



INFORMATION MEMORANDUM

DAVID JONES FINANCE PTY LIMITED

(ABN 77 069 692 155)

ISSUE OF AUSTRALIAN DOLLAR NOTES

As described in this Information Memorandum, the Notes are initially unconditionally and irrevocably guaranteed on a joint and several basis by certain of its related entities and will (within 90 calendar days of the Issue Date) have the benefit of the security, each as described more fully herein.

WHL

**DAVID
JONES**

COUNTRY ROAD

Lead Manager and Initial Subscriber

National Australia Bank Limited

(ABN 12 004 044 937)

The date of this Information Memorandum is

19 November 2019

Table of Contents

Table of Contents.....	2
Important Notice.....	3
Summary	10
The Group, the Issuer and the Initial Guarantors	17
Business Overview	26
Financial Information.....	40
Investment Risks.....	50
Guarantee and Security Arrangements	60
Conditions	65
Pricing Supplement.....	91
Selling and Distribution Restrictions	95
Taxation	98
Directory	103

Important Notice

Terms used but not otherwise defined in this Information Memorandum have the meanings given to them in the Conditions (as defined below).

Introduction

This Information Memorandum relates to an issue of Australian dollar notes (“**Notes**”) by David Jones Finance Pty Limited (ABN 77 069 692 155) (“**Issuer**”).

The Notes will be constituted under, and have the benefit of, the note trust deed dated 15 November 2019 (“**Note Trust Deed**”) between the Issuer, the Initial Guarantors (as defined below) and Perpetual Corporate Trust Limited (ABN 99 000 341 533) (“**Note Trustee**”).

The Notes are unconditionally and irrevocably guaranteed on a joint and several basis by each entity described as an “Initial Guarantor” in the section entitled “*Summary*” below, (each an “**Initial Guarantor**”) pursuant to the guarantee (“**Guarantee**”) set out in the Note Trust Deed. The Issuer may, from time to time, and in accordance with the terms of the Conditions and the Note Trust Deed appoint or procure the appointment of Group Members which are not an Initial Guarantor as additional guarantors (each such guarantor, a “**New Guarantor**” and together with the Initial Guarantors, the “**Guarantors**”) and, in accordance with the terms of the Conditions and the Note Trust Deed, obtain a release of the guarantee provided by a Guarantor (and such released entity shall no longer be a Guarantor).

The Notes will also have the benefit of the security under the security trust and intercreditor deed to be entered into within 90 calendar days of the Issue Date (“**Security Trust Deed**”) between the Issuer, the Initial Guarantors and National Australia Bank Limited (ABN 12 004 044 937) (“**Security Trustee**” and together with the Note Trustee, the “**Trustees**”) and each Security Document (as defined below) applicable to the Notes (and as described in summary in the section entitled “*Guarantee and Security Arrangements*” below).

References to “**Information Memorandum**” are to this Information Memorandum and any other document incorporated by reference as set out in this Information Memorandum collectively and to any of such documents individually.

This Information Memorandum is intended for the exclusive use of certain potential investors for the evaluation of a specific opportunity to invest in certain Notes that may be issued by the Issuer to such potential investors and may not be reproduced, used or given to any other person, in whole or in part, for any purpose other than that for which it is intended.

This Information Memorandum has been prepared solely for information purposes to assist in consideration of the proposed financing arrangements contained herein. In all cases, the recipients should conduct their own independent investigation and analysis of the Notes, the Note Trust Deed, the Security Trust Deed, the Security Documents, the Issuer and the Guarantors and should not rely on the information in this Information Memorandum. None of the Issuer, the Guarantors nor any other person assumes any undertaking to supplement any such information as further information becomes available or in light of changing circumstances.

Whilst the Issuer believes that the information contained in the Information Memorandum is not misleading or deceptive, the Information Memorandum is not a prospectus or other disclosure document for the purposes of the *Corporations Act 2001* of Australia (“**Corporations Act**”) and does not contain all information that prospective investors may require in order to decide whether to proceed with an investment in the Notes. It is not intended to provide the basis of any credit or other evaluation in respect of the Issuer, the Guarantors or the Notes and prospective investors should make (and will be taken to have made) their own independent investigation of such matters and should determine for themselves the relevance of the information contained in this Information Memorandum, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary. This Information Memorandum is not suitable for, and is not to be provided to, any ‘retail client’ as defined in section 761G of the Corporations Act. The Notes are intended for issue and sale solely to professional and sophisticated investors who have the skill and experience necessary to make their own investigations and analysis of the risks involved in investments in instruments of that kind and of the Issuer without the need for disclosure to investors under the Corporations Act. If you are not such an investor then the Notes may not be a suitable investment for you. If in any doubt, consult your financial adviser.

Prospective investors should read this Information Memorandum carefully prior to making any decision in relation to purchasing, subscribing for or investing in the Notes.

Issuer’s responsibility

This Information Memorandum has been prepared and issued by the Issuer. The Issuer accepts responsibility for the information contained in this Information Memorandum other than information provided by the Lead Manager and Initial

Subscriber, the Trustees and the Agents (each as defined in the section entitled “**Summary**” below) in relation to their respective details in the sections entitled “*Summary*” and “*Directory*” below.

Trustees’ duties

The Note Trustee’s duties and obligations are limited to those expressly set out in the Conditions and in the Note Trust Deed. The Security Trustee’s duties and obligations are limited to those expressly set out in the Security Trust Deed. In particular, neither Trustee is required to monitor or supervise the performance by the Issuer or any Guarantor of their obligations.

Place of issuance

Subject to all applicable laws and directives, the Issuer may offer and issue Notes in Australia and New Zealand.

Terms and conditions of issue

The Notes will be issued in a single series (“**Series**”) under the Note Trust Deed. The Series may comprise one or more tranches (each a “**Tranche**”) having one or more issue dates and on conditions that are otherwise identical (other than, to the extent relevant, in respect of the issue price and the date of the first payment of interest).

A pricing supplement (“**Pricing Supplement**”) will be issued for each Tranche of Notes. A Pricing Supplement will contain details of the initial aggregate principal amount, issue price, issue date, maturity date, details of interest payable (if any) together with any other terms and conditions not set out in the section entitled “*Conditions*” below that may be applicable to that Series of Notes. The terms and conditions (“**Conditions**”) applicable to the Series of Notes are included in this Information Memorandum and may be supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes.

A Pricing Supplement or another supplement to this Information Memorandum may also supplement, amend, modify or replace any statement or information incorporated by reference in this Information Memorandum or a supplement to this Information Memorandum.

Forward-looking statements

This Information Memorandum contains certain forward-looking statements including, without limitation, words and expressions such as ‘expect’, ‘believe’, ‘plan’, ‘intend’, ‘estimate’, ‘project’, ‘anticipate’, ‘may’, ‘will’, ‘would’, ‘could’ or similar words or statements (however, these words are not the exclusive means of identifying forward looking statements). In particular, the section entitled “*The Group, the Issuer and the Initial Guarantors*” in this Information Memorandum, contain statements in relation to future events, the Issuer’s and the Guarantors’ prospects, expected financial condition, business strategies, the future developments of the operations of the Issuer and its industry.

These statements are based on a range of assumptions including assumptions regarding the Issuer’s and the Guarantors’ present and future business strategy and the environment in which they expect to operate in the future. These matters and future results could differ materially from those expressed or implied by these forward-looking statements and although these forward-looking statements reflect the Issuer’s current view of future events, they are not a guarantee of future performance or other matters.

In addition, the Issuer’s or the Guarantors’ future performance may be affected by various factors and risks. Should one or more risks or uncertainties eventuate, or should any underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. Prospective investors should therefore not place undue reliance on any of these forward-looking statements.

In this Information Memorandum, statements of, or references to, intentions of the Issuer or those of its directors are made as at the date of this Information Memorandum. Any such intentions may change in light of future developments.

The Issuer expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer’s expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any such statement was based or any change in the intentions of the Issuer or its directors.

Conflict of interests

The Initial Subscriber and its affiliates (the “**Subscriber Group**”) are involved in a wide range of financial services and businesses including securities trading and brokerage activities and providing commercial and investment banking, investment management, corporate finance, credit and derivative, trading and research products and services, out of which conflicting interests or duties may arise. In the ordinary course of these activities, members of the Subscriber Group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of investors or any other party that may be involved in the issue of Notes.

Non-IFRS financial measures

Investors should be aware that this Information Memorandum includes certain financial measures that are non-IFRS financial measures. These non-IFRS financial measures include 'EBITDA'. Such non-IFRS information has not been audited or auditor-reviewed, and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity. These non-IFRS financial measures do not have any standardised meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities.

No independent verification

The only role of the Lead Manager and Initial Subscriber, the Trustees and the Agents in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective details in the sections entitled "*Summary*" and "*Directory*" below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Lead Manager and Initial Subscriber, the Trustees and 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 any of them, as to the accuracy or completeness of this Information Memorandum or any further information supplied by the Issuer in connection with the Notes.

The Lead Manager and Initial Subscriber, the Trustees and the Agents expressly do not undertake to any holder of a Note to review the financial condition or affairs of the Issuer, the Guarantors or any of their affiliates at any time or to advise any holder of a Note of any information coming to their attention with respect to the Issuer or a Guarantor and make no representations as to the ability of the Issuer or a Guarantor to comply with their respective obligations under the Notes.

No advice or duty

Neither the Initial Subscriber nor its related bodies corporate, and/or their directors, officers, employees or clients act as the adviser of or owe any fiduciary or other duties to any recipient of this Information Memorandum in connection with the Notes and/or any related transaction (including, without limitation, in respect of the preparation and due execution of the transaction documents and the power, capacity or authorisation of any other party to enter into and execute the transaction documents). No reliance may be placed on the Initial Subscriber for financial, legal, taxation, accounting or investment advice or recommendations of any sort.

Intending purchasers to make independent investment decision and obtain tax advice

This Information Memorandum contains only summary information concerning the Issuer, the Guarantors and the Notes and should be read in conjunction with all of the documents which are deemed to be incorporated by reference herein. The information contained in this Information Memorandum is not intended to provide the basis of any credit or other evaluation in respect of the Issuer, any Guarantor, any of their respective affiliates or any Notes and should not be considered or relied on as a recommendation or a statement of opinion (or a representation or report of either of those things) by any of the Issuer, any Guarantor, the Lead Manager and Initial Subscriber, the Trustees or the Agents that any recipient of this Information Memorandum should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes. Furthermore, this Information Memorandum contains only general information and does not take into account the objectives, financial situation or needs of any potential investor. Any investment decision should rely on that investigation and appraisal and not on this Information Memorandum.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Notes or any rights in respect of any Notes should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer, the Guarantors, any of their respective affiliates and the Notes;
- determine for themselves the relevance of the information contained in this Information Memorandum, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and
- consult their own tax advisers concerning the application of any tax (including stamp duty) laws applicable to their particular situation.

No advice is given and no recommendation is made in respect of an investment in the Notes, the legal or taxation treatment of investors or purchasers in connection with an investment in any Notes or rights in respect of them or any other matter and each investor should consult their own professional adviser. To the extent that this Information Memorandum contains any description of taxation matters or other matters calling for any opinion or professional judgement, such description is included

for information purposes only and should be confirmed by each investor with its own professional advisers in light of its own particular circumstances.

THIS INFORMATION MEMORANDUM DOES NOT DESCRIBE ALL OF THE RISKS OF THE GROUP'S BUSINESS, THOSE ASSOCIATED WITH AN INVESTMENT IN ANY NOTES OR THE MARKET GENERALLY. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN PROFESSIONAL, FINANCIAL, LEGAL AND TAX ADVISERS ABOUT RISKS ASSOCIATED WITH AN INVESTMENT IN ANY NOTES AND THE SUITABILITY OF INVESTING IN THE NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

No offer

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, any Guarantor, the Lead Manager and Initial Subscriber, the Trustees or the Agents (or, without limitation, their respective shareholders, subsidiaries, affiliates, related bodies corporate, officers, employees, representatives or advisors) to any person to subscribe for, purchase or otherwise deal in any Notes.

Selling restrictions and no disclosure

EACH INVESTOR SUBSCRIBING FOR, PURCHASING OR OTHERWISE DEALING IN ANY NOTES IS DEEMED TO HAVE REPRESENTED AND WARRANTED TO THE ISSUER AND TO THE LEAD MANAGER AND INITIAL SUBSCRIBER THAT IT IS A PERSON TO WHOM IT IS LAWFUL TO MAKE ANY OFFER OF NOTES AND IT IS A PERSON TO WHOM AN OFFER OF NOTES FOR ISSUE OR SALE MAY BE MADE WITHOUT DISCLOSURE UNDER PART 6D.2 OR CHAPTER 7 OF THE CORPORATIONS ACT AND IS NOT A 'RETAIL CLIENT' AS DEFINED IN SECTION 761G OF THE CORPORATIONS ACT.

This Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act and neither this Information Memorandum nor any other disclosure document in relation to the Notes has been lodged with the Australian Securities and Investments Commission ("ASIC"). A person may not make or invite an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia) or distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Notes in Australia unless the minimum aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in another currency, in each case 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, the offeree is not a retail client as defined in section 761G of the Corporations Act, and such action complies with all applicable laws and directives.

The offering, sale and delivery of Notes and the distribution of this Information Memorandum and other material in relation to the Notes may also be restricted by law in other jurisdictions and persons in possession of this Information Memorandum or who wish to offer, sell or deliver any Notes must inform themselves about, and observe, any such restrictions. None of the Issuer, the Guarantors, the Trustees, the Agent, the Lead Manager or the Initial Subscriber or any of their respective related bodies corporate, shareholders, subsidiaries, officers, employees, representatives or advisors represents that this Information Memorandum may at any time be lawfully distributed or that any Notes may at any time be lawfully offered, sold or delivered in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such distribution, offer, sale or delivery.

In particular, the Notes have not been, and will not be, registered under the Securities Act 1933 (as amended) of the United States of America ("U.S. Securities Act"). The Notes may not be offered, sold, delivered or transferred, at any time, within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act).

The Lead Manager and Initial Subscriber has undertaken to the Issuer to comply with certain restrictions in relation to offers of the Notes as set out in the Section entitled "*Selling and Distribution Restrictions*" of this Information Memorandum. A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Notes, nor distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Notes except if the offer or invitation complies with all applicable laws and directives.

Product classification pursuant to section 309B of the Securities and Futures Act (Chapter 289) of Singapore

The relevant Pricing Supplement in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" (or a like expression) which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act, Chapter 289 of Singapore (as modified or amended from time to time) ("SFA"). The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Pricing Supplement will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

PRIIPs / IMPORTANT – EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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 Guarantors, any of their respective affiliates or the issue or sale of the Notes and, if given or made, such information or representation must not be relied on as having been authorised by the Issuer, the Guarantors, the Lead Manager and Initial Subscriber, the Trustees or the Agents.

Agency and distribution arrangements

The Issuer has agreed or may agree to pay fees to the Trustees and the Agents for undertaking their respective roles and reimburse them for expenses properly incurred in connection with the Notes.

The Issuer has also agreed or may agree to pay a fee to the Lead Manager and Initial Subscriber or any other person in respect of the Notes subscribed by it, and reimburse the Lead Manager and Initial Subscriber for certain expenses properly incurred in connection with the Notes and may indemnify the Lead Manager and Initial Subscriber against certain liabilities in connection with the offer and sale of the Notes.

The Issuer, the Guarantors, the Lead Manager and Initial Subscriber, the Trustees and the Agents, and their respective related entities, directors, officers 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 Notes.

Each of the Trustees, the Agents and the Lead Manager and Initial Subscriber acts in relation to the Notes in accordance with its agreement with the Issuer and not in any other capacity. Except in the case of a Trustee as specifically provided in the Note Trust Deed or the Security Trust Deed, none of them has any duty to a holder of or prospective investor in any Note.

Currency

In this Information Memorandum, references to “\$”, “A\$”, “AUD” or “**Australian dollars**” are to the lawful currency of the Commonwealth of Australia.

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, that any other information supplied in connection with the Notes is correct or that there has not been any change (adverse or otherwise) in the financial conditions or affairs of the Issuer or any Guarantor at any time subsequent to the Preparation Date. In particular, none of the Issuer, any Guarantor or any of their respective affiliates is under any obligation to any person to update this Information Memorandum at any time after an issue of Notes.

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

- in relation to this Information Memorandum, the date indicated on its face or, if this Information Memorandum has been amended, or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to any annual reports and 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.

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 as set out 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. Investors should review, amongst other things, the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether to purchase any Notes.

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

- the Note Trust Deed and, once entered into, the Security Trust Deed and each Security Document, copies of which may be obtained from the Specified Offices of the Issuer or the Note Trustee (as specified in the section entitled “*Directory*” below) or such other person specified in the Pricing Supplement;
- the most recent Accounts for the Country Road Group and the David Jones Group and, on and from completion of the Permitted Restructure, the Accounts of the Restructured Group, in each case, lodged with ASIC;
- prior to completion of the Permitted Restructure, the non-audited Combined Accounts;
- the most recent financial accounts of Woolworths Holdings Limited lodged with the Johannesburg Stock Exchange (“**JSE**”), an electronic copy of which is available free of charge at <https://www.jse.co.za/>;
- all announcements made by Woolworths Holdings Limited to the JSE, electronic copies of which are available free of charge at <https://www.jse.co.za/>;
- all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time and all documents stated herein or therein to be incorporated in this Information Memorandum;
- all other documents issued by the Issuer and stated to be incorporated by reference in this Information Memorandum; and
- each Pricing Supplement and all documents stated therein to be incorporated in this Information Memorandum.

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 in this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference into this Information Memorandum modifies or supersedes such statement (including whether expressly or by implication).

Except as provided above, no other information, including any document incorporated by reference in any of the documents described above, is incorporated by reference into this Information Memorandum.

Copies of the Note Trust Deed, the Security Trust Deed, each Security Document, each Pricing Supplement and documents incorporated by reference in this Information Memorandum may be obtained from the offices of the Issuer, the Note Trustee or such other person specified in the Pricing Supplement.

Any internet site addresses provided in this Information Memorandum are for reference only and the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum.



Summary

Summary

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 Notes, the Note Trust Deed, the Security Trust Deed, each Security Document, the applicable Conditions and any relevant Pricing Supplement. A term used below but not otherwise defined has the meaning given to it in the Conditions. A reference to a "Pricing Supplement" does not limit provisions or features which may be supplemented, amended, modified or replaced by a Pricing Supplement in relation to an issue of Notes.

Issuer:	David Jones Finance Pty Limited (ABN 77 069 692 155).
Initial Guarantors and Guarantee:	The Initial Guarantors are: <ul style="list-style-type: none">(a) 299-307 Bourke Street Pty. Ltd. (ACN 006 489 069);(b) Aherns Holdings Pty. Ltd. (ACN 008 666 831);(c) Ahern's (Suburban) Pty Ltd (ACN 008 749 675);(d) Akitin Pty Limited (ACN 092 452 054);(e) Buckley & Nunn Pty. Limited (ACN 004 079 832);(f) David Jones (Adelaide) Pty. Limited (ACN 007 870 939);(g) David Jones Credit Pty. Limited (ACN 008 603 138);(h) David Jones Employee Share Plan Pty Limited (ACN 069 691 318);(i) David Jones Financial Services Limited (ACN 007 645 427);(j) David Jones Insurance Pty. Limited (ACN 000 947 722);(k) David Jones Properties Pty Limited (ACN 066 327 366);(l) David Jones Properties (Queensland) Pty. Limited (ACN 069 716 249);(m) David Jones Properties (South Australia) Pty Limited (ACN 070 196 280);(n) David Jones Properties (Victoria) Pty Limited (ACN 070 142 086);(o) David Jones Pty Limited (ACN 000 074 573);(p) David Jones Share Plans Pty. Limited (ACN 082 931 413);(q) Helland Close Pty. Ltd. (ACN 007 264 351);(r) John Martin Retailers Pty. Limited (ACN 007 605 674);(s) Osiris Holdings Pty Ltd (ACN 168 919 391);(t) Speertill Pty. Ltd. (ACN 006 855 483);(u) Vela Investments Pty Ltd (ACN 168 920 447)(v) David Jones (NZ) Pty Limited (NZ Company No. 5826749);(w) Cicero Clothing Pty. Ltd. (ACN 614 757 327);(x) Country Road Group Pty Ltd (ACN 006 759 182);(y) Country Road Clothing Pty. Ltd. (ACN 005 419 447);

- (z) CRG Logistics Pty Limited (ACN 168 785 671);
- (aa) Mimco Pty Ltd (ACN 067 573 291);
- (bb) Witchery Australia Holdings Pty Limited (ACN 120 925 368);
- (cc) Witchery Holdings Pty Ltd (ACN 120 830 613);
- (dd) Witchery Fashions Pty. Ltd. (ACN 006 897 230);
- (ee) Woolworths International (Australia) II Pty Ltd (ACN 600 437 063);
- (ff) Woolworths International (Australia) Pty Limited (ACN 078 178 220);
- (gg) Country Road Clothing (N.Z.) Limited (NZ Company No. 18492);
- (hh) Mimco (NZ) Limited (NZ Company No. 2347128);
- (ii) Politix (NZ) Limited (NZ Company No. 6835653); and
- (jj) Witchery Fashions (NZ) Limited (NZ Company No. 1957250).

The Notes are issued with the benefit of the Guarantee and the payment of principal and interest in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors as more fully set out in the Guarantee.

As more fully described below, the Issuer must, from time to time, if required under Condition 5.5 (“Guarantor coverage”) and in accordance with the terms of the Note Trust Deed, appoint or procure the appointment of any Group Member which is not an Initial Guarantor as an additional guarantor, and may also obtain a release of a guarantor (each entity from time to time appointed as a guarantor which has not been released, a “**Guarantor**”).

Lead Manager and Initial Subscriber:

National Australia Bank Limited (ABN 12 004 044 937).

Registrar:

Perpetual Trustee Company Limited (ABN 42 000 001 007) or such other person appointed by the Issuer under an Agency Agreement to perform registry functions and establish and maintain the Register (as defined below) on the Issuer’s behalf from time to time (“**Registrar**”).

Issuing & Paying Agent:

Perpetual Trustee Company Limited (ABN 42 000 001 007) or any other person appointed by the Issuer under an Agency Agreement to act as issuing or paying agent on the Issuer’s behalf from time to time (“**Issuing & Paying Agent**”).

Calculation Agent:

Perpetual Trustee Company Limited (ABN 42 000 001 007) or any other person appointed by the Issuer to act as calculation agent on the Issuer’s behalf from time to time (“**Calculation Agent**”).

Agents:

Each of the Registrar, Issuing & Paying Agent, Calculation Agent and any other person appointed by the Issuer to perform other agency functions with respect to any Notes (each an “**Agent**” and, together, the “**Agents**”).

Note Trustee:

Perpetual Corporate Trust Limited (ABN 99 000 341 533) or such other person appointed under the Note Trust Deed as trustee of the David Jones Finance Note Trust from time to time (“**Note Trustee**”).

Security Trustee:

National Australia Bank Limited (ABN 12 004 044 937) or such other person appointed under the Security Trust Deed as security trustee (“**Security Trustee**” and together with the Note Trustee, the “**Trustees**”).

Form of Notes:

Notes will be issued in registered form and will be debt obligations of the Issuer which are constituted by, and owing under, the Note Trust Deed.

Notes take the form of entries in a register (“**Register**”) maintained by the Registrar.

	No certificates in respect of any Notes will be issued unless the Issuer determines that certificates should be available or if certificates are required by any applicable law or directive.
Negative pledge:	Notes will have the benefit of a negative pledge, as described in Condition 5.1 (“ <i>Negative pledge</i> ”).
Financial Covenant:	Notes will have the benefit of the financial covenant as described in Condition 5.2 (“ <i>Financial Covenant</i> ”).
Status and ranking of the Notes:	Notes will be direct, senior, unsubordinated and, once the Security Trust Deed and Security Documents are entered into in accordance with Condition 5.6(a) (“ <i>Other covenants</i> ”), secured obligations of the Issuer and will at all times rank equally among themselves and at least equally with all other present and future direct, senior, unsubordinated and (once secured as noted above) secured obligations of the Issuer, but subject to any prior ranking permitted security interest and except for liabilities mandatorily preferred by law. See in particular, the section entitled “ <i>Guarantee and Security Arrangements</i> ” below for a summary of these prior ranking interests. The Notes will also rank at least equally with the Issuer’s obligations under the Issuer’s Principal Credit Facilities.
Status and ranking of the Guarantee:	The Notes are issued with the benefit of the Guarantee. Pursuant to the Guarantee, each Guarantor unconditionally and irrevocably guarantees on a joint and several basis to the Noteholders, among other things, the due and punctual performance by the Issuer of its obligations under the Notes. The obligations of each Guarantor under the Guarantee will be direct, senior, unsubordinated and, once the Security Trust Deed and Security Documents are entered into in accordance with Condition 5.6(a) (“ <i>Other covenants</i> ”), secured obligations of that Guarantor and will at all times rank equally among themselves and at least equally with all other present and future direct, senior, unsubordinated and (once secured as noted above) secured obligations of that Guarantor, but subject to any prior ranking permitted security interest and except for liabilities mandatorily preferred by law. The obligations of each Guarantor under the Guarantee will also rank at least equally with the relevant Guarantor’s obligations under the Issuer’s Principal Credit Facilities. In addition, under the terms of the Conditions, the Issuer must ensure that each Subsidiary which provides a guarantee of the Principal Credit Facilities shall guarantee the Notes as a Guarantor under the Guarantee.
Security:	Pursuant to Condition 5.6(a) (“ <i>Other covenants</i> ”), the Issuer is required to ensure that, within 90 calendar days of the Issue Date, the Notes will have the benefit of the security granted by the Issuer and the Initial Guarantors under the Security Trust Deed and each Security Document. Details of these security arrangements are more fully described in the section entitled “ <i>Guarantee and Security Arrangements</i> ” below.
Interest:	Each Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date (unless redeemed earlier) at the Interest Rate. Interest is payable in arrears on each Interest Payment Date or such other date on which a Note is redeemed, and adjusted, if necessary, in accordance with the Business Day Convention.
Denomination:	Notes will be issued in the single denomination of A\$1,000.
Minimum parcel size on initial issue:	A\$50,000, subject to the selling and issue restrictions, the transfer restrictions and the procedures set out in this section.
Clearing System:	The Issuer intends to apply to Austraclear Ltd (ABN 94 002 060 773) (“ Austraclear ”) for approval for the Notes to be traded on the clearing and settlement system operated by Austraclear (“ Austraclear System ”). Upon approval by Austraclear, the Notes will be traded through Austraclear in accordance with the rules and regulations of the Austraclear System. Such approval by Austraclear is not a recommendation or endorsement by Austraclear of such

Notes. The rights of holders of interests in the Notes through Austraclear will be subject to the rules and requirements of the Austraclear System.

Interests in the Notes traded in the Austraclear System may also be held for the benefit of Euroclear Bank SA/NV (“**Euroclear**”) or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”). In these circumstances, entitlements in respect of holdings of interests in the Notes in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in the Notes in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in a Note held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System. In addition, any transfer of interests in a Note, which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration as set out in the Conditions.

None of the Issuer, any Guarantor, the Lead Manager and Initial Subscriber, the Trustees or any Agent will be responsible for the operation of the clearing arrangements which is a matter for the clearing institutions, their nominees, their participants and the investors.

Title: Entry of the name of the person in the Register in respect of the Notes in the registered form constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the registered holder of that Note subject to correction for fraud or error.

Title to interests in the Notes which are held in the Austraclear System will be determined in accordance with the rules and regulations of the Austraclear System.

Notes which are held in the Austraclear System will be registered in the name of Austraclear and accordingly Austraclear will be the sole person regarded by the Issuer as holding any interest in the Notes.

Payments: Payments to persons who hold the Notes through the Austraclear System will be made in accordance with the rules and regulations of the Austraclear System.

Payment Date: A Payment Date for a Note is the Maturity Date, an Interest Payment Date or any other relevant date on which a payment in respect of that Note is due, adjusted in accordance with the applicable Business Day Convention.

Record Date: The Record Date is the close of business (in the place where the Register is maintained) on the eighth day before the Payment Date.

Maturity and redemption: Subject to compliance with all relevant laws, regulations and directives, each Note will be redeemed on its Maturity Date by payment of its outstanding principal amount, unless the Note has been previously redeemed or purchased and cancelled.

