**Relevant Dividend**”) where the ex-date in respect thereof falls in a Relevant Period, if (a) the Fair Market Value of the Relevant Dividend per Ordinary Share or (b) the sum of (i) the Fair Market Value of the Relevant Dividend per Ordinary Share and (ii) an amount equal to the aggregate of the Fair Market Value or Values of any other Cash Dividend or Cash Dividends per Ordinary Share, the ex- date in respect of which falls in such Relevant Period, exceeds the Threshold Amount in respect of

such Relevant Dividend, and in that case the Extraordinary Dividend shall be the amount by which the Threshold Amount is exceeded, calculated as aforesaid.

“**Relevant Period**” means the period of 12 months commencing on, and including, the Closing Date and ending on, but excluding, the date falling 12 months after the Closing Date, and each successive period commencing on, and including, the last day of the preceding Relevant Period and ending on, but excluding, the date falling 12 months thereafter, provided that the final Relevant Period shall commence on (and include) the sixth anniversary of the Closing Date and end on, but exclude, the Final Maturity Date.

“**Threshold Amount**” means, for any Relevant Period, A\$0.42 per Ordinary Share (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 Relevant Period 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 Relevant Period. Any adjustment not required to be made and/or any amount by which the Threshold Amount in respect of any Relevant Period 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 Issuer to Noteholders in accordance with Condition 17 and to the Trustee in writing promptly after the determination thereof.

For the purposes of the above, Fair Market Value shall (subject as provided in paragraph (a) of the definition of “**Dividend**” and in the definition of “**Fair Market Value**”) be determined as at the Effective Date.

In making any calculations for the purposes of this Condition 6(b)(iii), such adjustments (if any) shall be made as an Independent Adviser may determine in good faith to be appropriate to reflect (i) any consolidation or sub-division of any Ordinary Shares or the issue of Ordinary Shares by way of capitalisation of profits or reserves (or any like or similar event) or any increase in the number of Ordinary Shares in issue in relation to the Relevant Period in question, or (ii) any adjustment to the Conversion Price made in the Relevant Period in question.

- (iv) If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall issue to Shareholders as a class by way of rights, or shall issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase or otherwise acquire Ordinary Shares 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 Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued), in each case at a price per Ordinary Share which is less than 90 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the terms of the issue or grant, 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 number of Ordinary Shares in issue on the Effective Date;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares 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, Ordinary Shares, or for the options or warrants or other rights issued by way of rights and for the total number of Ordinary Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Ordinary Share; and
- C is the number of Ordinary Shares to be issued or, as the case may be, the maximum number of Ordinary Shares 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 Ordinary Shares 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 Ordinary Shares 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 Shareholders 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 Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange.

- (v) If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall issue any Securities (other than Ordinary Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire any Ordinary Shares or Securities which by their terms carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or rights to otherwise acquire, Ordinary Shares) to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for, purchase or otherwise acquire any Securities (other than Ordinary Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Ordinary Shares or Securities which by their terms carry (directly or indirectly) rights

of conversion into, or exchange or subscription for, or rights to otherwise acquire, Ordinary Shares), 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 Ordinary Share on the Effective Date; and
- B is the Fair Market Value on the Effective Date of the portion of the rights attributable to one Ordinary Share.

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 Shareholders 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 Ordinary Shares are traded ex- the relevant Securities or ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange.

- (vi) If and whenever the Issuer shall issue wholly for cash or for no consideration (otherwise than as mentioned in Condition 6(b)(iv) above and save in relation to an issue of Ordinary Shares pursuant to the DRP where the Conversion Price has been adjusted for pursuant to Condition 6(b)(iii)), any Ordinary Shares (other than Ordinary Shares issued on conversion of the Notes (which term shall for this purpose include any further Notes issued pursuant to Condition 18) or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of or rights to otherwise acquire, Ordinary Shares) and other than where it is determined to constitute a Cash Dividend pursuant to paragraph (a) of the definition of “**Dividend**” or if and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) 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 any Ordinary Shares (other than the Notes, which term shall for this purpose include any further Notes issued pursuant to Condition 18), in each case at a price per Ordinary Share which is less than 90 per cent. of the Current Market Price per Ordinary Share 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 the Effective Date by the following fraction:

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

where:

- A is the number of Ordinary Shares in issue immediately before the issue of such Ordinary Shares or the grant of such options, warrants or rights;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the issue of such Ordinary Shares or, as the case may be, for the Ordinary Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Ordinary Share; and

C is the number of Ordinary Shares to be issued pursuant to such issue of such Ordinary Shares or, as the case may be, the maximum number of Ordinary Shares 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 or grant of such options, warrants or rights (as used in this Condition 6(b)(vi), the “**Specified Date**”) such number of Ordinary Shares 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 Effective Date.

“**Effective Date**” means, in respect of this Condition 6(b)(vi), the date of issue of such Ordinary Shares or, as the case may be, the issue or grant of such options, warrants or rights.

- (vii) If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity (otherwise than as mentioned in Conditions 6(b)(iv), 6(b)(v) or 6(b)(vi) above and save in relation to an issue of Ordinary Shares pursuant to the DRP where the Conversion Price has been adjusted for pursuant to Condition 6(b)(iii)) shall issue wholly for cash or for no consideration any Securities (other than the Notes which term shall for this purpose exclude any further Notes issued pursuant to Condition 18), 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, Ordinary Shares (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 Ordinary Shares and the consideration per Ordinary Share receivable upon conversion, exchange, subscription, purchase, acquisition reclassification or redesignation is less than 90 per cent. of the Current Market Price per Ordinary Share 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 the Effective Date by the following fraction:

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

where:

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

B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares 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 Ordinary Shares to be issued or to

arise from any such reclassification or redesignation would purchase at such Current Market Price per Ordinary Share; and

C is the maximum number of Ordinary Shares 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 Ordinary Shares 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 Ordinary Shares 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 or acquisition, reclassification or, as the case may be, redesignation had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this Condition 6(b)(vii), the date of issue of such Securities or, as the case may be, the grant of such rights.

(viii) If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any Securities (other than the Notes which shall for this purpose include any further Notes issued pursuant to Condition 18) 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 Ordinary Shares (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 Ordinary Share receivable has been reduced and is less than 90 per cent. of the Current Market Price per Ordinary Share 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 the Effective Date by the following fraction:

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

where:

A is the number of Ordinary Shares in issue 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, Ordinary Shares which have been issued, purchased or acquired by the Issuer or any Subsidiary of the Issuer (or at the direction or request or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) for the purposes of or in connection with such Securities, less the number of such Ordinary Shares so issued, purchased or acquired);

B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares 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 Ordinary Share on the date of such first public announcement or, if lower, the existing conversion, exchange, subscription, purchase or acquisition price of such Securities; and

C is the maximum number of Ordinary Shares 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 an Independent Adviser shall consider appropriate for any previous adjustment under this Condition 6(b)(viii) or under 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 Ordinary Shares 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 Effective Date.

“**Effective Date**” means, in respect of this Condition 6(b)(viii), the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such Securities.

- (ix) Subject to Condition 6(e), if and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall offer any Ordinary Shares or Securities of the Issuer in connection with which Shareholders as a class are entitled to participate in arrangements whereby such Ordinary Shares 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 6(b)(x) below (or, where applicable, would fall to be so adjusted if the relevant issue or grant was at less than 90 per cent. of the Current Market Price per Ordinary Share on the relevant day)) the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the Effective Date by the following fraction:

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

where:

A is the Current Market Price of one Ordinary Share on the Effective Date; and

B is the Fair Market Value on the Effective Date of the portion of the relevant offer attributable to one Ordinary Share.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this Condition (b)(ix), the first date on which the Ordinary Shares are traded ex-rights on the Relevant Stock Exchange.

(x)

If a Change of Control shall occur, the Issuer shall deliver a Change of Control Notice in accordance with Condition 6(g). Following the giving of a Change of Control Notice, 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 “**Change of Control Conversion Price**”) shall be as determined pursuant to the following formula:

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

where:

COCCP = means the Change of Control Conversion Price

OCP = means the Conversion Price in effect on the relevant Conversion Date, disregarding the application of this Condition 6(b)(x)

CP = means 30.4% (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

(xi) If the Issuer 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), the Issuer shall, at its own expense and acting reasonably, request an Independent 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 Independent 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, where:

(a) 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 an Independent Adviser to be in its opinion appropriate to give the intended result; and

- (b) such modification shall be made to the operation of these Conditions as may be advised by an Independent 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 Dividend is not taken into account more than once.

The Issuer has undertaken that it will not take any corporate or other action which is equivalent to Conditions 6(b)(i) to 6(b)(x) (both inclusive) that would cause the Conversion Price of the Notes to be adjusted in a manner that contravenes the Corporations Act or the Listing Rules of the ASX.

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 Ordinary Shares issued for cash shall be the amount of such cash;
- (b) (x) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be the consideration or price received or receivable for any such Securities and (y) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at as at the relevant Effective Date referred to in Condition 6(b)(iv) or 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 Ordinary Share 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 Ordinary Shares 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 relevant Effective Date (in the case of paragraph (a) above or for the purposes of Condition 6(b)(iv)) or the relevant date of first public announcement (for the purposes of Conditions 6(b)(vi), 6(b)(vii) or 6(b)(viii));
- (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 Ordinary Shares or Securities or options, warrants or rights, or otherwise in connection therewith; and

- (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 the Issuer or another entity.

(c) *Retroactive Adjustments*

Subject as provided in Condition 6(m), if the Conversion Date in relation to the conversion of any Note 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 is mentioned in Condition 6(b)(viii), but 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 or transferred and delivered to the converting Noteholder, in accordance with the instructions contained in the Conversion Notice, such additional number of Ordinary Shares (if any) as determined by an Independent Advisor (the “**Additional Ordinary Shares**”) as, together with the Ordinary Shares issued or to be transferred and delivered on conversion of the relevant Note (together with any fraction of an Ordinary Share not so issued), is equal to the number of Ordinary Shares which would have been required to be issued or delivered on conversion of such Note as if the relevant adjustment to the Conversion Price had in fact been made and become effective immediately prior to the relevant Conversion Date.

(d) *Decision of an Independent Adviser*

If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price or as to the occurrence of a Change of Control, the Issuer shall consult an Independent Adviser and the written opinion of such Independent Adviser acting in good faith in respect of such adjustment to the Conversion Price shall be conclusive and binding on all parties, save in the case of manifest or proven error.

