

# Information Memorandum



## **Downer Group Finance Pty Limited**

ABN 45 072 473 913

### **A\$750,000,000 Debt Issuance Programme**

guaranteed by  
**Downer EDI Limited**

ABN 97 003 872 848

and certain subsidiaries of Downer EDI Limited

#### **Arranger**

National Australia Bank Limited

ABN 12 004 044 937

#### **Dealers**

Australia and New Zealand  
Banking Group Limited

ABN 11 005 357 522

Citigroup Global Markets Australia  
Pty Limited

ABN 64 003 114 832

National Australia Bank Limited

ABN 12 004 044 937

UBS AG, Australia Branch

ABN 47 088 129 613

Westpac Banking Corporation

ABN 33 007 457 141

**30 September 2009**

# Contents

---

<b>Contents</b>	<b>2</b>
<b>Important Notice</b>	<b>3</b>
<b>Summary of the Programme</b>	<b>7</b>
<b>STN Conditions</b>	<b>13</b>
<b>MTN Conditions</b>	<b>26</b>
<b>Form of Supplement</b>	<b>53</b>
<b>Selling and Distribution Restrictions</b>	<b>59</b>
<b>Australian Taxation</b>	<b>65</b>
<b>New Zealand Taxation</b>	<b>68</b>
<b>Current Guarantors</b>	<b>69</b>
<b>Directory</b>	<b>72</b>

# Important Notice

---

## Introduction

This Information Memorandum relates to a debt issuance programme (“**Programme**”) established by Downer Group Finance Pty Limited (“**Issuer**”) under which the following debt instruments (collectively, “**Debt Instruments**”) may be issued from time to time:

- short term notes (“**STNs**”);
- medium term notes (“**MTNs**”),  
(STNs and MTNs together referred to as “**Notes**”); and
- other debt instruments.

Subject to applicable laws, regulations and directives, the Issuer may issue Debt Instruments under the Programme in any country including Australia and countries in Europe and Asia (but not the United States of America unless such Debt Instruments are registered under the United States Securities Act of 1933 (as amended) (“**Securities Act**”) or an exemption from the registration requirements is available). The Issuer may also issue notes, bonds or other debt instruments (including, without limitation, dematerialised securities) otherwise than under the Programme.

Each issue of Debt Instruments will be made pursuant to such documentation as the Issuer may determine. Debt Instruments will be issued in one or more tranches (each a “**Tranche**”) within one or more series (each a “**Series**”). A pricing supplement and/or another supplement to this Information Memorandum (“**Supplement**”) will be issued for each Tranche or Series (“**Series**”) of Debt Instruments issued under the Programme and will contain details of the aggregate principal amount, issue price, issue date, maturity date, details of interest (if any) payable together with any other terms and conditions not set out in this Information Memorandum that may be applicable to that Tranche or Series of Debt Instruments. The Issuer may also publish a supplement to this Information Memorandum (or additional Information Memoranda) which describes the issue of Debt Instruments (or particular classes of Debt Instruments) not otherwise described in this Information Memorandum.

Debt Instruments issued by the Issuer under the Programme are unconditionally and irrevocably guaranteed by Downer EDI Limited (“**Parent**”) and certain subsidiaries of the Parent (collectively, the “**Guarantors**”) pursuant to a Deed Poll Guarantee and Indemnity dated 14 June 2006 and the Guarantor Accession Deeds Poll dated 9 April 2009 and 13 July 2009.

## Terms and Conditions of Issue

The applicable terms and conditions of the STNs and MTNs (the “**STN Conditions**” and “**MTN Conditions**”) respectively and together referred to as the “**Conditions**”) will be as set out in this Information Memorandum as may be supplemented, amended, modified or replaced by the relevant Supplement for those Debt Instruments. The terms and conditions applicable to other Debt Instruments will be specified in the relevant Supplement.

## Issuer’s responsibility

This Information Memorandum has been prepared by and issued with the authority of the Issuer. The Issuer accepts responsibility for the information contained in this Information Memorandum.

This Information Memorandum replaces the Information Memorandum dated 14 June 2006.

## Documents incorporated by reference

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference (see the paragraph entitled “Documents incorporated by

reference” below). This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. References to “**Information Memorandum**” are to this Information Memorandum together with any other document incorporated by reference collectively and to any of them individually.

### **No independent verification**

The only role of the Arranger, the Dealers and the Agents (each as defined in the section entitled “Summary of the Programme” below) in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective descriptions in the section entitled “Directory” below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Arranger, the Dealers or the Agents has independently verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted, by them as to the accuracy or completeness of this Information Memorandum or any further information supplied by the Issuer in connection with the Programme.

### **Independent advice**

This Information Memorandum contains only summary information concerning the Debt Instruments. It is not intended to provide the basis of any credit or other evaluation in respect of the Issuer, the Parent, any other Guarantor or any Debt Instruments and should not be considered as a recommendation or a statement of opinion (or a report of either of these things) by the Issuer, the Parent, any other Guarantor, the Arranger, the Dealers or the Agents that any recipient of this Information Memorandum or any other financial statements should purchase any Debt Instruments or any rights in respect of any Debt Instruments. Each investor contemplating purchasing any Debt Instruments or any rights in respect of any Debt Instruments under the Programme should make (and shall be taken to have made) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer and (where applicable) the Parent or any other Guarantor.

No advice is given in respect of the taxation treatment of investors in connection with investment in any Debt Instruments and each investor is advised to consult its own professional adviser.

### **Currency of information**

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct at any time subsequent to the Preparation Date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the Preparation Date. In particular, neither the Issuer, the Parent nor any other Guarantor is under any obligation to the holders of any Debt Instruments to update this Information Memorandum at any time after an issue of Debt Instruments.

In this Information Memorandum, “**Preparation Date**” means:

- in relation to this Information Memorandum, the date indicated on its face or, if the Information Memorandum has been supplemented, amended, modified or replaced the date indicated on the face of that supplement, amendment, modification or replacement;
- in relation to annual reports and any financial statements incorporated in this Information Memorandum, the date up to, or as at, the date on which such annual reports and financial statements relate; and
- in relation to any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release or effectiveness.

The Arranger, the Dealers and the Agents expressly do not undertake to review the financial condition or affairs of the Issuer, the Parent or any other Guarantor during the life of the Programme. Investors should review, amongst other things, the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether or not to purchase any Debt Instruments. In addition, each of the Issuer, the Parent and each other Guarantor may make filings with regulatory authorities from time to time, and such filings may include information material to investors. Copies of such filings are available from the Issuer on request.

### **No authorisation**

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with the Issuer, the Parent, any other Guarantor, the Programme or the issue or sale of the Debt Instruments and, if given or made, such information or representation must not be relied on as having been authorised by the Issuer, the Parent, any other Guarantor or any of the Arranger, the Dealers or the Agents.

### **Agency and distribution arrangements**

The Issuer has agreed to pay the Agents' fees for undertaking their respective roles and reimburse them for certain of their expenses incurred in connection with the Programme. The Issuer may also pay a Dealer a fee in respect of the Debt Instruments subscribed by it and has agreed to reimburse the Dealers for certain expenses incurred in connection with the Programme and indemnify the Dealers against certain liabilities in connection with the offer and sale of the Debt Instruments.

Each Dealer, its subsidiaries, directors and employees may have pecuniary or other interests in the Notes and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealing in any Debt Instruments. They may also have investment banking and other relationships with the Issuer or a Guarantor.

The distribution of this Information Memorandum, any relevant Supplement and the offer or sale of Debt Instruments may be restricted by law in certain jurisdictions. None of the Issuer, the Parent, any other Guarantor, the Dealers or the Agents represents that this document may be lawfully distributed, or that any Debt Instruments may be lawfully offered in compliance with any applicable registration or other requirements in any such jurisdiction, or under an exemption available in that jurisdiction, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of those parties which would permit a public offering of any Debt Instruments or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required.

### **No registration**

The Debt Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**"), and may not be offered, sold, or delivered, at any time, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act), unless such Debt Instruments are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

### **No disclosure required**

Neither this Information Memorandum nor any other disclosure document in relation to the Debt Instruments has been lodged with the Australian Securities and Investment Commission. A person may not make or invite an offer of the Debt Instruments for issue or sale in Australia (including an offer or invitation which is received by a person in Australia) or distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Debt Instruments in Australia unless the minimum aggregate consideration payable by each offeree is at least A\$500,000 (disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia and such action complies with all applicable laws and regulations (see "Selling Restrictions" below).

## **No offer**

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, the Parent, any other Guarantor, the Dealers or any Agent to any person to subscribe for, purchase or otherwise deal in any Debt Instruments.

## **Stabilisation**

In connection with any issue of Debt Instruments outside Australia, the Dealer (if any) designated as stabilising manager in any relevant Supplement may over-allot or effect transactions outside Australia and on a market operated outside Australia which stabilise or maintain the market price of the Debt Instruments of the relevant Series at a level which might not otherwise prevail. Such stabilising shall be in compliance with all relevant laws and regulations.

## **References to credit ratings**

There are references in this Information Memorandum to credit ratings. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency. Each rating should be evaluated independently of any other rating.

## **Documents incorporated by reference**

The following documents are incorporated in, and taken to form part of, this Information Memorandum:

- the Guarantee;
- all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time;
- the most recent financial statements of the Issuer and the Parent filed with the Australian Securities & Investments Commission and any announcements released by the Parent to the Australian Securities Exchange (“**ASX**”) operated by ASX Limited (ABN 98 008 624 691); and
- all documents issued by the Issuer and stated to be incorporated in this Information Memorandum by reference including any relevant Supplement.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of this Information Memorandum, shall be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

Copies of documents incorporated by reference may be obtained from the Issuer or such other person specified in any Supplement.

# Summary of the Programme

---

*The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Debt Instruments, the applicable Conditions and the relevant Supplement.*

- Issuer: Downer Group Finance Pty Limited (ABN 45 072 473 913)
- Wholly owned subsidiaries of Downer EDI Limited (each an “**Additional Issuer**”) may be added as issuers under the Programme from time to time.<sup>1</sup>
- Parent: Downer EDI Limited (ABN 97 003 872 848)
- Downer EDI Limited is an ASX listed company that provides comprehensive engineering and infrastructure management services to the transport, energy, infrastructure, communications and resources sectors, across Australia and New Zealand, the Asia-Pacific region and the United States. See the section of this Information Memorandum entitled “Documents incorporated by reference” above for further information.
- Information with respect to Downer EDI Limited, its subsidiaries and their businesses can also be found at [www.downeredi.com](http://www.downeredi.com). However, this internet site address is included for reference only and the information and documents that can be accessed on that internet site address are not incorporated by reference into, and do not form part of, this Information Memorandum unless specifically identified in the section of this Information Memorandum entitled “Documents incorporated by reference”.
- Description: A non-underwritten debt issuance programme (“**Programme**”) under which the Issuer may elect to issue short term notes (“**STNs**”), medium term notes (“**MTNs**”) (together, the “**Notes**”) and other debt instruments (collectively, “**Debt Instruments**”).
- Guarantors: The Parent and certain subsidiaries of the Parent.
- The Issuer and the Parent shall procure that Consolidated Guarantor EBIT (as defined in the Conditions) shall be equal to or greater than 70 per cent. of Consolidated Group EBIT (as defined in the Conditions).
- The subsidiaries of the Parent which are currently Guarantors are set out in the section entitled “Current Guarantors” below.
- The Guarantee provides mechanisms to enable a Subsidiary of the Parent to become a party to the Guarantee in the capacity as Guarantor and for an existing Guarantor to be released from their obligations as a Guarantor. However, at all times, the Consolidated Guarantor EBIT must be equal to or greater than 70 per cent. of Consolidated Group EBIT.
- Guarantee: Notes are issued with the benefit of a Deed Poll Guarantee and Indemnity dated 14 June 2006 and the Guarantor Accession Deeds Poll dated 9 April 2009 and 13 July 2009 (“**Guarantee**”). The obligations of the Guarantors under this Guarantee rank at least equally with all other

---

<sup>1</sup> References in this Information Memorandum to “Issuer” includes, where the context requires, an Additional Issuer.

	unsubordinated and unsecured obligations of the Guarantors, except for liabilities mandatorily preferred by law.
Programme Limit:	A\$750,000,000 (or its equivalent in other currencies).  The Programme Limit may be increased by the Issuer from time to time.
Arranger:	National Australia Bank Limited (ABN 12 004 044 937)
Dealers: 522)	Australia and New Zealand Banking Group Limited (ABN 11 005 357  Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) National Australia Bank Limited (ABN 12 004 044 937) UBS AG, Australia Branch (ABN 47 088 129 613) Westpac Banking Corporation (ABN 33 007 457 141)  Additional Dealers may be appointed from time to time for any Tranche of Debt Instruments or to the Programme generally.
Registrars:	Austraclear Services Limited (ABN 28 003 284 419) and/or any other person appointed by the Issuer to perform registry functions and establish and maintain a Register (as defined below) in or outside Australia on the Issuer's behalf from time to time (" <b>Registrar</b> "). Details of additional appointments in respect of a Tranche or Series will be notified in the relevant Supplement.
Offshore Agent:	Details of any appointments of any persons appointed by the Issuer to act as an issuing agent (" <b>Issuing Agent</b> ") or paying agent (" <b>Paying Agent</b> ") on the Issuer's behalf from time to time outside Australia in respect of a Tranche or Series will be notified in the relevant Supplement.
Calculation Agents:	If a Calculation Agent is required for the purpose of calculating any amount or making any determination under a Debt Instrument, such appointment will be notified in the relevant Supplement. The Issuer may terminate the appointment of the Calculation Agent, appoint additional or other Calculation Agents or elect to have no Calculation Agent. Where no Calculation Agent is appointed the calculation of interest, principal and other payments in respect of the relevant Debt Instruments will be made by the Issuer.
Agents:	Each Registrar, Offshore Agent, Issuing Agent, Paying Agent, Calculation Agent and any other person appointed by the Issuer to perform other agency functions with respect to any Series or Tranche of Debt Instruments. Details of such appointment will be set out in the relevant Supplement.
Programme Term:	The term of the Programme continues until terminated by the Issuer giving 30 days notice to the then Dealers appointed to the Programme generally, or earlier by agreement between all the parties to the Dealer Agreement.
Status and Ranking:	Debt Instruments will be direct, unsubordinated and unsecured obligations of the Issuer and will rank at least equally with all other direct unsubordinated and unsecured obligations of the Issuer, except obligations mandatorily preferred by law.
Negative pledge:	MTNs will have the benefit of a negative pledge from the Issuer and the Parent on behalf of itself and its subsidiaries as more fully described in Condition 5 of the MTN Conditions and Clause 5 of the Guarantee.



Cross default:	MTNs will contain a cross-default clause, in respect of the Issuer or any Subsidiary, in connection with certain obligations exceeding, in aggregate, A\$10,000,000 (or its equivalent in another currency) as more fully described in MTN Condition 14.1(i).
Form:	<p>The form of a Series of Debt Instruments will be determined by the Issuer and any relevant Dealer prior to their issue date and be specified in any relevant Supplement.</p> <p>The terms and conditions of the Debt Instruments (“<b>Conditions</b>”) are set out in this Information Memorandum and may be supplemented, amended, modified or replaced by a Supplement for the relevant Tranche.</p> <p>Debt Instruments may be issued in registered form. Such Debt Instruments will be debt obligations of the Issuer which are constituted by, and owing under, the Debt Instrument Deed Poll made by the Issuer and the Parent and dated 14 June 2006 (as supplemented, amended, modified or replaced from time to time) (“<b>Deed Poll</b>”) (or such other deed poll as is specified in a relevant Supplement). Such Debt Instruments take the form of entries in a register (“<b>Register</b>”) maintained by a Registrar. In respect of such Debt Instruments issued in Australia, a Register will be maintained by the Australian Registrar in New South Wales, Australia and, in respect of any such Debt Instruments issued outside Australia, the relevant Supplement will specify the place in which the relevant Register will be maintained by the Offshore Registrar.</p> <p>Notes may bear interest at a fixed or floating rate, be issued at a discount or premium to the face value or otherwise bear interest which is calculated by a formula or an index as specified in the relevant Supplement. The Notes of any Series may be described as “STNs”, “MTNs”, “Notes”, “Bonds”, “Instruments”, “Indexed Notes”, “Amortising Notes”, “Credit Linked Notes”, “FRNs”, “Zero Coupon Notes” or by any other marketing name.</p>
Interest Periods and Interest Rates:	The length of the interest periods and the applicable rate of interest or its method of calculation may differ from time to time or be constant for any Series as specified in the relevant Supplement. Debt Instruments may have a maximum rate of interest, a minimum rate of interest or both.
Tenor:	The tenor of STNs will not exceed 364 days. There will be will no minimum or maximum tenor in relation to other Debt Instruments unless specified in the relevant Supplement.
Currencies:	<p>Debt Instruments may be denominated in Australian dollars or, subject to any applicable legal or regulatory requirements, any Alternate Currency as may be agreed between the Issuer and the relevant Dealer.</p> <p>Payments in respect of Debt Instruments may be made in, or limited to, any currency or currencies other than the currency in which the Debt Instruments are denominated, all as set out in the relevant Supplement.</p>
Issue Price:	Debt Instruments may be issued at any price on a fully or partly paid basis, as specified in the relevant Supplement.
Settlement Price:	As specified in the relevant Supplement, or as otherwise agreed between the parties.
Issuance in Series:	Debt Instruments will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Debt Instruments of each Series will all be subject to identical terms, except that the issue date and (unless the Debt Instruments are approved for trading in the Austraclear System or another Clearing System (as defined

below)) interest commencement date may be different in respect of different Tranches of a Series. The Debt Instruments of each Series are intended to be fungible with other Debt Instruments of that Series.