Notes are also redeemable prior to the Maturity Date:

- at the option of the Issuer on certain Optional Redemption Dates and in certain other circumstances (including on an asset disposal) or following certain tax events; and/or
- at the option of a Noteholder following the occurrence of a Change of Control event,

in each case, on the terms as more fully set out in the Conditions and the relevant Pricing Supplement.

Notes entered in the Austraclear System will be redeemed through the Austraclear System in a manner that is consistent with the rules and regulations of the Austraclear System.

Selling and issue restrictions: The Notes may only be offered (directly or indirectly) for issue, or applications invited for the issue of the Notes, if:

- in respect of offers or invitation made in or into Australia:
 - the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the offeror or its associates or to the offerees) or if the offer or invitation (including any resulting issue) otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act;
 - the offer or invitation (including any resulting issue) does not constitute an offer to a “retail client” as defined in section 761G of the Corporations Act; and
 - such action does not require any document to be lodged with the Australian Securities and Investments Commission; and
- in all cases, the offer or invitation (including any resulting issue) complies with all other applicable laws and directives in the jurisdiction in which the offer, invitation or issue takes place.

The offer, sale and delivery of the Notes and the distribution of this Information Memorandum and other materials in relation to the Notes are also subject to such restrictions as may apply in any country in which such offer, sale, delivery or distribution may occur.

In particular, restrictions on the offer, or sale of Notes in Australia, New Zealand and the United States of America are set out in the section entitled “*Selling and Distributions Restrictions*” below.

Transfer restrictions and procedures:

Notes may only be transferred in whole and in accordance with the Conditions. Transfers of the Notes held in the Austraclear System will be made in accordance with the rules and regulations of the Austraclear System.

Unless otherwise specified in the Pricing Supplement, the Notes may only be transferred if the offer or invitation for the sale or purchase of the Notes is received by a person:

- in Australia, only if the aggregate consideration payable by each transferee of at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the transferor or its associates to the transferee or its associates) or if the offer or invitation for the sale or purchase of Notes otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act and the transferee is not a “retail client” as defined in section 761G of the Corporations Act; and
- in all cases, only if the offer or invitation for the transfer complies with all applicable laws and directives in the jurisdiction in which the transfer takes place.

Investors to obtain independent advice with respect to investment and other risks:

Investing in the Notes entails a number of risks. Certain risks associated with the Group’s business are outlined in the section entitled “*Investment Risks*” below. However, this Information Memorandum does not describe all of the risks associated with the Group’s business and the risks associated with an investment in any Notes or the market generally. As such, prospective investors or purchasers should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

Taxes, withholdings and deductions:

All payments in respect of the Notes must be made without any withholding or deduction in respect of taxes, unless such withholding or deduction is required by law.

In the event that any such withholding or deduction is made, the Issuer will, save in certain limited circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted.

Noteholders who do not provide their Tax File Number or Australian Business Number (if applicable) or claim an exemption may have tax withheld from payments at the highest marginal rate plus Medicare levy. No additional amounts will be payable by the Issuer in respect of any such withholding.

A brief overview of the Australian withholding tax treatment of payments of interest on the Notes and payments under the Guarantee by any Australian Guarantors is set out in the section entitled “*Australian Taxation*” below.

A brief overview of the New Zealand withholding tax treatment of payments under the Guarantee by any New Zealand Guarantors is set out in the section entitled “*New Zealand Taxation*” below.

Investors should obtain their own taxation and other applicable advice regarding the taxation and other fiscal status of investing in any Notes and none of the Issuer, the Guarantors, the Trustees, the Agents or the Lead Manager and Initial Subscriber makes any representation regarding the taxation treatment of the Notes for any particular investor.

FATCA: Financial institutions through which payments on Notes are made may be required to withhold United States of America (“**U.S.**”) tax pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”) or similar laws implementing an inter-governmental approach on FATCA.

FATCA is particularly complex and a brief overview of the FATCA regime is set out in the section entitled “*Taxation*” below. Noteholders should consult their own tax advisers on how these rules may apply to payments they receive under the Notes.

Listing: It is not intended that the Notes be listed or quoted on any stock or securities exchange.

Rating: Neither the Issuer nor the Notes have been, nor is it intended that they will be, rated by any credit ratings agency.

Governing law: The Notes and all related documentation will be governed by the laws of Victoria, Australia (other than in respect to each Security Document entered into in respect of assets in jurisdictions outside of Victoria, Australia, which documents shall be governed by the laws of the place where that asset is, or is taken by law to be, located).

Use of proceeds: The Issuer intends to use the net proceeds from the issue of the Notes for general corporate purposes.



**The Group, the Issuer and the
Initial Guarantors**

The Group, the Issuer and the Initial Guarantors

The information in this section is a brief summary only of the Group, the Issuer and the Initial Guarantors and their respective businesses and does not purport to be, nor is it, complete.

Investor should review, amongst other things, this Information Memorandum and the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether to purchase any Notes.

This Information Memorandum contains only summary information concerning the Group, the Issuer, the Initial Guarantors and the Notes. It should be read in conjunction with the Conditions and the documents which are deemed to be incorporated by reference in it (including the Note Trust Deed, the Security Trust Deed and each Security Document). The information contained in this Information Memorandum is not intended to provide the basis of any credit or other evaluation in respect of the Group, the Issuer, the Guarantors or any Notes and should not be considered or relied on as a recommendation or a statement of opinion (or a representation or report of either of those things) by any of the Group, the Issuer, the Guarantors, any of their respective affiliates, the Lead Manager and Initial Subscriber, the Trustees or the Agents that any recipient of this Information Memorandum should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

Investing in the Notes entails a number of risks. Certain risks associated with the Group's business are outlined in this section. However, this Information Memorandum does not describe all of the risks associated with the Group's business or the risks associated with an investment in any Notes or the market generally. Prospective investors or purchasers should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

Description of WHL Australasia

WHL Australasia (the “**Group**”) comprises the David Jones Group and Country Road Group. The Group is a leading retailer of high quality, luxury fashion and other household goods. David Jones Finance Pty Limited (ABN 77 069 692 155) (the “**Issuer**”), is a wholly owned Subsidiary of Woolworths Holdings Limited (“**WHL**”) (the ultimate holding company listed in South Africa on the Johannesburg Stock Exchange (“**JSE**”)), and a member of the Group.

David Jones and Country Road Group brands are both iconic Australian brands with strong consumer recognition and include target consumers in varying demographics, providing breadth of consumer demand for products:

- **David Jones** – opened its first store in Sydney in 1838 with a mission to sell “the best and most exclusive goods”. There are now 47 David Jones stores throughout Australia and New Zealand offering customers the best brands across fashion, beauty, home and food. David Jones is not only Australia's oldest department store but is also one of the oldest department stores in the world still trading under its original name.

In response to the evolution of consumer purchasing preferences, David Jones is undergoing a transformation which is well advanced and will strengthen its position as a premium department store and retailer, offering exclusive products curated for the customer and superior customer service. Central to David Jones' transformation, is the expansion and enhancement of its stores such as the Elizabeth Street store in Sydney and its digital offering, while simultaneously rationalising underperforming space.

- **Country Road Group** – was founded in 1974 as a manufacturer and supplier of women's casual cotton shirts. Country Road diversified in 2004 into other product categories and has evolved into a leading lifestyle brand renowned for stylish, high quality apparel, accessories and homewares. Country Road has subsequently expanded into a house of brands including Trenery, Witchery, Mimco, and Politix – collectively, Country Road Group. Country Road Group is also responsible for designing the David Jones Private Label (“**DJPL**”) collection.

Country Road Group operates 726 stores in Australia and New Zealand, and 82 stores in South Africa. Country Road Group generated more than \$109 million of underlying EBIT in FY19, with 20% of Australasian sales through its online store.

Country Road Group has one the strongest loyalty programmes in Australia with more than 2.3 million active loyalty members that account for approximately 87% of its annual sales.

In the financial year ending 29 June 2019, the Group generated revenues of \$3.34 billion (FY18 \$3.29 billion), Underlying EBITDAR of \$654.5 million (FY18 \$668.5 million), and generated Underlying NPAT of \$91.0 million (FY18 \$111.2 million).

The Group's Iconic Australian Brands

The Group owns a number of iconic Australian brands which attract strong levels of customer recognition and achieve high engagement through their loyalty programmes.

Brand	Description
DAVID JONES	Offers superior products and services across international brands in fashion, beauty, food, technology, and homewares.
COUNTRY ROAD	One of Australia's most iconic lifestyle brands, renowned for stylish, high-quality products for women, men, children and the home.
MIMCO	One of Australia's leading designer brands positioned as an accessible luxury accessories brand designed with a quirk.
POLITIX	Leading Australian men's fashion brand that combines innovative design, and exceptional, tailored fit, and ultra-attention to detail.
TRENER Y	Designed for women and men who appreciate the beauty of simple, sophisticated collections that are modern in approach and classic in style.
WITCHERY	Australia's 'style authority' for high quality, fashionable apparel and accessories.

The Group's Exclusivity Arrangements with Leading International Brands

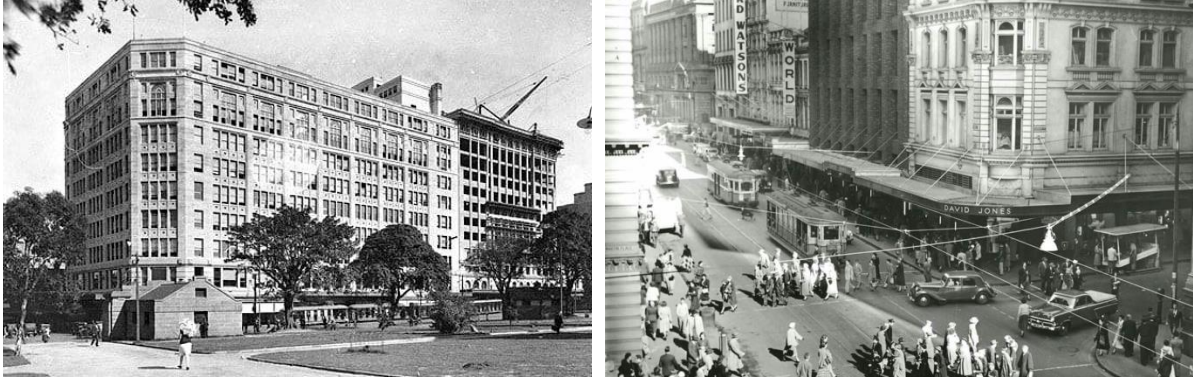
The Group has a number of exclusivity arrangements in place with leading international brands which exclusively supply David Jones as their preferred Australian department store.



Geographically Diverse National Footprint

The Group operates a national footprint 855 stores located in key metropolitan areas of higher disposable income and has established online businesses exhibiting strong growth in online sales.

David Jones Elizabeth Street Flagship

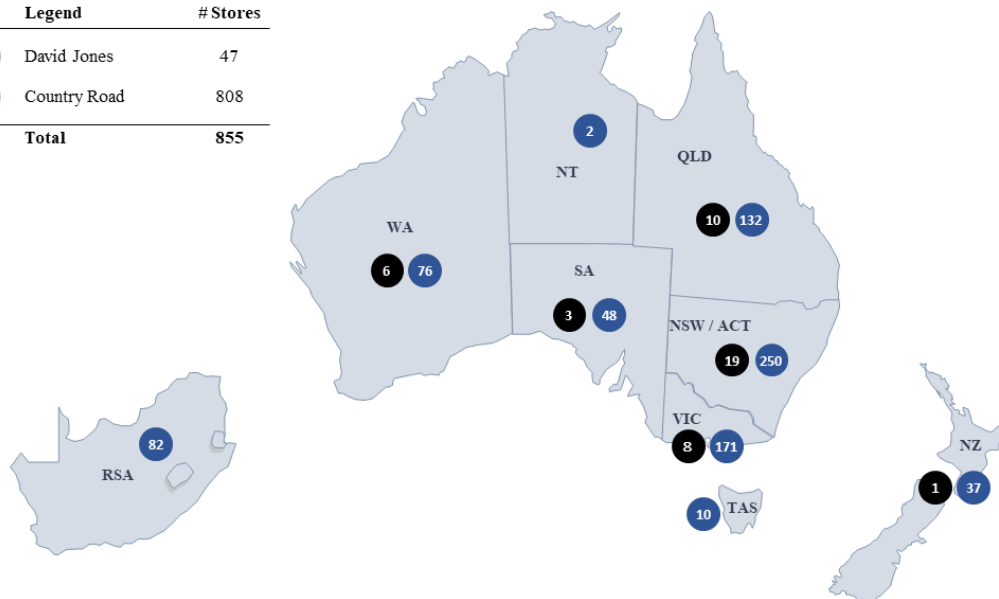


Transformation to Deliver Today's World-Class Retail Experience



WHL Australasia Store Presence

Legend	# Stores
● David Jones	47
● Country Road	808
Total	855



Source: WHL. Note: As at FY19.

WHL Australasia connects with customers across multiple touch points – including store formats, multiple online shopping sites, and through compelling and increasingly personalised marketing campaigns and communications.

- WHL Australasia’s online channel is growing rapidly with David Jones and Country Road Group online sales increasing 46.8% and 12.9% respectively in FY19 against the prior comparative period. With a continuing focus on increasing sales growth through its online channels, Country Road Group is currently ahead of its target to grow the proportion of online sales, with an aim to generate more than 20.0% for Country Road Group and 10.0% for David Jones as a proportion of total sales by 2020.
- David Jones’ growing online sales are enabled by a new best-practice website platform which is mobile responsive, quicker and easier to navigate, and provides richer content, enhanced online services, and a wider product range.
- Country Road Group has a purpose-built omni-channel ‘Fulfilment Centre’ in Melbourne which services all Country Road Group stores and online, and is a key enabler for future growth.
- WHL Australasia has established ‘click-and-collect’ facilities whereby online orders can be fulfilled at selected stores.

Key Financial Measures and Metrics

The Group’s key amalgamated financial measures and key amalgamated financial metrics are set out in the table below:

	FY16	FY17	FY18	FY19
Total Sales (\$’M)	3,213	3,288	3,285	3,343
Underlying EBITDAR (\$’M)	684	696	669	654
Underlying EBITDA (\$’M)	337	298	256	238
Cash Flow from Operations (\$’M)	268	132	159	123
Underlying NPAT (\$’M)	147	139	111	91
Interest Cover (x) ⁽¹⁾	12.6x	13.7x	13.8x	10.2x
Leverage (x) ⁽²⁾	1.4x	0.9x	1.4x	1.8x
Gearing (%) ⁽³⁾	18%	10%	17%	26%

(1) EBITDA divided by Net Interest Expense

(2) Net Debt divided by EBITDA

(3) Net Debt divided by Net Debt plus Equity

Overview of Parent

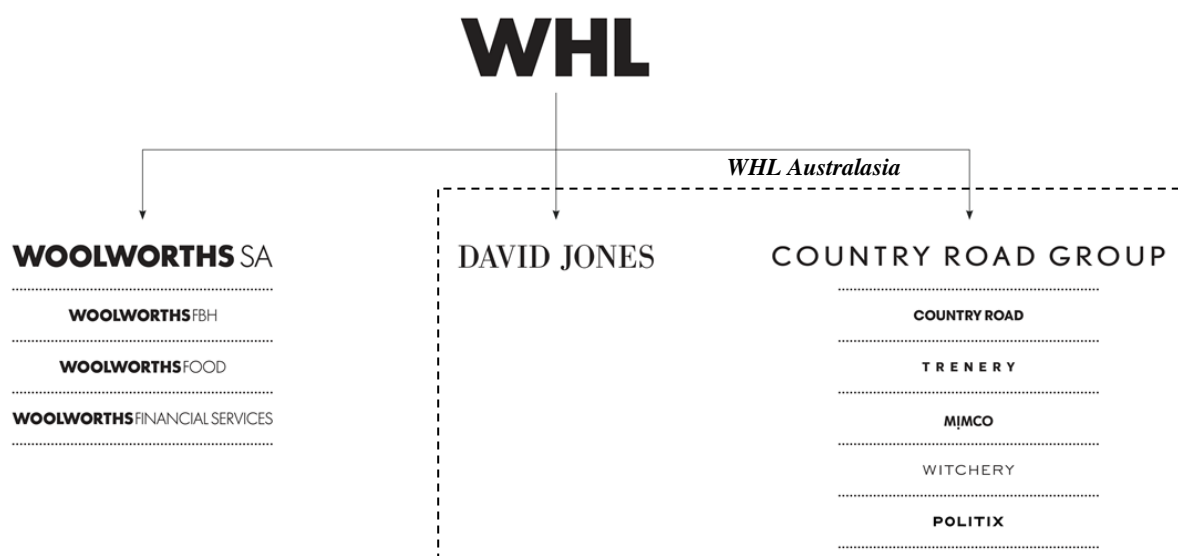
WHL opened its first store in Cape Town, South Africa in 1931 (then, Woolworths South Africa (“**Woolworths SA**”)) and since, has grown into a leading retailer with a strong presence in sub-Saharan Africa, Australia and New Zealand. WHL today, is one of the top 50 companies listed on the JSE with operations across the southern hemisphere with three major operating divisions comprising:

- **Woolworths SA** – operating in South Africa and across another 10 countries in sub-Saharan Africa;
- **David Jones** – operating in Australia and New Zealand; and
- **Country Road Group** – which includes the Country Road, Mimco, Witchery, Trenery, and Politix brands, operating in Australia, New Zealand and South Africa.

WHL operates over 1,500 stores across 14 countries, attracts more than 15 million customers, has over 46,000 employees, and has a market capitalisation of A\$6.1 billion (as at 6 November 2019).

Source: Bloomberg.

WHL Group Structure



WHL operates through three segments in South Africa, including: Woolworths Food, Beauty and Home (“**Woolworths FBH**”), Woolworths Food and Woolworths Financial Services (“**WFS**”).

Woolworths FBH contributes 17.8% and 29.8% of WHL’s turnover and earnings before interest and tax respectively. Woolworths FBH segment offers women’s, men’s and children’s fashion and accessories in addition to beauty and home products.

Woolworths Food contributes 41.1% and 40.3% of WHL’s turnover and earnings before interest and tax respectively. The Woolworths Food segment includes baked goods, groceries, and beverages.

WFS is a joint venture between WHL and ABSA Bank, with ABSA Bank owning 50% + 1 share. The WFS board is constituted with directors from both WHL and ABSA Bank, with direction on credit policy, risk, and funding aspects received from ABSA and direction on customer integration from Woolworths SA.

Sound Underlying Fundamentals

WHL Australasia has achieved strong online sales growth for both Country Road Group and David Jones businesses, while David Jones’ flagship Elizabeth Street store is to open all above ground floors before Christmas 2019 and deliver a world-class flagship destination that will provide exceptional service, product assortment and customer experience. Further underlying performance is underpinned by:

- Experienced and disciplined Board and Executive Management team;
- Marketing leading brands and category leaders;
- Operating businesses which compete in large and established markets;
- Multi-channel customer offer showing online growth;
- Leading customer rewards programme and loyalty;
- Diversified revenues by geography, product and brand;
- Demonstrated track record of strong credit metrics; and
- Strong and supportive shareholder.

Substantial Property Assets inclusive of Elizabeth Street and Bourke Street Properties

WHL Australasia has a number of freehold property assets with significant market value, allowing WHL Australasia greater balance sheet flexibility. WHL Australasia's key freehold property assets include:

- David Jones Elizabeth Street, Sydney CBD;
- Two David Jones Bourke Street stores (with the Menswear property to be sold), Melbourne CBD; and
- Omni channel fulfilment centre (Melbourne) and neighbouring land.

WHL Australasia has recently had these properties independently valued at approximately \$940 million.

Diversified Revenues by Geography, Product and Brand

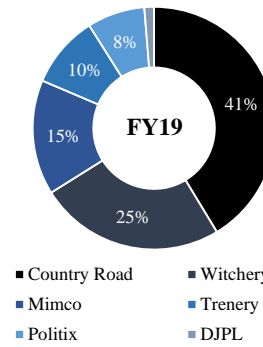
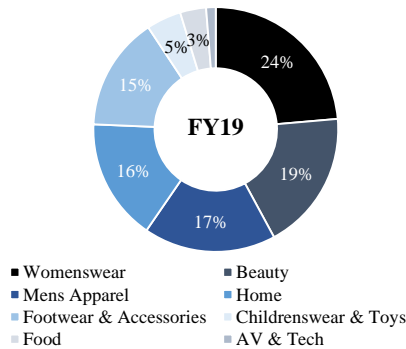
- WHL Australasia has a diverse customer and revenue base by virtue of the brands within its portfolio, affording it the opportunity to target a broad customer base and capitalise on evolving consumer trends.
- Customers, however, have common affluence attributes which enables cross-selling across the brands.

WHL Australasia Revenue Diversification⁽¹⁾

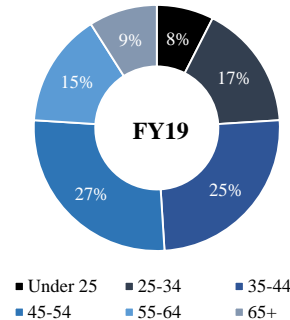
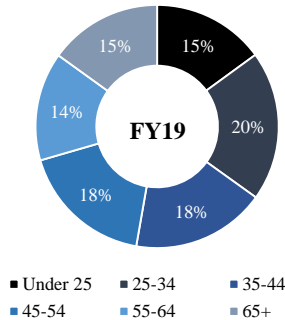
DAVID JONES

COUNTRY ROAD GROUP

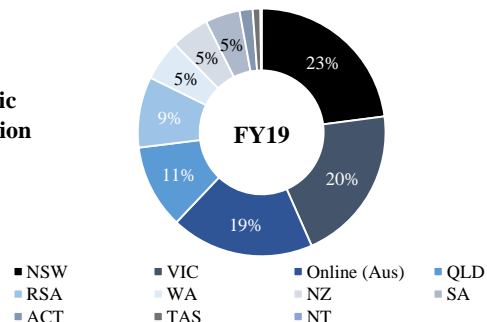
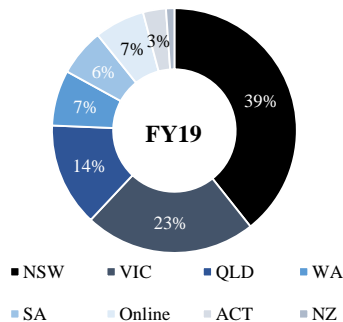
Revenue Diversification



Customer Demographics



Geographic Diversification



Note: (1) DJPL refers to the David Jones Private Label collection.

Debt Funding and Liquidity

The Group had, at 29 June 2019, cash and cash equivalents of \$69 million, drawn debt of \$489 million, resulting in net debt position of \$420 million. WHL has proactively implemented a dividend holiday following a period of investment in the business, such as the refurbishment of the David Jones Elizabeth Street store. The dividend suspension allows the Group to focus on debt reduction and is to remain until the Group's net debt position reaches \$200 million.

The Group at 29 June 2019, had a Syndicated Bank Debt Facility totalling \$744 million, which provides the Group with access to a prudent level of liquidity. The facility is provided by a number of leading domestic and international banks that are active in the Australian syndicated loan market. The tranches of debt available to the Group under that facility have various maturity dates which support improved refinancing risk management. The Group is subject to financial covenants under the syndicated bank debt facility and has complied with all of its financial covenants.

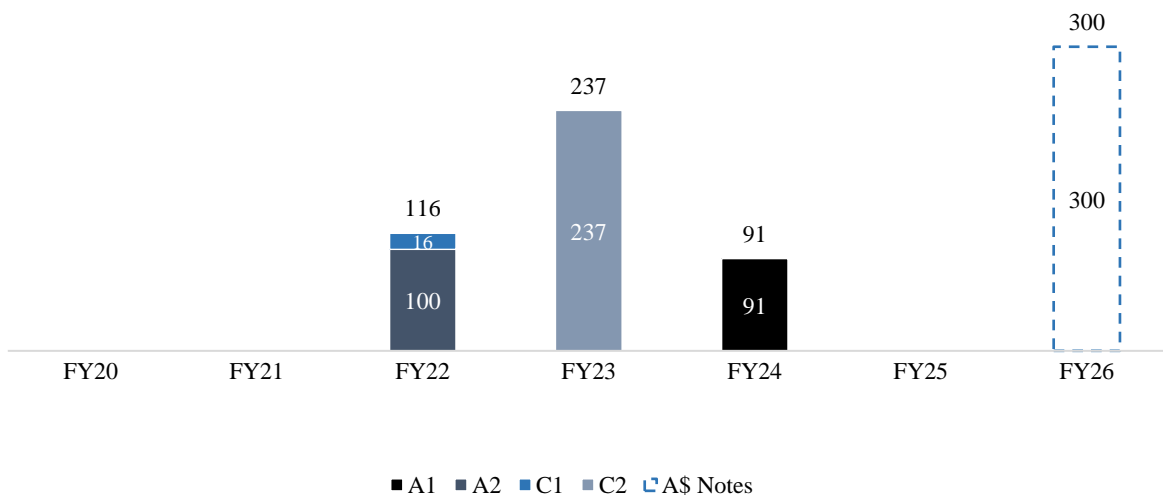
The Group is in the process of refinancing its near-term bank debt maturities. The Group proposes to use the proceeds from the Notes to diversify its funding sources and lengthen its maturity profile, with the proceeds being used to repay and cancel available bank facility commitments.

The Group's Syndicated Bank Debt Facilities post completion of the \$300 million Notes offering has been outlined in the table below.

Syndicated Debt Facilities (Post Completion of the Notes)		
Tranche	Limit	Maturity
A2	100	Sept-21
C1	16	Sept-21
C2	237	Sept-22
A1	91	Sept-23
Total	444	

The Group has presented its debt maturity profile below, pro-forma adjusted for the refinancing and the issue of Notes.

Pro-Forma Debt Maturity Profile



Pro-Forma Balance Sheet

Balance sheet (\$'000)	FY19	Note Issue	Pro Forma
Current assets			
Cash and cash equivalents	69,219	-	69,219
Receivables	63,327	-	63,327
Inventories	412,537	-	412,537
Financial assets	16,146	-	16,146
Current tax receivable	4,679	-	4,679
Other assets	21,786	-	21,786
Non-current assets held for sale	-	-	-
Total current assets	587,694	-	587,694
Non-current assets			
Financial assets	1,400	-	1,400
Receivables	-	-	-
Property, plant and equipment	1,031,483	-	1,031,483
Investment in subsidiary	172,816	-	172,816
Intangible assets (including goodwill)	472,952	-	472,952
Deferred tax assets	90,420	-	90,420
Other assets	6,801	-	6,801
Loan to related party	-	-	-
Total non-current assets	1,775,872	-	1,775,872
Total assets	2,363,566	-	2,363,566
Current liabilities			
Payables	359,758	-	359,758
Interest-bearing liabilities (Bank)	29	-	29
Interest-bearing liabilities (Notes)	-	-	-
Current tax liabilities	4,348	-	4,348
Provisions	91,955	-	91,955
Financial liabilities	3,079	-	3,079
Other liabilities	12,957	-	12,957
Total current liabilities	472,126	-	472,126
Non-current liabilities			
Non-interest bearing liabilities	-	-	-
Interest-bearing liabilities (Bank)	488,505	(300,000)	188,505
Interest-bearing liabilities (Note)	-	300,000	300,000
Provisions	50,066	-	50,066
Other liabilities	127,020	-	127,020
Financial liabilities	2,110	-	2,110
Deferred Tax Liabilities	11,856	-	11,856
Total non-current liabilities	679,557	-	679,557
Total liabilities	1,151,683	-	1,151,683
Net assets	1,211,882	-	1,211,882
Equity			
Contributed equity	1,145,478	-	1,145,478
Reserves	8,580	-	8,580
Retained earnings	(25,587)	-	(25,587)
Total non-controlling interest in equity	83,411	-	83,411
Total equity	1,211,882	-	1,211,882



Business Description

DAVID JONES

Business Overview

David Jones

Overview

David Jones is Australia's most iconic premium retail destination, with a renowned heritage of bringing the world's best brands under one roof. Opening its first store in 1838, David Jones is not only Australia's oldest department store but is also one of the oldest department stores in the world still trading under its original name.

There are now 47 David Jones stores throughout Australia and New Zealand offering customers a mix of luxury and trend brands across fashion, beauty, home and food. New brands are continuing to be sourced with 70% of current fashion brands being exclusively available to David Jones.

