

ASX/Media Announcement

16 October 2018

Intention to recommend revised ESR Proposal to acquire Propertylink

REVISED ESR PROPOSAL AND ENTRY INTO PROCESS DEED

Propertylink Group (ASX:PLG) (**Propertylink**) refers to the non-binding, indicative and conditional proposal from ESR Real Estate (Australia) Pty Ltd (**ESR**) to acquire all the Propertylink securities which it does not already own by way of an agreed takeover bid, as announced on 21 September 2018 (**Proposal**). Following discussions with Propertylink in relation to the merits of the Proposal, ESR has revised the Proposal consideration to \$1.20¹ per Propertylink security in cash.

The Directors of Propertylink intend, on entry into a Bid Implementation Agreement (**BIA**), to unanimously recommend that Propertylink securityholders accept ESR's takeover bid that is expected to arise from the revised Proposal, subject to an Independent Expert opining that the offer is fair and reasonable to Propertylink securityholders not associated with ESR and in the absence of a superior proposal.

Propertylink has entered into a Process Deed with ESR which sets out the terms of, and steps required to finalise, the Proposal, a copy of which is attached to this announcement.

The finalisation of the Proposal is subject to satisfactory completion of due diligence by ESR and negotiation of a BIA on terms acceptable to Propertylink and ESR.

SUMMARY OF THE PROPOSAL

The Proposal is to acquire all of the Propertylink securities which ESR does not already own for a cash consideration of \$1.20¹ per security, by way of an agreed takeover bid.

The Proposal price of \$1.20¹ represents a:

- 14.3% premium to the closing price of Propertylink securities at 20 September 2018 of \$1.05, being the day prior to the announcement of ESR's initial proposal to acquire Propertylink;
- 15.4% premium to Propertylink's net tangible assets per security as at 30 June 2018 of \$1.04;
- 15.2% premium to the 6 month VWAP of Propertylink securities to 20 September 2018 of \$1.04; and
- 4.3% increment to ESR's initial proposal price of \$1.15.

Any takeover bid will be subject to such conditions as may be agreed by Propertylink and ESR following the conduct of due diligence by ESR.²

¹ The Proposal price will be reduced by the cash amount of any dividends or distributions that PLG securityholders receive or become entitled to receive. All references to the Proposal consideration in this announcement are to the Proposal consideration subject to any such reduction.

² The conditions to ESR's initial proposal were attached to ESR's letter which was announced on 21 September 2018. The conditions that will apply to ESR's takeover offer to Propertylink securityholders will be agreed during negotiation of the BIA.

INTENTION TO RECOMMEND

The Directors of Propertylink believe that, given its all-cash nature, ESR's Proposal would represent an opportunity for Propertylink securityholders to realise certain value for their Propertylink securities at an attractive premium to the Propertylink trading price prior to the receipt of the Proposal and Propertylink's 30 June 2018 NTA.

The Directors therefore intend to engage with ESR and allow ESR to conduct confirmatory due diligence on Propertylink for a period of three weeks. Subject to the satisfactory completion of due diligence by ESR and entry into a BIA on terms acceptable to Propertylink, the Directors intend to unanimously recommend that Propertylink securityholders accept a takeover bid from ESR at the Proposal price of \$1.20³ per security. The Directors' intention to recommend the Proposal is conditional on an Independent Expert opining that the ESR offer is fair and reasonable to Propertylink securityholders not associated with ESR and the absence of a superior proposal.

Propertylink's Chairman, Peter Lancken, said "the Directors of Propertylink welcome ESR's ongoing co-operation and engagement in relation to discussing the merits of its Proposal. The revised Proposal has the potential to provide Propertylink securityholders with the opportunity to receive cash for their securities at a substantial premium to Propertylink's trading price prior to the receipt of the Proposal."

PROPERTYLINK'S PROPOSAL TO ACQUIRE CIP

At this time, Propertylink has decided not to proceed with its non-binding, indicative proposal to acquire Centuria Industrial REIT (**CIP**) which it announced on 13 September 2018. Propertylink reserves the right to proceed with a proposal to acquire CIP in the event that ESR's Proposal is withdrawn or a BIA is not entered into.