However, in certain circumstances, Debt Instruments of a particular Tranche may not be, nor will they become, fungible with Debt Instruments of any other Tranche or Tranches forming part of the same Series until a specified time following their issue, as described in the relevant Supplement.

Denomination: Debt Instruments will be issued in a single denomination specified in the relevant Supplement.

Title: Entry of the name of the person in the Register in respect of a Debt Instrument in registered form constitutes the obtaining or passing of title and its conclusive evidence that the person so entered is the registered holder of that Debt Instrument.

Debt Instruments which are held in the Austraclear System (as defined below) will be registered in the name of Austraclear Limited (ABN 94 002 060 773) ("**Austraclear**"). Title to Debt Instruments which are held in another Clearing System (as defined below) will be determined in accordance with the rules and regulations of the relevant Clearing System.

No certificate or other evidence of title will be issued to holders of Debt Instruments issued in Australia unless the Issuer determines that certificates should be available or it is required to do so pursuant to any applicable law or regulation.

Title to other Debt Instruments will depend on the form of those Debt Instruments as specified in the relevant Supplement.

Clearing System: Debt Instruments may be transacted either within or outside any Clearing System (as defined below).

The Issuer may apply to Austraclear for approval for Debt Instruments to be traded on the settlement system operated by Austraclear ("**Austraclear System**"). Such approval of the Debt Instruments by Austraclear is not a recommendation or endorsement by Austraclear of those Debt Instruments.

Debt Instruments may also be traded on the settlement system operated by Euroclear Bank S.A./N.A. ("**Euroclear**"), the settlement system operated by Clearstream Banking société anonyme ("**Clearstream, Luxembourg**") or any other clearing system outside Australia specified in the relevant Supplement (together with the Austraclear System, Euroclear and Clearstream, Luxembourg, each a "**Clearing System**").

Details of any Clearing System for other Debt Instruments will be specified in the relevant Supplement.

Governing law: The Debt Instruments, and all related documents, will be governed by the laws of New South Wales, Australia, unless otherwise specified in the relevant Supplement.

Use of proceeds: The net proceeds realised from the issue of Debt Instruments will be used for the Issuer's general corporate purposes.

Transfer procedure: Debt Instruments may only be transferred in whole, unless otherwise specified in the relevant Supplement.

Debt Instruments may only be transferred between persons in a jurisdiction or jurisdictions other than Australia if the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place.

Transfers of Debt Instruments held in a Clearing System will be made in accordance with the rules and regulations of the relevant Clearing System.

Redemption: STNs will be redeemed at par at maturity. Other Debt Instruments may be redeemed prior to scheduled maturity in certain circumstances as more fully set out in the Conditions and the relevant Supplement.

Debt Instruments entered in a Clearing System will be redeemed through that Clearing System in a manner consistent with the rules and regulations of that Clearing System.

Payments and Record Date: Unless otherwise provided by the relevant Supplement, payments in respect of Debt Instruments will be made to the persons whose names are entered in the Register as at 5.00pm (Sydney time) on the relevant Record Date. The Record Date is the eighth calendar day before a payment date or such other period specified in the relevant Supplement.

Payments to persons who hold Debt Instruments through a Clearing System will be made by transfer to their relevant account in accordance with the rules and regulations of the relevant Clearing System.

If Debt Instruments are not lodged in a Clearing System, payments will be made to the account of the registered holder noted in the Register. If no account is notified, then payments will be made by cheque mailed on the Business Day immediately preceding the relevant payment date to the registered holder at its address appearing in the Register on the Record Date.

Stamp duty: Any stamp duty incurred at the time of issue of the Debt Instruments will be for the account of the Issuer. Any stamp duty incurred on a transfer of Debt Instruments will be for the account of the relevant investors.

As at the date of this Information Memorandum, no Australian stamp duty is payable on the issue, transfer or redemption of the Debt Instruments. Investors are advised to seek independent advice regarding any stamp duty or other taxes imposed by another jurisdiction upon the transfer of Debt Instruments, or interests in Debt Instruments, in any jurisdiction outside of Australia.

Taxes: An overview of the Australian taxation treatment of payments of interest on Debt Instruments is set out in the section entitled "Australian Taxation" below. However, investors should obtain their own taxation advice regarding the taxation status of investing in Debt Instruments.

Tax File Numbers and Australian Business Numbers: The Issuer will deduct amounts from payments of interest to be made under the Debt Instruments at the prescribed rate if an Australian resident investor has not supplied an appropriate Tax File Number, Australian Business Number or such exemption details as may be necessary to enable the payment to be made without withholding or deduction.

Selling restrictions: The offer, sale and delivery of Debt Instruments and the distribution of this Information Memorandum and other material in relation to any Debt Instruments are subject to such restrictions as may apply in any country

in connection with the offer and sale of a particular Tranche of Debt Instruments.

In particular, restrictions on the offer or sale of the Debt Instruments in Australia, the United Kingdom, the United States of America, the European Economic Area, Japan, Singapore, New Zealand and Hong Kong are set out in the section entitled "Selling and Distribution Restrictions" below.

**Listing:** The Issuer does not currently intend that the Debt Instruments will be listed on any stock exchange.

**Investment Risks:** This paragraph does not describe all the risks of an investment in the Debt Instruments. Prospective investors or purchasers should consult their own financial and legal advisers about risks associated with an investment in a particular Tranche of Debt Instruments and the suitability of investing in the Debt Instruments in light of their particular circumstances.

In addition to the credit risks associated with the Issuer, the Parent and the other Guarantors, an investment in certain types of structured Debt Instruments, the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or indirectly, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security purchased at the same time and/or that an investor could lose all or a substantial portion of the principal of those Debt Instruments.

Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any Debt Instruments.

# STN Conditions

---

*The following are the STN Conditions which, as supplemented, amended, modified or replaced in relation to any STN by any relevant Supplement, will be applicable to each Series of STNs constituted by the Deed Poll. References below to a Supplement are references to any Supplement applicable to the relevant Tranche of STNs but do not limit the provisions which may be supplemented, amended, modified or replaced by a relevant Supplement in relation to that Tranche of STNs.*

*Each Holder and any person claiming through or under a Holder is deemed to have notice of and is bound by these conditions, the Deed Poll, the Information Memorandum, any relevant Supplement and the Guarantee (if applicable). Copies of each of these documents (to the extent they relate to a Tranche of STNs) are available for inspection by the holder of any STN of such Tranche at the offices of the Issuer and, the Registrar at their respective addresses specified herein.*

*Definitions and interpretation provisions are set out in Condition 14 (“Interpretation”) below.*

## **Part 1 Introduction**

---

### **1 Introduction**

#### **1.1 Programme**

STNs are issued under a debt issuance programme established by the Issuer.

#### **1.2 Supplement**

STNs are issued in Series. A Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical. A Tranche may be the subject of a Supplement which supplements, amends or replaces these Conditions. In the event of any inconsistency between these Conditions and any applicable Supplement, that Supplement prevails.

Copies of any applicable Supplement are available for inspection or upon request by a Holder or prospective Holder during normal business hours at the Specified Office of the Issuer or the Registrar.

#### **1.3 Types of STNs**

An STN is a short term debt obligation issued at a discount to its principal amount.

#### **1.4 Denomination**

STNs are issued in a single denomination of A\$10,000 unless otherwise specified in any applicable Supplement.

#### **1.5 Currency**

STNs are denominated in Australian dollars unless otherwise specified in any applicable Supplement.

#### **1.6 Issue restrictions and tenor**

Unless otherwise specified in any relevant Supplement, STNs may only be issued if:

- (a) the aggregate consideration payable to the Issuer by the relevant Holder is at least A\$500,000 (disregarding moneys lent by the Issuer or its associates to the Holder) or, if the offer or invitation for the issue of the STNs otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia;
- (b) the issue complies with all other applicable laws and directives;
- (c) 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

- (d) have a tenor of 364 days or less.

## **1.7 Clearing Systems**

STNs may be held in a Clearing System, in which case the rights of a person holding an interest in the STNs lodged in the Clearing System are subject to the rules and regulations of the Clearing System.

## **Part 2 The STNs**

---

### **2 Form**

#### **2.1 Constitution under Deed Poll**

STNs are debt obligations of the Issuer constituted by, and owing under, the Deed Poll.

#### **2.2 Form**

STNs are issued in registered form by entry in the Register. Each entry in the Register constitutes a separate and individual acknowledgment to the relevant Holder of the indebtedness of the Issuer to that Holder.

#### **2.3 No certificates**

No certificates will be issued to Holders unless the Issuer determines that certificates should be available or are required by any applicable law.

#### **2.4 Status**

STNs constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer.

#### **2.5 Ranking**

STNs rank equally among themselves and at least equally with all other unsubordinated and unsecured obligations of the Issuer except for liabilities mandatorily preferred by law.

---

### **3 Title and transfer of STNs**

#### **3.1 Title**

Title to STNs passes when details of the transfer are entered in the Register.

#### **3.2 Effect of entries in Register**

Each entry in the Register in respect of an STN constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the Holder to pay principal and any other amount in accordance with these Conditions; and
- (b) an entitlement to the other benefits given to Holders under these Conditions in respect of the STN.

#### **3.3 Register conclusive as to ownership**

Entries in the Register in relation to an STN constitute conclusive evidence that the person so entered is the registered owner of that STN subject to rectification for fraud or error.

#### **3.4 Non-recognition of interests**

Except as required by law, the Issuer and the Registrar must treat whose name is entered in the Register as the holder of an STN as the absolute owner of that STN. the person whose name is entered in the Register as the holder of an STN as the absolute owner of that STN. This Condition 3.4

applies whether or not an STN is overdue and despite any notice of ownership, trust or interest in the STN.

### **3.5 Joint holders**

Where two or more persons are entered in the Register as the joint holders of an STN then they are taken to hold the STN as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of an STN.

### **3.6 Transfers in whole**

STNs may be transferred in whole but not in part.

### **3.7 Compliance with law**

STNs may only be transferred if:

- (a) the offer or invitation giving rise to the transfer 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; and
- (b) the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place.

### **3.8 Transfer procedures**

Interests in STNs held in a Clearing System will be transferable only in accordance with the rules and regulations of that Clearing System.

Application for the transfer of STNs not held in a Clearing System must be made by the lodgment of a transfer form with the Registrar at its Specified Office. Transfer forms must be in the form available from the Registrar. Each transfer form must be:

- (a) duly completed;
- (b) accompanied by any evidence the Registrar may require to establish that the transfer form has been duly executed; and
- (c) signed by or on behalf of both the transferor and the transferee.

Transfers will be registered without charge provided all applicable Taxes have been paid.

### **3.9 Effect of transfer**

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under these Conditions in respect of the transferred STNs and the transferee becomes so entitled in accordance with Condition 3.2 ("Effect of entries in Register").

### **3.10 Austraclear as Holder**

If Austraclear is recorded in the Register as the Holder, each person in whose Security Record (as defined in the Austraclear Regulations) an STN is recorded is taken to acknowledge in favour of the Issuer, the Registrar and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of that STN is not a recommendation or endorsement by the Registrar or Austraclear in relation to that STN, but only indicates that the Registrar considers that the holding of the STN is compatible with the performance by it of its obligations as Registrar under the Agency Agreement; and
- (b) the Holder does not rely on any fact, matter or circumstance contrary to paragraph (a).

### **3.11 Estates**

A person becoming entitled to an STN as a consequence of the death or bankruptcy of a Holder or of a vesting order or a person administering the estate of a Holder may, upon producing such evidence as

to that entitlement or status as the Registrar considers sufficient, transfer the STN or, if so entitled, become registered as the holder of the STN.

### **3.12 Unincorporated associations**

A transfer to an unincorporated association is not permitted.

### **3.13 Transfer of unidentified STNs**

Where the transferor executes a transfer of less than all STNs registered in its name, and the specific STNs to be transferred are not identified, the Registrar may (subject to the limit on minimum holdings) register the transfer in respect of such of the STNs registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the STNs registered as having been transferred equals the aggregate principal amount of the STNs expressed to be transferred in the transfer.

---

## **4 Guarantee**

### **4.1 Guarantee**

STNs issued by the Issuer are issued with the benefit of the unconditional and irrevocable guarantee of the Guarantors constituted by the Guarantee. By the Guarantee, the Guarantors unconditionally and irrevocably guarantee to the Holders, among other things, the payment by the Issuer of the face amount and other amounts due under the STNs.

### **4.2 Status of the Guarantee**

The Guarantee constitutes direct, unconditional, unsubordinated and unsecured obligations of the Guarantors.

### **4.3 Ranking of the Guarantee**

The obligations of each Guarantor under the Guarantee rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of that Guarantor except liabilities mandatorily preferred by law.

### **4.4 Consolidated Guarantor EBIT**

The Issuer and the Parent shall procure that, as at each Reporting Date, Consolidated Guarantor EBIT shall be equal to or greater than 70 per cent. of Consolidated Group EBIT.

## **Part 3 Redemption and purpose**

---

## **5 Redemption and purchase**

### **5.1 Redemption on maturity**

Each STN is redeemable by the Issuer on the Maturity Date at its outstanding principal amount unless:

- (a) the STN has been previously redeemed; or
- (b) the STN has been purchased and cancelled.

### **5.2 Purchase of STNs**

The Issuer may at any time after the initial distribution of the STNs purchase STNs in the open market or otherwise and at any price. All unmaturing STNs purchased in accordance with this Condition 5.2 may be held, resold or cancelled at the discretion of the Issuer, subject to compliance with all legal and regulatory requirements.



## Part 4 Payments

---

### 6 Payments

#### 6.1 Summary of payment provisions

Payments in respect of STNs will be made in accordance with Condition 7 ("Payments").

#### 6.2 Payments subject to law

All payments are subject to applicable law, but without prejudice to the provisions of Condition 8 ("Taxation").

#### 6.3 Payments on business days

If a payment:

- (a) is due on an STN on a day which is not a Business Day then the due date for payment will be adjusted in accordance with the applicable Business Day Convention; or
- (b) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the first following day on which banks are open for general banking business in that place,

and in either case, the STN Holder is not entitled to any additional payment in respect of that delay.

#### 6.4 Currency indemnity

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Holder receives an amount in a currency other than the currency in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual costs in connection with the conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

---

### 7 Payments

#### 7.1 Payment of principal

Payments of principal will be made to each person registered at 10.00 am on the Payment Date as the holder of an STN.

#### 7.2 Payments to accounts

Payments in respect of STNs will be made:

- (a) if the STNs are held in the Austraclear System, by crediting on the Payment Date, the amount due to:
  - (i) the account of Austraclear (as the Holder) in the country of the currency in which the STN is denominated previously notified to the Issuer and the Registrar; or
  - (ii) if requested by Austraclear, the accounts of the persons in whose Security Record (as defined in the Austraclear Regulations) an STN is recorded in the country of the currency in which the STN is denominated as previously notified by Austraclear to the Issuer and the Registrar in accordance with the Austraclear Regulations; and

- (b) if the STNs are not held in the Austraclear System, by crediting on the Payment Date, the amount then due under each STN to an account in the country of the currency in which the STN is denominated previously notified by the Holder to the Issuer and the Registrar.

### **7.3 Payments by cheque**

If a Holder has not notified the Registrar of an account to which payments to it must be made by the close of business on the third calendar day before the Maturity Date, payments in respect of the STN will be made by cheque sent by prepaid post on the Business Day immediately before the Payment Date, at the risk of the registered Holder, to the Holder (or to the first named joint holder of the STN) at its address appearing in the Register at the close of business on that date. Cheques sent to the nominated address of a Holder will be taken to have been received by the Holder on the Payment Date and no further amount will be payable by the Issuer in respect of the STNs as a result of the Holder not receiving payment on the due date.

### **7.4 Time limit for claims**

A claim against the Issuer for any payment under STN is void unless such claim is made within 5 years of the due date.

---

## **8 Taxation**

### **8.1 No set-off, counterclaim or deductions**

All payments in respect of the STNs must be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless prohibited by law.

### **8.2 Withholding tax**

Subject to Condition 8.3 ("Withholding tax exemptions"), if a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the STNs such that the STN Holder would not actually receive on the due date the full amount provided for under the STNs, then:

- (a) the Issuer agrees to deduct the amount for the Taxes (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and
- (b) if the amount deducted or withheld is in respect of Taxes imposed by a Relevant Tax Jurisdiction, the amount payable is increased so that, after making the deduction and further deductions applicable to additional amounts payable under this Condition, each Holder is entitled to receive (at the time the payment is due) the amount it would have received if no deductions or withholdings had been required to be made.