In response to the evolution of consumer purchasing preferences, David Jones is optimising the current store portfolio by investing in its top stores to deliver truly differentiated in-store experiences. The rest of the store fleet is undergoing space rationalisation to right-size the portfolio. To capitalise upon the online growth, David Jones is continuously investing in its digital capability with ongoing enhancements and supply chain improvements.

History

David Jones' corporate history is detailed below.

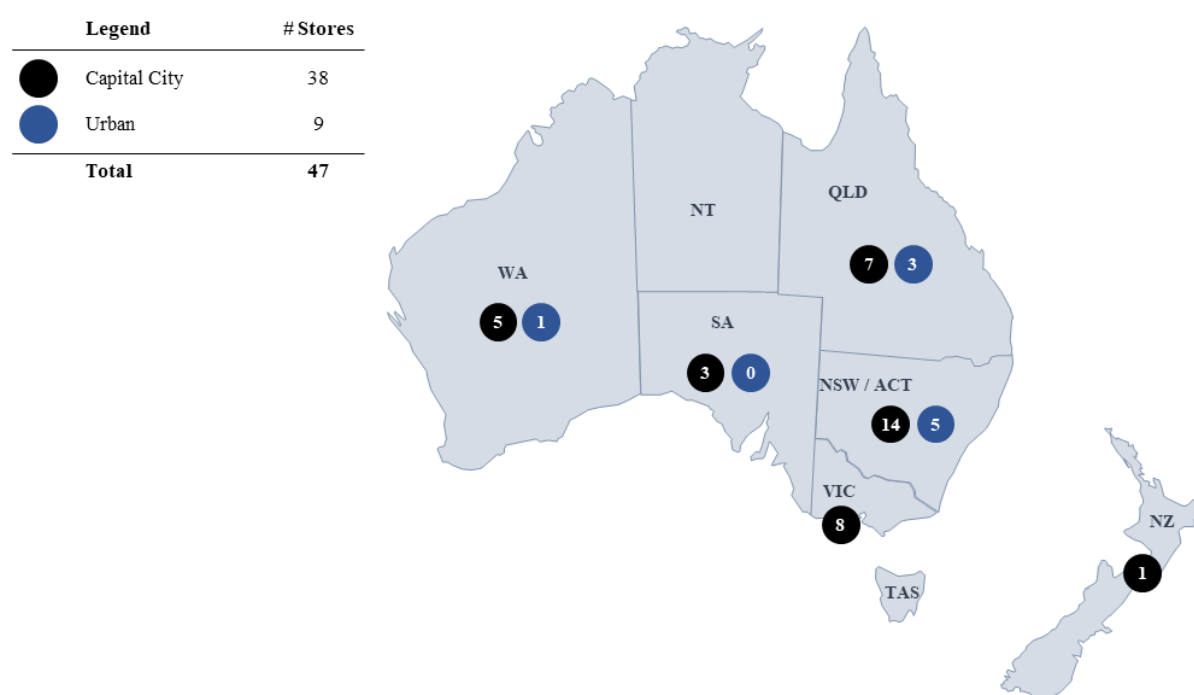
Date	Milestone
1838	David Jones department store first opens on the corner of George and Barrack Streets in Sydney, Australia
1890	David Jones releases its first catalogue allowing mail order to send parcels across Australia
1920	David Jones becomes a listed company
1927	David Jones' new flagship Elizabeth Street store opens
1982	David Jones acquires Melbourne department store Buckley & Nunn, including its properties on the northern side of Bourke Street
1986	David Jones acquires 299-307 Bourke Street property, situated on the southern side of Bourke Street
2010	David Jones revamps its Online Store
2014	WHL acquires David Jones
2016	David Jones opens its first New Zealand store in Wellington
2017	David Jones commences renovations on its flagship Elizabeth Street store in Sydney
2018	David Jones celebrates 180 th anniversary and, notably, David Jones is not only Australia's oldest department store but is also one of the oldest department stores in the world still trading under its original name
2019	All refurbished "above-ground" floors of the flagship Elizabeth Street store launched
2020	Elizabeth Street refurbishment due to be completed

Store Footprint and Locations

David Jones stores are synonymous with providing superior customer service and are located in desirable shopping centres. David Jones' newest store is a stand-alone food 'corner store' in South Yarra, Melbourne, featuring the best of local and international food in a convenient format. A store in Newmarket, Auckland is due to open in November 2019 and will capitalise on the current gap in New Zealand's premium retail offering.

In parallel with these new store openings, David Jones is consolidating its physical store footprint in underperforming stores to reduce its store costs, including its premises rental expenses, to improve its sales efficiency by increasing sales per square metre.

Store Locations by Region and Category



Source: David Jones. Note: As at FY19.

David Jones stores are almost exclusively located in capital cities and large metropolitan areas. These areas exhibit higher growth rates and a greater population of high income earners, to which David Jones' products are aligned.

Capital City and Metropolitan Distribution (%)

Region	% Capital City & Metro Areas	% Urban Area	% Rural Area
NSW / ACT	30%	11%	0%
VIC	17%	0%	0%
QLD	15%	6%	0%
SA	6%	0%	0%
WA	11%	2%	0%
NZ	2%	0%	0%

David Jones' Strategy

David Jones' strategy recognises the increasingly competitive retailing landscape, and is focused on driving increased sales and profitability by delivering the common group strategic pillars with specific focus on the following initiatives detailed below.

Customer Segmentation (Build Stronger, More Profitable Customer Relationships)

David Jones is focusing on behavioural segmentation models to better understand its customers. The key customer segments of "Luxury Tastes" and "Trend & Image" are being targeted for growth while "Mainstream" and "Classic" customers are being protected and maintained.

Brand Recognition and Loyalty Programmes (Build Stronger, More Profitable Customer Relationships)

David Jones has launched its new rewards programme, "David Jones Rewards," in July of this year to drive deeper customer engagement and loyalty. The programme targets the current database that exceeds 3 million consumers, as well as new customers.

Over time, and based on consumer data and analytics, David Jones Rewards will shift from broad-based offers to David Jones Rewards members, to personalised offers communicated one-to-one through digital channels. Individually targeted communications to consumers will support the premium department store position and drive increased customer retention.

David Jones' existing American Express/store cards allow members access to a number of benefits including invitations to events, key sales previews and an array of complimentary benefits that David Jones will continue.

David Jones' loyalty programmes provide significant value to its service proposition and earnings potential by attracting new customers, driving up-selling and cross-selling opportunities in addition to optimising marketing spend and promotions through more targeted and direct communication.

Connected Retail

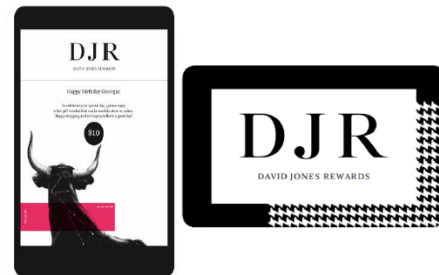
David Jones is focused on offering its customers an inspiring, engaging and relevant digital and in-store journey, and connecting their customers seamlessly from their physical stores to their digital platform and vice versa.

Online and Digital Strategy (Towards Connected Retail)

David Jones continues to invest in its online channel, recognising the shift in consumer behaviour in the Australian market towards online. Australian consumer preferences are expected to follow market trends in the UK and US where apparel sales comprise a significant and growing proportion of total sales. David Jones online sales have seen tremendous growth since re-platforming took place around 18 months ago with online sales representing 10% of company sales in FY20 year to date. With significant initiatives already delivered, David Jones is focussed on being a digitally-led business with a world-class online experience.

Program Construct:

- Welcome reward on sign up (\$10)
- Birthday reward (\$10)
- Exclusive monthly member offers
- Step-up discount on sale promotions
- Competitions to drive 'swipe rate'



Key Digital Initiatives



Key Initiatives Delivered:

- 'In-store Fulfilment' expansion and efficiencies
- Stock integrity – 'Click and collect' / Home delivery
- Configurable buffers
- CRG drop ship
- Promotions and forward pricing
- Online only brands
- Google 360

FY20 Q1 Results:



Network Strategy (Towards Connected Retail)

The growth of online sales has led to the development of a clearly defined network strategy to right-size physical space. The David Jones store portfolio rationalisation is expected to be up to 20% by 2026 in the absence of meaningful rent reversions as David Jones focuses on optimising store footprint and reducing related costs. This reduction will be achieved through aggressive negotiations with landlords to exit undesirable leases or floors before expiry, move towards turnover rent and develop partnerships with key landlords that will deliver a business that is viable, more profitable and smaller (in terms of space).

At the same time David Jones recognises the importance of creating a truly differentiated in-store experience to inspire customers to visit the top stores. Investment in flagship locations remains a priority to ensure they are inspiring retail destinations offering superior service and unique events and engagements.

Elizabeth and Bourke Street Refurbishments (Towards Connected Retail)

David Jones is investing approximately \$220 million in the redevelopment of its flagship store on Elizabeth Street in Sydney, the most profitable store in the portfolio. David Jones' partners have also invested \$200 million in concession fit-outs, and together are creating a world-class retail experience. David Jones commenced the refurbishment in 2018 and has already opened six of ten floors, including the women's luxury "Shoe Heaven" floor in partnership with prestigious brands such as Louis Vuitton, Gucci, Chanel and Dior, in addition to the Kids floor in an exclusive partnership with Disney. The recently opened women's fashion floors feature 60 new department store exclusive brands, offering customers an unrivalled women's offer in one store. The floors that are open to date are trading well as they provide unique in-store experiences that are delighting customers. In December this year, in time for the Festive Season, David Jones will open the much-anticipated Luxury Beauty and Accessory Ground Floor featuring accessory concept stores from both Louis Vuitton and Gucci, with the menswear and below ground home floor and food hall opening in the following March 2020. The new store will set a new benchmark in Australian retail bringing together an inspiring combination of luxury fashion and food under one roof in the heart of Sydney's retail precinct.

The essential closure of floors and limited trading activity has resulted in a material impact to Elizabeth Street's operating and financial contribution to David Jones results. David Jones therefore expects annualised benefits from the completion of the refurbishment in March 2020, including the exit from the Market Street lease from FY21.

A similar strategy of consolidating the Melbourne CBD Bourke Street stores into a single Melbourne CBD flagship store (the current Bourke Street Womenswear store) will also commence in 2021. This consolidation will involve the sale of the Bourke Street Menswear store and the refurbishment of the current Bourke Street Womenswear store. This refurbishment is expected to be less disruptive and require significantly less capital compared to the Elizabeth Street refurbishment due to the building's existing structural features and major renovation to the ground floor in previous years.

The Refurbished David Jones Flagship Store on Elizabeth Street



Product and Merchandise Strategy (Be a Leading Fashion Retailer)

David Jones is a well-recognised and trusted brand and customers identify David Jones with superior quality, premium brands and exceptional customer service. David Jones is focussed on curating desirable and exclusive brands and already have key department store exclusive partnerships with international luxury houses and leading Australian designer brands and they continue to grow this portfolio.

David Jones’ food journey started just over two years ago and over this period has launched three food formats, each offering a different mix of food and food services according to the customer profile and location. Customers are responding favourably to the private label fresh and pre-prepared meals with David Jones having recently opened the first standalone food store in Melbourne. David Jones continues to build its food business and has partnered with BP to provide customers with the convenience of David Jones food products in petrol food courts.

David Jones’ merchandise principles are defined by six pillars of focus.

David Jones Six Pillars

Utilise customer segmentation to build an EXCLUSIVE and DIFFERENTIATED product assortment	Drive a TOP STORE FOCUS across all groups	Leverage NEW SYSTEMS to deliver EFFICIENCIES and MARGIN improvement
Focus on INVENTORY management	Renegotiate VENDOR TRADING TERMS	Continue SUPPLY CHAIN journey

Targeted Growth Segments

BEAUTY



- Use new distribution model to recruit new overseas brands
- Prioritise capital and staffing investment for traditional “counter model” in top tier stores
- New beauty model for lower tier stores
- Refresh “Body & Soul” category with increased discovery experience to drive millennial engagement

WOMENSWEAR



- Online growth opportunities through drop ship
- Continued focus on Power Brands and Australian & International Designer
- Drive exclusivity through both brand and product inclusive of Country Road Group & Apparel Group
- Commercial growth of service concessions through hybrid model

MENSWEAR



- Revamped online strategy for concession growth and drop ship
- Move non-exclusive brands to a minimum of 70% department exclusive product
- Realigned brand focus to the metro man – fastest growing segment
- Men’s social media plan

KIDSWEAR



- Online strategy drop ship, in-store fulfilment and online exclusive ranges
- Evolution of David Jones private labels across all kidswear categories
- Improve store layouts and stock density

HOME & AV



- Target luxury and exclusive brands aligned to fashion credentials
- Increase private label mix
- Become the destination for premium home textiles and tableware with differentiated and unique offering
- Focus on newness

FOOD



- Product range innovation and extension (vegan and food to go)
- Free standing food format
- BP partnership

Country Road Group

Overview

Country Road Group is a leading design-led portfolio of Australian brands that provide a connected retail experience for customers through its brands, stores and market-leading online business. Within Country Road Group there are 5 iconic brands, Country Road, Mimco, Politix, Trenery and Witchery that each target their unique customers in varying demographics.

Country Road Group operates 726 stores in Australia and New Zealand, and 82 stores in South Africa. Country Road Group generated more than \$109 million of EBIT in FY19, with 20% of Australasian sales through its online store.

Country Road Group employs over 5,600 people and has one the strongest loyalty programmes in Australia with more than 2.3 million active loyalty members that account for approximately 87% of its annual sales.

History

Date	Milestone
1974	Country Road is founded in Melbourne, Australia
1984	Country Road establishes presence in New Zealand Country Road launches Menswear
1986	Country Road launches men's and women's accessories
1987	Country Road listed on ASX
1996	Mimco is established
1997	Country Road is acquired by Woolworths Holdings Limited
2007	Witchery acquires Mimco
2008	Country Road enters South African market with concession stores in Woolworths South Africa
2009	Country Road launches Trenery in South Africa and Australia
2012	Country Road Group was established Country Road Group acquires Witchery and Mimco brands
2014	Woolworths Holdings Limited acquires remainder of Country Road Group shares and delists it from the ASX
2016	Country Road Group acquires Politix
2017	Scott Fyfe is appointed CEO of Country Road Group

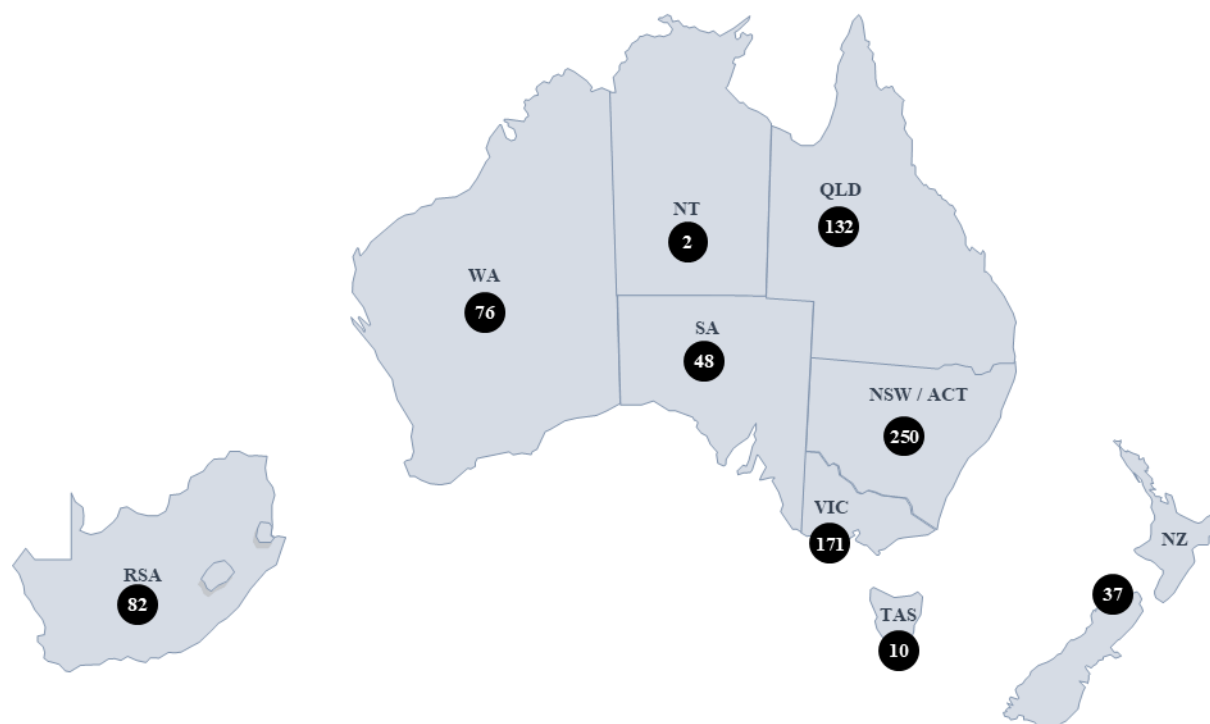
Country Road Brands

COUNTRY ROAD	One of Australia's most iconic lifestyle brands, renowned for stylish, high-quality products for women, men, children and the home.
MIMCO	One of Australia's leading designer brands positioned as an accessible luxury accessories brand designed with a quirk.
POLITIX	Leading Australian men's fashion brand that combines innovative design, and exceptional, tailored fit, and ultra-attention to detail.
TRENER Y	Designed for women and men who appreciate the beauty of simple, sophisticated collections that are modern in approach and classic in style.
WITCHERY	Australia's 'style authority' for high quality, fashionable apparel and accessories.

Store Footprint and Locations

Country Road Group has stores located across Australia, New Zealand and South Africa in both the concept and concession store formats. The nature and locations of Country Road Group stores are illustrated in the table and graphic below.

Country Road Group Store Locations by Region



Source: Country Road Group.

In each of the above geographical regions, Country Road Group stores are located predominantly in capital cities and metropolitan areas that exhibit higher growth rates and greater population of high income earners, to which Country Road Group brands are aligned.

Country Road Group Store Distribution

Region	Total Number of Stores	Proportion of Total Stores (%)
NSW/ACT	250	31%
VIC	171	21%
QLD	132	16%
RSA	82	10%
WA	76	9%
SA	48	6%
NZ	37	5%
TAS	10	1%
NT	2	0.2%
Total	808	100%

Source: Country Road Group.

Country Road Group Strategy

Country Road Group's strategy recognises the increasingly competitive retailing landscape, and is focused on driving increased sales and profitability by delivering a connected retail experience for customers through the initiatives detailed below.

Customer Segmentation (Build Stronger, More Profitable Customer Relationships)

Country Road group has a clear customer segmentation strategy by brand and with increased investment and focus on data and analytics, each brand has in-depth insight into how customers shop in-stores and online.

Brand Recognition and Loyalty Programmes (Build Stronger, More Profitable Customer Relationships)

Country Road Group has an established rewards programme which enables it to gain deep customer insights, drive customer acquisition, frequency and spend, and reward customers with compelling benefits.

During FY19, Country Road Group generated 87% of revenue through its loyalty programme, highlighting strong engagement from its active customer base of 2.3 million customers. Country Road Group has also launched a number of new innovative initiatives for Country Road, Trenery and Witchery to reconnect with its loyalty cardholders and will extend this capability to Politix.

Country Road Group's loyalty programmes provide significant value to its service proposition and earnings potential by attracting new customers and by driving up-selling and cross-selling opportunities. The brands will optimise marketing spend and promotions through more targeted and personalised communication. The Country Road Group is focused on delivering a digital loyalty programme for customers going forward.

Data sourced in loyalty programmes allows the Country Road Group to perform valuable analytics to derive insights to drive further cross-selling and up-selling opportunities, optimise and personalise campaigns, and inform product, service, and format strategies.

Digital Strategy (Towards Connected Retail)

Country Road Group aims to grow online sales aggressively to more than 25% of total Australian sales by developing digitally connected, inspiring customer journeys which will improve customers' experience and simultaneously build fashion credibility. This growth will be supported by new analytics and data capability to maximise customer experiences.

Country Road Group will drive online sales while improving store profitability and deliver a seamless shopping experience across all channels. This includes personalising customers' experience with tailored cross-channel content and communication, including personalised assisted styling and self-service. Country Road Group will further improve and streamline customers' journeys and elevate the brand experience by digitally enabling stores, optimising 'click-and-collect', implementing effortless and quicker payment and checkout options, redesigning the front-end website, and investing in imagery. Country Road Group continually explores new digital channels and digital store formats, invests in innovative digital technologies, and optimises its websites' performance and functionality to lead the market and provide a truly connected retail experience. Maximising new digital channels is a key part of the future strategy and a new drop ship model for David Jones is the start of this journey to increase the customer base and provide seamless experience for customers.

Network Strategy (Towards Connected Retail)

Country Road Group's connected retail strategy is focused on ensuring a premium consistent customer experience, seamlessly integrating the online and physical store experience with an objective of driving sales growth. In recognising the changing behaviours of consumers, the integration of physical and online stores is key to ensuring that customer connectivity is maintained.

Country Road Group will right-size its store portfolio and manage costs to improve profitability through:

- Investing in flagship experiences with digital capability for optimum brand experience;
- Accelerating closures of underperforming stores;
- Aggressive landlord negotiations to exit undesirable leases or stores before expiry;
- Delivering workforce management benefits;
- Delivering improved assortment to all stores; and
- Driving footfall and conversion using improved digital and customer data.

Country Road Group's initial objective from the connected retail strategy was to actively grow the proportion of online sales. With the proportion of sales through online channels continuing to grow strongly, and superior EBIT margins being generated through the online business, both sales and EBIT margin improvements from FY20 are expected.

Store Leases and Profiles (Drive Synergies and Efficiencies)

Country Road Group is focusing on right-sizing the store portfolio and is on track to reduce floor space by 10% in 2022. Rationalising store space will reduce costs and improve sales efficiency.

Country Road Group's approach to leasing has been to sign shorter lease terms, securing options to extend in order to maximise flexibility. The shorter dated lease profile provides Country Road Group with flexibility as it facilitates the exit of unprofitable stores in a timely fashion, providing greater optionality in optimising the store footprint.

Product and Merchandise Strategy (Be a Leading Fashion Retailer)

COUNTRY ROAD



One of Australia's most iconic lifestyle brands, renowned for stylish, high-quality products for women, men, children and the home.

- Deliver new vision / strategy / product direction
- Deliver new Womenswear fashion ranges offer with improved values & quality
- Maximise product opportunities in Men's, Home, Kid's & Accessories
- Develop new sustainable flagship stores and & concession concepts
- Continue to drive digital, social & optimise loyalty opportunities
- Deliver David Jones exclusivity & assortment opportunities

TRENERY



Designed for women and men who appreciate the beauty of simple, sophisticated collections that are modern in approach and classic in style.

- Deliver clear vision & product direction
 - Improved design & product handwriting in Womenswear & Menswear
 - Improve frequency of newness & values across core and fashion
 - Rationalise store base whilst driving David Jones and Online
 - Evolve & optimise loyalty through digital
-

WITCHERY



Australia's 'style authority' for high quality, fashionable apparel and accessories.

- Continue to deliver brand vision in line with women's apparel & accessories strategy
- Increase frequency of fashion ranges offering newness and great value
- Continue to drive external brand awareness
- Continue to right-size store portfolio whilst driving digital & social opportunities
- Evolve & optimise loyalty experience through digital

POLITIX



Leading Australian men's fashion brand that combines innovative design, and exceptional, tailored fit, and ultra-attention to detail.

- Continue to deliver clear brand vision
- Build brand awareness, customer engagement strategy, loyalty programme & drive online growth
- Deliver new IT and logistics foundation to drive online sales
- Invest in store portfolio

MIMCO



One of Australia's leading designer brands positioned as an accessible luxury accessories brand.

- Continue to deliver brand vision with newness across key product areas
- Continue to right-size store portfolio
- Drive digital & online sales to market leading position optimising loyalty
- Deliver David Jones exclusivity

Concession Strategy (Be a Leading Fashion Retailer)

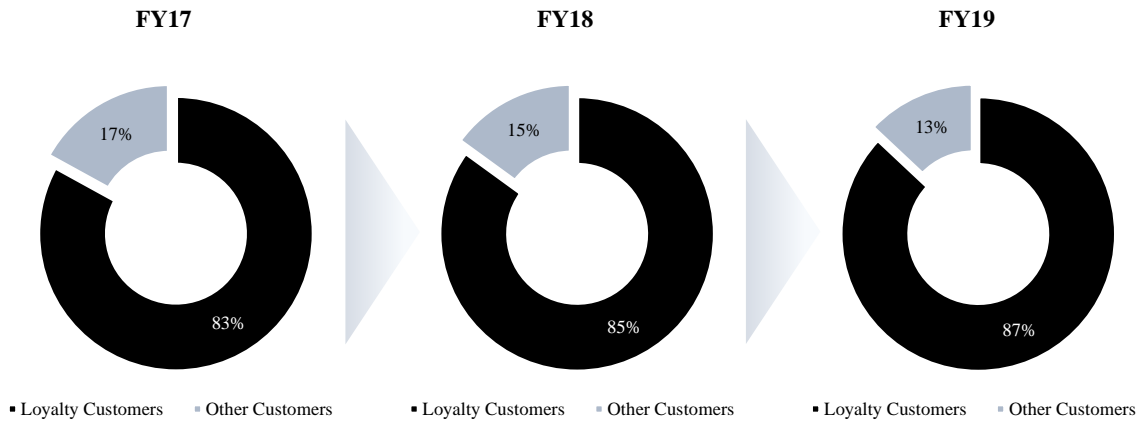
Country Road Group has made the strategic decision to control its channels of distribution and therefore exclusively supply David Jones as its preferred department store. In executing this strategy, the Country Road Group brands have exited all Myer stores, with these brands now exclusively available through David Jones and Woolworths South Africa stores, as well as through the online channels of each business.

As a result, Country Road Group brands will be distributed and controlled through Group channels, allowing for Country Road Group to control customer data and ensure the customer experience is aligned to its corporate strategy. The Myer exit also benefits Country Road Group through allowing consolidation of the store portfolio, which in turn, aids cost management and profitability.

In the short term, the Myer exit is expected to impact Country Road Group earnings as sales from Myer are not expected to be replaced immediately in full by sales in other channels. Over the medium term, Country Road Group sales are expected to recover through increasing online sales, transfers from Myer to David Jones or standalone Country Road Group stores and as replacement new stores are opened.

Country Road Group will monitor customer transfer rates and implement strategic initiatives including growing the loyalty programmes, direct marketing to customers and through migrating customers into Group stores and online platforms. The transfer of customers to other channels will be supported by its loyal customer base that has a strong history of supporting the brands.

Country Road Group Sales from Loyalty Programme Customers



Source: WHL.



Financial Information

NEW ARRIVALS

Financial Information

WHL Australasia

Financial information is presented below for the Group. Financials presented are an amalgamation of the key David Jones and Country Road Group entities and are not presented on a consolidated basis.