(e) *Employees Incentive Schemes and Transferable Extended Listed Yield Shares 4*

No adjustment will be made to the Conversion Price where Ordinary Shares or other Securities (including rights, warrants and options) are issued, transferred, offered or granted pursuant to any Employee Share Scheme, or pursuant to the conversion of the Issuer's Transferable Extended Listed Yield Shares 4 (ASX: SVWPA).

“**Employee Share Scheme**” means any scheme approved by the Issuer and in compliance with the requirements of the listing rules of ASX (or if applicable, the Alternative Stock Exchange) pursuant to which Ordinary Shares or other securities (including rights or options) are or may be issued, transferred, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive office or the personal service company of any such person) of the Issuer, its Subsidiaries and/or affiliated companies, or spouses or persons related to such employees or former employees or eligible participants of such scheme or to a trustee or trustees to be held for the benefit of any such person or any amendment or successor plan thereto.

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

On any adjustment to the Conversion Price, the resultant Conversion Price, if not an integral multiple of A\$0.001, shall be rounded down to the nearest whole multiple of A\$0.01. 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 shall be given by the Issuer to Noteholders in accordance with Condition 17 and to the Trustee and the Principal Paying and Conversion Agent in writing promptly after the determination thereof.

The Conversion Price shall not in any event be reduced so that on conversion of the Notes, Ordinary Shares would fall to be issued in circumstances not permitted by applicable laws or regulations.

The Issuer undertakes that it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such nominal value or any minimum level permitted by applicable laws or regulations or that would otherwise result in the inability to issue Ordinary Shares on conversion as fully paid or result in Ordinary Shares being required to be issued or transferred and delivered in circumstances not permitted by applicable laws or regulations.

No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in Condition 6(b)(i) above. The Issuer may at any time and for a specified period only, following notice being given to the Trustee in writing and to Noteholders in accordance with Condition 17, reduce the Conversion Price.

(g) *Change of Control*

Within 5 calendar days following the occurrence of a Change of Control, the Issuer shall give notice thereof to the Trustee in writing and to the Noteholders in accordance with Condition 17 (a “**Change of Control Notice**”). Such notice shall contain a statement informing Noteholders of their entitlement to exercise their Conversion Rights as provided in these Conditions and their entitlement to require the Issuer to redeem their Notes as provided in Condition 7(f).

The Change of Control Notice shall also specify:

- (i) all information material to Noteholders concerning 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 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 Ordinary Shares as derived from the Relevant Stock Exchange as at the latest practicable date prior to the publication of the Change of Control Notice;
- (iv) the Change of Control Put Date and the last day of the Change of Control Period;
- (v) details of the right of the Issuer to redeem any Notes which shall not previously have been converted or redeemed pursuant to Condition 7(f); and
- (vi) such other information relating to the Change of Control as the Trustee may require.

The Trustee shall not be required to 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 will not be responsible or liable to Noteholders or any other person for any loss arising from any failure by it to do so.

(h) *Procedure for exercise of Conversion Rights*

Conversion Rights may be exercised by a Noteholder during the Conversion Period by delivering the relevant Note to the specified office of any Conversion Agent, during its usual business hours, accompanied by a duly completed and signed notice of conversion in the form (for the time being current) obtainable from any Conversion Agent together with, if the number of Ordinary Shares to be issued on exercise of Conversion Rights will result in the holder or its associates having a substantial holding (as that term is defined in the *Corporations Act 2001* (Cth)) in the Company, a copy of a statutory declaration under and for the purposes of article 14.8 of the Constitution of the Company that the person who will be the registered holder of those Ordinary Shares is not in a position to exercise Control of a Media Operation (as those terms are defined in the *Broadcasting Services Act 1992* (Cth)) (a “**Conversion Notice**”). 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 5.00 p.m. (local time) or on a day which is not a business day in the place of the specified office of the relevant 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 or proven error, be conclusive and binding on the Issuer, the Trustee, the other Conversion Agents and the relevant Noteholder.

Conversion Rights may only be exercised in respect of an authorised denomination. Where Conversion Rights are exercised in respect of part only of a Note, the old Certificate evidencing such Note shall be cancelled and a new Certificate evidencing such Note and appropriate entries made in the Register 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 seven business days, in the place of the specified office of the Registrar, following the relevant Conversion Date deliver the new Certificate evidencing such Note to the Noteholder at the specified office of the Registrar or (at the risk and, if mailed at the request of the Noteholder otherwise than by ordinary mail, at the expense of the Noteholder) mail the Certificate evidencing such new Note by uninsured mail to such address as the Noteholder may request.

A Conversion Notice, once delivered, shall be irrevocable.

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

A Noteholder exercising a Conversion Right:

- (i) shall, subject to Condition 6(h)(ii) below, be responsible for paying directly to the relevant authorities any taxes and capital, stamp, issue and registration and transfer taxes and duties arising on conversion and such Noteholder shall be responsible for paying all, if any, taxes arising by reference to any disposal or deemed disposal of a Note or interest therein in connection with such conversion; but

- (ii) shall not be responsible for any taxes or capital, stamp, issue and registration and transfer taxes and duties payable in Australia (or any province, state or territory thereof) in respect of the allotment and issue of any Ordinary Shares on such conversion or in respect of the delivery of any Ordinary Shares on such conversion (including any Additional Ordinary Shares), which shall be paid by the Issuer. If the Issuer shall fail to pay any taxes and capital, stamp, issue and registration and transfer taxes and duties payable for which it is responsible as provided above, the relevant holder shall be entitled to tender and pay the same and the Issuer as a separate and independent stipulation, covenants to reimburse and indemnify each Noteholder in respect of any payment thereof and any penalties payable in respect thereof.

For the avoidance of doubt, none of the Agents nor the Trustee shall be responsible for determining whether such taxes or capital, stamp, issue and registration and transfer taxes and duties are payable or the amount thereof and none of them shall be responsible or liable to pay any such taxes or capital, stamp, issue and registration and transfer taxes and duties or for any failure by the Issuer or any Noteholder to pay such taxes or capital, stamp, issue and registration and transfer taxes and duties.

Ordinary Shares to be issued on exercise of Conversion Rights will be issued, at the option of the Noteholder exercising its Conversion Right as specified in the Conversion Notice, either:

- (a) in uncertificated form through the securities trading system known as the Clearing House Electronic Sub-register System operated by ASX Settlement Pty Ltd (“**CHESS**”) (or any successor licensed clearance and settlement facility applicable to the Ordinary Shares), or
- (b) in uncertificated form through the Issuer’s share registry provider,

and in the case of (a), the Ordinary Shares will be credited to the CHESS account specified in the Conversion Notice, or in the case of (b) the Ordinary Shares will be credited to an account with the share registry provider in the name of the Noteholder, in each case by a date which is generally expected to be not later than four Sydney business days (in the case of Ordinary Shares to be issued through CHESS) after the relevant Conversion Date.

Statements of holdings for Ordinary Shares 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.

On conversion, the Issuer will redeem the Notes held at that time by the Noteholder concerned and in respect of which a Conversion Right is to be exercised (“**Relevant Notes**”) for an amount equal to their aggregate outstanding principal amount. In relation to each Noteholder concerned, the Issuer will apply, on behalf of that Noteholder, the whole of the said amount in respect of the redemption of the Relevant Notes for the subscription for, or acquisition of, the number of Ordinary Shares calculated in accordance with these Conditions.

On the Conversion Date, subject to Condition 6(m), the Issuer must issue, or otherwise deliver (or procure the issue or delivery as the case may be), to each Noteholder (or to such other person as the Noteholder may direct the Issuer in writing at least 5 business days prior to the Conversion Date provided that such person is a person to whom a transfer of the Notes could be made in compliance with Condition 4) the number of Ordinary Shares for its Notes calculated in accordance with these Conditions. Provided the Issuer is admitted to the official list of the ASX, on the date of issue of Ordinary Shares issued on conversion of a Note, the Issuer will apply for quotation of such Ordinary Shares on the ASX.

The lodgement of an application for quotation of the Ordinary Shares with ASX by the Issuer will constitute a representation and warranty by the Issuer to the person to whom the Ordinary Shares in question are issued on Conversion (“**Recipient**”) that:

- (i) the Ordinary Shares issued on conversion are issued solely for the purpose of satisfying the Issuer’s contractual obligations under the terms of the Notes and not for the purpose of the person to whom those Ordinary Shares are issued, selling or transferring the Ordinary Shares or granting, issuing or transferring an interest in, or options over, them;
- (ii) subject to the ASX granting quotation of the Ordinary Shares issued on conversion of Notes, they will be freely tradable in the ordinary course on the ASX; and
- (iii) an offer of the Ordinary Shares issued on conversion for sale within 12 months after their issue will not require disclosure under section 707(3) of the Corporations Act.

Without limiting its obligations under this Condition 6(h), the Issuer shall use its best endeavours, and furnish all such quotation applications, documents, information and undertakings as may be reasonably necessary in order, to procure the ASX quotation referred to in this Condition 6 on the Conversion Date.

(i) *Ordinary Shares*

Ordinary Shares (including any Additional Ordinary Shares) issued or transferred and delivered upon conversion of the Notes will be fully paid and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the relevant Conversion Date or, in the case of Additional Ordinary Shares, on the relevant Reference Date, and the relevant holder shall be entitled to all rights, distribution or payments the record date or other due date for the establishment of entitlement for which falls on or after the relevant Conversion Date, or as the case may be, the relevant Reference Date, except in any such case for any right excluded by mandatory provisions of applicable law or as otherwise may be provided in these Conditions. Such Ordinary Shares or, as the case may be, Additional Ordinary Shares 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.

(j) *Interest on Conversion*

Save as provided below, no payment or adjustment shall be made on exercise of Conversion Rights for any interest which otherwise would have accrued on the relevant Notes since the last Interest Payment Date preceding the Conversion Date relating to such Notes (or, if such Conversion Date falls before the first Interest Payment Date, since the Closing Date).

If any notice requiring the redemption of any Notes is given pursuant to Conditions 7(b) or 7(c) on or after the fifteenth calendar day prior to a record date or other due date for establishment of entitlement which has occurred since the last Interest Payment Date (or in the case of the first Interest Period, since the Closing Date) and 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 or other due date for establishment of entitlement, interest shall accrue at the applicable Interest Rate on Notes 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 or other due date for establishment of entitlement and on or prior to the Interest Payment Date next following such record date in respect of such Dividend or 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, an Australian Dollar account with a bank in Sydney in accordance with instructions given by the relevant Noteholder in the relevant Conversion Notice.