### **8.3 Withholding tax exemptions**

No Additional Amounts are payable under Condition 8.2(b) ("Withholding tax") in respect of any STN:

- (a) to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such STN by reason of the person having some connection with a Relevant Tax Jurisdiction other than the mere holding of such STN or receipt of payment in respect of the STN provided that a Holder shall not be regarded as having a connection with Australia for the reason that the Holder is a resident of Australia within the meaning of the Australian Tax Act where, and to the extent that, such taxes are payable by reason of section 128B(2A) of the Australian Tax Act;
- (b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such Taxes by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar case for exemption to any tax authority;
- (c) to, or to a third party on behalf of, a Holder who is an Offshore Associate of the Issuer and not acting in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act;
- (d) to, or to a third party on behalf of an Australian resident Holder or a non-resident Holder carrying on business in Australia at or through a permanent establishment of the non-resident

in Australia, if the Holder has not supplied an appropriate tax file number, an Australian business number or other exemption details; or

- (e) in such other circumstances as may be specified in any applicable Supplement.

## **Part 5 General**

---

### **9 Agents**

#### **9.1 Role of Agents**

In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any Holder.

#### **9.2 Appointment and replacement of Agents**

Each initial Agent for the STNs is specified in the applicable Supplement. Subject to Condition 9.4 (“Required Agents”), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

#### **9.3 Change of Agent**

Notice of any change of an Agent or its Specified Offices must promptly be given to the Holders by the Issuer or the Agent on its behalf.

#### **9.4 Required Agents**

The Issuer must at all times maintain a Registrar.

---

### **10 Variation**

Any Condition may be amended without the consent of the Holders if the amendment:

- (a) is of a formal, minor or technical nature;
- (b) is made to correct a manifest error;
- (c) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision and, in the reasonable opinion of the Issuer, is not materially prejudicial to the interests of the Holders; or
- (d) only applies to STNs issued after the date of amendment.

---

### **11 Further issues**

The Issuer may from time to time, without the consent of the Holders, issue further STNs having the same Conditions as the STNs of any Series in all respects (or in all respects except for their denomination) so as to form a single series with the STNs of that Series.

---

### **12 Notices**

#### **12.1 Notices to Holders**

All notices and other communications to the Holders must be in writing and sent by prepaid post (airmail if appropriate) to or left at the address of the Holder (as shown in the Register at the close of business on the day which is 3 Business Days before the date of the notice or communication) and may also be:

- (a) given by an advertisement published in The Australian Financial Review or The Australian; or

- (b) if any applicable Supplement specifies an additional or alternate newspaper, given by an advertisement published in that newspaper.

## **12.2 Notices to the Issuer and the Agents**

All notices and other communications to the Issuer or an Agent must be in writing and may be sent by prepaid post (airmail if appropriate) to or left at the Specified Office of the Issuer or the Agent.

## **12.3 When effective**

Notices and other communications take effect from the time they are taken to be received unless a later time is specified in them.

## **12.4 Receipt - publication in newspaper**

If published in a newspaper, a notice or other communication is taken to be received on the first date that publication has been made in all the required newspapers.

## **12.5 Deemed receipt - postal**

If sent by post, notices or other communications are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).

## **12.6 Deemed receipt - general**

Despite clause 12.5 ("Deemed receipt - postal"), if notices or other communications are received after 5.00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00 am on the next Business Day.

---

## **13 Governing law**

### **13.1 Governing law**

STNs are governed by the law in force in New South Wales.

### **13.2 Jurisdiction**

The Issuer submits and each Holder is taken to have submitted to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. The Issuer waives any right it has to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

### **13.3 Serving documents**

Without preventing any other method of service, any document in any action may be served on the Issuer or a Holder by being delivered or left at the person's registered office or principal place of business.

---

## **14 Interpretation**

### **14.1 Definitions**

Unless the contrary intention appears:

**Additional Amount** means an additional amount payable by the Issuer under Condition 8.2 ("Withholding tax").

**Agency Agreement** means:

- (a) the agreement titled "Agency and Registry Services Agreement" dated 14 June 2006 between the Issuer and Austraclear Services Limited (ABN 28 003 284 419);

- (b) another agreement between the Issuer and the Registrar specified in any applicable Supplement; or
- (c) another agency agreement between the Issuer and another Agent in relation to the STNs.

**Agent** means the Registrar and any additional agent appointed under an Agency Agreement.

**Austraclear** means Austraclear Limited (ABN 94 002 060 773).

**Austraclear Regulations** means the regulations known as “Austraclear System Regulations” established by Austraclear to govern the use of the Austraclear System.

**Austraclear System** means the system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between members of the system.

**Australian Tax Act** means the Income Tax Assessment Act 1936 of Australia and, where applicable, the Income Tax Assessment Act 1997 of Australia.

**Business Day** means a day on which banks are open for general banking business in Sydney and any other place specified in any applicable Supplement and, if an STN is to be issued or paid on that day, a day on which each Clearing System is operating.

**Business Day Convention** means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following conventions, where specified in the Supplement in relation to any date applicable to any STN, have the following meanings:

- (a) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (b) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;
- (c) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day; and
- (d) **No Adjustment** means that the relevant date must not be adjusted in accordance with any Business Day Convention.

If no convention is specified in the Supplement, the Modified Following Business Day Convention applies. Different conventions may be specified in relation to, or apply to, different dates.

**Capital Lease** means, at any time, a lease with respect to which the lessee is required concurrently to recognise the acquisition of an asset and the incurrence of a liability in accordance with the then current accounting practice.

**Clearing System** means:

- (a) the Austraclear System; or
- (b) any other clearing system specified in any applicable Supplement.

**Consolidated Group EBIT** means, at any time, the EBIT of the Group.

**Consolidated Guarantor EBIT** means, at any time, the EBIT of the Guarantors.

**Corporations Act** means the Corporations Act 2001 of Australia.

**Details** means the section of the Deed Poll headed “Details”.

**Deed Poll** means the deed entitled “Debt Instrument Deed Poll” executed by the Issuer and the Parent and dated 14 June 2006.

**EBIT** means, in relation to a group in respect of any period, the consolidated profit of that group:

- (a) prior to items separately disclosed as material one off events, plus
- (b) the amount of any Relevant Tax (other than in respect of extraordinary items); and
- (c) Interest Expense,

for that period as determined from the Financial Statements prepared as at the Reporting Date for that period.

**Finance Debt** means any indebtedness, present or future, actual or contingent in respect of money borrowed or raised or any financial accommodation whatever. It includes indebtedness under or in respect of a negotiable or other financial instrument, Relevant Guarantee, interest, gold or currency exchange, hedge or other arrangement of any kind, redeemable share, share the subject of a Relevant Guarantee, discounting arrangement, Capital Lease, hire purchase, deferred purchase price (for more than 90 days) of an asset or service or an obligation to deliver goods or other property or provide services paid for in advance by a financier or in relation to another financing transaction. It excludes amounts payable under commodity hedging arrangements which are entered into in the ordinary course of trading and which are of a non-speculative nature.

**Financial Statements** means:

- (a) a profit and loss statement;
- (b) a balance sheet; and
- (c) a statement of cash flows,

together with any notes to those documents and a directors' declaration as required under the Corporations Act.

**Group** means, at any time, the Parent and its Subsidiaries at that time.

**Guarantee** means the guarantee and indemnity granted by the Guarantors pursuant to the deed poll entitled "Deed Poll Guarantee and Indemnity" dated 14 June 2006, and a reference to the "Guarantee" includes any guarantor accession deed poll entered into under, and in connection with the Guarantee, from time to time.

**Guarantors** means, at a particular time, the Parent and those Subsidiaries of the Parent who are "Guarantors" under the Guarantee at that time.

**Holder** means, in respect of an STN, the person whose name is entered in the Register as the holder of that STN.

*For the avoidance of doubt, where an STN is held in a Clearing System, references to a Holder include the operator of that system or a nominee for such operator or a common depository for one or more Clearing Systems (in each case acting in accordance with the rules and regulations of the Clearing System or Systems).*

**Information Memorandum** in respect of an STN means the information memorandum, disclosure document (as defined in the Corporations Act) or other offering document referred to in any applicable Supplement or (if there is no applicable Supplement, the most recent information memorandum, disclosure document or other offering document which describes the debt issuance programme referred to in Condition 1.1 ("Programme")).

**Interest Expense** means in respect of a period the amount determined from the Financial Statements for the period to be:

- (a) the sum of:
  - (i) all interest and any other amounts in the nature of interest or of similar effect to interest (including all line, facility, letter of credit, guarantee and similar fees and other amounts of a regular or recurring nature payable in relation to Finance Debt) paid or payable by the Parent or any of its Subsidiaries during that period; and

- (ii) any amounts paid or payable during that period by the Parent or any of its Subsidiaries under any interest rate hedging arrangements; less
- (b) the sum of:
  - (i) all interest and amounts in the nature of interest which is received or receivable during that period by the Parent or any of its Subsidiaries; and
  - (ii) any net amounts received or receivable during that period by the Parent or any of its Subsidiaries under any interest rate hedging arrangements.

**Issue Date** means the date on which an STN is issued as recorded in the Register.

**Issuer** means Downer Group Finance Pty Limited (ABN 45 072 473 913) or such other person appointed under the Deed Poll as a new issuer and a reference to an Issuer in respect of an STN is to the individual Issuer of such STN or otherwise as the context requires.

**Maturity Date** means the date on which an STN matures as recorded in the Register.

**Offshore Associate** means an associate (as defined in section 128F of the Australian Tax Act) of the Issuer that is either:

- (a) a non-resident of Australia which does not acquire the STNs in carrying on a business at or through a permanent establishment in Australia; or
- (b) a resident of Australia that acquires the STNs in carrying on a business at or through a permanent establishment outside Australia.

**Parent** means Downer EDI Limited (ABN 97 003 872 848).

**Payment Date** means the Maturity Date or other date agreed and recorded in the Register as the date on which the Issuer must make a payment under an STN issued by it.

**Register** means the register, including any branch register, of holders of STNs established and maintained by or on behalf of the Issuer under an Agency Agreement.

**Registrar** means Austraclear Services Limited (ABN 28 003 284 419) or any other person appointed by the Issuer under an Agency Agreement to maintain the Register and perform any payment and other duties as specified in that agreement.

**Related Entity** has the meaning it has in the Corporations Act.

**Relevant Guarantee** means any guarantee, indemnity, letter of credit, legally binding letter of comfort or suretyship. It includes any other obligation or irrevocable offer (whatever called and of whatever nature);

- (a) to pay or to purchase;
- (b) to provide funds (whether by the advance of money, the purchase of or subscription for shares or other securities, the purchase of assets, rights or services, or otherwise) (including by any cash deficiency undertaking or similar arrangement) for the payment or discharge of;
- (c) to indemnify against the consequences of default in the payment of; or
- (d) to be responsible otherwise for,

an obligation or debt of another person, a dividend, distribution, capital or premium on shares or other interests, or the solvency or financial condition of another person. It excludes any performance bond or guarantee, on account of the performance of any obligation in the ordinary course of business which does not relate to Finance Debt, of a partnership or joint venture or any Subsidiary of it.

**Relevant Tax** means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them.

**Relevant Tax Jurisdiction** means any country, or political sub-division of one or more countries, or any federation or association of countries:

- (a) in which the Issuer is either incorporated or is resident or domiciled for any tax purpose; or
- (b) from which, or through which, any payment in relation to an STN is made.

**Reporting Date** means, in any year, 30 June and 31 December.

**Series** means an issue of STNs made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Date may be different in respect of different Tranches of a Series.

**Specified Office** means the office specified in the Information Memorandum or any other address notified to Holders from time to time.

**STN** means a short term debt obligation issued or to be issued by the Issuer which is constituted by, and owing under the Deed Poll, the details of which are recorded in, and evidenced by entry in, the Register.

**Subsidiary** of an entity means another entity which is a subsidiary of the first entity within the meaning of Part 1.2 Division 6 of the Corporations Act or is a subsidiary of, or otherwise controlled by, the first entity within the meaning of any approved accounting standard.

**Supplement** means, in respect of a Tranche, the supplement specifying the relevant issue details in relation to that Tranche.

**Taxes** means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them, except if imposed on, or calculated having regard to, the net income of the Holder.

**Tranche** means an issue of STNs specified as such in any applicable Supplement issued on the same Issue Date and on the same Conditions.

## 14.2 References to certain general terms

Unless the contrary intention appears, a reference to:

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (c) anything (including any amount) is a reference to the whole and each part of it;
- (d) a document (including these Conditions) includes any variation or replacement of it;
- (e) a "law" includes common law, principles of equity and any law made by any parliament (and a law made by a parliament includes any regulation or other instrument under it, and any consolidation, amendment, re-enactment or replacement of it);
- (f) a "directive" includes a treaty, official directive, request, regulation, guideline or policy (whether or not in any such case having the force of law) with which responsible participants in the relevant market generally comply;
- (g) Australian dollars or A\$ is a reference to the lawful currency of Australia;
- (h) a time of day is a reference to Sydney time;
- (i) a person" includes an individual, a firm, a body corporate, an unincorporated association and an authority;



- (j) a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns; and
- (k) the words "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

**14.3 Number**

The singular includes the plural and vice versa.

**14.4 Headings**

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Conditions.

**14.5 References to particular terms**

Unless the contrary intention appears:

- (a) a reference to the Issuer, the Registrar or another Agent is a reference to the person so specified in the applicable Supplement or, if none, in the Register;
- (b) a reference to the Agency Agreement is a reference to the Agency Agreement applicable to the STNs of the relevant Series;
- (c) a reference to an STN is a reference to an STN of a particular Series issued by the Issuer;
- (d) a reference to a Holder is a reference to the holder of STNs of a particular Series; and
- (e) a reference to a particular date that is a reference to that date adjusted in accordance with the applicable Business Day Convention.

**14.6 References to principal**

Unless the contrary intention appears any reference to "principal" is taken to include any additional amounts in respect of principal which may be payable under Condition 8 ("Taxation") and any other amount in the nature of principal payable in respect of the STNs under these Conditions.

**14.7 Terms defined in Supplement**

Terms which are specified in any applicable Supplement as having a defined meaning have the same meaning when used in these Conditions, but if any applicable Supplement gives no meaning or specifies that the definition is "Not Applicable", then that definition is not applicable to the STNs.

# MTN Conditions

---

*The following are the MTN Conditions which, as supplemented, amended, modified or replaced in relation to any MTN by any relevant Supplement, will be applicable to each Series of MTNs constituted by the Deed Poll. References below to a Supplement are references to any Supplement applicable to the relevant Tranche of MTNs but do not limit the provisions which may be supplemented, amended, modified or replaced by a relevant Supplement in relation to that Tranche of MTNs.*

*Each Holder and any person claiming through or under a Holder is deemed to have notice of and is bound by these conditions, the Deed Poll, the Information Memorandum, any relevant Supplement and the Guarantee (if applicable). Copies of each of these documents (to the extent they relate to a Tranche of MTNs) are available for inspection by the holder of any MTN of such Tranche at the offices of the Issuer and, the Registrar at their respective addresses specified herein.*

*Definitions and interpretation provisions are set out in Condition 21 (“Interpretation”) below.*

## **Part 1 Introduction**

---

### **1 Introduction**

#### **1.1 Programme**

MTNs are issued under a debt issuance programme established by the Issuer.

#### **1.2 Supplement**

MTNs are issued in Series. A Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than in respect of the first payment of interest). A Tranche is the subject of a Supplement which supplements, amends or replaces these Conditions. In the event of any inconsistency between these Conditions and the Supplement, that Supplement prevails.

Copies of the Supplement are available for inspection or upon request by a Holder or prospective Holder during normal business hours at the Specified Office of the Issuer or the Registrar.

#### **1.3 Types of MTNs**

An MTN is either:

- (a) a Fixed Rate MTN;
- (b) a Floating Rate MTN;
- (c) a Zero Coupon MTN; or
- (d) a Structured MTN (being either an Index Linked MTN or an Instalment MTN),

or a combination of the above (or any other type of debt obligation including but not limited to any certificate of deposit), as specified in the Supplement.

#### **1.4 Denomination**

MTNs are issued in a single Denomination as specified in the Supplement.

#### **1.5 Currency**

MTNs are denominated in the currency specified in the Supplement.

## **1.6 Issue restrictions and tenor**

MTNs may only be issued if:

- (a) the aggregate consideration payable to the Issuer by the relevant Holder is at least A\$500,000 (disregarding moneys lent by the Issuer or its associates to the Holder) or if the offer or invitation for the issue of the MTNs otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act; and
- (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;
- (c) the issue complies with all other applicable laws and directives,

unless otherwise specified in any applicable Supplement.

## **1.7 Clearing Systems**

MTNs may be held in a Clearing System, in which case the rights of a person holding an interest in the MTNs lodged in the Clearing System are subject to the rules and regulations of the Clearing System.

## **Part 2 The MTNs**

---

### **2 Form**

#### **2.1 Constitution under Deed Poll**

MTNs are debt obligations of the Issuer constituted by, and owing under, the Deed Poll.

#### **2.2 Form**

MTNs are issued in registered form by entry in the Register.

#### **2.3 No certificates**

No certificates will be issued to Holders unless the Issuer determines that certificates should be available or are required by any applicable law.

#### **2.4 Status**

MTNs constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer.

#### **2.5 Ranking**

MTNs (rank equally among themselves and at least equally with all other unsubordinated and unsecured obligations of the Issuer, except for liabilities mandatorily preferred by law.

---

### **3 Title and transfer of MTNs**

#### **3.1 Title**

Title to MTNs passes when details of the transfer are entered in the Register.

#### **3.2 Effect of entries in Register**

Each entry in the Register in respect of an MTN constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the Holder to pay principal, (if applicable) interest and any other amount in accordance with these Conditions; and
- (b) an entitlement to the other benefits given to Holders under these Conditions in respect of the MTN.