Profit and Loss (Amalgamated)

Profit and Loss (Amalgamated) (\$'000)	FY16A 52 weeks (25 June)	FY17A 52 weeks (24 June)	FY18A 52 weeks (26 June)	FY19A 53 weeks (29 June)
Total sales	3,212,949	3,288,133	3,285,481	3,342,546
Less: Concession sales revenue	(758,501)	(749,692)	(737,951)	(596,391)
Revenue from sale of goods	2,454,448	2,538,441	2,547,530	2,746,155
Cost of sales	(1,208,368)	(1,261,655)	(1,251,116)	(1,317,225)
Gross profit	1,246,080	1,276,786	1,296,414	1,428,930
Other income	173,872	179,491	178,686	35,749
Employment costs	(556,062)	(573,782)	(610,618)	(624,631)
Marketing expenses	(80,851)	(84,879)	(72,662)	(72,727)
Other costs	(98,949)	(101,313)	(123,319)	(112,867)
Underlying EBITDAR	684,090	696,304	668,501	654,455
Occupancy costs	(346,722)	(398,680)	(412,182)	(416,337)
Underlying EBITDA	337,368	297,623	256,319	238,117
Depreciation & amortisation	(92,380)	(100,213)	(103,199)	(106,259)
Underlying EBIT	244,988	197,410	153,121	131,858
Investment income	1,052	1,274	2,635	2,926
Finance costs	(27,866)	(22,994)	(21,208)	(26,224)
Underlying profit before tax	218,174	175,690	134,548	108,560
Tax	(70,767)	(36,252)	(23,384)	(17,524)
Underlying profit after tax	147,407	139,438	111,164	91,036
Impairments	(854)	(36,192)	(818,891)	(666,425)
DTL adjustment due to brand write-down	-	-	-	135,841
Gain from property disposal	-	172,406	-	-
Profit/Loss on sales of assets	(1,012)	(633)	(3,262)	123
Head office relocation	-	(15,000)	(1,600)	(5,314)
Head office corporate simplification	-	-	-	(385)
Onerous lease provision	-	-	(15,065)	(20,088)
Restructuring costs	-	-	-	(5,663)
Make good (release)/costs	-	-	-	(509)
One-offs	22,928	23,099	6,866	(235)
Profit after tax	168,469	283,118	(720,790)	(471,619)

Balance Sheet (Amalgamated)

Balance Sheet (Amalgamated) (\$'000)	FY16A 52 weeks (25 June)	FY17A 52 weeks (24 June)	FY18A 52 weeks (26 June)	FY19A 53 weeks (29 June)
Current assets				
Cash and cash equivalents	51,312	62,658	76,364	69,219
Receivables	43,255	59,947	60,525	63,327
Inventories	341,203	351,337	393,431	412,537
Financial assets	1,634	3,369	11,734	16,146
Current tax receivable	7,793	5,279	846	4,679
Other assets	14,819	17,847	17,481	21,786
Non-current assets held for sale	182,130	-	-	-
Total current assets	642,146	500,438	560,381	587,694
Non-current assets				
Financial assets	12	279	2,249	1,400
Property, plant and equipment	1,067,599	1,007,183	985,910	1,031,483
Investment in subsidiary	213,395	213,395	213,395	172,816
Intangible assets (including goodwill)	1,719,288	1,847,580	1,089,333	472,952
Deferred tax assets	-	2,884	7,436	90,420
Other assets	10,055	9,244	7,903	6,801
Loan to related party	-	-	-	-
Total non-current assets	3,010,349	3,080,565	2,306,226	1,775,872
Total assets	3,652,495	3,581,003	2,866,607	2,363,566
Current liabilities				
Non-interest bearing liabilities	-	-	-	-
Payables	417,605	405,958	390,358	359,758
Interest-bearing liabilities	18,608	19,689	286	29
Current tax liabilities	31,326	-	8,896	4,348
Provisions	71,340	71,137	61,337	91,955
Financial liabilities	17,004	6,845	1,396	3,079
Other liabilities	12,207	12,108	11,903	12,957
Total current liabilities	568,090	515,737	474,176	472,126
Non-current liabilities				
Non-interest bearing liabilities	80,822	80,822	21,887	-
Interest-bearing liabilities	514,907	304,589	430,124	488,505
Provisions	25,379	27,594	40,851	50,066
Other liabilities	152,316	143,779	135,752	127,020
Financial liabilities	296	333	261	2,110
Deferred Tax Liabilities	90,399	73,434	78,270	11,856
Total non-current liabilities	864,119	630,551	707,145	679,557
Total liabilities	1,432,209	1,146,288	1,181,321	1,151,683
Net assets	2,220,287	2,434,716	1,685,286	1,211,882
Equity				
Contributed equity	1,927,750	1,927,750	1,145,478	1,145,478
Reserves	(18,307)	372	7,458	8,580
Retained earnings	253,440	449,676	457,923	(25,587)
Total non-controlling interest in equity	57,403	56,917	74,427	83,411
Total equity	2,220,287	2,434,716	1,685,286	1,211,882

Cash Flow Statement (Amalgamated)

Cash Flow Statement (Amalgamated) (\$'000)	FY16A 52 weeks (25 June)	FY17A 52 weeks (24 June)	FY18A 52 weeks (26 June)	FY19A 53 weeks (29 June)
Cash flow from operations				
Receipts from customers	2,876,385	2,909,539	2,898,206	2,955,071
Payments to suppliers and employees	(2,543,206)	(2,686,335)	(2,728,499)	(2,797,486)
Commission received	18,263	19,156	19,204	26,693
Interest received	1,061	1,381	4,453	3,657
Other revenue	1,101	1,976	129	319
Borrowing costs paid	(28,175)	(20,769)	(20,675)	(24,909)
Income tax paid	(57,737)	(93,332)	(13,413)	(40,306)
Net cash flows from operating activities	267,692	131,616	159,405	123,039
Cash flows from investing activities				
Payments for property, plant and equipment	(141,686)	(86,600)	(106,464)	(145,817)
Payments for intangibles	(24,999)	(38,340)	(34,973)	(10,982)
Acquisition of subsidiary	-	(68,741)	(64)	-
Net proceeds from sale of property, plant and equipment	52	360,556	1,201	109
Net cash flows used in investing activities	(166,633)	166,875	(140,300)	(156,690)
Cash flows from financing activities				
Dividends paid	(60,000)	(86,882)	(36,688)	-
Transaction costs relating to debt facilities	207	974	246	-
Loan to related companies	(3,000)	(237,636)	(46,778)	(31,495)
Net increase/(decrease) in borrowings	(23,224)	32,518	81,000	58,000
Net cash flows used in financing activities	(86,017)	(291,026)	(2,220)	26,505
Net increase/(decrease) in cash and cash equivalents	15,042	7,466	16,885	(7,146)
Cash and cash equivalents at beginning of period	36,230	50,186	59,969	76,078
Net foreign exchange difference	(1,086)	2,317	(776)	260
Cash and cash equivalents at end of period	50,186	59,969	76,078	69,190
Cash and cash equivalents	51,312	62,658	76,364	69,219
Bank overdrafts	(1,126)	(2,689)	(286)	(29)
Cash and cash equivalents at end of period	50,186	59,969	76,078	69,190

Country Road Group

Financial information is presented below for the Country Road Group. Financials for Country Road Group are prepared on an amalgamated basis comprising Country Road Group, Woolworths International (Australia) Pty Ltd and Woolworths International (Australia) II Pty Limited.

Country Road Group Profit and Loss

Country Road Group Profit and Loss (\$'000)	FY16A 52 weeks (25 June)	FY17A 52 weeks (24 June)	FY18A 52 weeks (26 June)	FY19A 53 weeks (29 June)
Total sales	1,005,023	1,055,835	1,073,660	1,100,686
Less: Concession sales revenue	-	-	-	-
Revenue from sale of goods	1,005,023	1,055,835	1,073,660	1,100,686
Cost of sales	(408,126)	(419,103)	(399,998)	(421,393)
Gross profit	596,897	636,732	673,662	679,293
Other income	3,643	4,179	5,079	4,241
Employment costs	(217,933)	(233,226)	(248,063)	(249,872)
Marketing expenses	(23,311)	(24,076)	(26,254)	(29,174)
Other costs	(54,717)	(59,199)	(64,262)	(57,135)
Underlying EBITDAR	304,579	324,410	340,162	347,353
Occupancy costs	(175,660)	(188,984)	(196,487)	(199,698)
Underlying EBITDA	128,919	135,426	143,675	147,655
Depreciation & amortisation	(31,453)	(36,994)	(38,632)	(38,083)
Underlying EBIT	97,466	98,432	105,043	109,572
Investment income	422	916	1,514	2,469
Finance costs	(11,737)	(12,899)	(9,980)	(10,757)
Underlying profit before tax	86,151	86,449	96,577	101,284
Tax	(24,725)	(24,350)	(25,596)	(24,208)
Underlying profit after tax	61,426	62,099	70,981	77,077
Impairments	(854)	(252)	(2,527)	(44,351)
DTL adjustment due to brand write-down	-	-	-	-
Gain from property disposal	-	-	-	-
Profit/Loss on sales of assets	(627)	(633)	(3,147)	(681)
Head office relocation	-	-	(500)	-
Head office corporate simplification	-	-	-	-
Onerous lease provision	-	-	-	(214)
Restructuring costs	-	-	-	-
Make good (release)/costs	-	-	-	-
One-offs	-	(1,896)	9	(14,215)
Profit after tax	59,945	59,318	64,815	17,616

Country Road Group Balance Sheet

Country Road Group Balance Sheet (\$'000)	FY16A 52 weeks (25 June)	FY17A 52 weeks (24 June)	FY18A 52 weeks (26 June)	FY19A 53 weeks (29 June)
Current assets				
Cash and cash equivalents	22,447	44,464	38,904	42,369
Receivables	23,243	43,025	38,663	47,646
Inventories	132,726	127,561	118,585	120,349
Financial assets	1,310	1,374	10,160	14,268
Current tax receivable	7,793	249	-	-
Other assets	3,814	2,938	4,755	4,297
Total current assets	191,333	219,612	211,067	228,929
Non-current assets				
Financial assets	-	267	2,237	1,388
Property, plant and equipment	182,929	158,308	147,749	138,275
Investment in subsidiary	213,395	213,395	213,395	172,816
Intangible assets (including goodwill)	167,939	262,238	258,911	252,822
Deferred tax assets	-	2,714	2,329	2,082
Other assets	63	58	56	55
Total non-current assets	564,326	636,980	624,677	567,438
Total assets	755,659	856,592	835,744	796,367
Current liabilities				
Payables	102,319	126,021	103,165	111,921
Interest-bearing liabilities	17,482	17,000	-	-
Current tax liabilities	-	-	8,896	4,348
Provisions	20,869	21,247	21,434	33,145
Financial liabilities	12,847	6,313	1,280	3,036
Other liabilities	-	-	-	-
Total current liabilities	153,517	170,581	134,775	152,450
Non-current liabilities				
Non-interest bearing liabilities	80,822	80,822	21,887	-
Interest-bearing liabilities	214,907	214,589	214,124	166,505
Provisions	17,309	20,817	21,543	21,816
Financial liabilities	296	333	261	2,064
Deferred Tax Liabilities	4,178	14,526	15,962	11,856
Total non-current liabilities	317,512	331,087	273,777	202,241
Total liabilities	471,029	501,667	408,552	354,692
Net assets	284,631	354,925	427,192	441,675
Equity				
Contributed equity	42,750	42,750	42,750	42,750
Reserves	(16,852)	(5,390)	1,100	247
Retained earnings	201,329	260,647	308,915	315,267
Total non-controlling interest in equity	57,403	56,917	74,427	83,411
Total equity	284,631	354,925	427,192	441,675

Country Road Group Cash Flow Statement

Country Road Group Cash Flow Statement (\$'000)	FY16A 52 weeks (25 June)	FY17A 52 weeks (24 June)	FY18A 52 weeks (26 June)	FY19A 53 weeks (29 June)
Cash flow from operations				
Receipts from customers	1,109,966	1,057,435	1,077,557	1,100,064
Payments to suppliers and employees	(995,994)	(919,582)	(936,728)	(949,666)
Commission received	-	-	-	-
Interest received	421	916	1,293	2,271
Other revenue	1,101	1,976	129	319
Borrowing costs paid	(12,017)	(8,628)	(7,063)	(9,221)
Income tax paid	(45,225)	(18,191)	(19,699)	(36,479)
Net cash flows from operating activities	58,252	113,926	115,489	107,288
Cash flows from investing activities				
Payments for property, plant and equipment	(48,969)	(31,392)	(28,723)	(24,590)
Payments for intangibles	-	-	-	-
Acquisition of subsidiary	-	(68,741)	(64)	-
Net proceeds from sale of property, plant and equipment	52	50	46	2
Net cash flows used in investing activities	(48,917)	(100,083)	(28,741)	(24,588)
Cash flows from financing activities				
Dividends paid	-	-	-	-
Transaction costs relating to debt facilities	207	974	246	-
Loan to related companies	(3,000)	5,364	(289,778)	(31,495)
Net increase/(decrease) in borrowings	776	(482)	198,000	(48,000)
Net cash flows used in financing activities	(2,017)	5,856	(91,532)	(79,495)
Net increase/(decrease) in cash and cash equivalents	7,318	19,700	(4,784)	3,205
Cash and cash equivalents at beginning of period	16,215	22,447	44,464	38,904
Net foreign exchange difference	(1,086)	2,317	(776)	260
Cash and cash equivalents at end of period	22,447	44,464	38,904	42,369
Cash and cash equivalents	22,447	44,464	38,904	42,369
Bank overdrafts	-	-	-	-
Cash and cash equivalents at end of period	22,447	44,464	38,904	42,369

Note: Cash flows are included in the Cash Flow Statement on a net basis. The GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

David Jones

David Jones Profit and Loss

David Jones Profit and Loss (\$'000)	FY16A	FY17A	FY18A	FY19A
	52 weeks (25 June)	52 weeks (24 June)	52 weeks (26 June)	53 weeks (29 June)
Total sales	2,207,926	2,232,298	2,211,821	2,241,860
Less: Concession sales revenue	(758,501)	(749,692)	(737,951)	(550,746)
Revenue from sale of goods	1,449,425	1,482,606	1,473,870	1,691,114
Cost of sales	(800,242)	(842,552)	(851,118)	(895,832)
Gross profit	649,183	640,054	622,752	795,282
Other income	201,180	210,735	210,003	31,508
Employment costs	(338,129)	(344,283)	(362,555)	(374,759)
Marketing expenses	(57,540)	(60,803)	(46,408)	(43,553)
Other costs	(44,232)	(42,114)	(59,057)	(55,731)
Underlying EBITDAR	410,462	403,590	364,735	352,746
Occupancy costs	(202,013)	(241,392)	(252,091)	(262,284)
Underlying EBITDA	208,449	162,197	112,644	90,462
Depreciation & amortisation	(60,927)	(63,219)	(64,567)	(68,176)
Underlying EBIT	147,522	98,978	48,077	22,286
Investment income	715	6,377	4,241	1,465
Finance costs	(16,214)	(16,114)	(14,347)	(16,475)
Underlying profit before tax	132,023	89,241	37,971	7,276
Tax	(46,042)	(11,902)	2,212	6,683
Underlying profit after tax	85,981	77,339	40,183	13,959
Impairments	-	(35,940)	(816,364)	(622,074)
DTL adjustment due to brand write-down	-	-	-	135,841
Gain from property disposal	-	172,406	-	-
Profit/Loss on sales of assets	(385)	-	(115)	804
Head office relocation	-	(15,000)	(1,100)	(5,314)
Head office corporate simplification	-	-	-	(385)
Onerous lease provision	-	-	(15,065)	(19,874)
Restructuring costs	-	-	-	(5,663)
Make good (release)/costs	-	-	-	(509)
One-offs	22,928	24,995	6,857	13,980
Profit after tax	108,524	223,800	(785,605)	(489,235)

David Jones Balance Sheet

David Jones Balance Sheet (\$'000)	FY16A 52 weeks (25 June)	FY17A 52 weeks (24 June)	FY18A 52 weeks (26 June)	FY19A 53 weeks (29 June)
Current assets				
Cash and cash equivalents	28,865	18,194	37,460	26,850
Receivables	30,771	30,757	53,319	54,737
Inventories	208,477	223,776	274,846	292,188
Financial assets	324	1,995	1,574	1,878
Current tax receivable	-	5,030	846	4,679
Other assets	11,005	14,909	12,726	17,489
Non-current assets held for sale	182,130	-	-	-
Total current assets	461,572	294,661	380,771	397,821
Non-current assets				
Financial assets	12	12	12	12
Property, plant and equipment	884,670	848,875	838,161	893,208
Intangible assets (including goodwill)	1,551,349	1,585,342	830,422	220,130
Deferred tax assets	-	170	5,107	88,338
Other assets	9,992	9,186	7,847	6,746
Loan to related party	-	243,000	-	-
Total non-current assets	2,446,023	2,686,585	1,681,549	1,208,434
Total assets	2,907,595	2,981,246	2,062,320	1,606,255
Current liabilities				
Payables	326,045	293,772	318,650	286,893
Interest-bearing liabilities	1,126	2,689	286	29
Current tax liabilities	31,326	-	-	-
Provisions	50,471	49,890	39,903	58,810
Financial liabilities	4,157	532	116	43
Other liabilities	12,207	12,108	11,903	12,957
Total current liabilities	425,332	358,991	370,858	358,732
Non-current liabilities				
Interest-bearing liabilities	300,000	333,000	216,000	322,000
Provisions	8,070	6,777	19,308	28,250
Other liabilities	152,316	143,779	135,752	127,020
Financial liabilities	-	-	-	46
Deferred Tax Liabilities	86,221	58,908	62,308	-
Total non-current liabilities	546,607	542,464	433,368	477,316
Total liabilities	971,939	901,455	804,226	836,048
Net assets	1,935,656	2,079,791	1,258,094	770,207
Equity				
Contributed equity	1,885,000	1,885,000	1,102,728	1,102,728
Reserves	(1,455)	5,762	6,358	8,333
Retained earnings	52,111	189,029	149,008	(340,854)
Total non-controlling interest in equity	-	-	-	-
Total equity	1,935,656	2,079,791	1,258,094	770,207

David Jones Cash Flow Statement

David Jones Cash Flow Statement (\$'000)	FY16A 52 weeks (25 June)	FY17A 52 weeks (24 June)	FY18A 52 weeks (26 June)	FY19A 53 weeks (29 June)
Cash flow from operations				
Receipts from customers	1,773,975	1,852,104	1,820,649	1,855,007
Payments to suppliers and employees	(1,554,768)	(1,766,753)	(1,791,771)	(1,847,820)
Commission received	18,263	19,156	19,204	26,693
Interest received	640	6,406	3,160	2,392
Other revenue	-	-	-	-
Borrowing costs paid	(16,158)	(18,082)	(13,612)	(16,694)
Income tax paid	(12,512)	(75,141)	6,286	(3,827)
Net cash flows from operating activities	209,440	17,690	43,916	15,751
Cash flows from investing activities				
Payments for property, plant and equipment	(92,717)	(55,208)	(77,741)	(121,227)
Payments for intangibles	(24,999)	(38,340)	(34,973)	(10,982)
Acquisition of subsidiary	-	-	-	-
Net proceeds from sale of property, plant and equipment	-	360,506	1,155	107
Net cash flows used in investing activities	(117,716)	266,958	(111,559)	(132,104)
Cash flows from financing activities				
Dividends paid	(60,000)	(86,882)	(36,688)	-
Transaction costs relating to debt facilities	-	-	-	-
Loan to related companies	-	(243,000)	243,000	-
Net increase/(decrease) in borrowings	(24,000)	33,000	(117,000)	106,000
Net cash flows used in financing activities	(84,000)	(296,882)	89,312	106,000
Net increase/(decrease) in cash and cash equivalents	7,724	(12,234)	21,669	(10,353)
Cash and cash equivalents at beginning of period	20,015	27,739	15,505	37,174
Net foreign exchange difference	-	-	-	-
Cash and cash equivalents at end of period	27,739	15,505	37,174	26,821
Cash and cash equivalents	28,865	18,194	37,460	26,850
Bank overdrafts	(1,126)	(2,689)	(286)	(29)
Cash and cash equivalents at end of period	27,739	15,505	37,174	26,821

Note: Cash flows are included in the Cash Flow Statement on a gross basis. The GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.



Investment Risks

Investment Risks

Risk Factors

By investing in the Notes, the holders of the Notes will be lending money to the Issuer and may be exposed to a number of risks which can be broadly classified as risks associated with the Notes, the market generally and the Issuer's business. This section describes certain risks associated with the Issuer's business which the Issuer currently considers may be material to a prospective investor's decision to invest in the Notes. There may be other risks which the Issuer is not aware of or does not consider material, and prospective investors may attach more or less importance to a given risk than the Issuer. Accordingly, prospective investors or purchasers should undertake their own assessment of, and consult their own financial, legal and tax advisers about the risks associated with the Issuer's business, the Notes and the market generally.

General Risk Factors

General risks

An investment in the Issuer is subject to general risks including those related to general economic conditions, reliance on key management personnel, foreign exchange movements, share price volatility, liquidity, interest rates, debt covenants, refinancing requirements, insurance risk, health, safety and environment issues, litigation and disputes, changes in accounting standards, and taxation risks.

General economic conditions in Australia

The Group's sales are exposed primarily to the conditions of the Australian economy. Despite the relative strength of the Australian economy compared to other countries, a material reduction in the strength of the economy, primarily household consumption, could impact the financial performance of the Issuer.

Diversification across geography, product and target market, mitigates the impact of an economic downturn impacting a certain Australian state, product range or target market. Furthermore, exposure to New Zealand and South Africa reduces the financial impact of a deterioration in the Australian economy.

Retention and attraction of core and scarce skills

The future success of the Group is strongly dependent upon the experience and expertise of executive management and the ability to retain, and attract core retail skills. Loss of these skills may have a negative impact on the ability to successfully execute the business strategy.

Funding

Notes issue is non-underwritten and being conducted on a best endeavours basis. Accordingly, the Group may not raise the full amount of funding sought under the Notes offer.

Failure to raise the full amount sought under the Notes offer could have a material impact on the Group's expected sources of funding. In these circumstances the Group would need to find alternative funding arrangements or not proceed with the planned developments of the new facilities until such time that it has the financial capacity to do so.

Refinancing requirements

The ability to acquire future opportunities on a timely basis requires access to capital. Accordingly, potential future acquisition and growth opportunities may be impacted by capital restrictions and the ability to refinance existing debt instruments and facilities.

Liquidity

The Issuer and the Guarantors may be affected by deterioration in their respective cash flows. The Group manages liquidity on an ongoing basis to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to their reputations. The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities and by continuously monitoring actual and forecast cash flows.

Interest rates

The Group is subject to variability in interest rate movements on its floating rate debt facility. Adverse fluctuations in interest rates, to the extent that they are not hedged, may impact the Group's earnings.

Foreign exchange

The Group has current operations in Australia, New Zealand and South Africa. To the extent that the Issuer's (or a Guarantor's) business is outside of Australia, financial performance may be adversely impacted by unhedged movements in foreign currency exchange rates and the economic conditions in these countries. This risk will increase if expanded offshore businesses contribute a greater proportion of the Issuer's revenue. The Issuer hedges trade exposures in accordance with its Board approved hedging policy.

Debt covenants

The Group has debt facilities in place that are subject to covenant requirements including fixed charge cover, operating leverage and gearing ratios. Factors such as a deterioration in earnings may lead to a breach in covenant requirements. In such an event, the Group's lenders may require their loans to be repaid immediately.

Health, Safety and Environment ("HSE")

If the Group fails to comply with necessary health, safety and environment legislative requirements across the jurisdictions in which it operates, it could result in fines, penalties and compensation for damages as well as reputational damage.

Litigation and disputes

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

Changes in accounting policy

The Group is subject to the usual business risks that may arise from changes in accounting standards issued by AASB, International Financial Reporting Standards or the Corporations Act which have an adverse impact on the Issuer. The introduction of IFRS 16 will lead to an increase in leased assets and financial liabilities on the balance sheet of lessees, and is expected to be material for the Group.

Implications of changes in tax law for the Group or investments in the Issuer

Future changes in Australian or New Zealand taxation law and changes in the interpretation or application of the law by the courts or taxation authorities in Australia or New Zealand, adversely affect:

- the taxation treatment of an investment in the Issuer; and
- the taxation liabilities and tax related obligations of the Group.

Insurance

While insurance policies typically cover against material damage to assets, contract works, business interruption, general and professional liability and worker's compensation, there are certain risks that cannot be mitigated by insurance, either wholly or in part, such as nuclear, chemical or biological incidents or risks where the insurance coverage is reduced or unavailable, such as cyclones or earthquakes. Further, insurance may become more expensive or in some cases, become unavailable.

Cyber-security Risk

Cyber-security threats are constantly evolving and represent a significant risk to any organisation who places reliance on computers, networks, programs, social media, cloud services etc. If the risk materialises it may have an impact on day-to-day operations resulting in financial, reputational and regulatory risks. Although the Group has a cyber-security programme and threat intelligence tools in place to reduce the risk, the evolving nature of cyber-security risks remains a concern.

Specific Risk Factors

Changes in consumer spending

The Group recognises that it is exposed to changes in consumer spending behaviours and cycles, and changes in general consumer demand. A reduction in consumer spending may lead to a decline in sales and profitability. WHL Australasia remains focussed on diversifying earnings to reduce reliance on any one sub-segment. There is a strong focus on developing its online strategy and capitalising its strong brand recognition and loyal customer base.

As a result of high competitive pressure within the retail industry, there is a trend to apply discounts to maintain sales and market share. While WHL Australasia is not immune from this pressure, David Jones and Country Road Group target markets are less susceptible to price due to the respective affluence levels.

David Jones has a number of brands that are only available in David Jones stores, reducing the need to discount to match competitor's pricing for identical products. Furthermore, Country Road Group's direct ownership of its brands allows it to manage pricing carefully and avoid price wars. The Group is also targeting more loyalty-based promotions and less generic discounting.

Changing fashion trends

The Group recognises that its operating and financial performance may be exposed to changes in consumer preferences and consumer trends in fashion. In order to mitigate its exposure to these market dynamics, the Group employs highly experienced buyers and applies consumer data analytics to ensure that its products are suited to the respective target markets.

Brand and reputation risks

The Group represents some of the most trusted and recognised brands in Australia, and generates a considerable level of loyalty, goodwill and trust amongst its customers. A material adverse impact on its brand or reputation could impact its market leading position and in turn its operating and financial performance.

The Group pro-actively manages risks to its brand and reputation by maintaining policies and charters that are focused on ensuring it delivers the highest level of customer service, and conducts its business in an ethically and socially responsible manner. Furthermore, diversification across its brands (David Jones, Country Road, Mimco, Witchery, Politix and Trenergy) minimises the risk of reputational issues impacting WHL.

Online competition

The Group operates in a competitive market and is subject to competition from both existing traditional bricks and mortar competitors and potential new entrants, as well as through online channels.

In recent years, the Group has invested in its multi-channel customer offering which has resulted in growing online sales for both David Jones and Country Road Group.

Loss of supplier relationships

The Group notes that operating and financial performance may be adversely impacted by the loss of certain supplier relationships.

Maintaining extensive number of relationships with suppliers globally, including both leading domestic and international brands mitigates its exposure to any single supplier or product line / brand.

The Group has a very experienced buying team that places a strong focus on fostering strong supplier relationships for the benefit of both parties. This ensures continuity and quality of supply for the Group.

Increase in costs of doing business ("CODB")

A material increase in CODB without the corresponding increase in earnings may adversely impact the financial performance of the Issuer. The Issuer maintains a prudent approach to financial risk, which includes close management of CODB as a % of sales across all of its business lines. If certain costs are deemed to be outside an acceptable level, the Group will consider all options to reduce the costs base, this includes closing underperforming stores.

The Issuer recognises that continued investment in its people and offering is necessary to not only deliver a sustainable return to its shareholders, but to also ensure it can maintain its leading market position within the segments it operates within.

Increase in store rental expenses

The Group leases the majority of its premises, such that escalations in rental expense may have an adverse impact on its operating results and financial performance.

Historically, David Jones signed long term leases, however the approach has been to sign shorter leases, with extension options. David Jones is also looking to reduce its physical store size and optimise its footprint, which will reduce the overall store rental expense.

Disruption to trading due to store refurbishment

The performance of the Group may be impacted by the refurbishment of its stores from time to time. The trading ability of refurbishment of stores may impact sales while costs associated with the refurbishment may deviate from budgeted or expected amounts.

Risk Factors Relating to the Market

The Issuer is also subject to general risks factors outside the control of the Issuer which may have a significant impact on the future performance of the Issuer. These risk factors include but are not limited to the following:

- economic conditions in Australia and internationally may have a negative impact on capital markets;
- many developed economies face major structural issues, particularly high sovereign debt levels;
- markets are likely to remain volatile for some time given international financial conditions;
- earnings of companies in Australia which in the medium term may be negatively impacted by the general weakness in economic conditions;
- a slowdown in emerging markets, including China, may impact economic growth in Australia;
- changes in investor sentiment and perceptions in local and international stock markets;
- changes in interest rates, exchange rates and the rate of inflation;
- changes in domestic or international fiscal, monetary, regulatory and other government policies; and
- geo-political conditions such as acts or threats of terrorism, military conflicts or international hostilities.

Risk Factors Relating to the Notes

Suitability risk

Each potential investor in the Notes should determine the suitability of an investment in the Notes in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Issuer may default on payment

Depending upon its performance and financial position, the Issuer may default on payment of some or all of the interest on the Notes, or repayment of some or all of the outstanding principal amounts of the Notes.