CENTURIA'S PROPOSAL TO REPLACE PROPERTYLINK'S BOARD

Propertylink notes the Extraordinary General Meeting (**Meeting**) of Propertylink (Holdings) Limited that was requisitioned by Centuria Investment Holdings Pty Limited as trustee of Centuria Capital No. 2 Industrial Fund (**Centuria**), at which Propertylink securityholders will be asked to vote on resolutions proposed by Centuria to remove all of the current Directors, other than the Managing Director, and replace them with six directors nominated by Centuria.

ESR has informed Propertylink that, subject to execution of a binding BIA which has not been terminated and the Propertylink directors continuing to unanimously recommend the Proposal at the relevant time and there being no material change in circumstances, ESR intends to **vote its 19.9% interest against** all of the resolutions proposed by Centuria at the Meeting.

NEXT STEPS

The Proposal remains at this stage incomplete and finalisation of the Proposal in accordance with the Process Deed is subject to the satisfactory completion of due diligence by ESR and the negotiation of a BIA. There is no guarantee that the Proposal will lead to a binding offer to acquire Propertylink securities.

³ The Proposal price will be reduced by the cash amount of any dividends or distributions that Propertylink securityholders receive or become entitled to receive. All references to the Proposal consideration in this announcement are to the Proposal consideration subject to any such reduction.

Propertylink has commissioned the updating of the independent valuations for 100% of Propertylink's wholly owned industrial portfolio and Propertylink's co-investment positions. Propertylink will announce the result of the independent valuation process once valuations are finalised.

Propertylink securityholders do not need to take any action at the present time. In the event that the Proposal is finalised, a binding BIA will be entered into with ESR. A Bidder's Statement in relation to the Proposal would be expected to be released by ESR shortly thereafter.

Propertylink has retained Goldman Sachs Australia Pty Ltd and J.P. Morgan Securities Australia Limited as financial advisers and Herbert Smith Freehills as legal adviser in relation to the Proposal.

ENDS

Further Enquiries

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About Propertylink

Propertylink is an A-REIT, listed on the Australian Stock Exchange under the code "PLG". Propertylink is an internally managed real estate group that owns and manages a diversified portfolio of logistics, business park and office properties and is a leading investment and asset management business with over A\$1.8 billion of assets under management. Propertylink's integrated, in-house approach to active asset management is aimed at maximising the performance and value of assets under management for our global investors from North America, Europe, the Middle East, Asia and Australia.

About ESR

ESR is a subsidiary of ESR Cayman Limited (the head entity of the ESR Group). ESR is one of the leading "pure-play" pan-Asia logistics real estate platforms, focusing on developing and managing institutional-quality logistics facilities that cater to third-party logistics providers, e-commerce companies, bricks-and-mortar retailers, cold-chain logistics providers and industrial companies. ESR's platform represents one of the largest in the Asia-Pacific region with over 10 million square metres of projects owned, managed and under development across China, Japan, Singapore, South Korea, India, and Australia with capital and funds management offices in Hong Kong and Singapore. Current assets under management are valued at over US\$13 billion.

In August 2018, ESR completed its acquisition of leading Australian logistics and industrial development business, Commercial and Industrial Property Pty Ltd (**C&I**). C&I has a portfolio of development projects across Australia's eastern seaboard with a fully developed end value of A\$1.1 billion over the next five years and gross floor area at completion of 520,000 sqm.



