

Information relating to CDIs in Unibail-Rodamco-Westfield (URW)

This notice relates to CHESS Depository Interests ("**CDIs**") of Unibail-Rodamco-Westfield ("**URW**") which are expected to be issued in connection with the acquisition by Unibail-Rodamco SE ("**Unibail-Rodamco**") of Westfield Corporation (the "**Westfield Transaction**").

20 CDIs will collectively represent a beneficial interest in one URW Stapled Share, consisting of a Unibail-Rodamco ordinary share and a WFD Unibail-Rodamco N.V. ("**WFD-UR**") class A share stapled together.

Subject to approval by the Supreme Court of New South Wales of the schemes for the Westfield Transaction and such schemes becoming effective, it is expected that the CDIs will commence trading on ASX on a deferred settlement basis on 31 May 2018 ahead of their issue on 8 June 2018 and subsequently commence trading on a normal settlement basis on 14 June 2018.

ASX Participants should note that a French Financial Transaction Tax ("Transfer Tax") is payable on each purchase of CDIs that results in a transfer of ownership. The Transfer Tax is 0.3% of the proportion of the purchase price of the CDIs that is represented by the beneficial interest in Unibail-Rodamco shares¹. The Transfer Tax is payable in euros. ASX Participants who execute purchases of CDIs will have responsibility for calculating and paying the Transfer Tax. ASX Participants should therefore ensure that appropriate systems in place for collection and payment of the Transfer Tax, prior to executing purchases of CDIs.

The Transfer Tax does not apply to the initial acquisition on 8 June 2018 by Westfield securityholders of CDIs pursuant to the Westfield Transaction.

Below is an overview of the Transfer Tax as it applies to CDIs. It has been provided by Unibail-Rodamco and is a summary only, and ASX takes no responsibility for this overview. A more detailed explanation of the Transfer Tax as it applies generally has been published by AMAFI (the representative body for financial market participants in France) and is available at <http://www.amafi.fr/topics/en/documentation/taxation> (see AMAFI - 18-04 – Financial transaction tax – Guidelines).

1 What is the source of the Transfer Tax?

The Transfer Tax is imposed by Article 235-ter ZD of the French general tax code (*code général des impôts*). It applies to any acquisition for consideration of an equity security resulting in transfer of ownership if: (i) the security is listed on a regulated market; (ii) its acquisition gives rise to a transfer of ownership; and (iii) the security is issued by a French company whose market capitalisation exceeds one billion euros as of 1 December of the year preceding the taxation year.

As such the Transfer Tax will apply to acquisitions for consideration of Stapled Shares insofar as the consideration relates to the Unibail-Rodamco share component of the Stapled Shares. Under the French general tax code, the Transfer Tax will also apply to instruments issued by a company (wherever it is located and even if it is not the issuer of the relevant French equity securities) that represent the securities which are primarily taxable. The Transfer Tax will therefore apply to acquisitions for consideration of CDIs. See the Question 3 response below.

There are limited exemptions to the Transfer Tax such as the initial acquisition of CDIs by way of issuance (including pursuant to the Westfield Transaction on 8 June 2018). These are outlined in the Question 7 response below.

¹ Note that the CDI is a beneficial interest in ordinary shares of a French company, Unibail-Rodamco, and class A shares of a Dutch company, WFD-UR. The Transfer Tax only applies to the proportion of the acquisition consideration represented by the beneficial interest in the French company shares.

2 When does liability for the Transfer Tax arise?

Liability for the Transfer Tax arises upon the transfer of ownership of CDIs. This will occur when the CDIs are registered in the name of the purchaser. In the case of on-market acquisitions this will occur upon settlement of the trade. The first day of settlement of trades in CDIs, in either the deferred settlement or normal settlement market, is expected to be 14 June 2018.

Where a person both purchases and sells CDIs during the same day, leading to both the purchases and sales settling on the same day, the Transfer Tax is levied only on the net purchase position (or net long position) of that person.

The Transfer Tax is levied only on purchases of CDIs, and not on the sale of CDIs. See response to Question 4 below.

3 How will the Transfer Tax be calculated?

Below is a formula for calculating the Transfer Tax levied on acquisitions of CDIs where the consideration is paid in A\$.

$$\text{Transfer Tax (in euros)} = 0.3\% \times \text{Acquisition Price} \times \text{Unibail-Rodamco Proportion} \times \text{Applicable FX Rate}$$

Where:

- *Acquisition Price* = The A\$ acquisition price of the CDIs, excluding transaction costs such as brokerage fees, stamp duty and bank fees.
- *Unibail-Rodamco Proportion* = The proportion of the Acquisition Price that corresponds only to the value of the Unibail-Rodamco shares underlying the CDIs, and not to the value of the WFD-UR class A shares. This is because Unibail-Rodamco is incorporated in France, whereas WFD-UR is incorporated in The Netherlands.