If the Issuer does not pay some or all of the interest or outstanding principal amounts on the Notes as and when payable under the Conditions, then you may not receive some or all of the money you invested in Notes or interest that is due to be paid to you.

Legal investment considerations may restrict certain investments

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

Interest rate risk

Interest on the Notes is payable at a floating rate quarterly in arrears. Adjustment will be made to the rate of interest paid as market-based interest rates rise or fall.

The market price of the Notes may fluctuate due to changes in interest rates generally (see further details below under the heading “Secondary market sales may be made at a discount”).

Liquidity risk

The market for the Notes may not be liquid.

There is currently no secondary market for the Notes and no assurance can be given that a secondary market in the Notes will develop, or, if one does develop, that it will provide liquidity of investment or will continue for the life of the Notes.

If liquidity is low, there is a risk that, if you wish to sell your Notes prior to the Maturity Date, you may not be able to do so at a price acceptable to you, or at all. There is also a risk that the market price will become more volatile in general.

It is not intended that the Notes will be quoted on ASX or any other public stock exchange. The Issuer does not guarantee that you will be able to sell your Notes.

Enforcement of Security Documents

If an Event of Default occurs while any Notes are outstanding, the Security Trustee may and, if directed to do so by the Majority Beneficiaries under the Security Trust Deed will, declare all amounts outstanding under the Notes immediately due and payable and enforce the Security Documents in accordance with the terms of the Security Documents and the Security Trust Deed. That enforcement may include the sale of the Group’s assets.

No assurance can be given that the Security Trustee will be in a position to sell such assets for a price that is sufficient to repay all amounts outstanding in relation to the Notes and other secured obligations that rank ahead of or equally with the Notes.

Neither the Security Trustee nor the Note Trustee will have any liability to the Noteholders in respect of any such deficiency (except in the limited circumstances described in the Security Documents).

If there is a shortfall of funds on winding-up, there is a risk that Noteholders will not receive a full (or any) repayment of their money invested in the Notes or payment of unpaid interest.

Noteholders may only request that their Notes be redeemed early in limited circumstances

Noteholders may only request redemption of their Notes prior to the Maturity Date where there is a Change of Control event. Alternatively, to realise their investment, Noteholders may be able to sell their Notes in the secondary market at the prevailing market price but, depending on market conditions at the time, it is possible that Notes may be trading at a market price below their outstanding principal amount and/or the market for Notes may not be liquid.

Issuer may redeem Notes early in limited circumstances

The Issuer has the right to redeem Notes early if certain tax events occur or on certain Optional Redemption Dates. Depending on market conditions at the time, you may not be able to reinvest the amount you receive on redemption at a similar rate of return to the rate of return you expected on your Notes if you had held them until the Maturity Date.

Issuer may not have resources to redeem the Notes early

The Issuer must redeem the Notes on the request of a Noteholder following a Change of Control or on the occurrence of an Event of Default. The Issuer cannot assure Noteholders that, if required, it would have sufficient cash or other financial resources at any such time or would be able to arrange financing to redeem the Notes in full in these circumstances.

Secondary market sales may be made at a discount

No assurance can be given that it will be possible to effect a sale of the Notes, nor can any assurance be given that, if a sale takes place, it will not be at a discount to the acquisition price or the invested amount of the Notes.

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

- the prevailing interest rates being paid by companies similar to the Issuer;
- credit spreads on other corporate securities;
- the overall condition of the financial and credit markets;

- prevailing interest rates generally and interest rate volatility;
- investor sentiment towards the Issuer;
- the financial condition, performance and prospects of the Issuer and its affiliates;
- general market and economic conditions;
- the publication of earnings estimates or other research reports and speculation in the press or investment community; and
- changes in the industry and competition affecting the Issuer and its affiliates.

Further, Notes may only be transferred in accordance with the Conditions.

Majority Noteholders and Beneficiaries

The Note Trust Deed contains provisions for calling meetings of the Noteholders to consider matters affecting their interests, including proposed amendments or waivers to the terms of the Notes.

These provisions permit defined majorities of the Noteholders to bind all Noteholders in respect of the matters resolved at such meetings, including Noteholders who did not attend or vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. Noteholders may therefore be bound by decisions of the Noteholders that they have voted against or abstained from voting on.

The Security Trust Deed contains similar provisions which require the Security Trustee to seek instructions from the relevant Beneficiaries in relation to decisions affecting their interests, including amendments, waivers and enforcement directions. Subject to limited exceptions, the Security Trustee must generally act on the instructions of the majority Beneficiaries when enforcing securities. Beneficiaries (including the Noteholders) may therefore be bound by decisions of the majority Beneficiaries even though they may have provided enforcement directions in a manner contrary to the majority.

Noteholders may only act through the Note Trustee

All of the rights against the Issuer in connection with the Notes are held by the Note Trustee on behalf of the Noteholders. Accordingly, no Noteholder is entitled to directly enforce any rights, powers or remedies in respect of the Notes, and instead these are exercisable and enforceable by the Note Trustee only. However, a Noteholder may proceed directly against the Issuer to enforce a right or remedy if the Note Trustee, having become bound to proceed, fails to do so within 5 days from the date that the Note Trustee is notified by a Noteholder of the failure, and such failure is continuing.

The Note Trustee may not act if it is not instructed

The Note Trustee need not exercise any of its rights under the Note Trust Deed without receiving specific instructions from the Noteholders.

Change of law

The Conditions are based on Victorian law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to Victorian or Australian law or administrative practice after the date of this Information Memorandum.

Taxation implications for Noteholders

A summary of potential Australian and New Zealand taxation implications for Noteholders is included in the section entitled “*Taxation*” below. This is a general summary and is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, Noteholders should seek independent advice in relation to their own individual taxation circumstances.

Risks related to the enforceability of the Guarantee

The enforceability of the Guarantee is subject to various limitations including:

- statutes of limitations, laws relating to administration, moratoria, bankruptcy, liquidation, insolvency, receivership, reorganisation, schemes of arrangement and similar laws affecting generally creditors’ and counterparties’ rights and specific court orders that may be made under such laws;
- defences such as set-off, laches, forbearance, election, abatement or counterclaim, the doctrine of frustration and the doctrine of estoppel and waiver and the fact that guarantees, security interests and certain other documents and obligations may be discharged as a matter of law in certain circumstances;

- the fact that equitable remedies will only be granted by a court in Australia in its discretion (for example, specific performance will not normally be ordered in respect of a monetary obligation and an injunction will only be granted where it would be just to do so); and
- the Guarantee or a transaction connected with the Guarantee may be voidable at the option of a party, or may be set aside by a court on application by a party, or a party may be entitled to rescind the Guarantee and amounts paid or property transferred under it may be recovered by that party:
 - if that party entered into the Guarantee or transaction as a result of a mistake or another party's misrepresentation or as a result of fraud, duress or unreasonable or unconscionable conduct or misleading or deceptive conduct on the part of another party (or of a third person of which another party has actual or constructive knowledge) or as a result of a breach by another party (or of a third person of which another party has actual or constructive knowledge) of any duty owed to that party; or
 - if that party's entry into the Guarantee or a transaction in connection with it constitutes an 'insolvent transaction' or an 'unfair loan' or an 'unreasonable director-related transaction' within the meaning of sections 588FC, 588FD or 588FDA respectively of the Corporations Act and the party is subsequently wound up.

Risks associated with the giving of the Security

Noteholders will be secured creditors of the Issuer but will rank behind Permitted Security Interests mandatorily preferred by law

If the Issuer becomes unable to meet its obligations or suspends any payments it is required to make, Noteholders' claims will rank after any prior ranking permitted security interest and other liabilities mandatorily preferred by law in any jurisdiction (but equally with the claims of lenders under the Principal Credit Facilities).

If there are insufficient assets to satisfy Noteholders' claims and the claims of lenders under the Principal Credit Facilities after satisfying any such prior ranking Permitted Security Interests, there is a risk that you may lose some or all of the money you invested in the Notes and any interest that has accrued but remains unpaid.

The Security may not be enforceable, or may not have the intended priority in respect of assets outside of Australia

The Issuer and the Guarantors (each a "**Security Provider**") may own assets included in the security to be granted pursuant to the Security Trust Deed and the Security Documents ("**Security**") which are located outside of Australia and New Zealand, including shares in foreign Subsidiaries, during the term of the Notes. The Security will be perfected in accordance with applicable Australian and New Zealand law but will not be perfected in any other jurisdiction. As a result, it is possible that the Security may not constitute an enforceable security interest over assets of the Issuer in jurisdictions outside of Australia or New Zealand or that any such Security may be subject to prior ranking security interests preferred by the law of the jurisdictions in which those assets are located. As a result, Noteholders should not rely upon the ability to enforce the Security in respect of any asset of a Security Provider located outside of Australia or New Zealand.

Administration Risk

The Security to be granted by the Australian Security Providers under the Security Documents will be over all of their assets, subject to carve-outs for commercially agreed and customary exceptions.

These carve-outs may result in the assets secured comprising less than "the whole or substantially the whole of the property" of an Australian Security Provider, which will expose the Noteholders to "administration risk".

This describes the risk for a secured party that its security becomes subject to a moratorium if an administrator is appointed to an Australian company (which the directors of a company are likely to do if the company is or is likely to become insolvent). Subject to the consent of the administrator or court order, a secured creditor is not entitled to enforce its security during the moratorium.

The risk is usually addressed by the secured party taking security over all, or substantially all, of the Australian company's assets. This is because a secured party who holds perfected security over all, or substantially all, of an Australian company's assets is permitted to enforce its security and appoint a receiver within 13 business days of the administrator's appointment.

Where, as in this case, certain assets of the Australian Security Providers are excluded from the scope of the security (because, for example, the grant of such securities would trigger a termination right under a material contract, an alternative to taking a security over all present and future assets is to take specific security over agreed assets and a "featherweight" security interest over all of that Australian Security Provider's other assets. The "featherweight" will usually only secure a nominal sum, be last ranking and enforceable only on the appointment of an administrator.

Although the Security includes a featherweight security interest, there is no guarantee that this will remove administration risk for the Noteholders entirely.

The realisation of the Security following an Event of Default may not be sufficient to repay the principal outstanding amounts on the Notes and any accrued but unpaid interest

Upon an enforcement of the Security following an Event of Default and subject to the enforceability and ranking of the Security in the applicable jurisdictions, Noteholders will have access to the property secured by the Security. This property consists of all of the Security Provider's present and after acquired property, subject to commercially agreed and customary exceptions. Initially, this will comprise:

- freehold property owned by the Security Providers (other than Bourke Street Menswear); and
- cash, receivables and inventory.

The realisable value of the freehold property at the time of an Event of Default may not reflect the long-term value of such property. Such property holdings are highly illiquid and may require substantial further funding in order to realise any value from them.

In relation to security over cash, receivables and inventory, there are no restrictions in the Transaction Documents on a Security Provider's ability to deal with these assets in the ordinary course of its business and hence there can be no assurance with regard to a Security Provider's cash or inventory levels from time to time or the realisable value of these assets which, in the case of receivables, will be subject to credit risk.

Based on the above, there is no assurance or guarantee that the value of the Security upon realisation would be sufficient to repay the outstanding principal amounts and any accrued but unpaid interest on the Notes.

The Notes ranks equally with First Lien Secured Debt and will rank equally with any further Notes issued under the Note Trust Deed pursuant to permitted secured financing arrangements

Other than indirectly via the financial covenant set out in Condition 5.2 ("Financial Covenant"), neither the Issuer nor a Guarantor is restricted under the Note Trust Deed or the Conditions from creating or issuing any further Notes or incurring additional secured Financial Indebtedness which would rank equally with the Notes

The issue of further Notes or the incurrence of any secured Financial Indebtedness would increase the risk of there being insufficient assets to satisfy in full Noteholders' claims and those of other secured creditors ranking *pari passu* with the Noteholders and hence there is a risk that a Noteholder may lose some or all of the money invested in Notes and any interest that has accrued but remains unpaid.

Risks associated with Personal Property Securities Act 2009 ("PPSA")

The PPSA regime commenced operation throughout Australia on 30 January 2012 pursuant to the PPSA which established a national system for the registration of security interests in personal property and introduced rules for the creation, priority and enforcement of security interests in personal property. There is uncertainty on aspects of the PPSA regime because the PPSA significantly alters the law relating to secured transactions. There are issues and ambiguities in respect of which a market view or practice will evolve over time.

Security interests for the purposes of the PPSA include traditional securities over personal property such as charges and mortgages and other transactions that, in substance, secure payment or performance of an obligation but may not have previously been legally classified as securities under general law (for example, hire purchase agreements, leases such as finance leases and capital leases, retention of title arrangements, flawed asset arrangements and turnover trusts). Further, certain other interests are deemed to be security interests whether or not they secure payment or performance of an obligation (for example, the interest of a lessor under a lease of goods for a term of more than one year or the assignee of certain receivables).

A person who holds a security interest under the PPSA is not obliged to register (or otherwise perfect) the security interest. However, if they do not do so:

- another security interest may take priority;
- another person may acquire an interest in the assets which are subject to the security interest free of their security interest; and
- except in limited cases, they may not be able to enforce the security interest against a grantor who becomes insolvent (because the security interest will vest in the grantor).

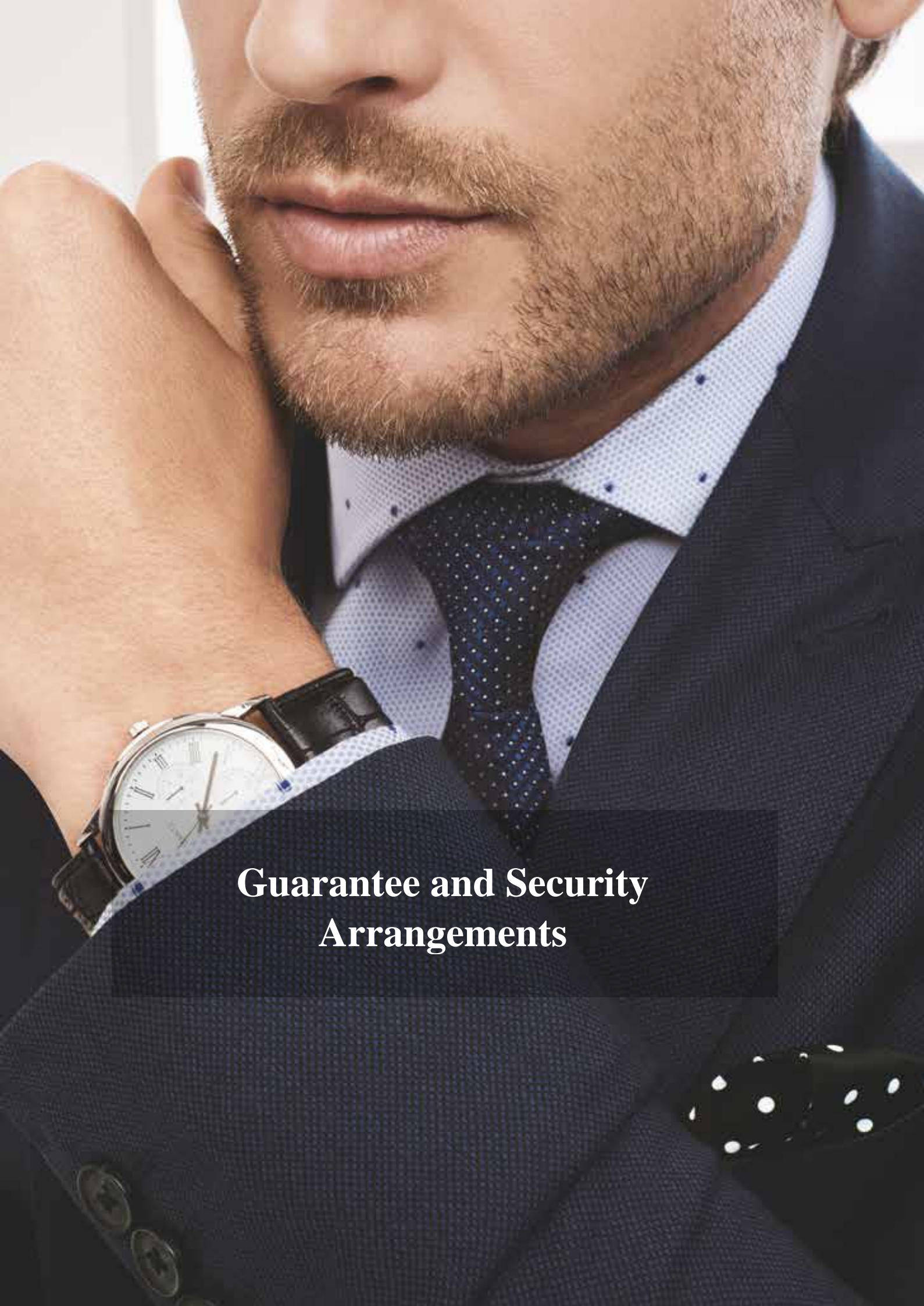
Risks associated with Personal Property Securities Act 1999 of New Zealand

The PPSA NZ regime commenced operation in New Zealand on 1 May 2002 and established a national system for the registration of security interests in personal property and introduced rules for the creation, priority and enforcement of security interests in personal property.

Security interests for the purposes of the PPSA NZ include traditional securities over personal property such as charges and mortgages and other transactions that, in substance, secure payment or performance of an obligation. In addition, certain other interests are deemed to be security interests whether or not they secure payment or performance of an obligation (for example, an interest created or provided for by a transfer of an account receivable or chattel paper, a lease for a term of more than one year and a commercial consignment).

A person who holds a security interest under the PPSA NZ is not obliged to register (or otherwise perfect) the security interest. However, if they do not do so:

- another security interest may take priority;
- another person may acquire an interest in the assets which are subject to the security interest free of their security interest; and
- in limited cases (such as when perfection is required by possession), they may not be able to enforce the security interest against a grantor.



**Guarantee and Security
Arrangements**

Guarantee and Security Arrangements

This section contains a summary of the Security Trust Deed, each Security Document and the Guarantee. This summary is qualified in its entirety by reference to the provisions of the Conditions of the Notes, the Security Trust Deed, each Security Document, the Guarantee and to any other underlying documents described elsewhere in this Information Memorandum.

Capitalised terms used in this section have the meaning given to them in the Note Trust Deed or the Security Trust Deed, unless otherwise defined.

Guarantee from the Guarantors

Under the terms of the Guarantee, each Guarantor will unconditionally and irrevocably guarantee on a joint and several basis to the Note Trustee and each Noteholder, the due and punctual performance by the Issuer of all of the Issuer's obligations owed to the Note Trustee and to such Noteholder pursuant to each Note held by that Noteholder.

The obligations of each Guarantor under the Guarantee will be direct, senior, unsubordinated and, once the Security Trust Deed and the Security Documents are entered into in accordance with Condition 5.6(a) ("Other covenants"), secured obligations of that Guarantor and will at all times rank equally among themselves and at least equally with all other present and future direct, senior, unsubordinated and (once secured as noted above) secured obligations of that Guarantor, but subject to any prior ranking permitted security interest and except for liabilities mandatorily preferred by law.

The obligations of each Guarantor under the Guarantee will also rank at least equally with the relevant Guarantor's obligations under the Issuer's Principal Credit Facilities.

Risks related to the enforceability of the Guarantee

The enforceability of the Guarantee is subject to various limitations (see the section entitled "*Investment Risks*" above).

Security

The Issuer has undertaken that, within 90 calendar days of the Issue Date, it shall enter into (and ensure that each Initial Guarantor enters into) the Security Trust Deed and the Security Documents (collectively, the "**Security**"). By the express terms of the Security Trust Deed, immediately on the execution and delivery of the Security Documents (and without any further action required from the Noteholders or the Note Trustee, the Noteholders and the Note Trustee will be designated as "First Lien Beneficiaries". Upon such designation, the obligations of the Issuer under the Notes and of the Guarantors under the Guarantee will be secured by first ranking security interests granted by the Issuer and the Initial Guarantors in favour of the Security Trustee.

The Security initially includes:

- (a) general security interests over each of the Issuer's and each Initial Guarantor's present (and after-acquired) assets, subject to commercially agreed and customary exceptions, perfected by registration on the security registers established and maintained under the PPSA (Aus) and PPSA (NZ); and
- (b) real property mortgages over the following freehold properties owned by the Group:
 - the department store property located at 84-110 Castlereagh Street, Sydney (folio identifiers 1/34666 and 1/74609) (also known as the "Elizabeth Street store");
 - the department store property located at 310 Bourke Street, Melbourne (volume 10411 folio 954) (also known as "Bourke Street Womenswear"); and
 - the property described in, certificate of title volume 11302 folio 612 and volume 11325 folio 241 (also known as the "Distribution Centre"),

in each case, perfected by registration on the applicable land title registers.

The obligations of the Issuer under the Notes and of the Guarantors under the Guarantee will also rank at least equally with the Issuer's and Guarantor's obligations under the Principal Credit Facilities, and in priority to any future obligations which are secured by second ranking security interests under the Security Trust Deed.

Beneficiaries under the Security Trust Deed

The Security will be granted in favour of the Security Trustee, who will hold it on trust for the Beneficiaries in accordance with the terms of the Security Trust Deed. The Security Trustee, the Note Trustee and the Noteholders are (amongst others) Beneficiaries for the purposes of the Security Trust Deed.

Instructions by Beneficiaries under the Security Trust Deed

The rights under the Security will be granted in favour of the Security Trustee. The Security Trust Deed will provide that, in the exercise of all such rights, the Security Trustee must act in accordance with the instructions of a Beneficiary (or a class or category of them), the Majority Beneficiaries or all Beneficiaries as specified in the Security Trust Deed.

If an event of default occurs under any Finance Document (including the Principal Credit Facilities or the Notes), the Security Trustee will (acting on the instructions of the relevant Beneficiaries, where required) be able to declare the relevant secured moneys immediately due and payable and appoint or remove a receiver. In addition, the Security Trustee may generally take steps to enforce the Security or any Security Document at the direction of the Majority Beneficiaries. In limited circumstances, certain Beneficiaries (which may include the Noteholders and the Note Trustee) will be able to control security enforcement by the Security Trustee regardless of whether they constitute Majority Beneficiaries.

If an event of default has occurred in respect of any Second Lien Secured Debts, on expiry of a standstill period of 180 days from the date the Security Trustee receives notice of such default, the Security Trustee must commence enforcement action on instruction of the Majority Second Lien Beneficiaries. If enforcement action has been commenced by the Security Trustee acting on the instructions of the Majority Second Lien Beneficiaries, the Majority First Lien Beneficiaries (which includes the Noteholders and Note Trustee) are able to instruct the Security Trustee in the manner of continuing that enforcement action to the exclusion of the Second Lien Beneficiaries.

For these purposes, the “**Majority Beneficiaries**” will mean, while there is any First Lien Secured Debt outstanding, the Majority First Lien Beneficiaries, or otherwise, the Majority Second Lien Beneficiaries. The “**Majority First Lien Beneficiaries**” means, one or more First Lien Beneficiaries (which include the Note Trustee and the Noteholders) whose aggregate Exposures as a percentage of the Exposures of all First Lien Beneficiaries exceed 66⅔% and the “**Majority Second Lien Beneficiaries**” means one or more Second Lien Beneficiaries whose aggregate Exposures as a percentage of the Exposures of all Second Lien Beneficiaries exceed 50%.

In the absence of instructions to enforce the Security or any Security Document, the Security Trustee will not be obliged to take any enforcement action. However, if the Security Trustee receives notice that an administrator has been appointed to the Issuer or the Guarantors (each a “**Security Provider**”) by a third party, and the Security Trustee has not received instructions in time to enable it to appoint a receiver under the relevant Security within the ‘decision period’ (as defined in the Corporations Act), the Security Trustee may appoint a receiver within that decision period.

Procedures for seeking instructions under the Note Trust Deed

If the Security Trustee requests instructions from the Note Trustee, the Note Trustee will:

- convene a meeting of the Noteholders to seek a Noteholders Resolution or a Special Resolution, or otherwise obtain instructions from the Noteholders (including by way of a Circulating Resolution);
- calculate the Exposures of the Noteholders; and
- provide instructions to the Security Trustee for such purposes by directing or instructing (or voting) the aggregate Exposures of the Notes for or against the taking of any action in accordance with the instructions the Note Trustee received from the Noteholders under the Note Trust Deed.

If the Noteholders vote in favour of or against the relevant decision, the Note Trustee will advise the Security Trustee whether the Noteholders are in favour of or against the decision and vote the whole Exposure of the Noteholders as a block.

If the Security Trustee requests for instructions relating to the taking of enforcement action from the Note Trustee and the Note Trustee does not instruct the Security Trustee within 10 Business Days, the Noteholders’ Exposure is taken to be zero and be disregarded.

Distribution of recovered moneys

Under the Security Trust Deed, the Security Trustee will apply all money received or recovered by it which is available for distribution to the Beneficiaries in the following order of priority:

- first, all amounts which, to the extent required by law, have priority over the payments below;
- second, all fees, costs, charges and expenses (including any GST) of the Security Trustee, Receiver or Attorney incurred in or incidental to the exercise or performance or attempted exercise or performance of any power (in that order) plus any interest which has accrued with respect to such amounts;

- third, in payment of all costs, fees, charges, losses and liabilities and expenses of the Security Trustee or any Representative in connection with their roles as such incurred under the Security Trust Deed or any other Finance Document;
- fourth, in payment of any other outgoings the Security Trustee, Receiver or Attorney thinks fit to pay;
- fifth, in payment to the Receiver of his remuneration;
- sixth, in payment and discharge, in order of their priority, of any Security Interests of which the Security Trustee, Receiver or Attorney is aware and which have priority to the Security of the relevant Security Provider, but only to the extent of that priority;
- seventh, in or towards payment or repayment of the First Lien Secured Debt owing to each First Lien Beneficiary in accordance with the following order of priority in rateable proportions:
 - first, towards payment of all costs, fees, charges and expenses of First Lien Beneficiaries owing under the First Lien Finance Documents, rateably amongst the First Lien Beneficiaries according to such amounts owing to them;
 - second, towards payment of outstanding Interest Expense owing to First Lien Beneficiaries under the First Lien Finance Documents, rateably amongst the First Lien Beneficiaries according to such amounts owing to them;
 - third, towards payment of principal amounts outstanding under First Lien Finance Documents and unpaid amounts under Hedge Agreements, rateably amongst the First Lien Beneficiaries according to such amounts owing to them; and
 - fourth, towards payment of any other First Lien Secured Debt then owing, rateably among First Lien Beneficiaries according to such amounts owing to them;
- eighth, in or towards payment or repayment of the Second Lien Secured Debts owing to each Second Lien Beneficiary in accordance with the following order of priority in rateable proportions:
 - first, towards payment of all costs, fees, charges and expenses of Second Lien Beneficiaries owing under the Second Lien Finance Documents, rateably amongst the Second Lien Beneficiaries according to such amounts owing to them;
 - second, towards payment of outstanding Interest Expense owing to Second Lien Beneficiaries under the Second Lien Finance Documents, rateably amongst the Second Lien Beneficiaries according to such amounts owing to them; and
 - third, towards payment of any other Second Lien Secured Debts then owing, rateably among Second Lien Beneficiaries according to such amounts owing to them;
- ninth, in payment only to the extent required by law, in order of their priority, of other Security Interests in respect of the Secured Property of the relevant Security Provider of which the Security Trustee, Receiver or Attorney is actually aware and which are then due and payable in accordance with their terms; and
- tenth, once the Secured Moneys are Finally Paid, in payment of the surplus, if any, without interest to the relevant Security Provider. The Security Trustee, Receiver or Attorney may pay the surplus to the credit of an account in the name of the relevant Security Provider in the books of any bank carrying on business within Australia and having done so is under no further liability in respect of that surplus.

Notwithstanding the above, amounts distributed in accordance with the Security Trust Deed to the extent payable in respect of Notes will be paid to the order of the Note Trustee (as required under the Note Trust Deed) and distributed by it in the order described in the Note Trust Deed.

Release of security to give effect to permitted disposals

If requested in accordance with the Security Trust Deed, the Security Trustee will be required, to release Security or any relevant Security Provider to the extent necessary to give effect to a permitted asset disposal provided no event of default has or will occur under the Principal Credit Facilities (which includes an Event of Default under the Notes). All other releases of Security are generally subject to the consent of all of the Beneficiaries.