(k) *Purchase or Redemption of Ordinary Shares*

The Issuer or any Subsidiary of the Issuer may exercise such rights as it may from time to time enjoy as permitted under applicable law to purchase or redeem or buy back its own shares (including Ordinary Shares) or any depositary or other receipts or certificates representing the same without the consent of the Noteholders.

(l) *No duty to Monitor*

Neither the Trustee nor 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 Noteholders or any other person for any loss arising from any failure by it to do so.

Neither the Trustee nor the Agents shall be under any duty to determine, calculate or verify the Conversion Price and/or any adjustments to it and/or any determinations, advice or opinions made or given in connection with the Conversion Price and/or any adjustments to it, and none of them will be responsible or liable to the Noteholders or any other person for any loss arising from any failure by it to do so.

(m) *Mandatory Cash Settlement*

(i) **Mandatory Cash Alternative Election:** Unless and until shareholder approval is obtained in a general meeting of the Issuer in respect of the issuance of the Notes for ASX Listing Rule 7 purposes, and notwithstanding the Conversion Right of each Noteholder in respect of each Note, at any time when the delivery of Ordinary Shares deliverable upon conversion of the Notes would otherwise be required to satisfy the Conversion Right in respect of a Conversion Notice, the Issuer shall not issue such Ordinary Shares and must instead make an election (a “**Cash Alternative Election**”) in relation to such Reference Shares.

Upon exercise of Conversion Rights by a Noteholder, the Issuer must, in the circumstances set out in this Condition 6(m), make a Cash Alternative Election by giving notice (a “**Cash Alternative Election Notice**”) to the relevant Noteholder by not later than the date (the “**Cash Election Date**”) falling three Sydney business days following the relevant 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 Notes by making payment, or procuring that payment is made, to the relevant Noteholder of the Cash Alternative Amount in respect of the number of Ordinary Shares specified as being the Reference Shares in respect of such exercise as specified in the relevant Cash Alternative Election Notice, together in any such case with any other amount payable by the Issuer to such Noteholder pursuant to these Conditions in respect of or relating to the relevant exercise of Conversion Rights, including any interest payable pursuant to Condition 6(j).

A Cash Alternative Election shall be irrevocable and shall specify the Conversion Price in effect on the relevant Conversion Date, and the Reference Shares in respect of the relevant exercise of Conversion Rights.

- (ii) **Cash Alternative Amount:** The Issuer will pay the relevant Cash Alternative Amount, together with any other amount as aforesaid, by not later than 5 Sydney business days following the last day of the Cash Alternative Calculation Period by transfer to an Australian Dollar account with a bank in Sydney in accordance with instructions contained in the relevant Conversion Notice.
- (iii) **Additional Cash Alternative Amount:** If there is a Retroactive Adjustment to the Conversion Price following the exercise of Conversion Rights by a Noteholder in circumstances where a Cash Alternative Election is made in respect of such exercise, the Issuer shall pay to the relevant Noteholder an additional amount (the “**Additional Cash Alternative Amount**”) equal to the Market Price of such number of Ordinary Shares as is equal to the number of Additional Ordinary Shares that would have been required to be issued or transferred and delivered to the relevant Noteholder had a Cash Alternative Election not been made or been in effect in respect of the relevant exercise of Conversion Rights.

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

7 Redemption and Purchase

(a) *Final Redemption*

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

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

On giving not less than 30 nor more than 60 days’ notice (an “**Optional Redemption Notice**”) to the Noteholders in accordance with Condition 17 and to the Trustee and the Principal Paying and Conversion Agent in writing (which notice shall be irrevocable), the Issuer may redeem all but not some only of the Notes on any date (an “**Optional Redemption Date**”) specified in the Optional Redemption Notice at their principal amount, together with accrued but unpaid interest to but excluding such date if, at any time 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 85% or more in principal amount of the Notes originally issued (which shall for this purpose include any further Notes issued pursuant to Condition 18 and consolidated and forming a single series with the Notes).

(c) *Redemption for Taxation Reasons*

At any time the Issuer may, having given not less than 30 nor more than 60 days’ notice (a “**Tax Redemption Notice**”) to the Noteholders in accordance with Condition 17 and to the Trustee and the Principal Paying and Conversion Agent in writing (which notice shall be irrevocable) redeem (subject to the last paragraph of this Condition 7(c)) all but not some only, of the Notes on the date (the “**Tax Redemption Date**”) specified in the Tax Redemption Notice at their principal amount, together with accrued but unpaid interest to but excluding such date, if (i) the Issuer certifies to the Trustee immediately prior to the giving of such notice that the Issuer has or will become obliged to pay additional amounts in respect of payments on the Notes pursuant to Condition 9 as a result of any change in, or amendment to, the laws or regulations of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes

effective on or after 21 February 2018, and (ii) the Issuer would still be obliged to pay such additional amounts after taking reasonable measures available to it, provided that no such Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any Tax Redemption Notice pursuant to this Condition 7(c), the Issuer shall deliver to the Trustee (x) a certificate signed by two directors of the Issuer each of whom are also Authorised Signatories of the Issuer stating that the Issuer would still be obliged to pay such additional amounts after taking reasonable measures available to it and (y) 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 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 may accept without any liability for so doing such certificate and opinion as sufficient evidence of the matters set out in (i) and (ii) above, in which event the same shall be conclusive and binding on the Noteholders.

On the Tax Redemption Date, the Issuer shall (subject to the next following paragraph) redeem the Notes at their principal amount, together with accrued interest to but excluding such date.

If the Issuer gives a Tax Redemption Notice, each Noteholder will have the right to elect that his Note(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 Note(s) which falls due after the relevant Tax Redemption Date whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 9 and payment of all amounts of interest on the Notes shall be made subject to the deduction or withholding of the taxation required to be withheld or deducted by the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax. To exercise such right, the holder of the relevant Note must complete, sign and deposit at the specified office of the Principal Paying and Conversion Agent or any other Paying Agent or Conversion Agent a duly completed and signed notice of election, in the form for the time being current, obtainable from the specified office of the Principal Paying and Conversion Agent or any other Paying Agent or Conversion Agent together with the relevant Certificate evidencing such Notes on or before the day falling 10 days prior to the Tax Redemption Date.

(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 (i) during a Change of Control Period or (ii) which specifies a date for redemption falling in a Change of Control Period or the period of 21 days following the end of a Change of Control Period (whether or not the relevant notice was given prior to or during such Change of Control Period), and any such Optional Redemption Notice or Tax Redemption Notice shall be invalid and of no effect (whether or not given prior to the relevant Change of Control Period) and the relevant redemption shall not be made.

Any Optional Redemption Notice or Tax Redemption Notice shall be irrevocable. Any such notice shall specify (x) the Optional Redemption Date or, as the case may be, the Tax Redemption Date which shall be a Sydney business day, (y) the Conversion Price, the aggregate principal amount of the Notes outstanding and the Closing Price of the Ordinary Shares, 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 (z) the last day on which Conversion Rights may be exercised by Noteholders.

(e) *Redemption at the Option of Noteholders*

The Issuer will, at the option of the holder of any Note redeem all or some only of such holder's Notes on 3 January 2023 (the "**Put Option Date**") at their principal amount, together with interest accrued to

but excluding the Put Option Date. To exercise such option, the holder must deposit at the specified office of the Principal Paying and Conversion Agent or any other Paying Agent a duly completed and signed put notice in the form for the time being current, obtainable from the specified office of the Principal Paying and Conversion Agent (the “**Optional Put Exercise Notice**”) or any other Paying Agent, together with the Certificate evidencing the Notes to be redeemed not more than 60 days and not less than 30 days prior to the Put Option Date. An Optional Put Exercise Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer’s consent and the Issuer shall redeem the Notes the subject of an Optional Put Exercise Notice on the Put Option Date.

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

(f) *Redemption for a Relevant Event*

Following the occurrence of a Relevant Event, the holder of each Note will have the right at such holder’s option, to require the Issuer to redeem all or some only of that holder’s Notes on the Relevant Event Redemption Date (as defined below) at their principal amount, together with accrued interest to but excluding the Relevant Event Redemption Date. To exercise such right, the holder of the relevant Note must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (the “**Relevant Event Redemption Notice**”) together with the Certificate evidencing the Notes to be redeemed by not later than 60 days following a Relevant Event, or, if later, 60 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 17. The “**Relevant Event Redemption Date**” shall be the 14th day after the expiry of such period of 60 days as referred to above.

A Relevant Event Redemption Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes the subject of Relevant Event Redemption Notices delivered as aforesaid on the Relevant Event Redemption Date.

The Issuer shall give notice to the Noteholders in accordance with Condition 17 and to the Trustee and the Agents in writing by not later than 14 days following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by Noteholders of their rights to require redemption of the Notes pursuant to this Condition 7 and shall give brief details of the Relevant Event and, in the case of a Change of Control, provide the additional details set out in Condition 6(g).

The Trustee shall not be required to take any steps to ascertain whether a Relevant Event or any event which could lead to the occurrence of a Relevant Event has occurred and shall not be liable to Noteholders or any other person for any loss arising from any failure to do so.

(g) *Purchase*

Subject to the requirements (if any) of any stock exchange on which the Notes may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase some or all of the Notes in the open market, by private contract or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the Noteholders or for the purposes of Condition 10, Condition 14(a) and Condition 15.

(h) *Cancellation*

All Notes which are redeemed or in respect of which Conversion Rights are exercised will be cancelled and may not be reissued or resold. Notes purchased by the Issuer or any of its Subsidiaries shall be surrendered to the Principal Paying and Conversion Agent for cancellation and may not be reissued or re-sold.

(i) *Multiple Notices*

If more than one notice of redemption is given pursuant to this Condition 7, the first of such notices to be given shall prevail, save that a notice of redemption given by a Noteholder pursuant to Condition 7(f) 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(f).

8 Payments

(a) *Principal*

Payment of principal in respect of the Notes and accrued interest payable on a redemption of the Notes other than on an Interest Payment Date will be made to the persons shown in the Register at the close of business on the Record Date.

(b) *Interest and other Amounts*

(i) Payments of interest due on an Interest Payment Date, which shall be for value on such Interest Payment Date, (or, if such Interest Payment Date is not a business day (as defined below in Condition 8(g)), for value on the first following day which is a business day) 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 Conditions 8(a) and 8(b)(i) will be made as provided in these Conditions.

(c) *Record Date*

“**Record Date**” means the seventh business day, in the place of the specified office of the Registrar, before the due date for the relevant payment.