### **3.3 Register conclusive as to ownership**

Entries in the Register in relation to an MTN constitute conclusive evidence that the person so entered is the absolute owner of the MTN subject to correction for fraud or error.

### **3.4 Non-recognition of interests**

Except as required by law, the Issuer and the Registrar must treat the person whose name is entered in the Register as the holder of an MTN as the absolute owner of that MTN. This Condition 3.4 applies whether or not an MTN is overdue and despite any notice of ownership, trust or interest in the MTN.

### **3.5 Joint holders**

Where two or more persons are entered in the Register as the joint holders of an MTN then they are taken to hold the MTN as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of an MTN.

### **3.6 Transfers in whole**

MTNs may be transferred in whole but not in part.

### **3.7 Compliance with law**

MTNs may only be transferred if:

- (a) the offer or invitation giving rise to the transfer 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; and
- (b) the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place.

### **3.8 Transfer procedures**

Interests in MTNs held in a Clearing System will be transferable only in accordance with the rules and regulations of that Clearing System.

Application for the transfer of MTNs not held in a Clearing System must be made by the lodgment of a transfer form with the Registrar at its Specified Office. Transfer forms must be in the form available from the Registrar. Each transfer form must be:

- (a) duly completed;
- (b) accompanied by any evidence the Registrar may require to establish that the transfer form has been duly executed; and
- (c) signed by or on behalf of both the transferor and the transferee.

Transfers will be registered without charge provided all applicable Taxes have been paid.

Transfers will not be registered later than close of business 8 calendar days prior to the Maturity Date of the MTNs.

### **3.9 Effect of transfer**

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under these Conditions in respect of the transferred MTNs and the transferee becomes so entitled in accordance with Condition 3.2 ("Effect of entries in Register").

### **3.10 CHES**

MTNs which are listed on the Australian Stock Exchange Limited (ABN 98 008 624 691) will not be transferred through, or registered on, the Clearing House Electronic Sub-register System operated by the Australian Stock Exchange and will not be "Approved Financial Products" (as defined for the purposes of that System).

### **3.11 Austraclear as Holder**

If Austraclear is recorded in the Register as the Holder, each person in whose Security Record (as defined in the Austraclear Regulations) an MTN is recorded is taken to acknowledge in favour of the Issuer, the Registrar and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of that MTN is not a recommendation or endorsement by the Registrar or Austraclear in relation to that MTN, but only indicates that the Registrar considers that the holding of the MTN is compatible with the performance by it of its obligations as Registrar under the Agency Agreement; and
- (b) the Holder does not rely on any fact, matter or circumstance contrary to paragraph (a).

### **3.12 Estates**

A person becoming entitled to an MTN as a consequence of the death or bankruptcy of a Holder or of a vesting order or a person administering the estate of a Holder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the MTN or, if so entitled, become registered as the holder of the MTN.

### **3.13 Unincorporated associations**

A transfer to an unincorporated association is not permitted.

### **3.14 Transfer of unidentified MTNs**

Where the transferor executes a transfer of less than all MTNs registered in its name, and the specific MTNs to be transferred are not identified, the Registrar may (subject to the limit on minimum holdings) register the transfer in respect of such of the MTNs registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the MTNs registered as having been transferred equals the aggregate principal amount of the MTNs expressed to be transferred in the transfer.

---

## **4 Guarantee**

### **4.1 Guarantee**

MTNs issued by the Issuer are issued with the benefit of the unconditional and irrevocable guarantee of the Guarantors constituted by the Guarantee. By the Guarantee, the Guarantors unconditionally and irrevocably guarantee to the Holders, among other things, the payment by the Issuer of the face amount and other amounts due under the MTNs.

### **4.2 Status of the Guarantee**

The Guarantee constitutes direct, unconditional, unsubordinated and unsecured obligations of the Guarantors.

### **4.3 Ranking of the Guarantee**

The obligations of each Guarantor under the Guarantee rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of that Guarantor except liabilities mandatorily preferred by law.

### **4.4 Consolidated Guarantor EBIT**

The Issuer and the Parent shall procure that, as at each Reporting Date, Consolidated Guarantor EBIT shall be equal to or greater than 70 per cent. of Consolidated Group EBIT.

---

**5 Negative pledge****5.1 Negative pledge**

So long as any MTNs remain outstanding, the Issuer will not create or permit to subsist any Security Interest upon the whole or any part of its present or future assets or revenues other than a Permitted Security Interest.

**5.2 Securitisation arrangements**

Condition 5.1 ("Negative pledge") will have no operation in relation to any present or future assets or revenues of the Issuer which the Issuer assigns at law or in equity in connection with a securitisation arrangement for those assets or property, provided that:

- (a) such assignment is on reasonable terms; and
- (b) the consideration payable for such assignment is not less than the then market value of the assigned assets or revenues and such consideration is paid on or prior to the assignment. If any debts or securities are assigned, the market value will be the amount outstanding under such debts or secured by such securities, plus accrued interest up to the date of assignment.

*Pursuant to the terms of the Gurantee, the Parent will give a negative pledge in the same form as that provided above in respect of itself and its Subsidiaries.*

**Part 3 Interest**

---

**6 Fixed Rate MTNs**

*This Condition 6 applies to the MTNs only if the Supplement states that it applies.*

**6.1 Interest on Fixed Rate MTNs**

Each Fixed Rate MTN bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate. Interest is payable in arrear on each Interest Payment Date.

**6.2 Fixed Coupon Amount**

Unless otherwise provided in the Supplement, the amount of interest payable on each Interest Payment Date in respect of the preceding Interest Period will be the Fixed Coupon Amount specified in the Supplement.

**6.3 Calculation of interest payable**

The amount of interest payable in respect of a Fixed Rate MTN for any period for which a Fixed Coupon Amount is not specified in the Supplement is calculated by multiplying the Interest Rate for that period, the outstanding principal amount of the Fixed Rate MTN and the applicable Day Count Fraction.

---

**7 Floating Rate MTNs**

*This Condition 7 applies to the MTNs only if the Supplement states that it applies.*

**7.1 Interest on Floating Rate MTNs**

Each Floating Rate MTN bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

- (a) on each Interest Payment Date; or

- (b) if no Interest Payment Date is specified in the Supplement, on each date which falls the number of months or other period specified as the Specified Period in the Supplement after the preceding Interest Payment Date, or in the case of the first Interest Payment Date, after the Interest Commencement Date.

## 7.2 Interest Rate determination

The Interest Rate payable in respect of a Floating Rate MTN must be determined by the Calculation Agent in accordance with these Conditions.

## 7.3 Fallback Interest Rate

Unless otherwise specified in the Supplement, if, in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with Condition 7.2 ("Interest Rate determination"), the Interest Rate for the Interest Period will be the Interest Rate applicable to the Floating Rate MTNs during the immediately preceding Interest Period.

## 7.4 ISDA Determination

If ISDA Determination is specified in the Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate MTNs for each Interest Period is the sum of the Margin and the ISDA Rate.

In this Condition 7:

- (a) **"ISDA Rate"** means for an Interest Period, a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction if the Calculation Agent for the Floating Rate MTNs were acting as Calculation Agent for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
  - (i) the Floating Rate Option, the Designated Maturity and the Reset Date are as specified in the Supplement; and
  - (ii) the Period End Dates are each Interest Payment Date, the Spread is the Margin and the Floating Rate Day Count Fraction is the Day Count Fraction; and
- (b) **"Swap Transaction"**, **"Floating Rate"**, **"Calculation Agent"** (except references to "Calculation Agent for the Floating Rate MTNs"), **"Floating Rate Option"**, **"Designated Maturity"**, **"Reset Date"**, **"Period End Date"**, **"Spread"** and **"Floating Rate Day Count Fraction"** have the meanings given to those terms in the ISDA Definitions.

## 7.5 Screen Rate Determination

If Screen Rate Determination is specified in the Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate MTNs for each Interest Period is the sum of the Margin and the Screen Rate.

In this Condition 7, **"Screen Rate"** means, for an Interest Period, the quotation offered for the Reference Rate appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date. However:

- (a) if there is more than one offered quotation displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the **"Screen Rate"** means the rate calculated by the Calculation Agent as the average of the offered quotations. If there are more than five offered quotations, the Calculation Agent must exclude the highest and lowest quotations (or in the case of equality, one of the highest and one of the lowest quotations) from its calculation;
- (b) if an offered quotation is not displayed by the Relevant Time on the Interest Determination Date or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, the **"Screen Rate"** means:
  - (i) the rate the Calculation Agent calculates as the average mean of the Reference Rates that each Reference Bank quoted to the leading banks in the Relevant

Financial Centre specified in the Supplement at the Relevant Time on the Interest Determination Date; or

- (ii) where the Calculation Agent is unable to calculate a rate under paragraph (i) because it is unable to obtain at least two quotes, the rate the Calculation Agent calculates as the average of the rates (being the nearest equivalent to the Reference Rate) quoted by two or more banks chosen by the Calculation Agent in the Relevant Financial Centre at approximately the Relevant Time on the Interest Determination Date for a period equivalent to the Interest Period to leading banks carrying on business in the Relevant Financial Centre in good faith; or
- (c) if the Supplement specifies an alternative method for the determination of the Screen Rate Determination, then that alternative method will apply.

## 7.6 Bank Bill Rate Determination

If Bank Bill Rate Determination is specified in the Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate MTNs for each Interest Period is the sum of the Margin and the Bank Bill Rate.

In this Condition 7:

- (a) **Bank Bill Rate** means, for an Interest Period, the average mid rate for Bills having a tenor closest to the Interest Period as displayed on the “BBSW” page of the Reuters Monitor System on the first day of the Interest Period.

However, if the average mid rate is not displayed by 10:30 am on that day, or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, **Bank Bill Rate** means the rate determined by the Calculation Agent in good faith at approximately 10:30 am on that day, having regard, to the extent possible, to the rates otherwise bid and offered for bank accepted Bills of that tenor at or around that time (including any displayed on the “BBSY” or “BBSW” page of the Reuters Monitor System); and

- (b) **Bill** has the meaning it has in the Bills of Exchange Act 1909 of Australia and a reference to the acceptance of a Bill is to be interpreted in accordance with that Act.

## 7.7 Interpolation

If the Supplement specifies that “Linear Interpolation” applies to an Interest Period, the Interest Rate for that Interest Period will be determined through the use of straight line interpolation by reference to two ISDA Rates, Screen Rates, Bank Bill Rates or other floating rates specified in the Supplement, one of which shall be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Supplement) and the other of which shall be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Supplement).

---

## 8 Structured MTNs

*This Condition 8 applies to the MTNs only if the Supplement states that it applies.*

### 8.1 Interest on Structured MTNs

Each interest bearing Structured MTN bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

- (a) on each Interest Payment Date; or
- (b) if no Interest Payment Date is specified in the Supplement, on each date which falls the number of months or other period specified as the Specified Period in the Supplement after the preceding Interest Payment Date (or in the case of the first Interest Payment Date, after the Interest Commencement Date).



## **8.2 Interest Rate**

The Interest Rate payable in respect of an interest bearing Structured MTN must be determined in the manner specified in the Supplement.

---

## **9 General provisions applicable to interest**

### **9.1 Maximum or Minimum Interest Rate**

If the Supplement specifies a Maximum Interest Rate or Minimum Interest Rate for any Interest Period then, the Interest Rate for the Interest Period must not be greater than the maximum, or be less than the minimum, so specified.

### **9.2 Calculation of Interest Rate and interest payable**

The Calculation Agent must, as soon as practicable after determining the Interest Rate in relation to each Interest Period for each Floating Rate MTN and interest bearing Structured MTN, calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of each such MTN.

Unless otherwise specified in the Supplement, the amount of interest payable is calculated by multiplying the product of the Interest Rate for the Interest Period and the outstanding principal amount of the MTN by the applicable Day Count Fraction.

The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

### **9.3 Calculation of other amounts**

If the Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent must, as soon as practicable after the time at which the amount is to be determined, calculate the amount in the manner specified in the Supplement.

### **9.4 Notification of Interest Rate, interest payable and other items**

The Calculation Agent must notify the Issuer, the Registrar, the Holders, each other Agent and any stock exchange or other relevant authority on which the MTNs are listed of:

- (a) each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the Interest Payment Date; and
- (b) any amendment to any amount, item or date referred to in paragraph (a) arising from any extension or reduction in any Interest Period or calculation period.

The Calculation Agent must give notice under this Condition as soon as practicable after it makes its determination. However, it must give notice of each Interest Rate, the amount of interest payable and each Interest Payment Date by the fourth day of the Interest Period.

The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must notify the Issuer, the Registrar, the Holders, each other Agent and each stock exchange or other relevant authority on which the MTNs are listed after doing so.

### **9.5 Determination final**

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions is, in the absence of manifest error, final and binding on the Issuer, the Registrar, each Holder and each other Agent.

### **9.6 Rounding**

For the purposes of any calculations required under these Conditions (unless otherwise specified in the Supplement):

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.00005 being rounded up to 0.0001);
- (b) all figures must be rounded to four decimal places (with halves being rounded up); and
- (c) all amounts that are due and payable must be rounded (with halves being rounded up) to:
  - (i) in the case of Australian dollars, one cent; and
  - (ii) in the case of any other currency, the lowest amount of the currency available as legal tender in the country of the currency.

#### **Part 4 Redemption and purchase**

---

### **10 Redemption and purchase**

#### **10.1 Scheduled redemption**

Each MTN is redeemable by the Issuer on the Maturity Date at its Redemption Amount unless:

- (a) the MTN has been previously redeemed;
- (b) the MTN has been purchased and cancelled; or
- (c) the Supplement states that the MTN has no fixed maturity date.

#### **10.2 Partly Paid MTNs**

Partly Paid MTNs will be redeemed on the Maturity Date in accordance with the Supplement.

#### **10.3 Instalment MTNs**

Instalment MTNs will be partially redeemed in the Instalment Amounts and on the Instalment Dates specified in the Supplement. The principal amount of each Instalment MTN is reduced by the Instalment Amount with effect from the Instalment Date.

#### **10.4 Early redemption for taxation reasons**

The Issuer may redeem all (but not some) of the MTNs of a Series in whole before their Maturity Date at the Redemption Amount and any interest accrued on it to (but excluding) the redemption date if the Issuer is required under Condition 13.2 ("Withholding tax") to increase the amount of a payment in respect of an MTN.

However, the Issuer may only do so if:

- (a) the Issuer has given at least 15 days' (and no more than 60 days') (or any other period specified in the Supplement) notice to the Registrar, the Holders, each other Agent and any stock exchange or other relevant authority on which the MTNs are listed;
- (b) before the Issuer gives the notice under paragraph (a), the Registrar has received:
  - (i) a certificate signed by two directors of the Issuer; and
  - (ii) an opinion of independent legal advisers of recognised standing in the jurisdiction of incorporation of the Issuer,
 

that the Issuer would be required under Condition 13.2 ("Withholding tax") to increase the amount of the next payment due in respect of the MTNs;
- (c) in the case of Fixed Rate MTNs, no notice of redemption is given earlier than 90 days before the earliest date on which the Issuer would be obliged to pay Additional Amounts; and

- (d) in the case of Floating Rate MTNs and Structured MTNs bearing a floating rate of interest:
  - (i) the proposed redemption date is an Interest Payment Date; and
  - (ii) no notice of redemption is given earlier than 60 days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay Additional Amounts.

#### **10.5 Early redemption at the option of Holders (Holder put)**

If the Supplement states that a Holder may require the Issuer to redeem all or some of the MTNs of a Series held by the Holder before their Maturity Date, the Issuer must redeem the MTNs specified by the Holder at the Redemption Amount and any interest accrued on it to (but excluding) the redemption date if the following conditions are satisfied:

- (a) the amount of MTNs to be redeemed is a multiple of their Denomination;
- (b) the Holder has given at least 30 days' (and no more than 60 days') (or any other period specified in the Supplement) notice, to the Issuer and the Registrar by delivering to the Specified Office of the Registrar during normal business hours a completed and signed redemption notice in the form obtainable from the Registrar, together with any evidence the Registrar may require to establish title of the Holder to the MTN;
- (c) the notice referred to in paragraph (b) specifies an account in the country of the currency in which the MTN is denominated to which the payment should be made or an address to where a cheque for payment should be sent;
- (d) the redemption date is an Early Redemption Date (Put) specified in the Supplement; and
- (e) any other condition specified in the Supplement is satisfied.

A Holder may not require the Issuer to redeem any MTN under this Condition 10.5 if the Issuer has given notice that it will redeem the MTN under Condition 10.4 ("Early redemption for taxation reasons") or Condition 10.6 ("Early redemption at the option of the Issuer (Issuer call)").

#### **10.6 Early redemption at the option of the Issuer (Issuer call)**

If the Supplement states that the Issuer may redeem all or some of the MTNs of a Series before their Maturity Date under this Condition, the Issuer may redeem so many of the MTNs specified in the Supplement at the Redemption Amount and any interest accrued on it to (but excluding) the redemption date.

However, the Issuer may only do so if:

- (a) the amount of MTNs to be redeemed is a multiple of, their Denomination;
- (b) the Issuer has given at least 30 days' (and no more than 60 days') (or any other period specified in the Supplement) notice to the Registrar, the Holders, each other Agent and any stock exchange or other relevant authority on which the MTNs are listed;
- (c) the proposed redemption date is an Early Redemption Date (Call) specified in the Supplement; and
- (d) any other condition specified in the Supplement is satisfied.