Indemnity in favour of the Security Trustee

The Security Trustee will have the benefit of an indemnity from the assets of the security trust for all liabilities and expenses incurred by it, and any actions, proceedings, costs, claims and demands arising in relation to its role as security trustee, subject

to customary exceptions for fraud, wilful default or gross negligence. The Beneficiaries will also be obliged indemnify the Security Trustee for any liability it incurs in the performance of its role as security trustee and any amounts owing and unpaid following the termination of its appointment.

PPSA

To the extent the Security includes a security interest under the PPSA, the Security Trustee will need to register the Security to eliminate priority, taking free and vesting risk (see the section entitled “*Investment Risks*” for further details).

Limitation of liability of Security Trustee

The Security Trustee and its authorised officers, employees, directors, agents, successors or attorneys are not liable to the Beneficiaries for a broad range of matters, subject to customary exceptions for fraud, wilful misconduct and negligence. This includes any matter or thing done, or not done, by it or them in relation to any Security or other finance documents.

Risks related to the Security

The ability of the Noteholders to rely on the Security is subject to various limitations (see the section entitled “*Investment Risks*” for further details).



Conditions

Conditions

The following are the Conditions which, as supplemented, amended, modified or replaced in relation to any Tranche of Notes by the relevant Pricing Supplement, will apply to that Tranche of Notes. References to a “Pricing Supplement” in these Conditions do not limit the provisions which may be supplemented, amended, modified or replaced by the Pricing Supplement.

The Notes are constituted by the Note Trust Deed. Each Noteholder, and any person claiming through or under any Noteholder, is entitled to the benefit of, is bound by and is deemed to have notice of, all of the provisions of the Note Trust Deed, the Security Trust Deed, each Security Document, these Conditions and the relevant Pricing Supplement. Each such person is also deemed to have notice of the Information Memorandum. Copies of each such document are available for inspection at the Specified Office of the Issuer and the Note Trustee.

1. Interpretation

1.1 Terms defined in Pricing Supplement

Terms which are specified in the Pricing Supplement as having a defined meaning have the same meaning when used in these Conditions.

1.2 Definitions

In these Conditions, the following meanings apply unless the contrary intention appears:

AASB means the Australian Accounting Standards Board;

Accounting Standards means the accounting principles and practices as prescribed by the AASB and required to be complied with by the Group in accordance with laws, as may be varied from time to time;

Accounts means, in relation to an entity, the following financial statements and information in relation to that entity:

- (a) a statement of financial performance;
- (b) a statement of financial position; and
- (c) a statement of cash flow,

and notes ancillary to and forming part of these statements and any accompanying reports, statements or declarations. It includes the Combined Accounts;

Agency Agreement means:

- (a) the agreement entitled “Agency and Registry Services Agreement” between the Issuer, the Registrar, the Issuing & Paying Agent and the Calculation Agent dated 15 November 2019;
- (b) any other agreement between the Issuer and a Registrar in relation to the establishment and maintenance of a Register (and/or the performance of any payment or other duties) for any issue of the Notes; and/or
- (c) any other agency agreement entered into between the Issuer and an agent in connection with any issue of the Notes;

Agent means each of the Registrar, the Issuing & Paying Agent, the Calculation Agent and any other agent appointed under an Agency Agreement, or any of them as the context requires;

Associate has the meaning given to that term in the Corporations Act;

Austraclear means Austraclear Ltd (ABN 94 002 060 773);

Austraclear Regulations means the regulations known as “Austraclear Regulations” together with any instructions or directions established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

Austraclear System means the clearing and settlement system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between participants of that system;

Bourke Street Menswear means the David Jones Menswear store which is located at 299 Bourke Street, Melbourne, Victoria 3000 (as more particularly described in certificates of title volume 10275 folios 384, 385 and 386);

Business Day means a day (not being a Saturday, Sunday or public holiday in the relevant place) on which banks are open for general banking business in Melbourne, Sydney and, if a Note held in the Austraclear System is to be issued or payment made in respect of a Note held in the Austraclear System on that day, a day on which the Austraclear 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, where specified, **Modified Following Business Day Convention** means that the date is postponed to the first following date 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;

Calculation Agent means Perpetual Trustee Company Limited (ABN 42 000 001 007);

Calculation Date means each 30 June and 31 December each year (or, in each case, the day around that date that represents the last Saturday of each Group's trading calendar half year or full year (as applicable));

Code means the United States Internal Revenue Code of 1986;

Combined Accounts means, for a period:

- (a) prior to completion of the Permitted Restructure, the Group's Accounts, substantially in the form set out in schedule 7 to the Note Trust Deed; and
- (b) on and from completion of the Permitted Restructure, the consolidated Accounts of the Restructured Group,

in each case, for that period;

Combined Group means, collectively, the Group Members;

Compliance Certificate has the meaning given in Condition 5.7 ("Covenant testing");

Conditions means, in relation to the Notes, these terms and conditions as amended, supplemented, modified or replaced by the Pricing Supplement applicable to such Notes and references to a particular numbered Condition shall be construed accordingly;

Corporations Act means the Corporations Act 2001 of Australia;

Country Road means Country Road Group Pty Ltd (ACN 006 759 182);

Country Road Group means the corporate group comprising Country Road and its Subsidiaries;

David Jones Group means the group comprising DJS Holdco and its Subsidiaries;

Day Count Fraction means, in respect of the calculation of interest on a Note for any period of time ("Calculation Period"), the day count fraction specified in the Pricing Supplement. Where "Actual/365 (Fixed)" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;

December Calculation Date means each 31 December in each year (or, the day around that date that represents the last Saturday of each Group's trading calendar for the half year);

Denomination means A\$1,000, being the notional face value of a Note;

Dispose means to sell, assign, transfer, or otherwise dispose of an asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions) and **Disposal** has a corresponding meaning. For the avoidance of doubt, a Disposal does not include the payment of cash;

DJS Holdco means Osiris Holdings Pty Ltd (ACN 168 919 391);

EBITDA means, for a relevant period, the aggregate net income of the Group, as derived from the Combined Accounts, for the preceding 12 month period, and adjusted so as to exclude the effect of income tax expense, net finance charges, depreciation and amortisation, and any amounts pursuant to the any employee equity incentive plan (other than any amounts of depreciation and amortisation or notional interest in connection with Operating Leases). For the avoidance of doubt, **EBITDA** includes distributions received in cash (including those in the nature of interest) and includes such amounts from Associates, but excludes:

- (a) extraordinary or significant items;

- (b) equity account profits and losses;
- (c) amortisation or impairment of assets;
- (d) expensed acquisition or Disposal costs;
- (e) acquisition accounting adjustments; and
- (f) any other non-cash adjustments in accordance with the Accounting Standards,

and provided that amounts added back pursuant to paragraphs (d) and (e) above in aggregate shall not exceed A\$30,000,000;

EBITDAR means, on any date, the aggregate of:

- (a) EBITDA;
- (b) Rent Expense; and
- (c) outgoings paid or incurred in relation to Operating Leases (excluding leases of real property),

in each case, for the 12-month period ending on that date;

Equity Contribution means:

- (a) all forms of equity contributions to a Holdco including by way of subscriptions for ordinary, preference share or redeemable; and
- (b) any Shareholder Debt;

Event of Default means the happening of any event set out in Condition 10 (“Events of Default”);

Executive Officer means a person with the title ‘Managing Director’, ‘Finance Director’, ‘Chief Executive Officer’, ‘Chief Financial Officer’, ‘Chief Operating Officer’, ‘Group Treasurer’ or ‘Group Financial Controller’, in any case, of WHL or the Group;

FATCA means:

- (a) sections 1471 to 1474 of the Code as of the date hereof (or any amended version that is substantively comparable and not materially more onerous to comply with) or any associated regulations;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above, with the United States of America Internal Revenue Service, the United States of America government or any governmental or taxation authority in any other jurisdiction;

Fifth Optional Redemption Date means the date so specified in the Pricing Supplement;

Finance Leases means any liability in connection with a lease or hire purchase agreement under which, in accordance with Accounting Standards, the liability would be treated as a balance sheet liability, but does not include an Operating Lease;

Financial Covenant means the covenants set out in Condition 5.2 (“Financial Covenant”);

Financial Indebtedness means any indebtedness present or future, actual or contingent, including:

- (a) moneys borrowed under a debt facility;
- (b) any amount raised under any acceptance credit, bill acceptance or bill endorsement facility;
- (c) any amount raised under or pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any Finance Lease;

- (e) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis);
- (f) any redeemable shares where the holder has the right, or the right in certain circumstances, to require redemption;
- (g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (h) consideration for the acquisition of assets or services payable more than 180 days after the time of acquisition;
- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j);

but for the avoidance of doubt does not include any indebtedness under an Operating Lease.

First Optional Redemption Date means the date so specified in the Pricing Supplement;

Fixed Charge Cover Ratio means the ratio of:

- (a) EBITDAR; to
- (b) Fixed Charges;

Fixed Charges means, on any date, the aggregate of:

- (a) Net Interest Expense;
- (b) Rent Expense; and
- (c) outgoings paid or incurred in relation to Operating Leases (excluding leases of real property),

in each case for the 12-month period ending on that date;

Fourth Optional Redemption Date means the date so specified in the Pricing Supplement;

Government Agency means any government or any governmental, semi-governmental or judicial body or authority. It includes any self-regulatory organization established under statute or any stock exchange;

Group means:

- (a) prior to completion of the Permitted Restructure, collectively, the Country Road Group, the David Jones Group, WIA1 and WIA2; and
- (b) on and from completion of the Permitted Restructure, the Restructured Group;

Group Member means a member of the Group;

GST has the same meaning as in the A New Tax System (Goods and Services Tax) Act 1999 of Australia or the Goods and Services Tax Act 1985 of New Zealand (as applicable);

Guarantee means the guarantee of the Notes set out in the Note Trust Deed;

Guarantors means the Initial Guarantors and each other entity that has provided a Guarantee of the Notes (and has not been released from such Guarantee) under the Guarantee from time to time;

Holdco means DJS Holdco, WIA1 and WIA2 (and, on and from its incorporation and completion of the Permitted Restructure, "Holdco" shall instead mean NewCo);

Information Memorandum means the information memorandum, disclosure document or other offering document referred to in a Pricing Supplement in each case prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of the Notes and all documents incorporated by reference in it;

Initial Guarantors means:

- (a) 299-307 Bourke Street Pty. Ltd. (ACN 006 489 069);
- (b) Aherns Holdings Pty. Ltd. (ACN 008 666 831);
- (c) Ahern's (Suburban) Pty Ltd (ACN 008 749 675);
- (d) Akitin Pty Limited (ACN 092 452 054);
- (e) Buckley & Nunn Pty. Limited (ACN 004 079 832);
- (f) David Jones (Adelaide) Pty. Limited (ACN 007 870 939);
- (g) David Jones Credit Pty. Limited (ACN 008 603 138);
- (h) David Jones Employee Share Plan Pty Limited (ACN 069 691 318);
- (i) David Jones Financial Services Limited (ACN 007 645 427);
- (j) David Jones Insurance Pty. Limited (ACN 000 947 722);
- (k) David Jones Properties Pty Limited (ACN 066 327 366);
- (l) David Jones Properties (Queensland) Pty. Limited (ACN 069 716 249);
- (m) David Jones Properties (South Australia) Pty Limited (ACN 070 196 280);
- (n) David Jones Properties (Victoria) Pty Limited (ACN 070 142 086);
- (o) David Jones Pty Limited (ACN 000 074 573);
- (p) David Jones Share Plans Pty. Limited (ACN 082 931 413);
- (q) Helland Close Pty. Ltd. (ACN 007 264 351);
- (r) John Martin Retailers Pty. Limited (ACN 007 605 674);
- (s) Osiris Holdings Pty Ltd (ACN 168 919 391);
- (t) Speertill Pty. Ltd (ACN 006 855 483);
- (u) Vela Investments Pty Ltd (ACN 168 920 447);
- (v) David Jones (NZ) Pty Limited (NZ Company No. 5826749);
- (w) Cicero Clothing Pty. Ltd. (ACN 614 757 327);
- (x) Country Road Group Pty Ltd (ACN 006 759 182);
- (y) Country Road Clothing Pty. Ltd. (ACN 005 419 447);
- (z) CRG Logistics Pty Limited (ACN 168 785 671);
- (aa) Mimco Pty Ltd (ACN 067 573 291);
- (bb) Witchery Australia Holdings Pty Limited (ACN 120 925 368);
- (cc) Witchery Holdings Pty Ltd (ACN 120 830 613);
- (dd) Witchery Fashions Pty. Ltd. (ACN 006 897 230);
- (ee) Woolworths International (Australia) Pty Ltd (ACN 078 178 220);
- (ff) Woolworths International (Australia) II Pty Limited (ACN 600 437 063);
- (gg) Country Road Clothing (N.Z.) Limited (NZ Company No. 18492);

- (hh) Mimco (NZ) Limited (NZ Company No. 2347128);
- (ii) Politix (NZ) Limited (NZ Company No. 6835653); and
- (jj) Witchery Fashions (NZ) Limited (NZ Company No. 1957250);

Insolvency Event means, in respect of a corporation:

- (a) a person is unable to pay its debts as they fall due or is insolvent within the meaning of applicable legislation.
- (b) a person stops or suspends the payments of its debts.
- (c) an administrator, receiver, controller, provisional liquidator, liquidator, is appointed or analogous process, in respect of the whole or a substantial part of its assets.
- (d) a person makes an application, or judgment is obtained or order, or a Security Interest is enforced or becomes enforceable against of any of its assets in aggregate exceeding A\$30,000,000 (or its equivalent) and this is not discharged or stayed within 20 Business Days.
- (e) a person makes or enters into an assignment, scheme, arrangement, deed of company arrangement or composition for the benefit of its creditors generally (other than a solvent scheme of arrangement);
- (f) an encumbrance takes possession of a person's undertaking or property and the value of such undertaking or property exceeds A\$30,000,000; and
- (g) any event occurs which is analogous to anything referred to above in paragraphs (a) to (f) above or which has similar effect;

Interest Commencement Date means, for a Note, the Issue Date of the Note or any other date so specified in, or determined in accordance with, the Pricing Supplement;

Interest Expense means, in respect of a period, the interest expense of the Group, as derived from the Combined Accounts and incurred in relation to Financial Indebtedness for that period, and includes commitment fees, line fees, and any other analogous amounts, but excludes:

- (a) establishment, underwriting, arranging and any other one off fees and related reimbursable expenses in relation to the provision of, or any extension of, or refinancing of Financial Indebtedness;
- (b) any amounts paid or payable in respect of Equity Contributions; and
- (c) any capitalised, deferred or suspended interest;

Interest Payment Date means each date so specified in the Pricing 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 or, if redeemed earlier, an Optional Redemption Date;

Interest Rate means, in respect of a Note, the interest rate (expressed as a percentage per annum) payable in respect of that Note specified in the Pricing Supplement or calculated or determined in accordance with these Conditions and the Pricing Supplement;

Issue Date means the date on which a Note is, or is to be issued, as specified in, or determined in accordance with, the Pricing Supplement;

Issuer means David Jones Finance Pty Limited (ABN 77 069 692 155);

Issuing & Paying Agent means Perpetual Trustee Company Limited (ABN 42 000 001 007);

June Calculation Date means each 30 June in each year (or, the day around that date that represents the last Saturday of each Group's trading calendar for the full year);

Margin means the margin so specified in the Pricing Supplement;

Maturity Date means the date so specified in the Pricing Supplement;

Meeting Provisions means the provisions relating to meetings of Noteholders set out in the Note Trust Deed;

Net Interest Expense means, for a period, Interest Expense for that period net of any interest received by the Group for that period;

Net Proceeds means the proceeds from the Disposal net of:

- (a) Tax incurred or reserved for in respect of the Disposal; and
- (b) all other reasonable costs associated with the Disposal;

NewCo has the meaning given in the definition of “Permitted Restructure”;

Non-Recourse Receivable Funding means all Financial Indebtedness of a Group Member in respect of which the person to whom such Financial Indebtedness is or may be owed has (subject to customary exceptions, such as fraud, negligence and wilful default by that Group Member) no recourse to that or any other Group Member for the payment of any sum relating to such Financial Indebtedness other than recourse to Receivables;

Note means a medium-term debt obligation specified in a Pricing Supplement and issued or to be issued by the Issuer which is constituted by, and owing under the Note Trust Deed, the details of which are recorded in, and evidenced by, entry in the Register;

Note Trust Deed means the document entitled “Note Trust Deed” dated 15 November 2019 and executed by, amongst others, the Issuer, the Guarantors and the Note Trustee;

Note Trustee means Perpetual Corporate Trust Limited (ABN 99 000 341 533) in its capacity as trustee of the David Jones Finance Note Trust constituted by the Note Trust Deed or such other person appointed under the Note Trust Deed as trustee of the David Jones Finance Note Trust;

Noteholder means, in respect of a Note, the person whose name is entered in the Register as the holder of that Note;

Offshore Associate means an “associate” (as defined in section 128F(9) of the Income Tax Assessment Act 1936 of Australia) of the Issuer that is either:

- (a) a non-resident of Australia that, if it acquires the Notes or an interest in the Notes, would not acquire the Notes or an interest in the Notes in carrying on a business at or through a permanent establishment of the associate in Australia; or
- (b) a resident of Australia that, if it acquires the Notes or an interest in the Notes, would acquire the Notes or an interest in the Notes in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country,

and which does not acquire a Note or an interest in the Notes in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme;

Operating Lease means a lease which in accordance with Accounting Standards prior to 1 January 2019, would be classified as an operating lease and for which a “right of use” asset and “right of use” liability is recognised;

Optional Redemption Date means the First Optional Redemption Date, the Second Optional Redemption Date, the Third Optional Redemption Date, the Fourth Optional Redemption Date or the Fifth Optional Redemption Date;

Payment Date means, as applicable, the Maturity Date, an Interest Payment Date or other relevant date on which a payment in respect of a Note is due;

a **Permitted Disposal** has the meaning given to it in Condition 5.4 (“Disposals”);

a **Permitted Restructure** means the solvent corporate reconstruction of the David Jones Group and Country Road Group in order to create a single accounting group in Australia and effected by:

- (a) the repositioning of the David Jones Group and the Country Road Group under a single Australian tax resident holding company (“NewCo”); and
- (b) the winding up of any dormant or non-operating holding companies in the Group,

in each case, in a manner which does not result in any distribution of assets by the Issuer or a Guarantor to any person other than the Issuer or another Guarantor;

a **Permitted Security Interest** has the meaning given to it in Condition 5.1 (“Negative pledge”);

PPS Law means:

- (a) the PPSA;
- (b) any regulations made at any time under the PPSA, including the PPS Regulations;
- (c) the PPSA NZ and any regulations made at any time under the PPSA NZ, including the *Personal Property Securities Regulations 2001* (NZ);
- (d) any provision of the PPSA or the PPSA NZ or regulations referred to in sub-paragraph (b) or (c);
- (e) any amendment to any of the above, made at any time; or
- (f) any amendment made at any time to any other legislation as a consequence of a PPS Law referred to in sub-paragraphs (a) to (e);

PPS Regulations means the Personal Property Securities Regulations 2010 of Australia.

PPSA means the Personal Properties Securities Act 2009 of Australia;

PPSA NZ means the Personal Properties Securities Act 1999 of New Zealand;

Pricing Supplement means, in respect of a Tranche, the pricing supplement prepared and issued specifying the relevant issue details of such Notes and which has been duly completed and signed by the Issuer;

Principal Credit Facilities means the facilities made available under the “Syndicated Facility Agreement – David Jones Group & Country Road Group” originally dated on or about 21 September 2016, between, amongst others, the Issuer and person named as the facility agent therein (as amended from time to time) and incorporating the terms and conditions set out in the ‘Common Terms Deed Poll’ originally dated 23 December 2015 entered into by the Issuer and the Guarantors (as amended from time to time);

Receivables means financial services receivables arising from or in connection with a Group Member’s financial services businesses (including the David Jones store card and any general purpose credit card businesses);

Record Date means the close of business in the place where the Register is maintained on the eighth day before the Payment Date;

Register means the register of holders of the Notes established and maintained by or on behalf of the Issuer under an Agency Agreement;

Registrar means Perpetual Trustee Company Limited (ABN 42 000 001 007);

Related Body Corporate means a related body corporate as defined in section 50 of the Corporations Act;

Rent Expenses means, in respect of a period, all rent liabilities and other liabilities in the nature of rent including contingent rental paid or incurred by a Group Member for that period under any lease of real property, but excluding for the avoidance of doubt, outgoings or payments in the nature of outgoings;

Restructured Group means, on and from completion of the Permitted Restructure, the corporate group comprising NewCo and its Subsidiaries (including the members of the Country Road Group and David Jones Pty Ltd (ACN 000 074 573) and its Subsidiaries);

Second Optional Redemption Date means the date so specified in the Pricing Supplement;

Securitisation Transaction means any transaction entered into by a Group Member whereby the relevant Group Member agrees to sell, transfer or otherwise dispose of any of its Receivables to a special purpose vehicle or other entity on (subject to customary exceptions, such as fraud, negligence and wilful default by the Group Member) non-recourse terms;

Security Document has the meaning given in the Security Trust Deed;

Security Interest means a charge, mortgage, pledge, lien or other security interest securing the payment of a debt or other monetary obligation or any other obligation of any person or any other agreement or arrangement having a similar effect and includes a security interest within the meaning of section 12(1) of the PPSA and section 17(1) of the PPSA NZ, but does not include any security interest that does not secure payment or performance of obligations;

Security Trust Deed means the document entitled “Security Trust and Intercreditor Deed” and to be executed by, amongst others, the Issuer, the Initial Guarantors and the Security Trustee;

Security Trustee means National Australia Bank Limited (ABN 12 004 044 937) in its capacity as security trustee under the Security Trust Deed or such other person appointed under the Security Trust Deed as security trustee;

Series means an issue of Notes 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, issue price and Interest Commencement Date and date of the first interest payment may be different in respect of different Tranches of a Series;

Shareholder Debt means any form of loan or financial accommodation from any holding company of a Holdco to any Group Member;

Special Resolution has the meaning given in the Note Trust Deed;

Specified Office means, for a person, that person’s office specified in the Information Memorandum or Pricing Supplement or any other address notified to Noteholders from time to time;

Subsidiary means a subsidiary as defined in section 46 of the Corporations Act;

Tax Authority means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official, having power to tax;

Taxes means charges, deductions, duties (including stamp duty, financial institutions duty, transaction duty and bank account debt tax), fees, imposts, levies, taxes (including any consumption tax, goods and services tax and value added tax) and withholdings (together with any interest, penalties, fines and expenses in connection with any of them) imposed by any jurisdiction and **Tax** has a corresponding meaning;

Test Date means each date on which there is any disposal of a material part of the assets of the Issuer or a Guarantor in accordance with Condition 5.4 (“Disposals”);

Third Optional Redemption Date means the date so specified in the Pricing Supplement;

Total Assets means, on any date, the total assets of the Combined Group derived from the most recent Combined Accounts;

Tranche means an issue of the Notes specified as such in the Pricing Supplement issued on the same Issue Date and on the same terms;

Trustees means the Note Trustee and the Security Trustee;

WIA1 means Woolworths International (Australia) Pty Ltd (ACN 078 178 220);

WIA2 means Woolworths International (Australia) II Pty Ltd (ACN 600 437 063); and

WHL means Woolworths Holdings Limited, a company listed on the Johannesburg Stock Exchange (known as JSE Limited) with company registration number 1929/001986/06.

1.3 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) a document (including these Conditions) includes any amendment, variation or replacement of it;
- (d) anything (including any amount) is a reference to the whole and each part of it;
- (e) a “law” includes common law, principles of equity, any decree and any statute or other law made by a parliament (and a statute or other law made by 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 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.

1.4 Number

The singular includes the plural and vice versa.

1.5 Headings

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

1.6 Accounting Standards

- (a) Any accounting practice or concept relevant to these Conditions is to be construed or determined in accordance with the Accounting Standards as at the Issue Date.
- (b) Each Noteholder acknowledges that changes in the Accounting Standards after the Issue Date make the operation of the Financial Covenant or another Condition that refers to the Accounting Standards, inappropriate or may cause a breach of the Financial Covenant.
- (c) If, solely as a result of a change in any Accounting Standards after the Issue Date, the Issuer (after consultation with the Note Trustee) considers that such a change has occurred with the effect referred to in paragraph (b) above, then any references to the Accounting Standards in these Conditions will be deemed to be a reference to the Accounting Standards as at the Issue Date.
- (d) The Issuer will provide the Accounts, each Compliance Certificate and all other financial information required to be provided in accordance with these Conditions together with, in each case, any reconciliation statements (audited, where applicable) necessary to enable calculation of the Financial Covenant and associated definitions based on the Accounting Standards before the relevant change referred to in paragraph (c) above occurring and those changes will be ignored for the purposes of the Financial Covenant and the relevant definitions.

1.7 Calculation of period of time

If a notice must be given within a certain period of days or a certain number of days’ notice must be given or any other matter must take place within a certain number of days, the day on which the notice is given or action taken, and the day on which the meeting is to be held or other action taken, are not to be counted in calculating that period and references to a “day” are to a calendar day.

2. Introduction

2.1 Pricing Supplement

- (a) The Issuer will issue the Notes on the terms set out in these Conditions as supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes. If there is any inconsistency between these Conditions and such Pricing Supplement, the Pricing Supplement prevails.
- (b) The Notes are issued in a single Series. The Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than in respect of the issue price and the date of the first payment of interest). A Tranche is the subject of a Pricing Supplement which supplements, amends, modifies or replaces these Conditions.

- (c) Copies of the Pricing Supplement and Conditions applicable to any Tranche of the Notes are available for inspection or on request by a Noteholder or prospective Noteholder during normal business hours at the Specified Office of the Issuer, the Note Trustee or the Registrar or are otherwise available on reasonable request from the Issuer or the Registrar.

2.2 Currency and denomination

The Notes are issued in Australian dollars in a single denomination of A\$1,000.

2.3 Issue restrictions

The Notes may only be offered (directly or indirectly) for issue, or applications invited for the issue of the Notes, if:

- (a) where the offer or invitation is made in, or into, Australia:
 - (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the offeror or its associates to the offeree or its associates) or if the offer or invitation (including any resulting issue) otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act;
 - (ii) the offer or invitation (including any resulting issue) does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act;
 - (iii) such action does not require any document to be lodged with the Australian Securities and Investments Commission; and
- (b) at all times, the offer or invitation (including any resulting issue) complies with all other applicable laws and directives in the jurisdiction in which the offer, invitation or issue takes place.

2.4 Clearing systems

Notes may, but need not, be held in the Austraclear System, in which case the rights of a person holding an interest in the Notes lodged in the Austraclear System are subject to the rules and regulations of the Austraclear System. Neither the Issuer nor any Guarantor is responsible for anything the Austraclear System does or omits to do.

3. Form

3.1 Constitution under the Note Trust Deed

- (a) The Notes are debt obligations of the Issuer constituted by, and owing under, the Note Trust Deed.
- (b) Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Note Trust Deed.

3.2 Form

The Notes are issued in registered form by entry in the Register.

3.3 No certificates

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

3.4 Effect of entries in Register

Each entry in the Register in respect of a Note constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the Note Trustee and the Noteholder to:
 - (i) pay principal, any interest and any other amount in accordance with these Conditions and the Note Trust Deed; and
 - (ii) comply with all other Conditions of the Note and the Note Trust Deed; and

- (b) an entitlement to the other benefits given to the Noteholder in respect of the Note under these Conditions and the Note Trust Deed.

3.5 Register conclusive as to ownership

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

3.6 Non-recognition of interests

Except as ordered by a court of competent jurisdiction or required by law or directive, the Issuer, the Trustees and the Registrar must treat the person whose name is entered in the Register as the Noteholder of a Note as the absolute owner of that Note and are under no obligation to recognise any other person as having a right to or interest in that Note. This Condition applies whether or not a Note is overdue and despite any notice of ownership, trust or interest in the Note.

3.7 Joint Noteholders

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

4. Status and Guarantee

4.1 Status of Notes

The Notes are direct, senior, unsubordinated and, once the Security Trust Deed and Security Documents are entered into in accordance with Condition 5.6(a) (“Other covenants”), secured obligations of the Issuer.

4.2 Ranking of Notes

The Notes rank equally among themselves and at least equally with all other present and future direct, senior, unsubordinated and, once secured as provided in Condition 5.6(a) (“Other covenants”), secured obligations of the Issuer, but subject to any prior ranking permitted security interest under the Security Trust Deed and except for liabilities mandatorily preferred by law.