All payments in respect of Notes represented by the Global Certificate will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the Clearing System Business Day immediately prior to the date of payment, where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January.

(d) *Payments*

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

The Issuer will not be required to make any such payment in respect of the Notes until six business days after the Noteholder has provided the necessary account details for payment in accordance with this Condition 8(d).

(e) *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations but without prejudice to Condition 9. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(f) *Default Interest and Delay in Payment*

If the Issuer fails to pay any sum in respect of the Notes when the same becomes due and payable under these Conditions (including as provided in Condition 5(b)), interest shall accrue on the overdue sum at the rate of 4.20 per cent. per annum from the due date. Such default interest shall accrue on the basis of the actual number of days elapsed and a 360-day year.

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due (i) as a result of the due date not being a business day, (ii) if the Noteholder is late in surrendering the relevant Note or (iii) if the Noteholder does not provide the necessary account details for payment in accordance with these Conditions.

(g) *Business Days*

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

(h) *Paying Agents, Transfer Agents and Conversion Agents, etc.*

The initial Principal Paying and Conversion Agent, the initial Transfer Agent and the initial Registrar and their initial specified offices are listed below. The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of the Registrar or any other Agent and to appoint another Registrar or any additional or other Agents or another Registrar, provided that it will (i) maintain a Principal Paying and Conversion Agent and a Transfer Agent, (ii) so long as the Notes are listed on the Singapore Exchange Securities Trading Limited and the rules of that exchange so require, a Paying Agent having a specified office in Singapore and (iii) maintain a Registrar with a specified office outside the United Kingdom. Notice of any change in the Registrar or any other Agents or their specified offices will promptly be given by the Issuer to the Noteholders in accordance with Condition 17 and to the Trustee and the other Agents in writing.

(i) *Fractions*

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

9 Taxation

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

In the event that any such withholding or deduction is required to be made, the Issuer will pay such additional amounts as will result in the receipt by the Noteholders of the amounts which would otherwise have been receivable had no such withholding or deduction been required, except that no such additional amount shall be payable on any Note:

- (a) to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the Commonwealth of Australia (and where the withholding or deduction is required on account of the Noteholder failing to provide their tax file number or Australian business number to the Issuer) otherwise than merely by holding the Note or by the receipt of amounts in respect of the Note; or
- (b) in respect of which the Certificate representing such Note is presented or surrendered more than 30 days after the relevant date except to the extent that the holder would have been entitled to such additional amount on presenting or surrendering the relevant Certificate for payment on the last day of such period of 30 days; or
- (c) 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.

References in these Conditions and the Trust Deed to principal and interest 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.

This Condition 9 shall not apply in respect of payments on any Notes which are the subject of an election by the relevant Noteholder pursuant to the last paragraph of 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 twenty five per cent. in aggregate principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or pre-funded and/or secured to its satisfaction), give notice to the Issuer that the Notes are, and they shall accordingly thereby immediately become, due and repayable at their principal amount together with accrued interest if any of the following events (each an “**Event of Default**”) shall have occurred and is continuing:

- (a) if the Issuer fails to:
 - (i) pay when due (i) any principal payable in respect of the Notes and such failure continues for a period of 7 days or (ii) any interest payable in respect of the Notes and such failure continues for a period of 14 days; or
 - (ii) deliver Ordinary Shares to satisfy a Conversion Right pursuant to Condition 6 and such failure continues for a period of 14 days; or
- (b) the Issuer does not perform or comply with any one or more of its other obligations under the Notes or the Trust Deed and (unless the default is in the opinion of the Trustee incapable of remedy) is not remedied within 30 days after the Issuer shall have received from the Trustee written notice of such default requiring it to be remedied; or
- (c)
 - (i) any other present or future indebtedness for borrowed money of the Issuer becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of an event of default (however described); or
 - (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; or

- (iii) the Issuer fails to pay when due or, as the case may be, within any applicable grace period any amount payable by it under any present or future guarantee for, or indemnity in respect of, any indebtedness for borrowed money; or
- (iv) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer for any indebtedness for borrowed money (or any guarantee of, or indemnity in respect of, indebtedness for borrowed money) that has become payable becomes enforceable and steps are taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager, judicial manager, controller or other similar person),

and the aggregate amount of the indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(c) have occurred equals or exceeds A\$30,000,000 (or its equivalent in other currencies); or

- (d) a distress, attachment, execution, seizure before judgment or other legal process is levied or enforced on or against all or any material part of the property, assets or revenues of the Issuer or any Material Subsidiary of the Issuer which is not discharged, removed, stayed or paid within 60 days; or
- (e) the Issuer or any Material Subsidiary of the Issuer (i) is (or is deemed by law or a court to be) or states that it is insolvent or unable to pay its debts when they fall due, (ii) stops, suspends or threatens to stop or suspend payment of its debts generally, or (iii) makes or enters into a general assignment or an arrangement or composition or compromise with or for the benefit of its creditors (other than in connection with a reconstruction, amalgamation, reorganisation, merger or consolidation permitted under Condition 10(f)); or
- (f) an administrator (as defined in the Corporations Act) or liquidator or a like or similar officer is appointed in respect of the Issuer or any Material Subsidiary of the Issuer or a court order is made or a resolution passed for the winding-up or dissolution of the Issuer or any Material Subsidiary of the Issuer (which is not stayed, withdrawn or dismissed within 60 days), or the Issuer or any Material Subsidiary of the Issuer ceases or threatens to cease to carry on business, except in any such case for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee acting on an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Material Subsidiary of the Issuer, where that Material Subsidiary is solvent or its undertaking and assets are transferred to or otherwise vested in the Issuer or another Subsidiary of the Issuer; or
- (g) a final judgment or judgments of a court or courts of competent jurisdiction for the payment of money aggregating in excess of A\$50,000,000 (or its equivalent in the relevant currency of payment) are rendered against the Issuer or any Material Subsidiary of the Issuer and which judgments are not bonded, discharged, satisfied or stayed pending appeal within 60 days after the Latest Date, or are not discharged within 60 days after the later of the expiration of such stay and the Latest Date; or
- (h) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed; or
- (i) any event occurs which under the laws of any relevant jurisdiction has an analogous or substantially similar effect to any of the events referred to in Condition 10(d) to Condition 10(f) (both inclusive).

“**Latest Date**” means the latest of (i) the entry of such judgment; (ii) if such judgment specifies a date by which it must be satisfied, the date so specified; and (iii) the time allowed or specified under applicable law for such judgment to be bonded, discharged or stayed pending appeal.

11 Undertakings

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

- (a) not issue or pay up any Securities, in either case by way of capitalisation of profits or reserves, other than:
 - (i) pursuant to a Scheme of Arrangement involving a reduction and cancellation of Ordinary Shares and the issue to Shareholders of an equal number of Ordinary Shares by way of capitalisation of profits or reserves; or
 - (ii) pursuant to a Newco Scheme;
 - (iii) by the issue of fully paid Ordinary Shares or other Securities to Shareholders and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive Ordinary Shares or other shares of Securities on a capitalisation of profits or reserves; or
 - (iv) by the issue of Ordinary Shares 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 dividend; or
 - (v) by the issue of fully paid equity share capital (other than Ordinary Shares) to the holders of equity share capital of the same class and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive equity share capital (other than Ordinary Shares); or
 - (vi) by the issue of Securities or any equity share capital pursuant to any Employee Share Scheme, unless, in any such case, the same constitutes a Dividend or otherwise gives rise (or would, but for the provisions of any exclusion from Conditions 6(b)(i) to 6(b)(x) (both inclusive) or Condition 6(f) relating to the carry forward of adjustments, give rise) to an adjustment to the Conversion Price; or
- (b) not modify the rights attaching to the Ordinary Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to the Ordinary Shares but so that nothing in this Condition 11(b) shall prevent:
 - (i) any consolidation, reclassification or subdivision of the Ordinary Shares; or
 - (ii) any modification of such rights which is not, in the opinion of an Independent Adviser, materially prejudicial to the interests of the holders of the Notes; or
 - (iii) any issue of equity share capital where the issue of such equity share capital results, or would, but for the provisions of Condition 6(f) relating to roundings or the carry forward of adjustments or, where comprising Ordinary Shares (or equity share capital 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 Ordinary Shares), the fact that the consideration per Ordinary Share receivable therefor is at least 90 per cent. of the Current Market Price per Ordinary Share 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 share capital or modification of rights attaching to the Ordinary Shares, where prior thereto the Issuer shall have instructed an Independent 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 Independent Adviser shall have determined either that no

adjustment is required or that an adjustment resulting in an 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);

- (c) procure that no Securities (whether issued by the Issuer or any Subsidiary of the Issuer or procured by the Issuer or any Subsidiary of the Issuer to be issued or issued by any other person pursuant to any arrangement with the Issuer or any Subsidiary of the Issuer) issued without rights to convert into, or exchange or subscribe for, Ordinary Shares shall subsequently be granted such rights exercisable at a consideration per Ordinary Share which is less than 90 per cent. of the Current Market Price per Ordinary Share at the close of business on the last Dealing Day preceding the date of the first public announcement of the proposed inclusion of such rights 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 Ordinary Shares of differing nominal values, save where such Ordinary Shares have the same economic rights;
- (d) not make any issue, grant or distribution take or omit to take any other action if the effect thereof would be that, on the exercise of Conversion Rights, Ordinary Shares could not, under any applicable law then in effect, be legally issued as fully paid;
- (e) not reduce its issued share capital or any uncalled liability in respect thereof, or any non-distributable reserves, except:
 - (i) pursuant to the terms of issue of the relevant share capital; or
 - (ii) by means of a purchase or redemption of share capital of the Issuer to the extent permitted by applicable law; or
 - (iii) pursuant to a Newco Scheme; or
 - (iv) by way of transfer to reserves as permitted under applicable law; or
 - (v) where the reduction is permitted by applicable law and the Trustee is advised by an Independent Adviser, acting as an expert, that the interests of the Noteholders will not be materially prejudiced by such reduction; or
 - (vi) 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 Issuer may exercise such rights as it may from time to time be entitled pursuant to applicable law to purchase its Ordinary Shares and any depositary or other receipts or certificates representing Ordinary Shares without the consent of Noteholders;