HERBERT
SMITH
FREEHILLS

Deed

Process Deed

Propertylink (Holdings) Limited

Propertylink Investment Management Limited as
responsibility entity of the Propertylink Australian
Industrial Partnership

Propertylink Investment Management Limited as
responsibility entity of the Propertylink Trust

ESR Real Estate (Australia) Pty Limited



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Process Deed

Date ► 15 October 2018

Between the parties

PHL	Propertylink (Holdings) Limited ACN 092 684 798 of Level 29, 20 Bond Street, Sydney NSW 20
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PAIP RE	Propertylink Investment Management Limited ACN 136 865 417 as responsibility entity of Propertylink Australian Industrial Partnership ARSN 613 032 812 of Level 29, 10-20 Bond Street, Sydney NSW 2000
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PT RE	Propertylink Investment Management Limited ACN 136 865 417 as responsibility entity of the Propertylink Trust ARSN 613 032 750 of Level 29, 10-20 Bond Street, Sydney NSW 2000
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ESR	ESR Real Estate (Australia) Pty Limited ACN 625 761 962 of Suite 59, Jones Bay Wharf, 26-32 Pirrama Road, Pyrmont 2009
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Recitals	<ol style="list-style-type: none">1 ESR submitted the ESR NBIO to PLG which set out the terms and conditions of a conditional non-binding, indicative proposal whereby ESR would acquire 100% of the Propertylink Securities which ESR or its Affiliates did not already own by way of an agreed takeover bid.2 Following further discussions between the parties, the parties wish to progress a proposal by which ESR would make the Takeover Bid subject to the agreement of the terms of a Bid Implementation Agreement and on the terms and conditions of this deed (the Proposed Transaction).
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This deed witnesses as follows:



1 Definitions and interpretation

1.1 Definitions

The meanings of the terms used in this deed are set out below.

Term	Meaning
Affiliate	<ol style="list-style-type: none">1 with respect to any entity (including the trustee of any trust), any other entity that, directly or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control (by a third entity) with such entity from time to time; and2 with respect to the trustee of any trust, any person that, directly or indirectly through one or more intermediaries, Controls or is Controlled by, or is under common Control (by a third person or trust) with the trust of which that trustee is trustee from time to time, <p>except that in respect of ESR, Affiliate means any other entity that, directly or indirectly through one or more intermediaries, is Controlled by, ESR Cayman Limited from time to time.</p>
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Bid Implementation Agreement	an implementation agreement for the Takeover Bid.
Bidder's Statement	the bidder's statement to be prepared by ESR in relation to the Proposed Transaction in compliance with Part 6.5 of the Corporations Act.
Business Day	a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney.
CIP	Centuria Industrial REIT ARSN 099 680 252.
Competing Proposal	<p>any proposal, offer or transaction by a party (other than ESR or any of its Affiliates) that, if completed, would mean:</p> <ol style="list-style-type: none">1 a person (other than any person who alone, or together with the person's associates, currently holds a relevant interest, or an economic interest under a cash settled equity swap or similar derivative, in more than 10% of the Propertylink Securities, or



Term	Meaning
	<p>any associate of such person from time to time), would acquire a relevant interest, or an economic interest under a cash settled equity swap or similar derivative, in more than 10% of the Propertylink Securities on issue;</p> <p>2 a person would directly or indirectly acquire or obtain an interest (including an economic interest) in all or the majority of the business conducted by, or assets or property of, the Propertylink Group;</p> <p>3 a person would directly or indirectly acquire Control of:</p> <ul style="list-style-type: none">• PT, PAIP RE or PT RE; or• any other Propertylink Group Member (other than in the ordinary course of the business of the Propertylink Group in connection with the establishment and operation of external funds by the Propertylink Group); <p>4 a person may otherwise directly or indirectly acquire, merge with, or be stapled with, the Propertylink Group; or</p> <p>5 that the Proposed Transaction could not be implemented or implementation of the Proposed Transaction would be materially adversely affected,</p> <p>whether by way of takeover bid, trust scheme, capital reduction, sale of assets, sale of securities, stapling, strategic alliance, dual listed company structure, joint venture or partnership, or other transaction or arrangement (including in each case any variation or modification of an earlier Competing Proposal).</p>
Confidentiality Agreement	the confidentiality deed between PHL and ESR dated on or about the same date as this deed.
Control	has the meaning given in section 50AA of the Corporations Act, disregarding subsection 50AA(4).
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Data Room	the online data room established by PHL, PAIP RE and PT RE which is accessed at: https://dataroom.ansarada.com/_mvc/pddd%7C46450/2471959/DocumentIndex#/DocumentIndex .
Due Diligence Information Request	the request for the information set out in the attachment to the ESR NBIO headed 'Due diligence information'.
ESR NBIO	the letter given by ESR to PHL, PAIP RE and PT RE and announced by PHL, PAIP RE and PT RE on the ASX on 21