#### **10.7 Partial redemptions**

If only some of the MTNs are to be redeemed under Condition 10.6 ("Early redemption at the option of the Issuer (Issuer call)"), the MTNs to be redeemed will be specified in the notice and selected:

- (a) in a fair and reasonable manner; and
- (b) in compliance with any applicable law, directive or requirement of any stock exchange or other relevant authority on which the MTNs are listed.

## **10.8 Effect of notice of redemption**

Any notice of redemption given under this Condition 10 is irrevocable.

## **10.9 Late payment**

If an amount is not paid under this Condition 10 when due, then:

- (a) for an MTN (other than a Zero Coupon MTN or a Structured MTN), interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the default rate specified in the Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Holder;
- (b) for a Zero Coupon MTN, the obligation to pay the amount is replaced by an obligation to pay the Amortised Face Amount recalculated as at the date on which payment is made to the Holder; and
- (c) for a Structured MTN as specified in the Supplement:
  - (i) interest continues to accrue at the default rate specified in the Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Holder; or
  - (ii) the obligation to pay the amount is replaced by an obligation to pay an amount determined in the manner specified in the Supplement.

## **10.10 Purchase**

The Issuer and any of its Related Entities may at any time purchase MTNs in the open market or otherwise and at any price. If purchases are made by tender, tenders must be available to all Holders alike. MTNs purchased under this Condition 10.10 may be held, resold or cancelled at the discretion of the purchaser and (if the MTNs are to be cancelled, the Issuer), subject to compliance with any applicable law, regulatory requirement or requirement of any stock exchange or other relevant authority on which the MTNs are listed.

## **Part 5 Payments**

---

### **11 General provisions**

#### **11.1 Summary of payment provisions**

Payments in respect of MTNs will be made in accordance with Condition 12 ("Payments").

#### **11.2 Payments subject to law**

All payments are subject to applicable law but without prejudice to the provisions of Condition 13 ("Taxation").

#### **11.3 Payments on Business Days**

If a payment:

- (a) is due on an MTN on a day which is not a Business Day then the due date for payment will be adjusted in accordance with the applicable Business Day Convention; or
- (b) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the first following day on which banks are open for general banking business in that place,

and in either case, the Holder is not entitled to any additional payment in respect of that delay.

#### **11.4 Currency indemnity**

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Holder receives an amount in a currency other than the currency in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual costs in connection with the conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

---

### **12 Payments**

#### **12.1 Payment of principal**

Payments of principal and any final Instalment Amount will be made to each person registered at 10.00 am on the Payment Date as the holder of an MTN.

#### **12.2 Payment of interest**

Payments of interest and Instalment Amounts (other than the final Instalment Amount) in respect of an MTN will be made on the Payment Date to each person registered at the close of business on the Record Date as the holder of that MTN.

#### **12.3 Payments to accounts**

Payments in respect of MTNs will be made:

- (a) if the MTNs are held in the Austraclear System, by crediting on the Payment Date, the amount due to:
  - (i) the account of Austraclear (as the Holder) in the country of the currency in which the MTN is denominated previously notified to the Issuer and the Registrar; or
  - (ii) if requested by Austraclear, the accounts of the persons in whose Security Record (as defined in the Austraclear Regulations) an MTN is recorded in the country of the currency in which the MTN is denominated as previously notified by Austraclear to the Issuer and the Registrar in accordance with the Austraclear Regulations; and
- (b) if the MTNs are not held in the Austraclear System, by crediting on the Payment Date, the amount then due under each MTN to an account in the country of the currency in which the MTN is denominated previously notified by the Holder to the Issuer and the Registrar.

#### **12.4 Payments by cheque**

If a Holder has not notified the Registrar of an account to which payments to it must be made by the close of business on the Record Date, payments in respect of the MTN will be made by cheque sent by prepaid post on the Business Day immediately before the Payment Date, at the risk of the registered Holder, to the Holder (or to the first named joint holder of the MTN) at its address appearing in the Register at the close of business on the Record Date. Cheques sent to the nominated address of a Holder will be taken to have been received by the Holder on the Payment Date and no further amount will be payable by the Issuer in respect of the MTNs as a result of the Holder not receiving payment on the due date.

---

### **13 Taxation**

#### **13.1 No set-off, counterclaim or deductions**

All payments in respect of the MTNs must be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless prohibited by law.

### 13.2 Withholding tax

Subject to Condition 13.3 (“Withholding tax exemptions”), if a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the MTNs such that the Holder would not actually receive on the due date the full amount provided for under the MTNs, then:

- (a) the Issuer agrees to deduct the amount for the Taxes (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and
- (b) if the amount deducted or withheld is in respect of Taxes imposed by a Relevant Tax Jurisdiction, the amount payable is increased so that, after making the deduction and further deductions applicable to additional amounts payable under this Condition, each Holder is entitled to receive (at the time the payment is due) the amount it would have received if no deductions or withholdings had been required to be made.

### 13.3 Withholding tax exemptions

No Additional Amounts are payable under Condition 13.2(b) (“Withholding tax”) in respect of any MTN:

- (a) to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such MTN by reason of the person having some connection with a Relevant Tax Jurisdiction other than the mere holding of such MTN or receipt of payment in respect of the MTN provided that a Holder shall not be regarded as having a connection with Australia for the reason that the Holder is a resident of Australia within the meaning of the Australian Tax Act where, and to the extent that, such taxes are payable by reason of section 128B(2A) of the Australian Tax Act;
- (b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such Taxes by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar case for exemption to any tax authority;
- (c) to, or to a third party on behalf of, a Holder who is an Offshore Associate of the Issuer and not acting in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act;
- (d) to, or to a third party on behalf of an Australian resident Holder or a non-resident Holder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if the Holder has not supplied an appropriate tax file number, an Australian business number or other exemption details; or
- (e) in such other circumstances as may be specified in the Supplement.

### 13.4 Time limit for claims

A claim against the Issuer for a payment under an MTN is void unless made within 10 years (in the case of principal) or 5 years (in the case of interest and other amounts) from the date on which payment first became due.

## Part 6 Events of Default

---

### 14 Events of Default

#### 14.1 Events of Default

An Event of Default occurs in relation to a Series of MTNs if:

- (a) **(non-payment)** the Issuer fails to pay any principal in respect of the MTNs of the relevant Series or fails to pay interest in respect of the MTNs of the relevant Series (or, in each case, any of them) and in the latter case the failure continues for a period of 5 Business Days;
- (b) **(other obligations)** the Issuer fails to comply with any of its material obligations under a MTN (other than in relation to the payment of money referred to in paragraph (a)) and, if that failure is capable of remedy, it is not remedied within 30 Business Days of notice requiring remedy from the Holder;

- (c) **(invalidity)** a MTN ceases to have full force and effect (other than by reason of repayment or purchase by the Issuer and cancellation) or its validity or enforceability is denied or disaffirmed by the Issuer or is declared by any court of competent jurisdiction to be void or unenforceable;
- (d) **(insolvency)** an order is made or an effective resolution passed for the liquidation or winding-up of the Issuer, an administrator, liquidator, receiver or other Controller (as defined in the Corporations Act) is appointed to the Issuer or the Issuer becomes insolvent, is unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of its debts generally;
- (e) **(change in role)** the Issuer ceases to carry on business generally and either:
  - (i) no other body corporate; or
  - (ii) a body corporate that:
    - (A) is not a related body corporate (as defined in the Corporations Act); or
    - (B) has not been consented to by an Extraordinary Resolution of the Holders (that consent not to be unreasonably withheld or delayed),
 assumes the business of the Issuer (including the obligations of the Issuer under the MTNs);
- (f) **(arrangements with creditors)** except for the purpose of a solvent reconstruction or amalgamation, the Issuer enters into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them;
- (g) **(enforcement against assets)** a Security Interest is enforced, or a distress, attachment or other execution is enforced or levied (and not satisfied within 21 days), over all or any substantial part of the assets of the Issuer; or
- (h) **(invalidity of Guarantee)** the validity or enforceability of the Guarantee is denied or disaffirmed by any Guarantor or is declared by any court of competent jurisdiction to be void or unenforceable; and
- (i) **(cross default)** any Finance Debt of the Issuer or any Subsidiary in connection with moneys borrowed or raised or any letter of credit, interest rate swap, currency swap, financial option, futures contract, or currency exchange agreement to which it is a party, or any guarantee or indemnity of such an obligation exceeding in aggregate A\$10,000,000 (or its equivalent in another currency):
  - (i) is not paid when due (taking into account any grace period); or
  - (ii) becomes due and repayable before its scheduled maturity by reason of a default or event of default (howsoever described).

#### **14.2 Consequences of an Event of Default**

If any Event of Default occurs and continues unremedied in relation to the MTNs (other than Subordinated MTNs), then a Holder may declare by notice to the Issuer (with a copy to the Registrar) that each MTN (other than Subordinated MTNs) held by it is to be redeemed at its Redemption Amount (together with any accrued interest) in which case such amounts become immediately due and payable.

#### **14.3 Notification**

If an Event of Default occurs, the Issuer must promptly after becoming aware of it notify the Registrar of the occurrence of the Event of Default (specifying details of it) and use its reasonable endeavours to procure that the Registrar promptly notifies Holders, each other Agent and any stock exchange or other relevant authority on which the MTNs are listed of the occurrence of the Event of Default.

## Part 7 General

---

### 15 Agents

#### 15.1 Role of Agents

In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any Holder.

#### 15.2 Appointment and replacement of Agents

Each initial Agent for the MTNs is specified in the Supplement. Subject to Condition 16.4 ("Required Agents"), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

#### 15.3 Change of Agent

Notice of any change of an Agent or its Specified Offices must promptly be given to the Holders by the Issuer or the Agent on its behalf.

#### 15.4 Required Agents

The Issuer must:

- (a) at all times maintain a Registrar; and
- (b) if a Calculation Agent is specified in the Supplement, at all times maintain a Calculation Agent.

---

### 16 Meetings of Holders

The Meetings Provisions contain provisions (which have effect as if incorporated in these Conditions) for convening meetings of the Holders of any Series to consider any matter affecting their interests, including any variation of these Conditions by Extraordinary Resolution.

---

### 17 Variation

#### 17.1 Variation with consent

Unless Condition 18.2 ("Variation without consent") applies, any Condition may be varied by the Holders of the Series by Extraordinary Resolution in accordance with the Meetings Provisions.

#### 17.2 Variation without consent

Any Condition may be amended without the consent of the Holders if the amendment:

- (a) is of a formal, minor or technical nature;
- (b) is made to correct a manifest error;
- (c) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision and, in the reasonable opinion of the Issuer, is not materially prejudicial to the interests of the Holders; or
- (d) only applies to MTNs issued after the date of amendment.

---

### 18 Further issues

The Issuer may from time to time, without the consent of the Holders, issue further MTNs having the same Conditions as the MTNs of any Series in all respects (or in all respects except for the first payment of interest, if any, on them) so as to form a single series with the MTNs of that Series.



---

**19 Notices****19.1 Notices to Holders**

All notices and other communications to the Holders must be in writing and sent by prepaid post (airmail if appropriate) to or left at the address of the Holder (as shown in the Register at the close of business on the day which is 3 Business Days before the date of the notice or communication) and may also be:

- (a) given by an advertisement published in The Australian Financial Review or The Australian; or
- (b) if the Supplement specifies an additional or alternate newspaper, given by an advertisement published in that newspaper.

**19.2 Notices to the Issuer and the Agents**

All notices and other communications to the Issuer or an Agent must be in writing and may be sent by prepaid post (airmail if appropriate) to or left at the Specified Office of the Issuer or the Agent.

**19.3 When effective**

Notices and other communications take effect from the time they are taken to be received unless a later time is specified in them.

**19.4 Receipt - publication in newspaper**

If published in a newspaper, a notice or other communication is taken to be received on the first date that publication has been made in all the required newspapers.

**19.5 Deemed receipt - postal**

If sent by post, notices or other communications are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).

**19.6 Deemed receipt - general**

Despite clause 20.5 ("Deemed receipt - postal"), if notices or other communications are received after 5.00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00 am on the next Business Day.

---

**20 Governing law****20.1 Governing law**

MTNs are governed by the law in force in New South Wales.

**20.2 Jurisdiction**

The Issuer submits and each Holder is taken to have submitted to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. The Issuer waives any right it has to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

**20.3 Serving documents**

Without preventing any other method of service, any document in any action may be served on the Issuer or a Holder by being delivered or left at the person's registered office or principal place of business.

---

## 21 Interpretation

### 21.1 Definitions

Unless the contrary intention appears:

**Additional Amount** means an additional amount payable by the Issuer under Condition 13.2 (“Withholding tax”).

**Agency Agreement** means:

- (a) the agreement titled “Agency and Registry Services Agreement” dated 14 June 2006 between the Issuer and Austraclear Services Limited (ABN 28 003 284 419);
- (b) another agreement between the Issuer and the Registrar specified in the Supplement; or
- (c) another agency agreement between the Issuer and another Agent in relation to the MTNs.

**Agent** means the Registrar, the Calculation Agent and any additional agent appointed under an Agency Agreement.

**Amortised Face Amount** means, in relation to a Zero Coupon MTN or a Structured MTN, an amount equal to the sum of:

- (a) the Reference Price specified in the Supplement; and
- (b) the amount resulting from the application of the Accrual Yield specified in the Supplement (compounded annually) to the Reference Price from (and including) the Issue Date to (but excluding) the later of:
  - (i) the date fixed for redemption or (as the case may be) the earlier date the MTN becomes due and repayable; and
  - (ii) the date on which payment is made to Holders under Condition 10.9 (“Late payment”),

as further adjusted, if applicable, in the manner specified in the Supplement.

If the calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year must be made on the basis of the Day Count Fraction specified in the Supplement.

**Austraclear** means Austraclear Limited (ABN 94 002 060 773).

**Austraclear Regulations** means the regulations known as “Austraclear System Regulations” established by Austraclear to govern the use of the Austraclear System.

**Austraclear System** means the system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between members of the system.

**Australian Tax Act** means the Income Tax Assessment Act 1936 of Australia and, where applicable, the Income Tax Assessment Act 1997 of Australia.

**Business Day** means a day on which banks are open for general banking business in each place specified in the Supplement and, if an MTN is to be issued or paid on that day, a day on which each Clearing System is operating.

**Business Day Convention** means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following conventions, where specified in the Supplement in relation to any date applicable to any MTN, have the following meanings:

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
  - (i) such date is brought forward to the first preceding day that is a Business Day; and

- (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Supplement after the preceding applicable Interest Payment Date occurred;
- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day; and
- (e) **No Adjustment** means that the relevant date must not be adjusted in accordance with any Business Day Convention.

If no convention is specified in the Supplement, the Modified Following Business Day Convention applies. Different conventions may be specified in relation to, or apply to, different dates.

**Calculation Agent** means the Registrar or any other person specified in the Supplement as the party responsible for calculating the Interest Rate and other amounts required to be calculated under these Conditions.

**Capital Lease** means, at any time, a lease with respect to which the lessee is required concurrently to recognise the acquisition of an asset and the incurrence of a liability in accordance with the then current accounting practice.

**Clearing System** means:

- (a) the Austraclear System; or
- (b) any other clearing system specified in the Supplement.

**Consolidated Group EBIT** means, at any time, the EBIT of the Group.

**Consolidated Guarantor EBIT** means, at any time, the EBIT of the Guarantors.

**Corporations Act** means the Corporations Act 2001 of Australia.

**Day Count Fraction** means, in respect of the calculation of interest for any period of time (“**Calculation Period**”), the day count fraction specified in the Supplement and:

- (a) if “**Actual/Actual (ISMA)**” is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;

- (b) if “**Actual/365**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
  - (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**” is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months unless:
  - (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day is not considered to be shortened to a 30-day month; or
  - (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February is not considered to be lengthened to a 30-day month);
- (f) if “**30E/360**” or “**Eurobond Basis**” is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February is not considered to be lengthened to a 30-day month);
- (g) if “**RBA Bond Basis**” or “**Australian Bond Basis**” is so specified, means one divided by the number of Interest Payment Dates in a year; and
- (h) any other day count fraction specified in the Supplement.

**Deed Poll** means the deed entitled “Debt Instrument Deed Poll” executed by the Issuer and the Parent and dated 14 June 2006.

**Denomination** means the notional face value of an MTN specified in the Supplement.

**Details** means the section of the Deed Poll headed “Details”.

**EBIT** means, in relation to a group in respect of any period, the consolidated profit of that group:

- (a) prior to items separately disclosed as material one off events, plus;
- (b) the amount of any Relevant Tax (other than in respect of extraordinary items); and
- (c) Interest Expense,

for that period as determined from the Financial Statements prepared as at the Reporting Date for that period.

**Event of Default** means the happening of any event set out in Condition 14 (“Events of Default”).

**Extraordinary Resolution** has the meaning given in the Meetings Provisions.

**Finance Debt** means any indebtedness, present or future, actual or contingent in respect of money borrowed or raised or any financial accommodation whatever. It includes indebtedness under or in

respect of a negotiable or other financial instrument, Relevant Guarantee, interest, gold or currency exchange, hedge or other arrangement of any kind, redeemable share, share the subject of a Relevant Guarantee, discounting arrangement, Capital Lease, hire purchase, deferred purchase price (for more than 90 days) of an asset or service or an obligation to deliver goods or other property or provide services paid for in advance by a financier or in relation to another financing transaction. It excludes amounts payable under commodity hedging arrangements which are entered into in the ordinary course of trading and which are of a non-speculative nature.