- (f) if any offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) Shareholders other than the offeror and/or any associate (as defined in sections 11 and 12 of the Corporations Act)) to acquire the whole or any part of the issued Ordinary Shares, 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 Noteholders, the Trustee and the Principal Paying and Conversion Agent at the same time as any notice thereof is sent to the Shareholders (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the specified offices of

the Principal Paying and Conversion Agent and, where such an offer or scheme has been recommended by the board of directors of the Issuer, or where such an offer has become or been declared unconditional in all respects or such scheme has become effective, use all reasonable endeavours to procure that a like offer or scheme is extended to the holders of any Ordinary Shares issued during the period of the offer or scheme arising out of the exercise of the Conversion Rights by the Noteholders;

- (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: (1) Newco is substituted under the Notes and the Trust Deed as principal obligor in place of the Issuer (with the Issuer providing a guarantee) subject to and as provided in the Trust Deed; and (2) such amendments are made to these Conditions and the Trust Deed as are necessary to ensure that the Notes may be converted into or exchanged for ordinary shares or units or the equivalent in Newco *mutatis mutandis* in accordance with and subject to these Conditions and the Trust Deed and the Trust Deed and the Conditions provide at least the same powers, protections, rights and benefits to the Trustee and the Noteholders following the implementation of such Newco Scheme as they provided to the Trustee and the Noteholders prior to the implementation of the Newco Scheme, *mutatis mutandis* and (3) the ordinary shares or units or the equivalent of Newco are:
 - (A) admitted to listing on the Relevant Stock Exchange; or
 - (B) admitted to listing on another regulated, regularly operating, recognised stock exchange or securities market; and
- (h) use its best endeavours to ensure that the Ordinary Shares issued upon exercise of Conversion Rights will, as soon as is practicable, be admitted to listing and to trading on the Australian Securities 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 Ordinary Shares may then be listed or quoted or dealt in;
- (i) not change the jurisdiction in which it is domiciled or resident or to whose taxing authority it is subject generally unless it would not thereafter be required pursuant to then current laws and regulations to withhold or deduct for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of such jurisdiction or any political subdivision thereof or therein having power to tax in respect of any payment on or in respect of the Notes;
- (j) for so long as any Note remains outstanding and subject to the occurrence of a Change of Control, use its reasonable endeavours to ensure that its issued and outstanding Ordinary Shares shall be admitted to listing and to trading on the Australian Securities Exchange; and
- (k) comply with each of the requirements of ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82 including those with ongoing operation after the Issue Date for so long as they are relevant.

The Issuer has undertaken in the Trust Deed to deliver to the Trustee annually a certificate of the Issuer, as to, to the best of the knowledge, information and belief of the Issuer, 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 conclusively on any such certificate and shall not be obliged to independently monitor compliance by the Issuer with the undertakings set forth in this Condition 11, nor be liable to Noteholders or any other person for not so doing.

12 Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within 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 Notes shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

13 Replacement of Notes

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

14 Meetings of Noteholders, Modification and Waiver, Substitution

(a) *Meetings of Noteholders*

The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if requested in writing by Noteholders holding not less than ten per cent. in aggregate principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing more than fifty per cent., in aggregate principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount, or interest on, the Notes or to reduce the amount payable on redemption of the Notes or modify or cancel the Conversion Rights, (iii) to increase the Conversion Price other than in accordance with these Conditions, (iv) to change the currency of any payment in respect of the Notes, (v) to change the governing law of the Notes, the Trust Deed or the Agency Agreement (other than in the case of a substitution of the Issuer (or any previous substitute or substitutes) under Condition 14(c)), or (vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be one or more persons holding or representing not less than seventy five per cent., or at any adjourned meeting not less than fifty per cent., in aggregate principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed). An Extraordinary Resolution is a resolution in respect of which not less than 75 per cent. of the votes cast shall have been in favour at a meeting of Noteholders duly convened and held in accordance with the Trust Deed.

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

cent. of the aggregate principal amount of the Bonds 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 Noteholders shall be required in connection with any Newco Scheme Modification.

(b) *Modification and Waiver*

The Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Notes or these Conditions which in the Trustee's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Notes or these Conditions (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Note or these Conditions which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Noteholders. The Trustee may (but shall not be obliged to), without the consent of the Noteholders, determine any Event of Default or a Potential Event of Default should not be treated as such, provided that in the opinion of the Trustee, the interests of Noteholders will not be materially prejudiced thereby. Any such modification, authorisation, waiver or determination shall be binding on the Noteholders and, unless the Trustee otherwise agrees, shall be notified by the Issuer to the Noteholders promptly in accordance with Condition 17 and to the Trustee and the Principal Paying and Conversion Agent in writing. The Trustee's agreement may be subject to any condition that the Trustee requires including but not limited to obtaining, at the expense of the Issuer, an opinion of any investment bank or legal or other expert and being indemnified and/or secured and/or pre-funded to its satisfaction.

(c) *Substitution*

The Trustee may (but shall not be obliged to), without the consent of the Noteholders, agree with the Issuer to the substitution in place of the Issuer (or any previous substitute or substitutes under this Condition 14(c)) as the principal debtor under the Notes and the Trust Deed of any Subsidiary of the Issuer subject to (i) the Notes being unconditionally and irrevocably guaranteed by the Issuer and (ii) the Notes continuing to be convertible or exchangeable into Ordinary Shares as provided in these Conditions *mutatis mutandis* as provided in these Conditions, with such amendments as the Trustee shall consider appropriate provided that in any such case, (x) the Trustee is satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution, and (y) certain other conditions set out in the Trust Deed are complied with. In the case of such a substitution the Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, to a change of the law governing the Notes and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders. Any such substitution shall be binding on the Noteholders and shall be notified by the Issuer promptly to the Noteholders in accordance with Condition 17 and to the Trustee and the Principal Paying and Conversion Agent in writing.

(d) *Entitlement of the Trustee*

In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 14) the Trustee shall have regard to the interests of the Noteholders as a class and, in particular but without limitation, shall not have regard to the

consequences of the exercise of its functions, rights, powers or discretions for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

15 Enforcement

The Trustee may at any time, at its discretion and without notice, take such steps and/or actions and/or institute such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed and the Notes, but it shall not be bound to take any such steps, actions or proceedings or any other action in relation to the Trust Deed or the Notes unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least twenty five per cent. in aggregate principal amount of the Notes then outstanding, and (ii) it shall have been indemnified and/or pre-funded and/or secured to its satisfaction. No Noteholder shall be entitled to proceed directly against the Issuer 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 steps, action or proceedings unless indemnified and/or pre-funded and/or secured to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related (directly or indirectly) to the Issuer without accounting for any profit.

The Trustee may rely without liability to Noteholders, the Issuer or any other person on any report, information, confirmation or certificate from or any opinion or advice of any accountants (including the Auditors), lawyers, financial advisers, investment bank or other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee shall be obliged to accept and be entitled to rely on any such report, information, confirmation, certificate, opinion or advice, in which case such report, information, confirmation, certificate, opinion or advice shall be binding on the Issuer and the Noteholders in the absence of manifest error.

17 Notices

All notices required to be given regarding the Notes pursuant to the Conditions will be valid if published through the electronic communication system of Bloomberg. The Issuer shall also ensure that all such notices are duly published (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed and/or admitted to trading. Any such notice shall be deemed to have been given on the date of such notice. If publication as provided above is not practicable, notice will be given by publication in a newspaper of general circulation in (i) Asia (which is expected to be the *Asian Wall Street Journal*) and (ii) Europe (which is expected to be the *Financial Times*).

So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear Bank S.A./N.V. or Clearstream Banking S.A. or the Alternative Clearing System (as defined in the form of the Global Certificate), notices to the Noteholders shall be validly given by the delivery of the relevant

notice to Euroclear Bank S.A./N.V. or Clearstream Banking S.A. or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

18 Further Issues

The Issuer may from time to time without the consent of the Noteholders 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 Notes) 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 Notes) 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 notes, bonds or debentures consolidated and forming a single series with the outstanding Notes constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

19 Contracts (Rights of Third Parties) Act 1999

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

20 Governing Law and Jurisdiction

(a) Governing Law

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

(b) Jurisdiction

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

(c) Agent for Service of Process

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

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

Initial Issue of Notes

Upon the initial registration of the Global Certificate representing the Notes in the name of a nominee of, and delivery of such Global Certificate to, a common depository for Euroclear and Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear and Clearstream, Luxembourg as the holder of a Note represented by the Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for its share of each payment made by the Issuer to the holder of the underlying Note and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear and Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by the Global Certificate and such obligations of the Issuer will be discharged by payment to the holder of the underlying Note, as the case may be, in respect of each amount so paid.

Exchange

The Global Certificate will be exchangeable (free of charge to the holder of the Global Certificate and the Noteholders) in whole, but not in part, for the definitive Notes described below if, but only if, the Global Certificate is held on behalf of Clearstream, Luxembourg and/or Euroclear and either such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. Thereupon the holder may give notice to the Registrar of its intention to exchange the Global Certificate for definitive certificates in respect of the Notes on or after the Exchange Date (as defined below) specified in the notice.

On or after the Exchange Date, the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Notes in registered form, printed in accordance with any applicable legal and stock exchange requirements and in, or substantially in, the form set out in the Trust Deed. Such definitive Notes will be registered in the name of the accountholders at Clearstream, Luxembourg and Euroclear which previously had Notes credited to the accounts.

“**Exchange Date**” means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which the 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, the Conversion Rights attaching to the Notes in respect of which the Global Certificate is issued may be exercised by the presentation to or to the order of the Principal Paying and Conversion Agent or any other Conversion Agent of one or more Conversion Notices (as defined in the Terms and Conditions of the Notes) duly completed by or on behalf of a holder of a book-entry interest in such Notes. The exercise of the Conversion Right shall be notified by the Principal Paying and Conversion Agent or such other Conversion Agent (as the case may be) to the Registrar and the holder of the Global Certificate.

Redemption at the Option of the Issuer

The option of the Issuer provided for in Condition 7(b) shall be exercised by the Issuer giving notice to the Noteholders, the Trustee and the Principal Paying and Conversion Agent within the time limits set out in, and containing the information required by, Condition 7(b).

Redemption for Taxation Reasons

The option of the Issuer provided for in Condition 7(c) may be exercised by the Issuer by giving notice to the Noteholders, the Trustee and the Principal Paying and Conversion Agent within the time limits set out in Condition 7(c).

Tax Election Option of the Noteholders

The option of the Noteholders provided for in Condition 7(c) may be exercised by the Noteholders giving notice to the Principal Paying and Conversion Agent within the time limits relating to the deposit of Notes in Condition 7(c) and substantially in the form of the Noteholders Tax Election Notice as set out in the Agency Agreement.