4.3 Guarantee

The Notes are issued with the benefit of the Guarantee. Pursuant to the Guarantee, each Guarantor unconditionally and irrevocably guarantees on a joint and several basis to the Noteholders, among other things, the due and punctual performance by the Issuer of its obligations under the Notes. The obligations of a Guarantor under the Guarantee are direct, senior, unsubordinated and, once the Security Trust Deed and Security Documents are entered into in accordance with Condition 5.6(a) (“Other covenants”), secured obligations of that Guarantor. The Guarantee ranks at least equally with all other present and future direct, senior, unsubordinated and, once secured as provided in Condition 5.6(a) (“Other covenants”), secured obligations of that Guarantor, but subject to any prior ranking permitted security interest and except for liabilities mandatorily preferred by law.

4.4 Security

Amounts due under the Notes, the Note Trust Deed and the Guarantee will be secured by the security under the Security Trust Deed, once the Security Trust Deed and Security Documents are entered into in accordance with Condition 5.6(a) (“Other covenants”). The Security Trustee will hold the benefit of the Security Trust Deed and the Security Documents on trust for the Beneficiaries (as defined in the Security Trust Deed, and which includes the Note Trustee and the Noteholders).

5. Negative pledge and financial and other covenants

5.1 Negative pledge

The Issuer will not (and will ensure that no Guarantor or other Group Member will) create or grant any Security Interest, or permit to subsist any Security Interest, upon the whole or any part of its (or the Guarantor’s or other Group Member’s) present or future assets or revenues other than (each of the following, a “**Permitted Security Interest**”):

- (a) any Security Interest arising under or in connection with the Security Documents;
- (b) any Security Interest arising by operation of law (other than PPS Law) in the ordinary course of business;
- (c) any Security Interest arising under any netting or set-off arrangement entered into by a Group Member in the ordinary course of its banking arrangements for the purpose of netting debt and credit balances of Guarantors and credit balances of Group Members;
- (d) any Security Interest arising under any right of title retention arrangement in connection with the acquisition of goods or services, provided that such arrangements are entered into in the ordinary course of business;
- (e) any Security Interest arising over goods under or relating to documentary letters of credit transactions;
- (f) any Security Interest over any entity or affecting any asset of any entity which is in existence prior to that entity becoming a Group Member, provided:
 - (i) it was not created in contemplation of the entity becoming a Group Member; and
 - (ii) it is removed or discharged within 6 months of the entity becoming a Group Member;
- (g) any Security Interest provided for by one of the following transactions if the transaction does not secure payment or performance of any obligation:
 - (i) a transfer of an Account or Chattel Paper;
 - (ii) a PPS Lease; or
 - (iii) a Commercial Consignment,
 (each as defined in the PPSA);
- (h) any Security Interest created or granted by a Group Member in favour of another Group Member;
- (i) any Security Interest arising over any asset to secure Financial Indebtedness incurred under a Finance Lease where such Security Interest is limited to the asset financed and such Financial Indebtedness is permitted in accordance with these Conditions;
- (j) any Security Interest over any of the Group's assets provided that the principal amount of the obligations secured by Security Interests under this clause does not in aggregate exceed 5% of Total Assets; and
- (k) any other Security Interest permitted on a case-by-case basis by Special Resolution of Noteholders.

5.2 Financial Covenant

The Issuer must ensure that the Fixed Charge Cover Ratio on any Calculation Date is not less than 1.40:1.00.

5.3 Distributions

So long as an Event of Default is subsisting, the Issuer will not (and will ensure that no Guarantor will) declare or pay any dividend or make any distribution on any issued shares in the Issuer (or a Guarantor) (except where the holder of that issued share is, itself, a Guarantor), or pay any interest or other amounts in respect of any debt security issued which ranks behind the Notes in priority for payment of interest.

5.4 Disposals

The Issuer will ensure that it will not (and will ensure that no Guarantor or other member of the Combined Group will) Dispose of its assets, other than (each of the following, a “**Permitted Disposal**”):

- (a) any Disposal in the ordinary course of business or operations on arm’s length terms;
- (b) any Disposal on arm’s length terms of obsolete or surplus assets which are not required for the efficient operation of the business of the relevant Group;
- (c) any Disposal of assets in exchange for assets of a similar nature and value;
- (d) any Disposal where the only parties to the transaction are two or more members of the Group;

- (e) any Disposal which is required under any applicable law or an order or directive made by any Government Agency;
- (f) any Disposal of receivables on commercial terms (and which is non-recourse to the Group), where consideration is received by a Group Member;
- (g) any Disposal under a Securitisation Transaction or Non-Recourse Receivables Funding;
- (h) any Disposal of securities issued by an entity that is not a Guarantor;
- (i) any Disposal of Bourke Street Menswear;
- (j) any other Disposal where the aggregate value of all assets Disposed of in the preceding 12-month period shall not exceed 5% of Total Assets (“**Disposal Cap**”) provided that no such Disposal shall be included towards the Disposal Cap if the Net Proceeds of such Disposal are applied towards the repayment of Financial Indebtedness;
- (k) in connection with the Permitted Restructure, a Disposal by WIA2 of its approximately 12.12% shareholding in Country Road to WHL provided that, by completion of the Permitted Restructure, such shares are owned by NewCo; or
- (l) any other Disposal with the prior written consent of the Note Trustee.

5.5 Guarantor coverage

The Issuer shall ensure that, at all times, any Group Member that gives a guarantee of the Principal Credit Facilities must also accede (in accordance with the Note Trust Deed) as a Guarantor under the Guarantee. The Issuer and the Note Trustee may release from the Guarantee (in accordance with the Note Trust Deed) any Guarantor who no longer gives a guarantee of the Principal Credit Facilities.

5.6 Other covenants

- (a) (**Security Documents**) Within 90 calendar days of the Issue Date, the Issuer will (and will procure that each Initial Guarantor will) enter into the Security Trust Deed and the Security Documents and undertakes to provide to the Note Trustee (for the Note Trustee to hold for itself and for the Noteholders) a copy of the executed Security Trust Deed and the Security Documents, together with evidence that each Security Document has been, where applicable, stamped and registered with all relevant Government Agencies.
- (b) (**Corporate existence**) The Issuer will (and will procure that each Guarantor will) do everything necessary to maintain its corporate existence.
- (c) (**Comply with laws**) The Issuer will comply (and will procure that each Guarantor complies) with all applicable laws and directives (including any laws relating to the environment) binding on it where a failure to comply has, or would reasonably be expected to have, a material adverse effect on the ability of the Issuer or a Guarantor to meet its obligations under the Notes or the Guarantee.

5.7 Covenant testing

- (a) The Issuer will provide the Note Trustee not later than:
 - (i) 120 days after each June Calculation Date; and
 - (ii) 90 days after each December Calculation Date,

with a certificate signed by the Authorised Officers of the Issuer which certifies that the Issuer is in compliance with the covenants set out in Conditions 5.2 (“Financial Covenant”) and 5.5 (“Guarantor coverage”) as at the applicable Calculation Date (each such certificate, a “**Compliance Certificate**”).

- (b) The Issuer will provide the following to the Note Trustee not later than 30 days after each applicable Test Date a certificate signed by the Authorised Officers which certifies whether, in the opinion of the Authorised Officers of the Issuer and after having made all reasonable enquiries, the Issuer has complied with the covenants set out in Condition 5.4 (“Disposals”).

In the event the Issuer is not in compliance with any such covenant, such certificate will give reasonable detail of such non-compliance (including any relevant figures and calculations) and the steps being taken to remedy the same.

6. Title and transfer of the Notes

6.1 Title

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

6.2 Transfer

Notes may only be transferred in accordance with these Conditions and the Note Trust Deed.

6.3 Transfers in whole

Notes may only be transferred in whole and not in part.

6.4 Estates

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

6.5 Unincorporated associations

A transfer of a Note to an unincorporated association is not permitted.

6.6 Transfer of unidentified Notes

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

6.7 Compliance with law

Notes may only be transferred if the offer or invitation for the transfer, sale or purchase of the Notes is received by a person:

- (a) in Australia, only if the minimum aggregate consideration payable at the time of the transfer is at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the transferor or its associates to the transferee) or the Notes are transferred in circumstances that do not otherwise require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act and the transfer complies with all applicable laws and directives; and
- (b) if, in a jurisdiction outside Australia, the transfer complies with all other applicable laws and directives in the jurisdiction in which the transfer takes place.

6.8 Restrictions on transfer

- (a) Transfers of the Notes which are not lodged in the Austraclear System cannot be made between a Record Date and the relevant following Payment Date if a redemption of such Note is to occur during, or at the end of, that period in accordance with these Conditions.
- (b) Transfers of the Notes will not be registered later than the close of business in the place where the Register is maintained on the eighth day prior to the Maturity Date of the Notes.

7. Interest

7.1 Interest

Each Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date or, if redeemed on an earlier date, that date, at the Interest Rate. Interest is payable in arrear on each Interest Payment Date or such other date on which a Note is redeemed.

7.2 Interest Rate determination

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

7.3 Fallback Interest Rate

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 is the Interest Rate applicable to the Floating Rate Notes during the immediately preceding Interest Period.

7.4 BBSW Rate Determination

The Interest Rate applicable to the Notes for each Interest Period is the sum of the Margin and the BBSW Rate. Each Noteholder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, such determination of, substitution for and adjustments made to the BBSW Rate, as applicable, in each case described below (in all cases, without the need for any Noteholder consent). Any determination of, substitution for and adjustments made to the BBSW Rate, as applicable, in each case described below will be binding on the Issuer, the Noteholder, the Trustees and each Agent.

In this Condition 7.4, “**BBSW Rate**” means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the “AVG MID” on the Bloomberg or Reuters Screen BBSW Page (or any designation which replaces that designation on that page, or any replacement page) at approximately 10.30 am (or such other time at which such rate customarily appears on that page, including, if corrected, as recalculated and republished by the relevant administrator) (“Publication Time”) on the first day of that Interest Period. However, if such rate does not appear on the Bloomberg or Reuters Screen BBSW Page (or any replacement page) by 10.45 am on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but the Calculation Agent determines that there is an obvious error in that rate or the rate is permanently or indefinitely discontinued, “BBSW Rate” means such other substitute or successor rate that the Issuer (acting in good faith and in a commercially reasonable manner) or an alternate financial institution appointed by the Issuer (in its sole discretion) to assist in determining the rate, (in each case, a “Determining Party”) determines is most comparable to the BBSW Rate and that is consistent with industry accepted practices, which rate is notified in writing to the Calculation Agent (with a copy to the Issuer) by such Determining Party, together with such spread adjustment (which may be positive or negative or zero), or method for calculating or determining such spread adjustment, determined by such Determining Party in its sole discretion to produce in the aggregate a rate that is an industry-accepted successor rate for the BBSW Rate at such time (together with such other adjustments to the Business Day Convention and related relevant provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate for the BBSW Rate at such time). The rate determined by the Determining Party will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001%).

If the Pricing Supplement specifies a “Minimum BBSW Rate” for any Interest Period, the BBSW Rate for the Interest Period must not be less than the minimum, so specified.

7.5 Calculation of interest payable

- (a) The Calculation Agent must, in relation to each Interest Period for each Floating Rate Note:
 - (i) calculate the Interest Rate in accordance with these Conditions and the Pricing Supplement; and
 - (ii) as soon as practicable after determining the Interest Rate, calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of that Note.
- (b) Unless otherwise specified in the Pricing 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 Note by the applicable Day Count Fraction.
- (c) The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

7.6 Notification of Interest Rate, interest payable and other items

- (a) The Calculation Agent must notify the Issuer, the Registrar, the Noteholders, the Trustees and each other Agent of the amount of interest calculated or determined by it under Condition 7.3 (“Calculation of interest payable”).

- (b) The Calculation Agent must give notice under this Condition as soon as practicable after making its determination.
- (c) 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 promptly notify the Issuer, the Registrar, the Noteholders, the Trustees and each other Agent of any such amendment.

7.7 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 fraud or manifest error, final and binding on the Issuer, the Guarantors, the Registrar, each Noteholder, the Trustees and each other Agent.

7.8 Rounding

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

- (a) all percentages resulting from the calculations must be rounded to the nearest one hundred thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%);
- (b) all figures resulting from the calculations must be rounded to five 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 one cent.

8. Redemption

8.1 Redemption on maturity

The Issuer agrees to redeem each Note on its Maturity Date by payment of the outstanding principal amount of each Note unless:

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

8.2 Early redemption at the option of Noteholders (Noteholder put)

Upon the occurrence of a Change of Control, each Noteholder will have the right to require the Issuer to redeem all (but not some) of such Notes held by such Noteholder at a redemption price equal to 101% of the outstanding principal amount of each Note being redeemed (together with any accrued interest, if any, to the date of redemption) (the “**Change of Control Redemption Price**”). Within 30 days after a Change of Control event, the Issuer shall deliver a notice to the Registrar and the Note Trustee requesting that the Note Trustee promptly notifies Noteholders stating:

- (a) that a Change of Control has occurred and that such Noteholder has the right to require the Issuer to redeem such Notes at the Change of Control Redemption Price;
- (b) the redemption date (which shall be no earlier than 10 days nor later than 50 days from the date of such notice is delivered) (“**Change of Control Redemption Date**”);
- (c) or otherwise setting out a form of the exercise notice to be provided by the Noteholders (the “**Change of Control Event Exercise Notice**”), together with instructions on how to submit that notice;
- (d) that the last day on which the Noteholder may provide the Change of Control Exercise Notice to the Issuer is the day falling 10 days prior to the Change of Control Redemption Date (“**Change of Control Exercise Date**”); and
- (e) the procedures determined by the Issuer, consistent with terms and conditions of the Notes, that a Noteholder must follow in order to have its Notes redeemed.

To exercise its right under this Condition 8.2, a Noteholder must deliver a duly completed and signed Change of Control Event Exercise Notice to the Issuer (or as otherwise directed) prior to the end of the Change of Control Exercise Date.

If at, or prior to, the Change of Control Exercise Date, Noteholders representing 90% or more of the then aggregate principal amount of all the Notes then outstanding, have provided a Change of Control Event Exercise Notice to the Issuer, the Issuer may, but shall not be obliged to, redeem all remaining notes outstanding on the relevant redemption date at the Change of Control Redemption Price, by giving at least 10 days' prior notice to the Noteholders within 30 days after the end of the Change of Control Redemption Date.

In this Condition 8.2, "**Change of Control**" means, on any date, an event where WHL ceases to hold a beneficial interest, directly or indirectly, of at least 50.1% of the ordinary issued shares of a HoldCo.

8.3 Early redemption at the option of the Issuer (Issuer call)

The Issuer may redeem all or some of the Notes before their Maturity Date as follows:

- (a) on a First Optional Redemption Date and each Interest Payment Date thereafter to (but excluding) the Second Optional Redemption Date by payment of 102% of the outstanding principal amount of each Note being redeemed;
- (b) on a Second Optional Redemption Date and each Interest Payment Date thereafter to (but excluding) the Third Optional Redemption Date by payment of 101.50% of the outstanding principal amount of each Note being redeemed;
- (c) on a Third Optional Redemption Date and each Interest Payment Date thereafter to (but excluding) the Fourth Optional Redemption Date by payment of 101% of the outstanding principal amount of each Note being redeemed;
- (d) on a Fourth Optional Redemption Date and each Interest Payment Date thereafter to (but excluding) the Fifth Optional Redemption Date by payment of 100.50% of the outstanding principal amount of each Note being redeemed;
- (e) on a Fifth Optional Redemption Date and each Interest Payment Date thereafter to (but excluding) the Maturity Date by payment of 100% of the outstanding principal amount of each Note being redeemed,

in each case, together with any accrued interest, if any, to the date of redemption.

However, the Issuer may only do so if:

- (i) the amount of the Notes to be redeemed is a whole multiple of their Denomination; and
- (ii) the Issuer has given at least 7 days' (and not more than 60 days') notice to the Registrar, the Note Trustee, the Noteholders and each other Agent.

8.4 Redemption on asset disposal

The Issuer may redeem all or some of the Notes before their Maturity Date at a redemption price equal to the outstanding principal amount of each Note being redeemed (together with any accrued interest, if any, to the date of redemption) if, pursuant to Condition 5.4(j) ("Disposals"), the Issuer has elected to use an amount equal to the Net Proceeds of the relevant disposal to repay Financial Indebtedness.

However, the Issuer may only do so if:

- (a) the amount of the Notes to be redeemed is a whole multiple of their Denomination; and
- (b) the Issuer has given at least 7 days' (and not more than 60 days') notice to the Registrar, the Note Trustee, the Noteholders and each other Agent of the proposed early redemption date ("**Redemption Date**").

8.5 Early redemption for tax reasons

The Issuer may redeem all (but not some) of the Notes at any time before their Maturity Date at a redemption price equal to the outstanding principal amount of each Note (together with any accrued interest, if any, to the date of redemption) if, as a consequence of an amendment to or a change in, or announced amendment to or prospective change in:

- (a) the law or a binding judicial decision, directive, ruling or determination; or
- (b) an administrative decision (with which the Issuer is required to comply, or habitually complies) interpreting, applying or clarifying those laws or judicial decisions, directives, rulings or determinations,

occurring after the Issue Date of the first Tranche of a Series of the Notes, the Issuer is required, or is likely to be required, to pay an additional amount in respect of a Note of that Series under Condition 10.2 (“Withholding tax”).

However, the Issuer may only do so if the Issuer obtains (and provides copies to the Note Trustee to be made available to each Noteholder upon request):

- (i) a certificate signed by two directors of the Issuer, on behalf of the Issuer, stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective) describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer, taking reasonable measures available to it; and
- (ii) an opinion of independent legal advisers of recognised standing to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective),

and the Issuer has given not less than 15 days (nor more than 90 days) (or any other period specified in the Pricing Supplement) notice to the Note Trustee, the Noteholders and each Agent.

8.6 Partial redemptions

If only some of the Notes are to be redeemed under Condition 8.2 (“Early redemption at the option of the Issuer (Issuer call)”) or Condition 8.4 (“Redemption on asset disposal”), the Notes to be redeemed will be specified in the notice and selected in a fair and reasonable manner.

8.7 Effect of notice of redemption

Any notice of redemption given under this Condition 8 (“Redemption”) is irrevocable.

8.8 Late payment

If an amount payable is not paid under this Condition 8 (“Redemption”) when due, then interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the default rate specified in the Pricing Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Noteholder.

8.9 Purchase

The Issuer and any of its Related Bodies Corporate may at any time purchase the Notes in the open market or otherwise and at any price. Notes purchased under this Condition 8.9 may be held, resold or cancelled at the discretion of the purchaser and (if the Notes are to be cancelled, the Issuer), subject to compliance with any applicable law or directive.

9. Payments

9.1 Payments to Noteholders

Payment of principal or interest shall be made to each person registered in the Register at close of business on the applicable Record Date as the holder of a Note.

9.2 Payments to accounts

Payments in respect of a Note will be made:

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

9.3 Payments by cheque

If a Noteholder has not notified the Registrar of an account to which payments to it must be made by close of business on the Record Date or it has notified the Registrar that it wishes to be paid by cheque, payments in respect of the Note will be made by cheque sent by prepaid post on the Payment Date, at the risk of the registered Noteholder, to the Noteholder (or if two or more persons are entered in the Register as joint Noteholders, to the first named joint Noteholder of the Note) at its address appearing in the Register at close of business on the Record Date. Cheques sent to the nominated address of a Noteholder will be taken to have been received by the Noteholder on the Payment Date and no further amount will be payable by the Issuer in respect of the Notes as a result of the Noteholder not receiving payment on the due date.

9.4 Payments subject to law

All payments are subject to applicable law but without prejudice to the provisions of Condition 10 (“Taxation”).

9.5 Payments on Business Days

If a payment:

- (a) is due on a Note 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, a Noteholder is not entitled to any additional payment in respect of that delay.

9.6 Unsuccessful attempts to pay

Subject to applicable law, where the Issuer:

- (a) decides that an amount is to be paid to a Noteholder by a method of direct credit and the Noteholder has not given a direction as to where amounts are to be paid by that method;
- (b) attempts to pay an amount to a Noteholder by direct credit, electronic transfer of funds, cheque or any other means and the transfer is unsuccessful;
- (c) has made reasonable efforts to locate a Noteholder but is unable to do so; or
- (d) has issued a cheque which has not been presented within six months of its date, then the Issuer may cancel such cheque and if the Issuer has so cancelled,

then, in each case and subject to Condition 11 (“Time limit for claims”), the amount is to be held by the Issuer for the Noteholder in a non-interest bearing deposit with a bank selected by the Issuer until the Noteholder or any legal personal representative of the Noteholder claims the amount or the amount is paid by the Issuer according to the legislation relating to unclaimed moneys.

9.7 Payment to joint Noteholders

A payment to any one of joint Noteholders will discharge the Issuer’s liability in respect of the payment.

10. Taxation

10.1 No set-off, counterclaim or deductions

All payments in respect of the Notes must be made in full without set-off or counterclaim, and shall be made free and clear of, and without any withholding or deduction in respect of Taxes, unless such withholding or deduction is required by law.

10.2 Withholding tax

If a law requires the Issuer to withhold or deduct an amount for Taxes imposed in connection with a payment on a Note such that the Noteholder would not actually receive on the due date the full amount provided for under the Notes, then:

- (a) the Issuer agrees to withhold or deduct the amount for the Taxes; and
- (b) the Issuer agrees to pay an additional amount so that, after making the withholding or deduction, the Noteholder receives an amount equal to the amount it would have received if no withholdings or deductions had been required to be made.

10.3 Gross-up exceptions

No additional amounts are payable under Condition 10.2 (“Withholding tax”) in respect of any Note:

- (a) in respect of any Taxes imposed on, or calculated having regard to, the net income or profits of the Noteholder;
- (b) to, or to a third party on behalf of, a Noteholder, if that person has not supplied an appropriate Australian tax file number (if applicable), or an Australian Business Number or details of an applicable exemption from these requirements as may be necessary to enable the payment to be made without such withholding or deduction;
- (c) to, or to a third party on behalf of, a Noteholder who is liable to such Taxes in respect of such Note by reason of having some connection with Australia other than the mere holding of the Note;
- (d) to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of a Note by reason of the Noteholder being an Offshore Associate of the Issuer 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;
- (e) in respect of any GST, estate, inheritance, gift, sales, transfer, personal property, or any similar tax, assessment or governmental charge;
- (f) in circumstances where such a withholding or deduction would not be required if the Noteholder, or any person acting on the Noteholder’s behalf, had satisfied any statutory requirements or obtained and/or presented any form or certificate or had made a declaration of non-residence or similar claim for exemption to any Tax Authority upon the presentation or making of which the Noteholder would have been able to avoid or partially avoid (as the case may be) such withholding or deduction;
- (g) where such withholding or deduction is required to be made pursuant to a notice or direction issued by the Commissioner of Taxation under section 255 of the Income Tax Assessment Act 1936 or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of the Commonwealth of Australia or any similar law;
- (h) in such other circumstances as may be specified in the Pricing Supplement; or
- (i) in respect of any combination of any or all of paragraphs (a) to (h) above.

Notwithstanding any other provision of these Conditions, if the Issuer, any Agent, or any other person through whom payments on the Notes are made, is required to withhold or deduct amounts under or in connection with, or in order to ensure compliance with FATCA, the Issuer or that other person shall be permitted to make such withholding or deduction, and Noteholders and beneficial owners of Notes will not be entitled to receive any gross up, additional amount or other amount for such withholding or deduction.

11. Time limit for claims

A claim against the Issuer for a payment under a Note 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 that payment first became due.

12. Events of Default

12.1 Events of Default

Each of the following is an Event of Default in respect of the Notes:

- (a) **(non-payment)** the Issuer fails to pay any amount in respect of the Notes when due, except where such failure to pay is due to:
 - (i) a substantiated technical or administrative error; and

- (ii) payment is made within 3 Business Days of the due date;
- (b) **(financial covenant)** the Issuer fails to ensure compliance with Condition 5.2 (“Financial Covenant”);
- (c) **(other non-compliance)**:
 - (i) subject to subparagraph (ii) below, the Issuer or any Guarantor fails to comply with any of its obligations in connection with a Note (other than, in respect of the Issuer, in relation to the payment of money referred to in paragraph (a) above); and
 - (ii) if the non-compliance referred to in subparagraph (i) above is capable of remedy, it is not remedied within 30 Business Days after notice of such default shall have been given to the Issuer or the relevant Guarantor by the Note Trustee or any Noteholder;
- (d) **(cross acceleration)** any Financial Indebtedness of the Issuer or any Guarantor for an amount exceeding A\$30,000,000 (or its equivalent in any other currency):
 - (i) is not paid when due nor within any originally specified grace period; or
 - (ii) is declared to be otherwise due and payable prior to its specified maturity date as a result of an event of default (howsoever defined or described);
- (e) **(insolvency)** an Insolvency Event occurs in respect of the Issuer or a Guarantor;
- (f) **(unlawfulness)** it is or becomes unlawful for the Issuer or any Guarantor to perform any of its obligations under any Note, the Note Trust Deed, the Security Trust Deed, any Security Document or the Guarantee;
- (g) **(judgement)** a final non-appealable judgment in an amount exceeding A\$30,000,000 (or its equivalent in any other currency) is obtained against the Issuer or any Guarantor and not set aside or satisfied by the time allowed; and
- (h) **(cessation of business)** the Group ceases to carry on all or substantially all of its business generally and no other body corporate assumes the business of that person other than for the purposes of the Permitted Restructure or any other solvent reconstruction or amalgamation within the Group.

12.2 Consequences of an Event of Default

If an Event of Default occurs and continues unremedied in relation to the Notes, then a Noteholder or the Note Trustee (if requested in writing by a Noteholder) may declare by notice to the Issuer (with a copy to the Registrar and the Note Trustee (if notice is given by a Noteholder)) that each Note held by it is (or, if the Note Trustee has given the declaration, all the Notes are) to be redeemed by the Issuer paying to the Noteholder the applicable redemption amount for the Note (together with any accrued interest) in which case those amounts become immediately due and payable.

12.3 Notification

If an Event of Default occurs and is subsisting (or, in the case of Condition 12.1(c) (“Events of Default”), an event which, after notice and lapse of time, would become an Event of Default), the Issuer must promptly (and in any event within 2 days) after becoming aware of it notify the Trustees, the Registrar, each other Agent and the Noteholders of the occurrence of the Event of Default (specifying details of it). On receipt of such notice, or otherwise on becoming aware of an Event of Default, the Note Trustee must also notify the Security Trustee of the Event of Default.

12.4 Enforcement under the Notes and the Note Trust Deed

- (a) Subject to Condition 12.4(c) and the Security Trust Deed, at any time after the occurrence of an Event of Default and for so long as it is subsisting, the Note Trustee may, either at its discretion or pursuant to a direction of Noteholders in accordance with paragraph (c)(i) below and, in either case, without further notice, declare the Notes (together with any accrued but unpaid interest on them) due and payable or institute such other proceedings and/or take such other action as it may think fit against or in relation to the Issuer to enforce the Issuer’s obligations under the Notes. The Issuer shall, as a result of that declaration or the bringing of any such proceedings, be obliged to pay any sums representing or measured by reference to principal or interest on the Notes sooner than the same would otherwise have been payable by it.

- (b) Without prejudice to Condition 12.4(a) but subject to Condition 12.4(c), if the Issuer breaches any of its obligations under the Note Trust Deed, the Note Trustee may, either at its discretion or pursuant to a direction of Noteholders in accordance with paragraph (c)(i) below and, in either case, without further notice, bring such proceedings as it may think fit to enforce such obligations.
- (c) Unless the Note Trustee, acting reasonably, forms the view that immediate steps must be taken to protect the Noteholders' interests or to enforce the Issuer's obligations under the Notes, it must not take any of the actions referred to in paragraphs (a) or (b) above to enforce the obligations of the Issuer in respect of the Notes or take any other enforcement action pursuant to or in connection with the Note Trust Deed or the Notes unless:
 - (i) it shall have been so requested in writing by Noteholders who hold in aggregate 25% or more of the outstanding principal amount of all Notes then outstanding; and
 - (ii) it shall have been indemnified to its satisfaction in accordance with the terms of the Note Trust Deed.