**Financial Statements** means:

- (a) a profit and loss statement;
- (b) a balance sheet; and
- (c) a statement of cash flows,

together with any notes to those documents and a directors' declaration as required under the Corporations Act.

**Fixed Rate MTN** means an MTN on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption (or on any other dates specified in the Supplement).

**Floating Rate MTN** means an MTN on which interest is calculated at a floating rate payable 1, 2, 3, 6, or 12 monthly or in respect of any other period (or on any date specified in the Supplement).

**Group** means, at any time, the Parent and its Subsidiaries at that time.

**Guarantee** means the guarantee and indemnity granted by the Guarantors pursuant to the deed poll entitled "Deed Poll Guarantee and Indemnity" dated 14 June 2006, and a reference to the "Guarantee" includes any guarantor accession deed poll entered into under, and in connection with the Guarantee, from time to time.

**Guarantors** means at a particular time, the Parent and those Subsidiaries of the Parent who are "Guarantors" under the Guarantee at that time.

**Holder** means, in respect of an MTN, the person whose name is entered in the Register as the holder of that MTN.

*For the avoidance of doubt, where an MTN is held in a Clearing System, references to a Holder include the operator of that system or a nominee for such operator or a common depository for one or more Clearing Systems (in each case acting in accordance with the rules and regulations of the Clearing System or Systems).*

**Index Linked MTN** means an MTN in respect of which the amount payable in respect of interest is calculated by reference to an index or a formula or both as specified in the Supplement.

**Information Memorandum** in respect of an MTN means the information memorandum, disclosure document (as defined in the Corporations Act) or other offering document referred to in the Supplement.

**Instalment Amounts** has the meaning given in the Supplement.

**Instalment MTN** means an MTN which is redeemable in one or more instalments as specified in the Supplement.

**Interest Commencement Date** means, for an MTN, the Issue Date of the MTN or any other date so specified in the Supplement.

**Interest Determination Date** has the meaning given in the relevant Supplement.

**Interest Expense** means in respect of a period the amount determined from the Financial Statements for the period to be:

- (a) the sum of:

- (i) all interest and any other amounts in the nature of interest or of similar effect to interest (including all line, facility, letter of credit, guarantee and similar fees and other amounts of a regular or recurring nature payable in relation to Finance Debt) paid or payable by the Parent or any of its Subsidiaries during that period; and
  - (ii) any amounts paid or payable during that period by the Parent or any of its Subsidiaries under any interest rate hedging arrangements; less
- (b) the sum of:
- (i) all interest and amounts in the nature of interest which is received or receivable during that period by the Parent or any of its Subsidiaries; and
  - (ii) any net amounts received or receivable during that period by the Parent or any of its Subsidiaries under any interest rate hedging arrangements.

**Interest Payment Date** means each date so specified in, or determined in accordance with, the Supplement.

**Interest Period** means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

- (a) the first Interest Period commences on (and includes) the Interest Commencement Date; and
- (b) the final Interest Period ends on (but excludes) the Maturity Date.

**Interest Rate** means, for an MTN, the interest rate (expressed as a percentage per annum) payable in respect of that MTN specified in the Supplement or calculated or determined in accordance with these Conditions and the Supplement.

**ISDA Definitions** means the 2002 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (as supplemented, amended, modified or replaced as at the Issue Date of the first Tranche of the MTNs of a Series).

**Issue Date** means the date on which an MTN is, or is to be issued, as specified in, or determined in accordance with, the Supplement.

**Issuer** means Downer Group Finance Pty Limited (ABN 45 072 473 913) or such other person appointed under the Deed Poll as a new issuer and a reference to an Issuer in respect of an MTN is to the individual Issuer of such MTN or otherwise as the context requires.

**Limited-Recourse Borrowing** means Finance Debt provided to a Project Finance Subsidiary on the basis that the lender only has recourse to the assets of the Project Finance Subsidiary and neither the Issuer nor any Guarantor provides any guarantee of such Finance Debt other than prior to satisfaction of a completion test.

**Margin** means the margin specified in, or determined in accordance with, the Supplement.

**Maturity Date** means the date so specified in, or determined in accordance with, the Supplement.

**Meetings Provisions** means the provisions relating to meetings of Holders and Transferable Deposit Holders (as defined in the terms and conditions set out in schedule 3 to the Deed Poll) set out in schedule 4 of the Deed Poll.

**MTN** means a debt obligation issued or to be issued by the Issuer which is constituted by, and owing under the Deed Poll, the details of which are recorded in, and evidenced by entry in, the Register.

**Offshore Associate** means an associate (as defined in section 128F of the Australian Tax Act) of the Issuer that is either:

- (a) a non-resident of Australia which does not acquire the MTNs in carrying on a business at or through a permanent establishment in Australia; or
- (b) a resident of Australia that acquires the MTNs in carrying on a business at or through a permanent establishment outside Australia.

**Parent** means Downer EDI Limited (ABN 97 003 872 848).

**Partly Paid MTN** means an MTN in relation to which the initial subscription moneys are payable to the Issuer in two or more instalments.

**Payment Date** means the Maturity Date, an Interest Payment Date or other relevant date on which the Issuer must make a payment under an MTN issued by it.

**Permitted Security Interest** means:

- (a) a lien arising by operation of law in the ordinary course of day-to-day trading and not securing indebtedness where it duly pays the indebtedness secured by that lien other than indebtedness contested in good faith;
- (b) a banker's lien or right of set-off or combination arising under contract or by operation of law or practice over property or money deposited with a banker in the ordinary course of business of a member of the Group unless such arrangements are deliberately established for the purpose of affording security to the bank or financial institution concerned;
- (c) any lien over any asset acquired after 1 July 2000 or any asset of a corporation which becomes a member of the Group after 1 July 2000 but in each case only if:
  - (i) the lien existed at the date the asset was acquired by the member of the Group, or the corporation because a member of the Group (as the case may be) (the "**Acquisition Date**");
  - (ii) the lien was not created in anticipation of the asset being acquired or the corporation becoming a member of the Group;
  - (iii) the lien secures only the existing obligations (actual or contingent) secured by that lien at the Acquisition Date and such obligations were not increased in anticipation of the asset being acquired or the corporation becoming a member of the Group;
  - (iv) the lien is discharged and released within 6 months of the Acquisition Date; and
  - (v) the principal amount so secured is not increased beyond the amount outstanding (or in the case of an overdraft or revolving facility, the applicable limit) at the Acquisition Date but is reduced in accordance with its terms and such principal amount was not increased in anticipation of the asset being acquired or the corporation becoming a member of the Group;
- (d) liens in respect of property acquired, constructed or improved by any member of the Group after the date hereof, or in rights relating to such property, which liens are created at the time of acquisition or completion of construction or improvement of such property or within 180 days thereafter, to secure Finance Debt assumed or incurred to finance all or any part of the purchase price of the acquisition or cost of construction or improvement of such property, provided that the aggregate principal amount of Finance Debt secured by any such lien in respect of any such property shall not exceed the fair market value of such property (or rights relating thereto) and no such lien shall extend to or cover any other property of the member of the Group;
- (e) any rights conferred by virtue only of any subordination of any Finance Debt between any member of the Group;
- (f) any lien which is created in favour of co-venturers or any operator pursuant to any agreement relating to an unincorporated joint venture over interests in or the assets of such unincorporated joint venture, or the product derived therefrom or the sales proceeds payable or revenues receivable in respect thereto, or tariffs payable in respect to the assets the subject of any such unincorporated joint venture;
- (g) any rights conferred by the lodging of security bonds or deposit in connection with any mining operation including exploration, prospecting or mining tenements (including ancillary licenses) and infrastructure arrangements owned, provided to or applied for by any member of the Group (it being understood that this sub-paragraph (vii) shall not permit any member of the Group to create, permit or suffer to exist any lien securing the obligations of such member of the Group to any person providing a security bond on behalf of such member of the Group);

- (h) any lien granted by a Project Finance Subsidiary to secure Limited-Recourse Borrowing;
- (i) any lien which is created as security for any borrowing from bankers or others for the purpose of financing any export or import trading contract in respect of which any part of the price receivable or payable is receivable or payable within 180 days of the date of shipment or is guaranteed or insured by any institution carrying on an export or import credit guarantee or insurance business, provided that such borrowings do not exceed the sum so guaranteed or insured, and provided further that any security is restricted to the items sold or purchased under such contract;
- (j) any lien which is created over the assets of any business or mining operation conducted outside of Australia as security for any Finance Debt used to finance such operation where the granting of such lien is required by local law;
- (k) any Capital Lease existing on the date of this Agreement over, upon or which respect to any property or asset of any member of the Group; or
- (l) liens incurred by any member of the Group in addition to those described in paragraphs (i) to (k) above, provided that, upon the incurrence thereof, the aggregate principal amount of Finance Debt of the Group secured by liens pursuant to this sub-paragraph (l) shall not exceed 10 per cent. of Total Assets.

**Project Finance Subsidiary** means a Subsidiary of the Parent which raises Limited-Recourse Borrowings to finance the acquisition or development of assets.

**Subsidiary** of an entity means another entity which is a subsidiary of the first entity within the meaning of Part 1.2 Division 6 of the Corporations Act or is a subsidiary of, or otherwise controlled by, the first entity within the meaning of any approved accounting standard.

**Supplement** means, in respect of a Tranche, the pricing supplement specifying the relevant issue details in relation to that Tranche.

**Record Date** means the close of business in the place where the Register is maintained on the eighth calendar day before the Payment Date or any other date so specified in the Supplement.

**Redemption Amount** means:

- (a) for an MTN (other than a Zero Coupon MTN or a Structured MTN), the outstanding principal amount as at the date of redemption;
- (b) for a Zero Coupon MTN, the Amortised Face Amount calculated as at the date of redemption; and
- (c) for a Structured MTN, the amount determined by the Calculation Agent in the manner specified in the Supplement,

and also includes any final instalment and any other amount in the nature of a redemption amount specified in, or determined in accordance with, the relevant Supplement or these Conditions.

**Reference Banks** means the institutions so described in the Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate.

**Reference Rate** has the meaning given in the Supplement.

**Register** means the register, including any branch register, of holders of MTNs established and maintained by or on behalf of the Issuer under an Agency Agreement.

**Registrar** means Austraclear Services Limited (ABN 28 003 284 419) or any other person appointed by the Issuer under an Agency Agreement to maintain the Register and perform any payment and other duties as specified in that agreement.



**Regular Period** means:

- (a) in the case of MTNs where interest is scheduled to be paid only by means of regular payments, each Interest Period;
- (b) in the case of MTNs where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of MTNs where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

**Related Entity** has the meaning it has in the Corporations Act.

**Relevant Guarantee** means any guarantee, indemnity, letter of credit, legally binding letter of comfort or suretyship. It includes any other obligation or irrevocable offer (whatever called and of whatever nature):

- (a) to pay or to purchase;
- (b) to provide funds (whether by the advance of money, the purchase of or subscription for shares or other securities, the purchase of assets, rights or services, or otherwise) (including by any cash deficiency undertaking or similar arrangement) for the payment or discharge of;
- (c) to indemnify against the consequences of default in the payment of; or
- (d) to be responsible otherwise for,

an obligation or debt of another person, a dividend, distribution, capital or premium on shares or other interests, or the solvency or financial condition of another person. It excludes any performance bond or guarantee, on account of the performance of any obligation in the ordinary course of business which does not relate to Finance Debt, of a partnership or joint venture or any Subsidiary of it.

**Relevant Screen Page** means:

- (a) the page, section or other part of a particular information service (including the Reuters Monitor Money Rates Service and the Dow Jones Telerate Service) specified as the Relevant Screen Page in the Supplement; or
- (b) any other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

**Relevant Tax** means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them.

**Relevant Tax Jurisdiction** means any country, or political sub-division of one or more countries, or any federation or association of countries:

- (a) in which the Issuer is either incorporated or is resident or domiciled for any tax purpose; or
- (b) from which, or through which, any payment in relation to an MTN is made.

**Relevant Time** has the meaning given in the Supplement.

**Reporting Date** means, in any year, 30 June and 31 December.

**Security Interest** means any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind or any other right of, or arrangement with, any creditor to have its claims satisfied in priority to other creditors with, or from the proceeds of, any asset. Without limitation, it includes security by way of deposit of moneys or other property and title retention other than in the ordinary course of day-to-day trading, but does not include:

- (i) any lien arising by operation of law in the ordinary course of business;
- (ii) any charge or lien arising by operation of law in favour of any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity; or
- (iii) deposits of money or property in the ordinary course of business by way of security for the performance of statutory obligations,

where there is no default in respect of the secured obligations.

**Series** means an issue of MTNs made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Date and Interest Commencement Date may be different in respect of different Tranches of a Series.

The Issuer is **Solvent** if:

- (a) it is able to pay its debts when they fall due; and
- (b) its total consolidated gross assets (as shown by its latest published audited financial statements) exceed its total consolidated gross liabilities (as shown by its latest published audited financial statements), in each case adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its directors, its auditors or, as the case may be, its liquidator may determine to be appropriate.

**Specified Office** means the office specified in the Information Memorandum or any other address notified to Holders from time to time.

**Structured MTN** means:

- (a) an Index Linked MTN; or
- (b) an Instalment MTN.

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

**Taxes** means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them, except if imposed on, or calculated having regard to, the net income of the Holder.

**Total Assets** means at any time the total book value of all assets of the Group on a consolidated basis shown by the Financial Statements prepared as at the Reporting Date for the twelve or six month period ending on the Reporting Date.

**Tranche** means an issue of MTNs specified as such in the Supplement issued on the same Issue Date and on the same Conditions.

**Zero Coupon MTN** means an MTN which does not carry entitlement to periodic payment of interest before the redemption date of the MTN and which is issued at a discount to its principal amount.

## 21.2 References to certain general terms

Unless the contrary intention appears, a reference to:

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;

- (b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (c) anything (including any amount) is a reference to the whole and each part of it;
- (d) a document (including these Conditions) includes any variation or replacement of it;
- (e) a “law” includes common law, principles of equity and any law made by any parliament (and a law made by a parliament includes any regulation or other instrument under it, and any consolidation, amendment, re-enactment or replacement of it);
- (f) a “directive” includes a treaty, official directive, request, regulation, guideline or policy (whether or not in any such case having the force of law) with which responsible participants in the relevant market generally comply;
- (g) Australian dollars or A\$ is a reference to the lawful currency of Australia;
- (h) a time of day is a reference to Sydney time;
- (i) a “person” includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (j) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns; and
- (k) the words “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

### **21.3 Number**

The singular includes the plural and vice versa.

### **21.4 Headings**

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Conditions.

### **21.5 References to particular terms**

Unless the contrary intention appears:

- (a) a reference to the Issuer, the Registrar, the Calculation Agent or another Agent is a reference to the person so specified in the Supplement;
- (b) a reference to the Agency Agreement is a reference to the Agency Agreement applicable to the MTNs of the relevant Series;
- (c) a reference to an MTN is a reference to an MTN of a particular Series issued by the Issuer specified in the Supplement;
- (d) a reference to a Holder is a reference to the holder of MTNs of a particular Series;
- (e) if the MTNs are Zero Coupon MTNs or Structured MTNs which do not bear interest, references to interest are not applicable; and
- (f) a reference to a particular date is a reference to that date adjusted in accordance with the applicable Business Day Convention.

## **21.6 References to principal and interest**

Unless the contrary intention appears:

- (a) any reference to “principal” is taken to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 13 (“Taxation”), any premium payable by the Issuer in respect of an MTN and any other amount in the nature of principal payable in respect of the MTNs under these Conditions;
- (b) the principal amount of an MTN issued at a discount is to be taken as at any time to equal the lesser of:
  - (i) its Denomination; and
  - (ii) if specified in the Supplement, its Amortised Face Amount at that time;
- (c) the principal amount of an MTN which is to vary by reference to a schedule or formula (where such determination has been previously made in accordance with these Conditions) is to be taken as at any time to equal its varied amount;
- (d) the principal amount of a Partly Paid MTN is to be taken to equal its paid up principal amount;
- (e) the principal amount of an Instalment MTN at any time is to be taken to be its Denomination less the total instalments repaid to the extent that such instalments relate to a repayment of principal; and
- (f) any reference to “interest” is taken to include any Additional Amounts and any other amount in the nature of interest payable in respect of the MTNs under these Conditions.

## **21.7 Terms defined in Supplement**

Terms which are specified in the Supplement as having a defined meaning have the same meaning when used in these Conditions, but if the Supplement gives no meaning or specifies that the definition is “Not Applicable”, then that definition is not applicable to the MTNs.

# Form of Supplement

---

*The Supplement that will be issued in respect of each Tranche will be substantially in the form set out below.*

Series No.: [●]

Tranche No.: [●]



**DOWNER GROUP FINANCE PTY LIMITED**  
(ABN 45 072 473 913)  
("Issuer")

**A\$[750,000,000]**  
**Debt Issuance Programme**  
("Programme")

**guaranteed by**  
**DOWNER EDI LIMITED**  
(ABN 97 003 872 848)

and certain subsidiaries of Downer EDI Limited

**SUPPLEMENT**  
in connection with the issue of [fully paid]  
A\$[●] [Debt Instruments]  
("[Debt Instruments]")

The date of this Supplement is [●].