Redemption at Option of the Noteholders

The Noteholders' put options in Conditions 7(e) and 7(f) may be exercised by the holder of the Global Certificate giving notice to the Principal Paying and Conversion Agent or any other Paying Agent of the principal amount of Notes in respect of which the option is exercised within the time limits specified in such Condition. On redemption, the principal amount of the Notes will be reduced in the Register accordingly.

Trustee's Powers

In considering the interests of Noteholders the Trustee may, to the extent it considers it appropriate to do so in the circumstances, (a) have regard to such information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of Notes and (b) consider such interests on the basis that such accountholders were the holders of the Notes represented by 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 of the holder of the Notes 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 Notes set out in the certificate of the holder as if they were themselves the holders of Notes in such principal amounts.

Payments

Payments of principal in respect of Notes represented by the Global Certificate will be made against presentation and, if no further payment falls to be made in respect of the Notes, surrender of the Global Certificate to or to the order of the Principal Paying and Conversion Agent or such other Paying Agent as shall have been notified to the holder of the Global Certificate for such purpose.

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 the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January.

Notices

So long as Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg, notices to the holders of such Notes 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 Terms and Conditions of the Notes, except that the Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed and/or admitted to trading.

Prescription

Claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by the Global Certificate will become prescribed after a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in the Terms and Conditions of the Notes).

Claims in respect of any other amounts payable in respect of the Notes shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

Redemption or Purchase and Cancellation

Cancellation of any Notes to be cancelled following their redemption or purchase will be effected by the reduction in the principal amount of the Global Certificate and by an appropriate entry made in the Register maintained in respect of the Notes.

Meetings

At any meeting of Noteholders, the holder of the Global Certificate will be treated as having one vote in respect of each A\$100,000 in principal amount of Notes.

The Trustee may allow to attend and speak (but not to vote) at any meeting of Noteholders any accountholder (or the representative of any such person) of a clearing system with an interest in the Notes represented by the Global Certificate on confirmation of entitlement and proof of his identity.

RIGHTS AND LIABILITIES OF ORDINARY SHARES

The following is a summary (though not necessarily an exhaustive or definitive statement) of the rights attaching to fully paid Ordinary Shares as set out in the Issuer's constitution (the "Constitution"). The rights attaching to Ordinary Shares are in certain circumstances regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and general law.

Full details of the rights attaching to the Ordinary Shares are set out in the Constitution, a copy of which can be inspected at the Issuer's registered office at Level 2, 38-42 Pirrama Road, Pyrmont, NSW, Australia **during normal business hours.**

Voting	<p>Subject to the Constitution and to any rights or restrictions attached to any shares (including the TELYS4), at meetings of the Issuer's shareholders:</p> <ul style="list-style-type: none"> • each Ordinary Shareholder is entitled to attend and, unless excluded by a regulatory requirement such as ASX or Corporations Act voting exclusions, to vote at general meetings of the Issuer; • on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder and is entitled to vote has one vote; and • on a poll, every person present who is a shareholder or proxy, attorney or representative of a shareholder and is entitled to vote has one vote for each Ordinary Share that person holds or represents (as the case may be).
General meetings and notices	<p>Each shareholder who is entitled to vote at a general meeting is entitled to receive notice of that general meeting of the Issuer.</p>
Dividends	<p>Subject to law and the rights or restrictions attached to a class of shares, the Issuer's Directors may:</p> <ul style="list-style-type: none"> • determine that a dividend is payable on a class of shares; • fix the amount of the dividend, the time for determining entitlements to the dividend, the time for payment of the dividend and the method of payment of the dividend; and • determine that dividends be paid on shares of one class but not another class, and at different rates for different classes of shares. <p>The Issuer is not required to pay any interest on a dividend. These powers extend to interim and final dividends, and payment of a dividend does not require confirmation by a general meeting of the Issuer.</p>
Issue of further shares	<p>Subject to law, the Constitution, the Listing Rules and rights or restrictions attached to a class of shares, the Issuer's Directors may by resolution of the board issue shares (including preference shares) or other securities with rights of conversion to shares, or grant options, in each case to such persons at such times and on such terms and conditions and having attached to them such rights or such restrictions, as the Issuer's Directors think fit.</p>
Transfer of the Issuer's Ordinary Shares	<p>Subject to the Constitution, the Corporations Act and any restrictions attached to a share, the Issuer's Ordinary Shares are freely transferable. The Issuer's Directors may decline to register a transfer of the Issuer's Ordinary Shares in</p>

	<p>circumstances including if:</p> <ul style="list-style-type: none"> • the registration of the transfer may breach a law of Australia or court order; • the transfer does not comply with the terms of an employee incentive scheme; • the transfer is not in registrable form; or • the Listing Rules or terms of issue of the share permit or require registration of the transfer to be declined.
Winding up	Subject to any rights or restrictions attached to a class of shares, if the Issuer is wound up, the liquidator may (with the sanction of a special resolution) divide among the Issuer's shareholders the whole or any part of the property of the Issuer and may determine how the division is to be carried out as between the shareholders or different classes of shareholders.
Alteration of capital	The Issuer may reduce or otherwise alter its capital including buying back its shares in any manner authorised or permitted by the Corporations Act and Listing Rules.
Variation of rights	Subject to the Corporations Act and terms of issue of shares in a particular class, if at any time the share capital of the Issuer is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Issuer is being wound up, be varied or abrogated in any way with the consent in writing of the holders of at least 75% of the issued shares of that class, or with the sanction of a special resolution of the holders of the shares in that class.
Amendment to the Constitution	The Constitution can only be amended by special resolution passed by at least 75% of the Issuer's shareholders present (including by proxy) and voting at a general meeting of the Issuer.

TAXATION

The following summary of certain tax consequences of the purchase, ownership and disposition of Notes and Ordinary Shares is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes or Ordinary Shares and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Notes should consult their own tax advisers concerning the tax consequences of the purchase, ownership and disposition of Notes and Ordinary Shares. Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile.

AUSTRALIAN TAXATION

INTRODUCTION

Scope

Provided below is a general summary of the material Australian income tax and capital gains tax (“CGT”) consequences arising in accordance with the Income Tax Assessment Act 1936 (“**Tax Act 1936**”) and the Income Tax Assessment Act 1997 (“**Tax Act 1997**”) (collectively the “**Tax Acts**”) 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 Notes by a purchaser of the Notes (“**Noteholder**”). This summary also includes commentary on the Australian Goods and Services Tax (“**GST**”) and stamp duty consequences of issue, redemption, transfer or conversion of the Notes.

This is not intended to be nor should it be construed to be legal or tax advice to any particular investor. Prospective investors should contact their tax advisers for specific advice relating to their particular circumstances, in particular in relation to local taxes in their home jurisdictions.

The Issuer has not sought, and does not intend to seek, a ruling from the Australian Taxation Office (“**ATO**”) or any other revenue authority in relation to this matter.

Payments under the Notes

For Australian tax law purposes, the Notes should be properly characterised as debt interests in the Issuer. This is because the Issuer is under an effectively non-contingent obligation to pay the Noteholders (in the form of interest and the redemption price) an amount at least equal to the issue price for the Notes.

Accordingly, payments made under the Notes (prior to any exercise of the Conversion Right) should constitute interest or amounts in the nature of interest in the hands of the Noteholders.

NON-RESIDENT INVESTORS

Scope

The following paragraphs deal with the tax consequences to a Noteholder who:

- is not a resident of Australia for tax purposes;

- does not carry on business in Australia or have a permanent establishment or fixed base in Australia;
- purchased the Notes in accordance with the offer detailed in this Offering Circular; and
- holds the Notes (and any Ordinary Shares obtained from the exercise of Conversion Rights) on capital account.

This summary is based on the assumption that the issue of the Notes by the Issuer will satisfy one of the “public offer tests” that is described in subsection 128F(3) of the Tax Act 1936.

Australian Withholding Tax —Exemption

Payments of interest or amounts in the nature of interest to a Noteholder will be subject to a 10% interest withholding tax unless either the exemption provided by subsection 128F of the Tax Act 1936 applies or an exemption is available under a tax treaty. If an exemption does apply to a Noteholder in relation to the Notes, there will be no Australian interest withholding tax on payments of interest or amounts in the nature of interest under the Notes to the Noteholders.

The Issuer intends to issue the Notes in a manner which will satisfy the public offer test and which otherwise meets all relevant legislative requirements of section 128F of the Tax Act 1936. If that is done, then based on the current legislation and administrative policy of the ATO, the exemption should be available. Noteholders should seek their own advice as to whether the issue of the Notes satisfies the public offer test and whether the exemption provided by subsection 128F is available.

Australian Withholding Tax - Associates

The exemption in section 128F of the Tax Act 1936 is not available where Notes are issued to an “associate”, as defined in subsection 128F(9) of the Tax Act 1936, of the Issuer, that is either an Australian resident who holds the Notes in the course of carrying on business at or through a permanent establishment outside Australia or where the associate is a non-resident who does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia (“**Offshore Associate**”) (other than in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes or a clearing house, custodian, funds manager or responsible entity of a registered scheme), if the Issuer knew or had reasonable grounds to suspect the payee was an Offshore Associate at the time of issue (other than in the capacity of a dealer, manager, or underwriter in relation to the placement of the Notes or a clearing house, custodian, funds manager or responsible entity of a registered scheme).

The exemption from interest withholding tax is also not available where interest under the Notes is paid to an Offshore Associate (other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme), if the Issuer knew or had reasonable grounds to suspect the person receiving the interest is an Offshore Associate (other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme) at the time the interest is paid.

Tax Treaty - Withholding Tax Relief

If the exemption in section 128F of the Tax Act 1936 is not available in respect of the Notes, a Noteholder may be eligible for relief from interest withholding tax under a tax treaty between Australia and the Noteholder’s country of residence.

The Australian Government has executed tax treaties with various countries (eligible countries) which provide for certain exemptions from interest withholding tax where the interest is derived by:

- governments of the eligible country and certain governmental authorities and agencies in the eligible country; or
- a “financial institution” which is a resident of an eligible country and which is unrelated to and dealing wholly independently with the Issuer. The term “financial institution” is essentially either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. (However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.)

The availability of a Treaty exemption from interest withholding tax may depend upon the law of a foreign country. If the exemption in section 128F of the Tax Act 1936 is not available, Noteholders should seek their own advice as to whether they can benefit from a treaty exemption from interest withholding tax.

Profits or Gains on Disposal or Redemption of the Notes

General

A profit or gain derived from the disposal or redemption of the Notes will comprise assessable income and will be subject to Australian tax if such profit or gain has an Australian source (as described under “Australian Source” below).