For all acquisitions of CDIs which occur prior to 1 March 2019, the Unibail-Rodamco Proportion will be 93.235%. This effectively means that, until 1 March 2019, the Transfer Tax payable will be 0.279705% of the Acquisition Price of the CDIs (i.e. 93.235% x 0.3%).

For acquisitions which occur on or after 1 March 2019, the Unibail-Rodamco Proportion will be determined in accordance with a ruling dated 14 May 2018 by the French tax authorities. In that ruling the French tax authorities confirmed that the fraction of the value of the Stapled Share to be allocated to the Unibail-Rodamco share for the purposes of calculating and levying the Transfer Tax can be determined on the basis of the respective shareholders' equity of Unibail-Rodamco and WFD-UR on 31 December of a given year (Y), as published by Unibail-Rodamco, for transactions taking place as from 1 March of the following year (Y+1) through the last day of February of the next year (Y+2).

URW will release to ASX on an annual basis the Unibail-Rodamco Proportion which applies for each subsequent year. Each such release will occur at the same time URW provides its annual financial accounts to ASX.

- *Applicable FX Rate* = the closing euro/A\$ exchange rate on the currency market of the day before the acquisition of the CDIs (ie. the settlement date). However, the French tax authorities allow the closing exchange rate on the day before the trade date to be used. In all cases the category of date used (ie. the day before each settlement date or the day before each trade date) should be the same for all transactions made during a given month. Neither the French general tax code or French tax authorities specify the applicable 'currency market'. A suggestion would be to use the daily euro/A\$ exchange rates published by the Reserve Bank of Australia on its website.

4 Who is liable paying the Transfer Tax?

The Transfer Tax must be calculated, collected and paid by the entity, wherever it is established, providing investment services, which executed the purchase order for CDIs or which traded for its own account. In other words, a broker who executes a purchase trade of CDIs will be the person liable to pay the Transfer Tax to the French tax authorities. ASX Participants should therefore ensure that appropriate systems are put in place for collection and payment of the Transfer Tax, prior to executing purchases of CDIs. It is a matter for each ASX Participant as to whether the Transfer Tax is passed onto their clients.

5 How is the Transfer Tax to be paid?

The entity or person liable for the Transfer Tax must declare and pay it before the 25th of the month following the acquisition of the CDIs (eg. on-market acquisitions of CDIs which settle during July 2018 must be paid before the 25th of August 2018). The declaration is made by completing and returning the prescribed form (form n°3374 ANG SD) to the French tax authorities along with payment in euros. The form is available at https://www.impots.gouv.fr/portail/files/formulaires/3374-sd/2018/3374-sd_2089.pdf.

The entity or person liable to pay the Transfer Tax should maintain records relating to the CDI transaction subject to the Transfer Tax. An entity may also, under certain conditions, elect to declare and pay the Transfer Tax through a Euroclear member.

Penalties and late-payment interest apply in the case of breach of the Transfer Tax declaration and payment obligations.

6 Does the Transfer Tax apply to conversions between Stapled Shares and CDIs? Or to other transfers which do not result in any change of beneficial ownership of Stapled Shares?

The Transfer Tax will not be triggered upon merely the conversion by a holder of CDIs of their CDIs into Stapled Shares, or the conversion by a holder of Stapled Shares of their Stapled Shares into CDIs. This is because in each case the acquisition of CDIs or Stapled Shares will not be an acquisition for consideration.

Nor would the Transfer Tax apply to transfers of registered ownership of CDIs where there is no change in beneficial owner and no consideration for the transfer.

7 What are the exemptions to the Transfer Tax?

There are a number of exemptions to the Transfer Tax. In summary the exemptions are:

- primary market transactions, such as the initial acquisition of CDIs by way of issuance (including pursuant to the Westfield Transaction);
- transactions by clearing houses and central depositories;
- acquisitions made in the context of market making activities;
- transactions executed on behalf of issuers to promote liquidity;
- acquisitions between companies that are members of the same corporate group;
- securities financing transactions including securities lending;
- purchases and buybacks for use in an employee savings scheme;
- transactions in bonds that can be exchanged or converted into shares.