This Supplement is issued to give details of the Tranche of [fully paid] [Debt Instruments] referred to above. It is supplementary to, and should be read in conjunction with the Information Memorandum dated [●] ("IM") and the Debt Instrument Deed Poll dated [●] ("Deed Poll") each issued in relation to the Programme.

This Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the [Debt Instruments] or the distribution of this Supplement in any jurisdiction where such action is required.

Terms used but not otherwise defined in this Supplement have the meaning given in the Deed Poll. A reference to a "condition" in this Supplement is a reference to the corresponding Condition as set out in the Deed Poll.

## TERMS

The terms of the Tranche of [Debt Instruments] are as follows:

Issuer: Downer Group Finance Pty Limited.

Parent:	Downer EDI Limited.
Guarantors:	The Parent and such subsidiaries of the Parent as are Guarantors under the Guarantee (as defined below) from time to time.
Guarantee:	The guarantee and indemnity granted by the Parent and certain subsidiaries pursuant to the deed poll titled "Deed Poll Guarantee and Indemnity" dated 14 June 2006 and the Guarantor Accession Deeds Poll dated 9 April 2009 and 13 July 2009.
Relevant Dealer(s):	[●].
Place of initial offering:	[Inside Australia.]
Issuing and Paying Agent:	[●].
Calculation Agent:	[●].
Additional Paying Agents:	[●].
Registrar:	[Austraclear Services Limited (ABN 28 003 284 419)].
Transfer Agent:	[●].
Status of the [Debt Instruments]:	Unsubordinated.
Specified Currency:	Australian Dollars.
Aggregate Principal Amount of Tranche:	A\$[●].
[If to form a single Series with existing Series, specify date on which all [Debt Instruments] of the Series become fungible]:	[All [Debt Instruments] of this Tranche are to form a single Series with Series [●] and become fungible from [●] immediately following issue / Not Applicable.]
Issue Date:	[●].
Maturity Date:	[●].
Issue Price:	[●].
[Type of Debt Instrument:]	[Unsubordinated <i>Fixed Rate [Debt Instrument]</i> / <i>Floating Rate [Debt Instrument]</i> / <i>Index Linked [Debt Instrument]</i> / <i>Instalment [Debt Instrument]</i> / <i>other.</i> ]
Form of Debt Instrument:	Registered.
Denomination(s):	A\$[●].
Business Days:	[specify place(s)].
Interest:	<b>[Fixed Rate [Debt Instruments]:]</b> [Condition [●] will apply.]

[Interest Commencement Date: [Issue Date / [●].]

[Interest Payment Dates: [●].]

[Interest Rate: [●] per cent. per annum / Not Applicable.]

[Fixed Coupon Amount: \$[●] per A\$[●] / Not Applicable.]

[If the Issuer's call referred to in [condition [●] [(Early redemption at the option of the Issuer (Issuer's Call))] is not exercised, then with effect from [*insert date*] [Interest Rate shall be increased by [[●] per cent. per annum] / Fixed Coupon Amount shall be increased by \$[●] per A\$[●].]

[Business Day Convention: [●].]

[Day Count Fraction: [●].]

**[Floating Rate [Debt Instruments]:]**

[Condition [●] will apply.]

[Interest Commencement Date: Issue Date / [●].]

[Interest Payment Dates: [●].]

[Specified Period: [●].]

[Interest Rate: [●] / Not Applicable.]

[ISDA Determination: Applicable / Not Applicable.]

[Floating Rate Option: [●].]

[Designated Maturity: [●].]

[Reset Date: [●].]

[Screen Rate Determination: Applicable / Not Applicable.]

[Relevant Financial Centre: [●].]

[Relevant Time: [●].]

[Interest Determination Date: [●].]

[Reference Banks: [●].]

[Reference Rate: [●].]

[Relevant Screen Page: [●].]

[Bank Bill Rate Determination: Applicable / Not Applicable.]

[Margin: [●].]

	[Business Day Convention: [●].]
	[Day Count Fraction: [●].]
	[Linear Interpolation: Applicable / Not Applicable.]
	[If the Issuer's call referred to in [condition [●]] [(Early redemption at the option of the Issuer (Issuer's Call))] is not exercised, then with effect from [insert date] [relevant rate] shall be increased by [[●] per cent. per annum.]]
	<b>[Index Linked [Debt Instruments] / Instalment [Debt Instruments]:]</b>
	[Condition [●] will apply.]
	[Interest Commencement Date: Issue Date / [●].]
	[Interest Payment Dates: [●].]
	[Interest Rate: [●] / Not Applicable.]
	[●]. [Insert other details]
Minimum / Maximum Interest Rate:	[[●] / Not Applicable.]
Default Rate:	[[●] / Not Applicable.]
Calculation Agent Obligations:	[●]. [if any - see condition [●]]
Rounding:	[●]. [see condition [●]]
[Early redemption at the option of Debt Instrument Holders (Debt Instrument Holder put):]	Not Applicable.
[Early Redemption Date (Put):]	Not Applicable.
[Early redemption at the option of the Issuer (Issuer's call):]	[Applicable / Not Applicable.]
[Early Redemption Date (Call):]	[●] [insert date]. [Thereafter, the Issuer may redeem the [Debt Instruments] on [●].]
[Minimum notice period for the exercise of the [put option / call option]:]	[30 days / other.]
[Maximum notice period for the exercise of the [put option / call option]:]	[60 days /other.]
[Specify any relevant conditions to exercise of [put option / call option]:]	[[●] / Not Applicable.]
[Specify whether redemption at Debt Instrument Holders' option / Issuer's option is permitted in respect of some only of the [Debt Instruments] and, if so, any minimum aggregate principal amount:]	[●].



[Minimum notice period for early redemption for taxation reasons]:	[15 days / other.]
[Maximum notice period for early redemption for taxation reasons]:	[60 days /other.]
[Structured Debt Instrument Redemption Amount:]	[[●].]
	[Instalment Amounts: [●].]
	[Instalment Dates: [●].]
[Zero Coupon Debt Instrument Redemption Amount:]	[Reference Price: [●].]
	[Accrual Yield: [●].]
	[Day Count Fraction: [●].]
[Redemption of Partly Paid [Debt Instruments]:]	[[●] / Not Applicable.]
Currency of payments:	[AUD]
ISIN:	[●].
Common Code:	[●].
Clearing System:	[Austraclear.]
Other selling restrictions:	[As provided in the IM, the [Debt Instruments] will not be issued unless the aggregate consideration payable by each offeree is at least A\$500,000 (disregarding moneys lent by the offeror or its associates) or the offer or invitation does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia.]
Australian interest withholding tax:	[The [Debt Instruments] satisfy the public offer test as the issue resulted from the [Debt Instruments] being offered for issue to at least 10 persons each of whom was carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets and was not known, or suspected, by the Dealer to be an associate (as defined in section 128F(9)) of any of the above persons as a result of the IM being publicly available in capital markets.]
Programme Documents:	[●].
Listing:	[[●] / Not Applicable.]
Notices:	[Insert details of any additional newspapers]
Additional Australian Taxation:	[●].
Additional terms and conditions:	[●].

[The following purchasers of this Tranche of [Debt Instruments] are not Dealers named in the IM:]

[●].

**CONFIRMED**

**DOWNER GROUP FINANCE PTY LIMITED**

By: .....  
Authorised Person

Date: [●].

# Selling and Distribution Restrictions

---

*Pursuant to the Dealer Agreement dated 14 June 2006 between the Issuer, the Parent and the persons named as Dealers therein (as amended, restated or supplemented from time to time) (“**Dealer Agreement**”), Debt Instruments will be offered by the Issuer through one or more Dealers. The Issuer will have the sole right to accept any offers to purchase Debt Instruments and may reject any such offer in whole or (subject to the terms of such offer) in part. Each Dealer shall have the right, in its discretion reasonably exercised, to reject any offer to purchase Debt Instruments made to it in whole or (subject to the terms of such offer) in part. The Issuer is entitled under the Dealer Agreement to appoint one or more Dealers as a dealer for a particular Tranche of Debt Instruments.*

*By its purchase and acceptance of Debt Instruments issued under the Dealer Agreement, each Dealer agrees that it will observe all applicable laws and regulations in any jurisdiction in which it may subscribe for, offer, sell, transfer or deliver Debt Instruments and it will not directly or indirectly offer, sell, re-sell, re-offer, transfer or deliver Debt Instruments or distribute the Information Memorandum, any relevant Supplement, prospectus, circular, advertisement or other offering material relating to the Debt Instruments in any country or jurisdiction except in accordance with the terms of the Dealer Agreement and in circumstances that will result in compliance with all applicable laws and regulations.*

*No Dealer is authorised to make any representation or use any information in connection with the issue, offering, acceptance or sale of Debt Instruments other than as contained in the Information Memorandum. In connection with any particular issue, the Issuer and the relevant Dealer or Dealers may agree different or additional selling restrictions from those set out in this schedule 7. In addition, these selling restrictions may be changed by the Issuer in consultation with the Dealers following a change in any law or directive or in its interpretation or administration by an authority or the introduction of a new law or directive. Any change will be set out in the relevant Supplement issued in respect of the Debt Instruments to which it relates (or in another supplement to this Information Memorandum). For the time being, the following selling restrictions apply.*

---

## 1 Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (“**Corporations Act**”)) in relation to the Programme or any Debt Instruments has been lodged with the Australian Securities and Investments Commission (“**ASIC**”). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the relevant Supplement (or another relevant supplement to any Information Memorandum) otherwise provides, it:

- (a) has not made or invited, and will not make or invite, an offer of the Debt Instruments for issue, subscription, sale or purchase in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any Information Memorandum or other offering material or advertisement relating to any Debt Instruments in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or the equivalent in another currency, and in either case, disregarding moneys lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) such action complies with all applicable laws, regulations and directives (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act);

- (iii) 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
- (iv) such action does not require any document to be lodged with ASIC.

In addition and unless the relevant Supplement otherwise provides, each Dealer has agreed that, in connection with the primary distribution of the Debt Instruments, it will not sell Debt Instruments to any person if, at the time of such sale, the employees of the Dealer aware of, or involved in, the sale knew or had reasonable grounds to suspect that, as a result of such sale, any Debt Instruments or an interest in any Debt Instruments were being, or would later be, acquired (directly or indirectly) by an associate of the Issuer for the purposes of section 128F(9) of the Income Tax Assessment Act 1936 of Australia (“**Tax Act**”) and associated regulations (and, where applicable, any replacement legislation including, but not limited to, the Income Tax Assessment Act 1997 of Australia), except as permitted by section 128F(5) of the Tax Act.

---

## **2 The United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) with respect to any Debt Instruments which have a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any such Debt Instruments other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Debt Instruments would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) by the Issuer or (if applicable) any Guarantor;

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Debt Instruments in, from or otherwise involving the United Kingdom; and
- (c) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Debt Instruments in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or (if applicable) any Guarantor.

---

## **3 The United States of America**

### **Securities Act**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Debt Instruments have not

been and will not be registered under the Securities Act of 1933, as amended (“**Securities Act**”).

Terms used in the following four paragraphs have the meanings given to them by Regulation S under the Securities Act (“**Regulation S**”).

The Debt Instruments may not be offered, sold, delivered or transferred within the United States, its territories or possessions or to, or for the account or benefit of, United States persons except in accordance with Regulation S or in certain transactions exempt from the registration requirements of the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and has agreed that it will not offer, sell or deliver the Debt Instruments:

- (a) as part of their distribution at any time; and
- (b) otherwise until 40 days after completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Debt Instruments on a syndicated basis, the Lead Manager,

in each case, within the United States or to, or for the account or benefit of, United States persons, and it will have sent to each distributor to which it sells Debt Instruments during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Debt Instruments within the United States or to, or for the account or benefit of, United States persons.

In addition, until 40 days after the completion of the distribution of all Debt Instruments of the Tranche of which those Debt Instruments are a part, an offer or sale of such Debt Instruments within the United States by any Dealer or other distributor (whether or not participating in the offering of such Debt Instruments) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

#### **Indexed Debt Instruments and Dual Currency Debt Instruments**

Each issue of Indexed Debt Instruments and Dual Currency Debt Instruments will be subject to additional U.S. selling restrictions agreed between the Issuer and the relevant Dealer as a term of the issue and purchase of such Debt Instruments which are set out in the relevant Supplement. Each relevant Dealer agrees that it will offer, sell or deliver those Debt Instruments only in compliance with those additional U.S. selling restrictions.

---

#### **4 European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant EEA State**”), each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant EEA State (“**Relevant Implementation Date**”) it has not made and will not make an offer of Debt Instruments which are the subject of the offering contemplated by the Information Memorandum, as completed by the Supplement in relation thereto, to the public in that Relevant EEA State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Debt Instruments to the public in that Relevant EEA State:

- (a) if the Supplement in relation to the Debt Instruments specifies that an offer of those Debt Instruments may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant EEA State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to those Debt Instruments which has been approved by the competent authority in that Relevant EEA State or, where

appropriate, approved in another Relevant EEA State and notified to the competent authority in that Relevant EEA State, provided that any such prospectus has subsequently been completed by the Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Supplement, as applicable;

- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR43,000,000 and (3) an annual net turnover of more than EUR50,000,000, all as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Debt Instruments referred to in (a) and (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression “offer of Debt Instruments to the public” in relation to any Notes in any Relevant EEA State means the communication in any form and by any means of sufficient information on the terms of the offer and the Debt Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Debt Instruments, as the same may be varied in that Relevant EEA State by any measure implementing the Prospectus Directive in that Relevant EEA State and the expression “**Prospectus Directive**” means EU Prospectus Directive (2003/71/EC) and includes any relevant implementing measure in each Relevant EEA State.

---

## 5 Japan

The Debt Instruments have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (“**Financial Instruments and Exchange Law**”) and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and that it will not offer or sell any Debt Instruments directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to a Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan. For the purposes of this paragraph, “Japanese Person” means any person resident in Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 288 of 1949, as amended)).

---

## 6 Singapore

The Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended (the “**SFA**”). Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Debt Instruments may not be offered or sold by it, or made the subject of an invitation for subscription or purchase by it, nor may the Information Memorandum or any other document

or material in connection with the offer or sale or invitation for subscription or purchase of any Debt Instruments be circulated or distributed by it, whether directly or indirectly, to persons in Singapore other than:

- (a) to an institutional investor under Section 274 of the SFA;
- (b) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Each Dealer has further represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, to notify (whether through the distribution of this Information Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Debt Instruments or otherwise) each of the following relevant persons specified in Section 275 of the SFA which has subscribed or purchased Debt Instruments from and through that Dealer, namely a person who is:

- (a) a corporation (which is not an accredited investor) 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 is an accredited investor,

that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Debt Instruments under Section 275 of the SFA except:

- (a) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA;
- (b) where no consideration is given for the transfer; or
- (c) by operation of law.

---

## 7 Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold, and will not offer or sell, in Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Debt Instruments other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**") and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong ("**CO**") or which do not constitute an offer to the public within the meaning of the CO; 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 (in each case whether in Hong Kong or elsewhere), any advertisement, invitation, other offering material or other document relating to the Debt Instruments which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than

with respect to the Debt Instruments which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the SFO and any rules made under the SFO.

---

## 8 New Zealand

Neither the Issuer, nor (if applicable) any Guarantor, intends that the Debt Instruments be offered for sale or subscription to the public in New Zealand in terms of the Securities Act 1978 of New Zealand (“**NZ Securities Act**”). Accordingly, no investment statement has been prepared and no prospectus has been or will be registered under the NZ Securities Act.

The Debt Instruments shall not be offered for sale to the public in New Zealand in breach of the NZ Securities Act or the Securities Regulations 1983 of New Zealand. In particular, but without limitation, Debt Instruments may only be offered or transferred either:

- (a) to persons whose principal business is the investment of money or to persons who, in the course of and for the purposes of their business, habitually invest money within the meaning of section 3(2)(a)(ii) of the NZ Securities Act; or
- (b) to persons who are each required to pay a minimum subscription price of at least NZ\$500,000 for the Debt Instruments (disregarding any amount lent by the offeror, the Issuer, (if applicable) any Guarantor or any associated person of the offeror, Issuer or (if applicable) any Guarantor) before the allotment of those Debt Instruments and who have a minimum holding of the Debt Instruments of at least NZ\$500,000.

In addition, each Holder is deemed to represent and agree that it will not distribute the Information Memorandum, any pricing supplement or any other offering memorandum or document or any advertisement in relation to any offer of the Debt Instruments in New Zealand other than:

- (a) to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money within the meaning of section 3(2)(a)(ii) of the NZ Securities Act; or
- (b) in other circumstances where there is no contravention of the NZ Securities Act.