If, prior to acting on a direction received pursuant to paragraph (a), the Note Trustee receives further directions to take any action pursuant to paragraph (c)(i) above that are, in its reasonable opinion, materially inconsistent or conflicting in any material respect with the initial directions, the Note Trustee must call a meeting of Noteholders in accordance with the terms of these Conditions, the Note Trust Deed and the Meeting Provisions in order to resolve the inconsistency or conflict and shall act in accordance with any resolutions of Noteholders passed at that meeting or in accordance with any direction by Noteholders who hold in aggregate 50% or more of the outstanding principal amount of all Notes then outstanding.

12.5 Security Trustee request for instructions

If, following the occurrence of an Event of Default, the Note Trustee receives from the Security Trustee a request for instructions for the taking of any action by the Security Trustee which requires a direction, approval, consent or determination of all or a specified majority of the beneficiaries under the Security Trust Deed, the Note Trustee must request directions from the Noteholders. If following such request, it receives directions from Noteholders in accordance with these Conditions and the Note Trust Deed, it must notify the Security Trustee of such directions, which shall be binding on all Noteholders, in accordance with the Security Trust Deed and the Note Trust Deed.

12.6 No direct enforcement

No Noteholder is entitled to proceed directly against the Issuer or a Guarantor to enforce any right or remedy under or in respect of any Note, the Note Trust Deed, the Security Trust Deed, any Security Document or the Guarantee unless:

- (a) the Noteholder is expressly entitled to do so under these Conditions or the Note Trust Deed, the Security Trust Deed or a Security Document; or
- (b) in the case of the enforcement of any right or remedy under or in respect of any Note or the Note Trust Deed, the Note Trustee having become bound to proceed, fails to do so within five days from the date that the Note Trustee is notified by a Noteholder of the failure, and such failure is continuing.

Any enforcement of the Security Trust Deed or a Security Document will be by the Security Trustee under and in accordance with the Security Trust Deed or the applicable Security Document.

13. Agents

13.1 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 with any Noteholder.

13.2 Appointment and replacement of Agents

Each initial Agent for a Series of the Notes is specified in the Pricing Supplement. Subject to Condition 13.4 ("Required Agents"), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

13.3 Change of Agent

The Issuer (or the Agent on its behalf) must notify the Note Trustee and the Noteholders if there is any change in the identity of any Agent or any Agent's Specified Office.

13.4 Required Agents

The Issuer must at all times maintain a Registrar, an Issuing & Paying Agent and a Calculation Agent.

14. Meetings of Noteholders

The Meeting Provisions contain provisions for convening meetings of the Noteholders of any Series to consider any matter affecting their interests, including any variation of these Conditions. Any resolution duly passed by the Noteholders pursuant to the Meeting Provisions shall be binding on all Noteholders (whether or not they were present at the meeting at which such resolution was passed).

15. Variation

15.1 Variation with consent

Unless Condition 15.2 ("Variation without consent") applies, any Note may be varied by the Noteholders of the Series in accordance with the Meeting Provisions.

15.2 Variation without consent

Any Condition may be amended by the Issuer with the consent of the Note Trustee (not to be unreasonably withheld or delayed) but without the consent of the Noteholders 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; or
- (d) is necessary to implement the Permitted Restructure (provided that the Issuer has confirmed to the Note Trustee that the amendment is so necessary),

and provided that, in all cases, in the reasonable opinion of the Issuer and the Note Trustee, such amendment is not materially prejudicial to the interests of the Noteholders (provided that the Issuer has provided confirmation of such to the Note Trustee).

16. Further issues of Notes

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same conditions as the Notes 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 Notes of that Series.

17. Notices

17.1 Notices to Noteholders

All notices and other communications to Noteholders must be in writing. Any such notice or other communication may be given by any of the following means:

- (a) sent by prepaid post (airmail, if appropriate) to or delivered to the address of the Noteholder (as shown in the Register at close of business on the day which is 3 Business Days before the date of the notice or communication);
- (b) be given by an advertisement published in *The Australian Financial Review* or *The Australian*;
- (c) to Noteholders of Notes which are not held in Austraclear, sent by email to the address of the intended recipient (as shown in the Register at close of business on the day which is 3 Business Days before the date of the notice or communication); and

- (d) if such notice or other communication (including email) is to, or from, Austraclear or a participant of the Austraclear System, in accordance with the Austraclear Regulations.

17.2 Notices to the Issuer, the Trustees and the Agents

All notices and other communications to the Issuer, the Trustees or an Agent must be in writing and may be sent by prepaid post (airmail, if appropriate) to, or delivered to, its respective Specified Office or by email.

17.3 Receipt – delivery

If delivered in person or sent by recorded delivery or courier, on the date it is delivered to its Specified Office.

17.4 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.

17.5 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).

17.6 Deemed receipt – email

If sent by email:

- (a) when the sender receives an automated message confirming delivery;
- (b) when the sender receives any other proof that the email has been received; or
- (c) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

17.7 Deemed receipt – general

Despite Condition 17.5 (“Deemed receipt – postal”) and 17.6 (“Deemed receipt – email”), 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.

18. Governing law

18.1 Governing law

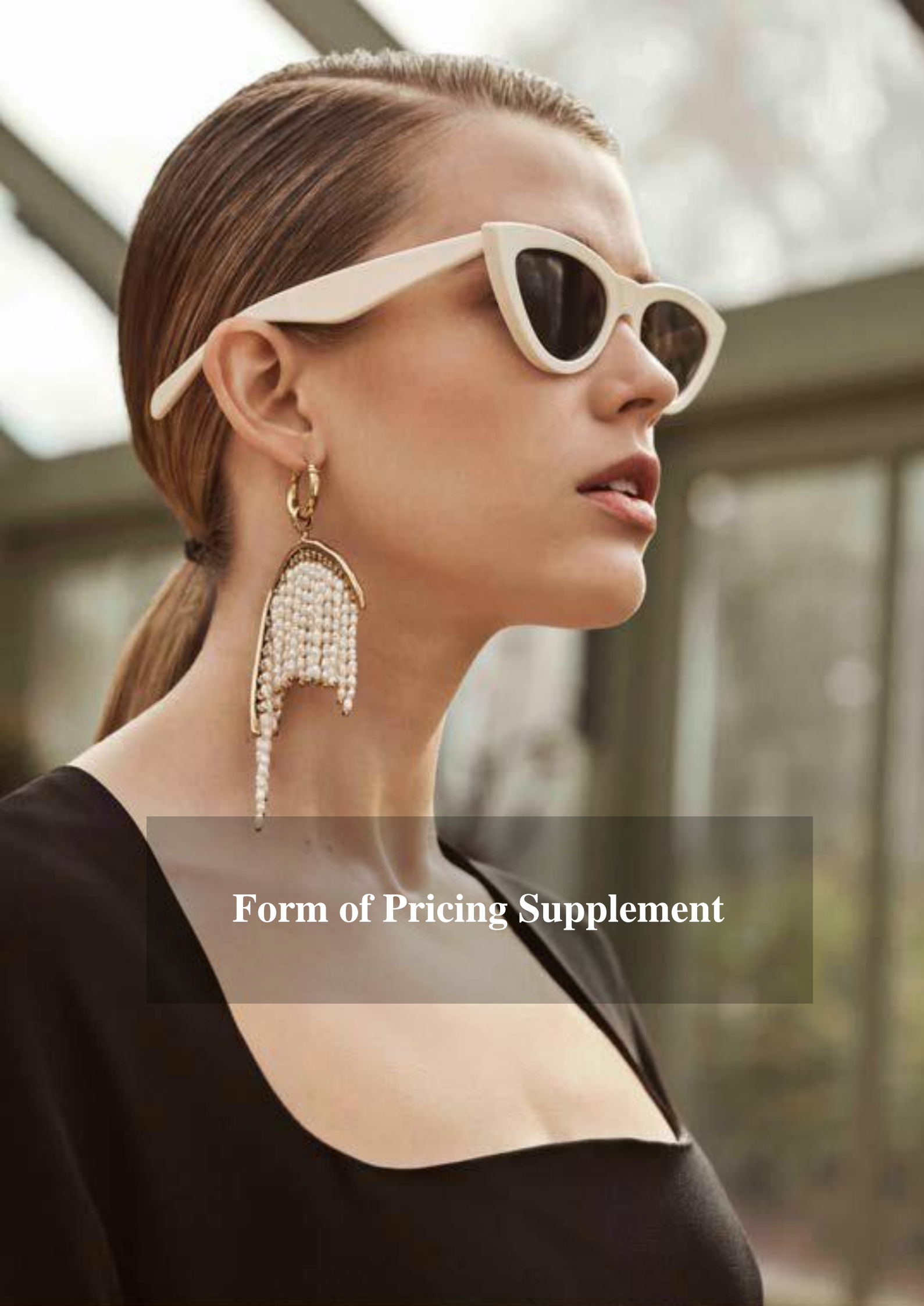
These Conditions are governed by the law in force in Victoria, Australia.

18.2 Jurisdiction

The Issuer irrevocably and unconditionally submits and each Noteholder is taken to have submitted, to the non-exclusive jurisdiction of the courts of Victoria and courts of appeal from them. The Issuer waives any right it has to object to any actions or proceedings (“**Proceedings**”) being brought in those courts including, without limitation, by claiming that the Proceedings have been brought in an inconvenient forum or that those courts do not have jurisdiction.

18.3 Serving documents

Without preventing any other method of service, any document in any Proceedings (including, without limitation any writ of summons or other originating process or any third or other party notice) may be served on the Issuer by being delivered or left at the Specified Office of the Issuer or otherwise at the Issuer’s registered office or principal place of business.



Form of Pricing Supplement

Pricing Supplement

Series No.: 1

Tranche No.: 1

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the “SFA”), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A of the SFA) that the Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

PRIIPS REGULATION PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.



DAVID JONES COUNTRY ROAD GROUP

David Jones Finance Pty Limited

(ABN 77 069 692 155)

(“Issuer”)

Issue of

A\$300,000,000 Floating Rate Notes due 28 November 2025

(“Notes”)

irrevocably and unconditionally guaranteed on a joint and several basis by each of the entities specified in, and issued with the benefit of the security described in, the Information Memorandum specified below

The date of this Pricing Supplement is 19 November 2019.

This Pricing Supplement (as referred to in the Information Memorandum dated 19 November 2019 (“**Information Memorandum**”)) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with (i) the terms and conditions of the Notes (“**Conditions**”) contained in the Information Memorandum and (ii) the Note Trust Deed dated 15 November 2019 (“**Note Trust Deed**”) and made by the Issuer, the Initial Guarantors and the Note Trustee. The Notes of this Tranche are constituted by, and issued with the benefit of, the Note Trust Deed.

Unless otherwise indicated, terms defined in the Conditions have the same meaning when used in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone outside Australia or where such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement for issue to persons to whom disclosure would be required under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

1	Issuer:	David Jones Finance Pty Limited (ABN 77 069 692 155)
2	Initial Guarantors:	As set out in the section of the Information Memorandum entitled “ <i>Summary – Initial Guarantors and Guarantee</i> ” (see pages 10 to 11 of the Information Memorandum).
3	Type of Note:	Floating Rate Medium Term Notes
4	Lead Manager and Initial Subscriber:	National Australia Bank Limited (ABN 12 004 044 937)
5	Place of offering:	Inside and outside Australia
6	Registrar:	Perpetual Trustee Company Limited (ABN 42 000 001 007)
7	Issuing & Paying Agent:	Perpetual Trustee Company Limited (ABN 42 000 001 007)
8	Calculation Agent:	Perpetual Trustee Company Limited (ABN 42 000 001 007)
9	Note Trustee:	Perpetual Corporate Trust Limited (ABN 99 000 341 533)
10	Security Trustee:	National Australia Bank Limited (ABN 12 004 044 937)
11	Aggregate principal amount of Tranche:	A\$300,000,000
12	Issue Date:	28 November 2019
13	Issue Price:	100%
14	Denomination:	A\$1,000
15	Minimum initial parcel size on initial issue:	A\$50,000
16	Maturity Date:	28 November 2025
17	Record Date:	As per the Conditions
18	Interest:	The Notes are floating rate notes.
19	Floating Rate Notes:	
	Interest Commencement Date:	Issue Date
	Interest Rate:	3-month BBSW Rate + the Margin
	Margin:	+ 3.75% per annum
	Business Day Convention:	Modified Following Business Day Convention
	Day Count Fraction:	Actual/365 (Fixed)
	Minimum BBSW Rate:	For the calculation of the Interest Rate, 3-month BBSW will be the greater of the actual 3-month BBSW rate or 0.75%.
20	Interest Payment Date:	28 February, 28 May, 28 August and 28 November of each year, commencing on 28 February 2020 up to, and including, the Maturity Date or, if redeemed on an earlier date, that date.
21	Noteholder put:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Noteholders on a Change of Control as set out in Condition 8.2 (“Early redemption at the option of Noteholders (Noteholder put)”).
22	Issuer call:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Issuer as set out in Condition 8.3 (“Early redemption at the option of the Issuer (Issuer call)”) and: (a) First Optional Redemption Date means 28 November 2022 and each Interest Payment Date thereafter to (but excluding) the Second Optional

Redemption Date;

- (b) Second Optional Redemption Date means 28 May 2023 and each Interest Payment Date thereafter to (but excluding) the Third Optional Redemption Date;
- (c) Third Optional Redemption Date means 28 November 2023 and each Interest Payment Date thereafter to (but excluding) the Fourth Optional Redemption Date;
- (d) Fourth Optional Redemption Date means 28 May 2024 and each Interest Payment Date thereafter to (but excluding) the Fifth Optional Redemption Date; and
- (e) Fifth Optional Redemption Date means 28 November 2024 and each Interest Payment Date thereafter to (but excluding) the Maturity Date.

23	Early redemption on asset disposal:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Issuer as set out in Condition 8.4 (“Redemption on asset disposal”).
24	Early redemption for tax reasons:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Issuer as set out in Condition 8.5 (“Early redemption for tax reasons”).
25	Clearing system :	Austraclear System. Interests in the Notes may also be traded through Euroclear and Clearstream, Luxembourg as set out on pages 12 and 13 of the Information Memorandum.
26	ISIN:	AU3FN0051793
27	Common Code:	208306324
28	Austraclear I.D.:	DJFL01
29	Australian interest withholding tax:	It is the Issuer’s intention that the Notes will be issued in a manner which will comply with the public offer test under section 128F of the Income Tax Assessment Act 1936 of Australia.
30	Listing:	Not applicable

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Date: 19 November 2019

CONFIRMED

For and on behalf of

DAVID JONES FINANCE PTY LIMITED

By:.....

A woman with long blonde hair, wearing a dark blue long-sleeved top and matching pants, stands with her back to the camera. She is holding a dark blue wide-brimmed hat over her head with both hands. She is looking out over a large body of water, likely a lake or reservoir, with a dense forest of evergreen trees on the far shore and misty mountains in the background. The foreground is filled with dry, brownish vegetation.

Selling and Distribution Restrictions

Selling and Distribution Restrictions

Under the Subscription Agreement dated 19 November 2019 between the Issuer, the Initial Guarantors and the Lead Manager and Initial Subscriber and subject to the Conditions contained in the Information Memorandum, the Notes will be offered by the Issuer through the Lead Manager and Initial Subscriber. The Issuer will have the sole right to accept any offers to purchase the Notes and may reject any such offer in whole or (subject to the terms of such offer) in part.

None of the Issuer, the Guarantors, the Trustees, the Agents or the Lead Manager and Initial Subscriber has represented that any Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or in accordance with any available exemption, or assumes any responsibility for facilitating that sale.

Persons into whose hands this Information Memorandum comes are required by the Issuer, the Guarantors, the Trustees, the Agents and the Lead Manager and Initial Subscriber to comply with all applicable laws and directives in each country or jurisdiction in which they purchase, offer, sell, resell, reoffer or deliver the Notes or have in their possession or distribute or publish the Information Memorandum or other offering material and to obtain any authorisation, consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any Notes under any applicable law or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, reoffers, resales or deliveries, in all cases at their own expense, and none of the Issuer, the Guarantors or the Lead Manager and Initial Subscriber, the Trustees or any Agent has responsibility for such matters. In accordance with the above, any Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Notes in such jurisdiction.

The following selling restrictions apply to the Notes.

This document does not constitute an offer of the Notes in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Notes may not be offered or sold, in any country outside Australia except to the extent permitted below.

Australia

The Lead Manager and Initial Subscriber has acknowledged that:

- (a) no “prospectus” or other “disclosure document” (each as defined in the Corporations Act) in relation to the Notes has been or will be lodged with ASIC or any other government agency or authority; and
- (b) no action has been taken, or will be taken, by it in any jurisdiction which would permit a public offering of the Notes, or possession or distribution of the Information Memorandum or any other offering material in relation to the Notes, in any jurisdiction where action for that in connection with the primary distribution of the Notes.

The Lead Manager and Initial Subscriber has represented and agreed that:

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

unless:

- (A) the offer or invitation falls within the exemption for offers to sophisticated investors set out in section 708(8) of the Corporations Act or the offer or invitation does not otherwise require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act;
- (B) such action does not require any document to be lodged with ASIC or ASX Limited;
- (C) the offer or invitation is not made to a person who is a “retail client” as defined for the purposes of section 761G of the Corporations Act; and
- (D) the offer or invitation and all conduct in connection with it complies with all applicable laws and directives.

In addition, the Lead Manager and Initial Subscriber has agreed that, in connection with the primary distribution of the Notes, it will not offer or sell Notes to any person if, at the time of such sale, the officers and employees of the Lead Manager and

Initial Subscriber making the offer, effecting the sale or otherwise directly involved in the sale, knew or had reasonable grounds to suspect that, as a result of such offer or sale, any Notes or an interest in any Notes were being, or would later be, acquired (directly or indirectly) by an associate of the Issuer for the purpose of section 128F(9) of the Income Tax Assessment Act 1936 of Australia except as permitted by section 128F(5) of the Income Tax Act 1936 of Australia.

New Zealand

No action may be taken to permit the Notes to be offered or sold to any retail investor, or otherwise under any regulated offer, in terms of the Financial Markets Conduct Act 2013 of New Zealand (“**FMCA**”). In particular, this Information Memorandum does not constitute a product disclosure statement or other disclosure document under the FMCA, and no product disclosure statement has been or will be prepared or lodged in New Zealand in relation to the Notes.

The Lead Manager and Initial Subscriber has represented and agreed that they have not offered, sold or delivered and will not directly or indirectly offer, sell or deliver any Notes in New Zealand and it will not distribute any offering memorandum or advertisement in relation to any offer of Notes, in New Zealand other than to “wholesale investors” as that term is defined in clauses 3(2) and 3(3) of Schedule 1 to the FMCA, being a person who is and who has certified that they are:

- (a) an “investment business”;
- (b) “large”; or
- (c) a “government agency”,

in each case as defined in Schedule 1 to the FMCA.

No person may distribute this Information Memorandum, any series notice, terms or any information or other material that may constitute an advertisement (as defined in the FMCA) in relation to any offer of the Notes in New Zealand other than to any such persons as referred to in the applicable paragraphs above.

The Notes applied for by a New Zealand “wholesale investor” must not be offered for sale in New Zealand in the period of 12 months after the date of issuance, except to a New Zealand “wholesale investor” or where such offer does not require disclosure to investors in accordance with the FMCA. Any person acquiring Notes must observe such New Zealand laws on sale restrictions.

The United States of America

This Information Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States of America (“**United States**”). This Information Memorandum may not be distributed or released in the United States. The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933 (“**U.S. Securities Act**”) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States absent registration except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws.



Taxation

Taxation

Australian Taxation

1. Introduction

The following is a summary of the Australian interest withholding tax treatment under the Income Tax Assessment Act 1936 of Australia and Income Tax Assessment Act 1997 of Australia (together, “**Australian Tax Act**”) and the Taxation Administration Act 1953 of Australia by the Issuer on the Notes and certain other Australian tax matters. This taxation summary is based on the Australian taxation laws in force and generally accepted administrative practices of the Australian Taxation Office (“**ATO**”) as at the date of this Information Memorandum. Any of these may change in the future without notice and legislation introduced to give effect to announcements may contain provisions that are currently not contemplated and may have retroactive effect.

A term used below but not otherwise defined has the meaning given to it in the Conditions.

The summary is not exhaustive and, in particular, does not deal with the position of certain classes of Noteholders (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of any person). In addition, this summary does not consider the Australian tax consequences for persons who hold interests in the Notes through Austraclear, Euroclear, Clearstream, Luxembourg or another clearing system.

Prospective Noteholders should also be aware that particular terms of issue of any Series of Notes may affect the tax treatment of that Series of Notes. Information regarding taxes in respect of Notes may also be set out in the relevant Pricing Supplement.

This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular Noteholder. Each Noteholder should seek professional tax advice in relation to their particular circumstances.

2. Australian interest withholding tax (Australian IWT)

Interest paid by the Issuer on debentures and certain other debt interests will, subject to certain exemptions, be subject to Australian IWT (generally at a rate of 10%), where the interest is paid to a non-resident of Australia and not derived by that non-resident in carrying on business at or through an Australian permanent establishment, or to an Australian resident who derived the interest in carrying on business at or through a permanent establishment outside Australia.

For Australian IWT purposes, “interest” is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts including premiums on redemption or, for a Note issued at a discount the difference between the amount repaid and the issue price. The Issuer intends to issue Notes which are to be characterised as both “debt interests” and “debentures” and the returns paid on the Notes are to be “interest” under the Australian Tax Act.

(a) Section 128F exemption from Australian IWT

An exemption from Australian IWT will be available under section 128F of the Australian Tax Act in respect of any Notes issued by the Issuer if the Issuer remains an Australian resident company both at the time it issues the relevant Notes and at the time interest is paid in respect of the Notes, and the Notes are issued in a manner which satisfies the “public offer test”.

In broad terms, the issue of the Notes by the Issuer should satisfy the public offer test where the Notes are offered for issue:

- to 10 or more unassociated persons carrying on business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;
- to 100 or more persons whom it was reasonable for the Issuer to regard as acquiring debt interests in the past or being interested in acquiring debt interests;
- as a result of being accepted for listing on a stock exchange;
- as a result of negotiations being initiated publicly in electronic form; or
- to a dealer, manager or underwriter who offers to sell those Notes within 30 days by one of the preceding 4 methods.

The public offer test will not be satisfied where at the time of the issue, the Issuer knew, or had reasonable grounds to suspect that the Notes would be, acquired by an Offshore Associate of the Issuer.

Accordingly, Notes issued by the Issuer should not be offered to any Offshore Associate of the Issuer.

Even if the public offer test is initially satisfied in respect of the Notes, if such Notes later come to be held by an Offshore Associate of the Issuer, and at the time of payment of interest on those Notes, the Issuer knows or has reasonable grounds to suspect that such person is an Offshore Associate of the Issuer, the exemption under section 128F does not apply to interest paid by the Issuer to such Offshore Associate in respect of those Notes.

Unless otherwise specified in any relevant Pricing Supplement (or another relevant supplement to this Information Memorandum), the Issuer intends to issue the Notes in a manner which will satisfy the public offer test in section 128F of the Australian Tax Act.

(b) Exemptions under certain double tax conventions

Various Australian tax treaties, including those with the United States of America, the United Kingdom, Norway, Finland, the Republic of France, Japan, Switzerland, the Republic of South Africa and New Zealand, include exemptions from Australian IWT for interest derived by qualifying financial institutions. Prospective Noteholders should obtain their own independent tax advice as to whether any of the exemptions under the relevant tax treaties may apply to their particular circumstances.

(c) Payments under the Guarantee

The ATO has published a Taxation Determination stating that payments by a guarantor in respect of debentures are entitled to the benefit of the exemption contained in section 128F if payments of interest in respect of those debentures by the Issuer are exempt from Australian IWT. There is some doubt as to whether the reasoning adopted in the Taxation Determination is correct, however, this has not been tested by the courts.

If such payments are characterised as “interest” for Australian withholding tax purposes, Australian IWT could be payable if the section 128F exemption from Australian IWT does not apply to the Notes.

3. Other tax matters

Under Australian laws as presently in effect:

- *death duties* – no Notes 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;
- *stamp duty and other taxes* – no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue, transfer or redemption of any Notes;
- *TFN/ABN withholding* – tax at the highest marginal tax rate (currently at the rate of 47%) may be deducted from payments on the Notes if the Noteholder of the Notes does not provide a Tax File Number (“TFN”), or an Australian Business Number (“ABN”) (where applicable) or proof of a relevant exemption from withholding tax (as appropriate).
- *garnishee directions by the Commissioner of Taxation* – the Commissioner of Taxation may give a direction requiring the Issuer to deduct from any payment to a Noteholder any amount in respect of Australian tax payable by the Noteholder. If the Issuer is served with such a direction, then the Issuer will comply with that direction and make any deduction required by that direction; and
- *goods and services tax (GST)* – neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber that is a non-resident) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Notes, would give rise to any GST liability in Australia.

4. Common Reporting Standards

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“CRS”) requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

FATCA

1. Introduction

The qualifications and limitations set out in the Introduction to the Australian Taxation section above apply equally to this FATCA section.

Financial institutions through which payments on Notes are made may be required to withhold U.S. tax pursuant to FATCA or similar laws implementing an inter-governmental approach on FATCA.

FATCA is particularly complex and its application to interest, principal or other amounts paid with respect to the Notes is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes, neither the Issuer, nor any other person would, pursuant to the Conditions, be required to pay additional amounts as a result of such deduction or withholding.

2. Australian IGA

Reporting Australian Financial Institutions (“**RAFI**s”) under the Australia–U.S. FATCA Intergovernmental Agreement dated 28 April 2014 (“**Australian IGA**”) must comply with specific due diligence procedures. In general, these procedures seek to identify their account holders and provide the ATO with information on financial accounts held by U.S. persons and recalcitrant account holders. The ATO is required to provide such information to the U.S. Internal Revenue Service. Consequently, Noteholders may be requested to provide certain information and certifications to RAFIs through which payments on the Notes are made. A RAFI that complies with its obligations under the Australian IGA will not be subject to FATCA withholding on amounts it receives, and will not be required to deduct FATCA withholding from payments it makes, other than in certain prescribed circumstances.

In the event that any amount is required to be withheld or deducted from a payment on the Notes as a result of FATCA, pursuant to the terms and conditions of the Notes, no additional amounts will be paid by the Issuer as a result of the deduction or withholding.

New Zealand Taxation

1. Introduction

The following is a summary of New Zealand tax considerations in connection with the Notes. This taxation summary is based on relevant provisions of the Income Tax Act 2007 of New Zealand (“**NZ Tax Act**”) and ancillary tax legislation in force, and generally accepted administrative practices of the New Zealand Inland Revenue Department (“**IRD**”), as at the date of this Information Memorandum. Any of these may change in the future without notice and legislation introduced to give effect to announcements may contain provisions that are currently not contemplated and may have retroactive effect.

The qualifications and limitations set out in the Introduction to the Australian Taxation section above apply equally to this New Zealand Taxation section.

2. New Zealand tax on interest payments by Issuer

Interest paid by the Issuer will not be subject to New Zealand withholding tax, including where the interest is paid to a Noteholder that is resident in New Zealand under the NZ Tax Act (“**NZ Resident Noteholder**”). Such interest will be included in the assessable income of a NZ Resident Noteholder under the NZ Tax Act. NZ Resident Noteholders will be individually responsible for the payment of New Zealand income tax on interest paid by the Issuer, including (where applicable) compliance with spreading and other requirements under the financial arrangement rules in the NZ Tax Act.

3. Payments under the Guarantee by New Zealand Guarantors

The better view is that where a borrower defaults on a payment of interest under a debt, and a guarantor pays an amount corresponding to that interest to the debt holder, that amount is not “interest” for New Zealand withholding tax purposes. This analysis is not the subject of any Court judgment or published IRD view, but has been accepted as correct by IRD in certain contexts. Consequently, there should be no New Zealand withholding tax on any payments under the Guarantee, including in particular such a payment made by a Guarantor that is resident in New Zealand under the NZ Tax Act.

4. Other tax matters

Under New Zealand laws as presently in effect:

- *stamp duty and other taxes* – no ad valorem stamp, issue, registration or similar taxes are payable in New Zealand on the issue, transfer or redemption of any Notes; and
- *goods and services tax (GST)* – neither the issue nor receipt of the Notes will give rise to a liability for GST in New Zealand. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Notes, nor any payment under the Guarantee, would give rise to any GST liability in New Zealand.



Directory

Directory

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