Australian Source

Whether a profit or gain on a disposal or redemption of the Notes has an Australian source is a question of fact that will be determined on the basis of the circumstances existing at the time of the disposal or redemption.

The profit or gain should not generally have an Australian source provided that the Notes are:

- acquired, held and dealt with outside Australia; and
- held in connection with a business conducted exclusively 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, as it will depend on all the relevant circumstances. Prospective non-resident Noteholders should seek independent advice on this matter.

Tax Treaty - disposal or redemption

If the profit or gain on disposal or redemption of a Note is deemed to have an Australian source, a Noteholder may qualify for relief from Australian tax on such profit or gain under a tax treaty between Australia and the Noteholder’s country of residence. Prospective Noteholders should seek independent advice regarding their entitlement to benefits under a tax treaty.

Conversion of Notes into Ordinary Shares

A Noteholder will be entitled to exercise Conversion Rights and receive Ordinary Shares of the Issuer upon surrendering the relevant Note to the Issuer.

For income tax and CGT purposes, no taxable gain or profit should arise to the Noteholder on conversion of the Note into ordinary shares.

CGT – Taxable Australian Real Property (TARP)

The Australian tax regime includes CGT rules that may impose tax on the disposal of an interest (which may include shares and rights to acquire shares) in “land rich” companies. However, the disposal of the Notes (which have a Conversion Right) or the Ordinary Shares arising from the conversion of the Notes should not be subject to CGT unless, very broadly, the TARP of the Issuer and its associates is greater than 50% of its assets. TARP is essentially Australian land (including a lease of land) and mining, quarrying and prospecting rights. Even if the TARP of the Issuer is greater than 50% of its assets, the CGT rules should only be applicable to non-residents who hold 10% or more of the Ordinary Shares in the Issuer either at the time of disposal or throughout a 12-month period in the 24 months prior to disposal.

For Noteholders who acquire and subsequently dispose of Ordinary Shares, a taxable capital gain will arise where the sales proceeds received on disposal exceeds the cost of the investment in the Ordinary Shares.

Dividends

The Australian tax regime has an imputation system where tax paid at the company level is imputed to shareholders in determining the taxation consequences of dividends paid by the company. A dividend will be treated as “franked” where the dividend is paid out of profits of the company that have already been subject to tax.

The Noteholders would be subject to Australian dividend withholding tax at a rate of 30% to the extent that the dividends paid by the Issuer on its Ordinary Shares that have been acquired as a result of conversion are unfranked (the rate of withholding tax may be reduced under a tax treaty between the Noteholder’s country of tax residency and Australia). However, the Noteholders would not be subject to Australian dividend withholding tax or other Australian income tax in relation to fully franked dividends paid on the Ordinary Shares.

Taxation of Financial Arrangements (TOFA)

Non-residents will need to consider the potential impact of the taxation of financial arrangements provisions referred to below, and any relevant tax treaty provisions, if they have any gains (including on conversion) under those provisions that have an Australian source.

RESIDENT INVESTORS

Scope

The following paragraphs summarise the tax consequences for a Noteholder who:

- is a resident of Australia (excluding temporary residents) for income tax purposes or is a non-resident who carries on business in Australia or through a permanent establishment or fixed place in Australia and the holding of the Notes is connected with such place of business;
- purchased the Notes in accordance with the offer detailed in this Offering Circular; and
- holds the Notes (and any Ordinary Shares obtained from the exercise of Conversion Rights) on capital account.

Interest

Interest income paid under the Notes will be included in a Noteholder’s assessable income in the income year that the interest is derived.

The Issuer will be obliged under the law to withhold 47% of the interest payable on the Notes, unless Noteholders provide the Issuer with their Tax File Number (TFN) / Australian Business Number (ABN), or provide proof of an exemption from TFN withholding tax. Any amount so withheld will be remitted to the ATO and will be creditable in the Noteholder's tax return.

Profits or Gains on Disposal or Redemption of the Notes

General

A profit or gain derived from the disposal or a redemption of the Notes will be included in a Noteholder's assessable income.

Conversion of Notes into Ordinary Shares

A Noteholder will be entitled to exercise Conversion Rights and receive Ordinary Shares of the Issuer upon surrendering the relevant Note to the Issuer.

The conversion of the Notes into Ordinary Shares of the Issuer will not result in a taxable gain or profit for the Noteholder.

Ordinary Shares

The Ordinary Shares issued to a Noteholder on an exercise of the Conversion Rights will comprise CGT assets. The cost base of the Ordinary Shares for CGT purposes will be the cost base of the Notes at the time of conversion plus any amounts paid to convert the Notes. A subsequent disposal of Ordinary Shares by a Noteholder may give rise to ordinary income or capital gains on disposal.

CGT concessions may be available for certain shareholders who dispose of their Ordinary Shares.

Dividends

Dividends paid by the Issuer in respect of Ordinary Shares will be included in a Noteholder's assessable income. To the extent that those dividends are franked, a Noteholder is generally required to gross-up the dividend and will generally receive a tax offset against their tax liability.

Withholding tax of 47% will apply in respect of any unfranked dividends where Noteholders have not quoted their TFN/ABN.

Taxation of Financial Arrangements

The Australian tax regime contains rules which govern the taxation of receipts and payments in relation to "financial arrangements". In this regard the Notes (including the Conversion Right) are likely to constitute a financial arrangement under the TOFA provisions. However, the TOFA regime should not apply to a Note held by:

- (1) individual Noteholders;
- (2) a superannuation entity, management investment scheme or an entity substantially similar to a managed investment scheme under foreign law with assets of less than A\$100 million;
- (3) certain financial entities with a turnover of less than A\$20 million; and
- (4) other entities with a turnover of less than A\$100 million, financial assets of less than A\$100 million and assets of less than A\$300 million,

unless a Noteholder makes an election for the TOFA rules to apply to all of their financial arrangements.

The application of the TOFA rules to any given Noteholder will depend upon their particular facts and circumstances. Accordingly, Noteholders should obtain their own advice in relation to the potential applicability of the TOFA regime in light of their own individual facts and circumstances.

The TOFA regime does not override the exemption available under section 128F of the Tax Act 1936.

GOODS AND SERVICES TAX (“GST”)

GST should not be payable by the Noteholders in respect of the issue or redemption of Notes by the Issuer, the transfer of the Notes, or the conversion of Notes into Ordinary Shares. This will be the case irrespective of whether investors are resident or non-resident.

STAMP DUTY

The issue or transfer of the Notes should not be subject to stamp duty in any Australian jurisdiction. If the Notes are converted into Ordinary Shares, the conversion should not be subject to stamp duty except in certain circumstances. In the event that the Ordinary Shares remain quoted on the ASX at the Final Maturity Date, if the Issuer is a “landholder” in any State and the conversion results in any person and its defined associates holding an interest of 90% or more in the Issuer, stamp duty may be payable. In the event that the Ordinary Shares are not quoted on the ASX at the Final Maturity Date, if the Issuer is a “landholder” in any State and the conversion results in any person and its defined associates holding an interest of 50% or more in the Issuer, stamp duty may be payable.

SUBSCRIPTION AND SALE

This section summarises the Subscription Agreement entered into by the Issuer and the Lead Manager. It also sets out restrictions on the Offering in various jurisdictions.

SUBSCRIPTION AGREEMENT

The Lead Manager has entered into a subscription agreement dated 21 February 2018 with the Issuer (the “**Subscription Agreement**”). Upon the terms and subject to the conditions contained therein, the Lead Manager has agreed to subscribe or procure subscribers for the aggregate principal amount of the Notes at the Issue Price.

The Issuer has agreed to pay certain commissions to the Lead Manager and to reimburse and indemnify the Lead Manager for certain of its expenses incurred in connection with the management of the issue of the Notes. The Lead Manager is entitled in certain circumstances to terminate the Subscription Agreement prior to the closing of the issue of the Notes.

The Issuer has undertaken that during the period commencing on the date of the Subscription Agreement and ending 60 days after the Closing Date (both days inclusive), neither it nor any person acting on its behalf will: (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any shares or securities of the same class as the Notes or the Ordinary Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Notes, the Ordinary Shares or securities of the same class as the Notes, the Ordinary Shares or other instruments representing interests in the Notes, the Ordinary Shares 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 Ordinary Shares, (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 Ordinary Shares 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 providing prior written consent of the Manager (such consent not to be unreasonably withheld or delayed), except for (A) the Notes and the Ordinary Shares issued on conversion of the Notes; and (B) under the Issuer’s employee incentive schemes publicly disclosed as at the date of this Agreement (including the Issuer’s Short Term Incentive plan, Long Term Incentive plan and Executive Incentive Plan as outlined in the Issuer’s Notice of Annual General Meeting 2017 and Annual Report 2017).

The Lead Manager and each of its affiliates have or may have, in the past, performed investment banking and advisory services for the Issuer and the Group, for which they have received customary fees and expenses. The Lead Manager and each of its affiliates may, from time to time, engage in further transactions with, and perform services for, the Issuer and the Group in the ordinary course of their businesses.

The Lead Manager or certain of its affiliates may purchase the Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Issuer or its subsidiaries or associates at the same time as the offer and sale of the Notes or in secondary market transactions.

SELLING RESTRICTIONS

General

Under the terms of the Subscription Agreement neither the Issuer nor the Lead Manager makes any representation that any action will be taken in any jurisdiction by the Lead Manager or the Issuer that would permit a public offering of the Notes, or possession or distribution of this Offering Circular or any other offering or publicity material relating to the Notes (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. The Lead Manager has agreed in the Subscription Agreement that it will comply (to the best of its knowledge and belief) in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular or any other such material, in all cases at its own expense.

United States

The Notes and the Ordinary Shares to be issued upon conversion of the Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and they may not be offered or sold within the United States. The Notes are being offered and sold solely outside the United States pursuant to Regulation S under the Securities Act. The Lead Manager has represented and warranted that it has not offered or sold, and agrees that it will not offer or sell, any Notes constituting part of its allotment except in an offshore transaction in accordance with Rule 903 and Rule 904 of Regulation S under the Securities Act. Accordingly, neither it, nor its affiliates nor any persons acting on its or their behalf have engaged, or will engage in, any “directed selling efforts” within the meaning of Rule 902(c) of the Securities Act with respect to the Notes or the Ordinary Shares to be issued upon conversion of the Notes.