# Australian Taxation

---

*The following is a summary of certain Australian tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, “**Australian Tax Act**”) and any relevant regulations, rulings or judicial or administrative pronouncements, at the date of this Information Memorandum, of payments of interest and certain other amounts on the Debt Instruments to be issued by the Issuer under the Programme and certain other matters.*

*This summary is not exhaustive and should be treated with appropriate caution. In particular, it does not deal with the position of certain classes of holders of Debt Instruments (including, dealers in securities, custodians or other third parties who hold Debt Instruments on behalf of other persons).*

*Prospective holders of Debt Instruments should also be aware that particular terms of issue of any Series of Debt Instruments may affect the tax treatment of that and other Series of Debt Instruments.*

*The following summary not intended to be, nor should it be construed as legal or tax advice to any particular investor. Prospective holders of Debt Instruments should consult their professional advisers on the tax implications of an investment in the Debt Instruments for their particular circumstances.*

## **1. Introduction**

The Australian Tax Act characterises securities as either “debt interests” (for all entities) or “equity interests” (for companies) including for the purposes of interest withholding tax (“**IWT**”) and dividend withholding tax. IWT is payable at a rate of 10% of the gross amount of interest paid by the Issuer to a non-resident of Australia (other than a non-resident acting at or through a permanent establishment in Australia) or a resident acting at or through a permanent establishment outside Australia unless an exemption is available. For these purposes, interest is defined in section 128A(1AB) of the Tax Act to include amounts in the nature of, or in substitution for, interest and certain other amounts.

An exemption from IWT is available in respect of Debt Instruments issued by the Issuer if those Debt Instruments are characterised as both “debt interests” and “debentures” and the requirements of section 128F of the Tax Act are met.

The Issuer intends to issue Debt Instruments which will be characterised as both “debt interests” and “debentures” for these purposes. If Debt Instruments are issued which are not so characterised, further information on the material Australian tax consequences of payments of interest and certain other amounts on those Debt Instruments will be specified in the relevant Supplement (or another relevant supplement to this Information Memorandum).

## **2. Interest withholding tax**

The requirements for an exemption from IWT are as follows:

- (a) the Issuer remains a resident of Australia when it issues those Debt Instruments and when interest is paid;
- (b) those Debt Instruments are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that the Issuer is offering those Debt Instruments for issue. In summary, the five methods are:
  - offers to 10 or more unrelated financiers or securities dealers;
  - offers to 100 or more investors;
  - offers of listed Debt Instruments;

- offers via publicly available information sources; and
  - offers to a dealer, manager or underwriter who offers to sell those Debt Instruments within 30 days by one of the preceding methods;
- (c) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that those Debt Instruments, or interests in those Debt Instruments, were being, or would later be, acquired, directly or indirectly, by an “associate” of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act; and
- (d) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an “associate” of the Issuer, except as permitted by section 128F(6) of the Australian Tax Act.

*Compliance with section 128F of the Australian Tax Act*

Unless otherwise specified in any relevant Supplement, the Issuer intends to issue the Debt Instruments in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

*Exemptions under recent tax treaties*

The Australian government has signed new or amended double tax conventions (“**New Treaties**”) with a number of countries (each a “**Specified Country**”) which contain certain exemptions from IWT.

In broad terms, once implemented, the New Treaties prevent IWT being imposed on interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; or
- a “financial institution” which is a resident of a Specified Country and which is unrelated to and dealing wholly independently with the Issuer, acting through its Australian branch. The term “financial institution” refers to 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 Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation which is available to the public at the Federal Treasury’s Department’s website at: <http://www.treasury.gov.au/contentitem.asp?pageId=&ContentID=625>.

*Payments under the Guarantee*

It is unclear whether or not any payment by a Guarantor incorporated in Australia or carrying on business in Australia at or through a permanent establishment under the Guarantee would be subject to Australian IWT. The Australian Taxation Office has published a Taxation Determination stating that payments by a guarantor in respect of debentures (such as the Debt Instruments) are entitled to the benefit of the exemption contained in section 128F of the Australian Tax Act if payments of interest in respect of those debentures by the Issuer are exempt from IWT. However, there is some doubt as to whether the Taxation Determination applies in the context of the Guarantee and whether the reasoning adopted in the Taxation Determination is correct. If the Taxation Determination is not applicable, IWT at the rate of 10% will be payable on payments of interest (as defined in section 128B(1AB) of the Australian Tax Act), or interest paid on an overdue amount, by such a Guarantor to non-residents (other than non-residents holding the Debt Instruments in the course of carrying on a business at or through a permanent establishment in Australia) or residents of Australia holding the Debt Instruments in the course of carrying on a business at or through a permanent establishment outside Australia.

It is unclear whether any payment under the Guarantee in respect of the Debt Instruments would constitute a payment of interest so defined, but the better view is that such payments (other than interest paid on an overdue amount) do not constitute interest as so defined and, therefore, should not, in any event, be subject to the IWT provisions of the Australian Tax Act.

As set out in more detail in the Guarantee, if a Guarantor is at any time prohibited by law from making payments under the Guarantee free of deductions or withholdings, then such additional amounts shall be paid to the holder as may be necessary in order that the actual amount received after all applicable deductions and withholdings shall equal the amount that would have been received if such deductions or withholdings were not made.

### **3. Other tax matters**

Under Australian laws as presently in effect:

- (a) *death duties* - no Debt Instruments will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (b) *stamp duty and other taxes* - no *ad valorem* stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Debt Instruments;
- (c) *supply withholding tax* - payments in respect of the Debt Instruments can be made free and clear of the "supply withholding tax" imposed under Australia's tax legislation; and
- (d) *goods and services tax (GST)* - none of the issue or receipt of the Debt Instruments, the payment of principal or interest by the Issuer, nor the disposal of the Debt Instruments, will give rise to any GST liability in Australia.

# New Zealand Taxation

---

*As at the date of this Information Memorandum, five of the Guarantors, Downer EDI Works Limited (formerly Works Infrastructure Limited), Downer EDI Engineering Limited, Downer EDI Finance (NZ) Limited, Downer EDI Group Finance (NZ) Limited and Works Finance (NZ) Limited (“**NZ Guarantors**”), are incorporated in New Zealand. The following is a summary of the New Zealand taxation treatment, as at the date of this Information Memorandum, of payments by the NZ Guarantors under the Guarantee. It is not exhaustive and, in particular, does not deal with the position of certain classes of holders of Debt Instruments (including, dealers in securities, custodians or other third parties who hold Debt Instruments on behalf of any holders of Debt Instruments).*

*Prospective holders of Debt Instruments should also be aware that particular terms of issue of any Series of Debt Instruments may affect the tax treatment of that and other Series of Debt Instruments. The following is a general guide and should be treated with appropriate caution. Prospective holders of Debt Instruments who are in any doubt as to their tax position should consult their professional advisers on the tax implications of an investment in the Debt Instruments for their particular circumstances.*

In New Zealand, the better view is that non-resident withholding tax (“**NRWT**”) will apply to payments under the Guarantee in respect of interest paid by a Guarantor incorporated in New Zealand or carrying on business in New Zealand at or through a permanent establishment under the Guarantee. The rate of NRWT is 10% for Australia and most other countries with which New Zealand has a double tax treaty and 15% for those with which it does not. The rate for the USA will drop to 5% when both countries enact legislation to make recently agreed changes.

For the purposes of the NRWT rules "interest", as defined in section YA 1 of the Income Tax Act 2007 of New Zealand (“**NZ Tax Act**”) relevantly means:

"a payment made to the person by another person for money lent to any person, whether or not the payment is periodical and however it is described or computed; and does not include a repayment of money lent; and includes a redemption payment."

Importantly, there is no link required between the payer and the person to whom the money was lent and the definition is deliberately wide in order to overcome any common law characterisation of premiums as capital items.

New Zealand's "source" rules are set out in section YD 4 of the NZ Tax Act. Income having a New Zealand source will include (i) income from money lent outside New Zealand to a non-resident where the funds are used in the carrying on of a business in New Zealand through a fixed establishment and (ii) income from contracts made or partly performed in New Zealand. Assuming that (i) above is not satisfied merely because a New Zealand Guarantor guarantees the obligations of an Australian resident issuer in the same group, making a payment under the Guarantee will still constitute performance of a contractual obligation in New Zealand. Consequently, payments under the Guarantee made by a New Zealand tax-resident Guarantor will have a New Zealand source which would provide the New Zealand revenue authorities with a basis for the right to tax such income.

However, the definition of interest above will be over-ridden by the interest definition and article in any relevant double tax treaties to the extent of any inconsistency. Typically, double tax treaties provide little guidance on how guarantee payments are to be treated and the New Zealand domestic treatment is likely to prevail (subject to the terms of any relevant double tax treaty).

The Guarantee requires the Guarantor to gross up any payments where it is prohibited by relevant law from making payments free of deductions or withholdings. The gross-up must leave the holder with the expected payment net of any deductions or withholdings. Any gross-up payment made by a New Zealand tax resident Guarantor will also be susceptible to assessment as interest under the NRWT provisions.

# Current Guarantors

---

## Part A - Australian Guarantors

### **Downer EDI Limited**

(ABN 97 003 872 848)  
Level 3,1  
190 George Street  
Sydney NSW 2000

### **Downer EDI Engineering Construction (Australia) Pty Limited**

(formerly Downer Construction (Australia) Pty Limited)  
(ABN 90 089 088 031)  
Level 7  
76 Berry Street  
North Sydney NSW 2060

### **Downer EDI Engineering Group Pty Limited**

(formerly Downer Engineering Group Pty Limited)  
(ABN 16 006 016 495)  
Level 7  
76 Berry Street  
North Sydney NSW 2060

### **Downer EDI Engineering Power Pty Ltd**

(formerly Downer Engineering Power Pty Limited)  
(ABN 53 000 983 700)  
Level 7  
76 Berry Street  
North Sydney NSW 2060

### **Downer EDI Mining Pty Ltd**

(formerly Roche Mining Pty Limited)  
ABN (49 004 142 223)  
Australia  
Level 7  
104 Melbourne Street  
South Brisbane Qld 4101

### **Downer EDI Mining-Mineral Technologies Pty Ltd**

(formerly Roche Mining (MT) Pty Limited)  
(ABN 52 105 309 260)  
Australia  
Level 7  
104 Melbourne Street  
South Brisbane Qld 4101

### **Downer EDI Rail Pty Ltd**

(formerly EDI Rail Pty Limited)  
(ABN 92 000 002 031)  
2B Factory Street  
Granville NSW 2142

### **Downer EDI Engineering Pty Limited**

(formerly Downer Connect Pty Limited)  
(ABN 66 057 593 503)  
Level 7  
76 Berry Street,  
North Sydney NSW 2060

### **Downer EDI Engineering Electrical Pty Ltd**

(formerly Downer Electrical Pty Limited)  
(ABN 76 007 102 516)  
Level 7  
76 Berry Street  
North Sydney NSW 2060

### **Downer EDI Engineering-Projects Pty Ltd**

(formerly Downer EDI Mining-Process Engineering Pty Ltd)  
ABN (21 009 173 040)  
Level 7  
76 Berry Street  
North Sydney NSW 2060

### **Downer EDI Engineering Transmission Pty Limited**

(formerly Downer Power Transmission Pty Limited)  
(ABN 51 105 310 870)  
Level 7  
76 Berry Street  
North Sydney NSW 2060

### **Downer EDI Mining-Blasting Services Pty Ltd**

(formerly Roche Blasting Services Pty Ltd)  
(ABN 97 009 687 487)  
Level 7  
104 Melbourne Street  
South Brisbane Qld 4101

### **Downer EDI Mining-Minerals Exploration Pty Ltd**

(formerly Rockdril Contractors Pty Limited)  
(ABN 93 009 905 220)  
Australia  
Level 7  
104 Melbourne Street  
South Brisbane Qld 4101

### **Downer EDI Resource Holdings Limited**

(formerly Century Drilling Limited)  
ABN (25 002 975 439)  
51 Fulcrum Street  
Richlands Qld 4076

**Downer EDI Works Pty Ltd**  
(formerly Works Infrastructure Pty Ltd)  
(ABN 66 008 709 608)  
Level 11  
468 St Kilda Road  
Melbourne Vic 3000

**Downer Energy Systems Pty Limited**  
(ABN 90 067 158 954)  
Level 7  
76 Berry Street  
North Sydney NSW 2060

**EDI Rail (Maryborough) Pty Limited**  
(ABN 43 009 656 848)  
23 Bowen Street  
Maryborough Qld 4650

**Emoleum Roads Group Pty Ltd**  
(ABN 78 099 733 445)  
Level 11  
468 St Kilda Road  
Melbourne Vic 3000

**Emoleum Road Services Pty Ltd**  
(ABN 28 006 673 481)  
Australia  
Level 11  
468 St Kilda Road  
Melbourne Vic 3000

**Evans Deakin Industries Pty Ltd**  
(ABN 47 009 702 961)  
Level 3  
190 George Street  
Sydney NSW 2000

**Roche Contractors Pty Ltd**  
(ABN 17 063 974 916)  
Level 7  
104 Melbourne Street  
South Brisbane Qld 4101

**Roche Highwall Mining Pty Limited**  
(ABN 30 065 307 333)  
Level 7  
104 Melbourne Street  
South Brisbane Qld 4101

**Snowden Mining Industry Consultants Pty Limited**  
(ABN 99 085 319 562)  
Level 7  
104 Melbourne Street  
South Brisbane Qld 4101

## **Part B - New Zealand Guarantors**

**Downer EDI Engineering Limited**  
(formerly Downer Connect Limited)  
New Zealand  
2 Carmont Place  
Mt Wellington  
New Zealand

**Downer EDI Finance (NZ) Limited**  
14 Amelia Earhart Avenue  
Airport Oaks  
Mangere, Auckland 1701  
New Zealand

**Downer EDI Group Finance (NZ) Limited**  
14 Amelia Earhart Avenue  
Airport Oaks  
Mangere, Auckland 1701  
New Zealand

**Downer EDI Works Limited**  
(formerly Works Infrastructure Limited)  
14 Amelia Earhart Avenue  
Airport Oaks  
Mangere, Auckland 1701  
New Zealand

**Works Finance (NZ) Limited**  
14 Amelia Earhart Avenue  
Airport Oaks  
Mangere, Auckland 1701  
New Zealand

## **Part C - Singaporean and Hong Kong Guarantors**

### **CPG Consultants Pte Ltd**

Level 18  
238 Thomson Road  
Novena Square, Tower B  
Singapore 307685

### **CPG Facilities Management Pte Ltd**

Level 18  
238 Thomson Road  
Novena Square, Tower B  
Singapore 307685

### **Downer EDI Works (Hong Kong) Limited**

(formerly Downer EDI Engineering (Hong Kong)  
Limited)  
Level 13  
9 Chong Yip Street  
Kwun Tong, Kowloon  
Hong Kong

### **CPG Corporation Pte Ltd**

Level 18  
238 Thomson Road  
Novena Square, Tower B  
Singapore 307685

### **CPG Holdings Pte Ltd**

Level 18  
238 Thomson Road  
Novena Square, Tower B  
Singapore 307685

### **PM Link Pte Ltd**

Level 18  
238 Thomson Road  
Novena Square, Tower B  
Singapore 307685

# Directory

---

## Issuer

### **Downer Group Finance Pty Limited**

ABN 45 072 473 913

Level 3  
190 George Street  
Sydney NSW 2000  
Australia

Telephone: +61 2 9251 9899  
Facsimile: +61 2 9251 1987  
Attention: General Manager - Group Funding

## Parent

### **Downer EDI Limited**

ABN 97 003 872 848

Level 3  
190 George Street  
Sydney NSW 2000  
Australia

Telephone: +61 2 9251 9899  
Facsimile: +61 2 9251 1987  
Attention: General Manager - Group Funding

## Registrar

### **Austraclear Services Limited**

ABN 28 003 284 419

20 Bridge Street  
Sydney NSW 2000  
Australia

Telephone: +61 2 8298 8476  
Facsimile: +61 2 9256 0456  
Attention: Manager, Clearing and Settlement Operations

## Arranger

### **National Australia Bank Limited**

ABN 12 004 044 937 and AFSL 230686

Level 26  
255 George Street  
Sydney NSW 2000  
Australia

Telephone: +61 2 9237 9518  
Facsimile: +61 1300 652 354  
Attention: Director, Capital Markets Origination

## Dealers

### **Australia and New Zealand Banking Group Limited**

ABN 11 005 357 522 and AFSL 234527

Level 2  
20 Martin Place  
Sydney NSW 2000  
Australia

Telephone: +61 2 9227 1064  
Facsimile: +61 2 9227 1113  
Attention: Director, Debt Capital Markets

### **Citigroup Global Markets Australia Pty Limited**

ABN 64 003 114 832 and AFSL 240992

Level 26, Citigroup Centre  
2 Park Street  
Sydney NSW 2000  
Australia

Telephone: +61 2 8225 6029  
Facsimile: +61 2 8225 5407  
Attention: Head of Capital Markets

### **National Australia Bank Limited**

ABN 12 004 044 937 and AFSL 230686

Level 26  
255 George Street  
Sydney NSW 2000  
Australia

Telephone: +61 2 9237 9518  
Facsimile: +61 1300 652 354  
Attention: Director, Capital Markets Origination

### **UBS AG, Australia Branch**

ABN 47 088 129 613 and AFSL 231087

Level 16 Chifley Tower  
2 Chifley Square  
Sydney NSW 2000  
Australia

Telephone: +61 2 9324 2920  
Facsimile: +61 2 9324 3832  
Attention: Head of Debt Capital Markets



**Westpac Banking Corporation**  
ABN 33 007 457 141 and AFSL 233714

Level 2  
Westpac Place  
275 Kent Street  
Sydney NSW 2000  
Australia

Telephone: +61 2 8253 4574  
Facsimile: +61 2 8254 6920  
Attention: Executive Director, Syndicate