The Lead Manager has further represented and warranted that it has not entered and agree that it will not enter into any contractual arrangement with any distributor (as that term is defined in Regulation S under the Securities Act) with respect to the distribution or delivery of the Notes, except with its affiliates or with the prior written consent of the Issuer.

United Kingdom

The Lead Manager has represented, warranted and agreed that:

- (i) 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 Financial Services and Markets Act 2000 (the “FSMA”) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Australia

The Lead Manager has represented, warranted and agreed that it has not and will not offer or invite applications for the issue of any Notes or offer any Notes for issue or sale in Australia (including an offer or invitation which is received by that person in Australia) or distribute or publish and will not distribute or publish the Offering Circular or any other advertisement in relation to any Notes in Australia, unless:

- (a) (i) the aggregate consideration payable by that person for such Notes (after disregarding any amount lent by the Lead Manager or its associates) on acceptance of the offer by that person is at least A\$500,000 (or its equivalent in another currency); or (ii) the offer or invitation otherwise does not

require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act, except if the only reason the offer or invitation otherwise does not require disclosure is due to section 708(1) of the Corporations Act;

- (b) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act; and
- (c) such action complies with applicable laws and regulations in Australia.

Hong Kong

The Lead Manager has represented 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 Notes 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 Notes, 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 so do under the securities laws of Hong Kong) other than with respect to Notes 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) of Hong Kong and any rules made under that Ordinance.

Singapore

The Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the “MAS”). Accordingly, the Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and have 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 such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), 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.

This Offering Circular has not been registered as a prospectus with the MAS. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes and/or Ordinary Shares may not be circulated or distributed, nor may any Notes and/or Ordinary Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), 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 Notes 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 Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

European Economic Area

The 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 Notes which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
- (b) 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.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the "**Financial Instruments and Exchange Act**"). Accordingly, the Lead Manager has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes 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 Instruments and Exchange Act and other relevant laws, regulations and ministerial guidelines of Japan.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material

relating to the Offering and/or the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this Offering Circular nor any other offering or marketing material relating to the Offering and/or the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

ADDITIONAL INFORMATION

OWNERSHIP RESTRICTIONS

Foreign Acquisitions and Takeovers Act

The acquisition by foreign persons of interests in the Issuer is regulated by the Australian Foreign Acquisitions and Takeovers Act 1975 (Cth) (“**FATA**”).

The FATA generally prohibits (with the sanction of penalties) the acquisition by a “foreign person” of certain interests in the Issuer (including Ordinary Shares and Notes) and gives the Treasurer of the Commonwealth of Australia power to make an order prohibiting such an acquisition where it is proposed or to make a divestment order where such an acquisition has occurred, if the foreign person (alone or together with its associates) would have an interest in 20% or more (or, if the foreign person is also a ‘foreign government investor’ under the FATA, 10% or more (though a lower percentage threshold can apply in certain circumstances)) of the Ordinary Shares, votes or potential votes (including through interests in Notes and options) of the Issuer, or two or more foreign persons (alone or together with their respective associates) would have in aggregate an interest in 40% or more of the Ordinary Shares, votes or potential votes (including through interests in Notes and options) of the Issuer, unless prior notice of the proposed acquisition has been given to the Treasurer and the Treasurer has either stated that there is no objection to the acquisition or a statutory period has expired without the Treasurer objecting. The issuance of such a no objection notice is commonly known as “FIRB approval” (where “**FIRB**” means the Foreign Investment Review Board). The restrictions under the FATA apply equally to acquisitions of interests through issue or transfer.

The Notes will confer an interest in the Issuer for the purposes of the FATA. As the Conversion Price will be subject to adjustment in certain circumstances described in Condition 6(b), the percentage interests held in the Ordinary Shares and the levels of voting power and potential voting power conferred, cannot be determined precisely until the time the Notes are converted. In these circumstances, the FATA provides that the Notes (being rights to acquire Ordinary Shares) will be treated as having been exercised at a particular point in time (for example, at the time the Notes are acquired) to determine whether a person will acquire an interest in the Issuer that requires FIRB approval.

The above summary does not purport to be a definitive statement of the FATA and investors requiring further information as to whether notification under the FATA to the Treasurer (through the FIRB) is required in respect of a proposed investment or further investment in the Issuer should consult their professional advisers.

Broadcasting Services Act

The acquisition of interests in the Issuer is also regulated by the ownership restrictions provisions of Part 5 of the Broadcasting Services Act. These provisions prohibit a person from holding shares in the Issuer if, because of holding those shares, the person would be in a position to exercise “control” of certain “media operations” (as those terms are defined in the Broadcasting Services Act).

Investors requiring further information relating to the Broadcasting Services Act should consult their professional advisers.

Takeover Restrictions

The acquisition of interests in the Issuer is also regulated by the takeover provisions of Chapter 6 of the Corporations Act. These provisions prohibit (with the sanctions of penalties) the acquisition of relevant interests in the Ordinary Shares, if as a result of the acquisition the acquirer's (or another party's) "voting power" in the Issuer would increase to above 20%, or would increase from a starting point that is above 20% and below 90%. 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 Ordinary Shares by persons holding "voting power" in the Issuer of 5% or more.

Investors requiring further information relating to takeover restrictions should consult their professional advisers as these matters may be applicable to the conversion of the Notes.

ASX

ASX Listing Rules

The ASX Listing Rules prohibit the issue of equity securities (including convertible securities) if the number of those securities, when aggregated with the number of any other equity securities issued during the previous 12 months, exceeds 15% of the number of equity securities on issue at the commencement of that period of 12 months, except with prior shareholder approval, or subject to certain exceptions, including exceptions for offers to ordinary shareholders pro rata, or pursuant to a takeover or scheme of arrangement, or 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 restrictions under the ASX Listing Rules should consult their professional advisers as these matters may be applicable to the conversion of the Notes.

ASX Confirmations

The Issuer has received confirmations from ASX of the following:

- the terms of the Notes are appropriate and equitable for the purposes of ASX Listing Rule 6.1; and
- the issue of the Notes does not breach ASX Listing Rule 7.1.

INTERESTS OF DIRECTORS

Other than as set out below or elsewhere in this Offering Circular, no director 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;
- 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
- 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; or
- for services rendered by him or her in connection with the formation or promotion of the Issuer or the offer under this Offering Circular.

Details of the interests in the securities of the Directors of the Issuer are disclosed in the Issuer's most recently annual report dated 22 August 2017, as updated in the Issuer's Appendix 3Y filings lodged with the ASX since that date.

Details on the Directors' remuneration are also contained in the most recently lodged annual report for the Issuer dated 22 August 2017.

The information described above can be obtained from the Issuer, ASIC or ASX respectively, as set out in the “Important Notice”.

AUTHORISATIONS AND CONSENTS

Consents

The persons stated on page 117 of this Offering Circular (except for the Issuer, the Trustee, the Registrar, the Principal Paying and Conversion Agent) have given and have not, before the date of this Offering Circular, withdrawn their written consent to be named in this Offering Circular in the form and context in which they are named. Each of these persons (except for the Issuer):

- 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:

- Seven Group Holdings Limited as Issuer; and
- Deloitte Touche Tohmatsu as auditors to the Issuer.

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. Each of its 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 Issuer assumes responsibility for the reference to those entities and statements which include those references.

GENERAL INFORMATION

1. The Issuer's corporate head office and principal place of business is located at Level 2, 38-42 Pirrama Road, Pyrmont NSW 2009, Australia.
2. The auditors to the Issuer in Australia are Deloitte Touche Tohmatsu.
3. The Principal Paying and Conversion Agent for the Notes is The Bank of New York Mellon, London Branch at its specified office located at One Canada Square, London E14 5AL, United Kingdom. The Registrar and the Transfer Agent for the Notes is The Bank of New York Mellon SA/NV, Luxembourg Branch at its specified office located at Vertigo Building – Polaris, 2-4, rue Eugène Ruppert, L-2453 Luxembourg.
4. The issue of the Notes and the terms of the Offering and the issue of the Notes were approved by resolutions of the Board of Directors of the Issuer passed on 1 March 2018.
5. The Issuer does not have current placement capacity under ASX Listing Rule 7.1 to issue the Ordinary Shares upon conversion of the Notes. The Issuer will seek approval of its shareholders for the issuance of the Ordinary Shares on or before the next annual general meeting expected to be held in November 2018. There is no assurance that shareholders will vote in favour of a resolution issuing such Ordinary Shares.
6. Copies of the constitutive documents of the Issuer (subject to the Issuer providing a copy of the same and of any amendment thereto made after the date of this Offering Circular to the Principal Paying and Conversion Agent) and copies of the Trust Deed and the Agency Agreement (upon execution) will be available for inspection, and the published financial statements of the Group (subject to the Issuer providing a copies of the same to the Principal Paying and Conversion Agent) will be available for collection at the specified office of the Principal Paying and Conversion Agent at all reasonable times during normal business hours following prior written request and satisfactory proof of holding, so long as any of the Notes is outstanding.
7. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number for the Notes is XS1785357739. The Common Code for the Notes is 178535773.
8. The Legal Entity Identifier (LEI) of the Issuer is 254900DME8O9GCK94794.
9. The Issuer has obtained or will at the date of issue obtain all consents, approvals and authorisations in Australia and Singapore required to be obtained by it in connection with the issue and performance of the Notes.
10. Other than as expressly stated in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2017 and no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2017.
11. Neither the Issuer nor any of its Subsidiaries (as defined in the Terms and Conditions of the Notes) is 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 Notes nor, so far as the Issuer is aware, is any such litigation or arbitration pending or threatened.
12. The audited annual consolidated financial statements of the Group for the financial years ended and as at 30 June 2016 and 2017, which are deemed to be incorporated by reference in this Offering

Circular, have been audited by KPMG and Deloitte Touche Tohmatsu respectively, auditors to the Issuer, as stated in their reports appearing therein.

The reviewed half year consolidated financial statements of the Group for the half years ended 31 December 2016 and 31 December 2017, which are deemed to be incorporated by reference in this Offering Circular, have been reviewed by Deloitte Touche Tohmatsu, auditors to the Issuer, as stated in their reports appearing therein.

13. Approval in-principle has been received for the listing of the Notes on the SGX-ST. So long as the Notes 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 Notes may be presented or surrendered for payment or redemption, in the event that the Global Certificate is exchanged for individual definitive Notes. In addition, in the event that the Global Certificate is exchanged for individual definitive Notes, 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 Notes, including details of the paying agent in Singapore.

ISSUER

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TRUSTEE

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United Kingdom

PRINCIPAL PAYING AND CONVERSION AGENT

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