Term	Meaning
	September 2018
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
Implementation Period	the period from and including the date of this deed until and including 5 November 2018 (or such later date as the parties may from time to time agree) or, if is terminated in accordance with its terms, the date such termination takes effect.
Independent Expert	an independent expert appointed by PHL, PAIP RE and PT RE in relation to the Takeover Bid.
Listing Rules	the official listing rules of ASX, as amended and waived by ASX from time to time.
Loss	any liability, loss, damage, costs (including legal costs on a full indemnity basis), charge, expense, outgoing or payment.
PAIP	Propertylink Australian Industrial Partnership ARSN 613 032 812.
PAIP Constitution	the constitution of PAIP.
PAIP Unit	a fully paid ordinary unit in PAIP.
PHL	Propertylink (Holdings) Limited ACN 092 684 798.
PHL Share	a fully paid ordinary share in PHL.
PIML	Propertylink Investment Management Limited ACN 136 865 417.
PLG	the stapled group comprising PHL, PAIP RE and PT RE.



Term	Meaning
Propertylink Board	each of: <ol style="list-style-type: none">1 the board of directors of PHL; and2 the board of directors of the PIML.
Propertylink Director	each director of PHL and PIML.
Propertylink Group	PHL, PAIP RE and PT RE and each entity that one or more of PHL, PAIP RE and PT RE directly or indirectly, through one or more intermediaries, Controls, and a reference to a Propertylink Group Member is to any of them.
Propertylink Security	a security comprising one PHL Share, one PAIP Unit and one PT Unit which are stapled together.
Propertylink Securityholder	a holder of Propertylink Securities from time to time.
Proposed Transaction	has the meaning given in recital 1.
PT	Propertylink Trust ARSN 613 032 750.
PT Constitution	the constitution of PAIP.
PT Unit	a fully paid ordinary unit in PT.
Related Person	in respect of PHL, PAIP RE and PT RE: <ol style="list-style-type: none">1 each Propertylink Group Member; and2 each director, officer, employee, adviser, agent or representative of any Propertylink Group Member.
Superior Proposal	a publicly announced, <i>bona fide</i> Competing Proposal of the kind referred to in the definition of Competing Proposal which the Propertylink Directors, acting in good faith, and after receiving written legal advice from their external legal adviser and written advice from their financial advisers, determine: <ol style="list-style-type: none">1 is reasonably capable of being valued and completed in a timely fashion taking into account all aspects of the Competing Proposal including any timing considerations, any conditions



Term	Meaning
	precedent and the identity of the proponent; and 2 would, if completed substantially in accordance with its terms, be more favourable to Propertylink Securityholders (taken as a whole) than the Takeover Bid, taking into account all of the terms and conditions of the Competing Proposal.
Takeover Bid	a recommended off-market takeover bid by ESR for all of the Propertylink Securities on issue which ESR or its Affiliates does not already own with the offer consideration and subject to the conditions described in clauses 1 and 2 of Schedule 1.
Target's Statement	the target's statement to be prepared by PHL, PAIP RE and PT RE in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.

1.2 Interpretation

In this deed:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this deed;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency, as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to this deed;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this deed) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assignees;
- (j) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (k) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;



- (l) a reference to an deed other than this agreement includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (m) no provision of this deed will be construed adversely to a party because that party was responsible for the preparation of this deed or that provision;
- (n) a reference to a body (including an institute, association or authority), other than a party to this deed, whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (o) a reference to '\$', 'A\$' or 'dollar' is to the lawful currency of Australia;
- (p) a reference to any time, unless otherwise indicated, is to the time in Sydney, Australia;
- (q) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (r) the term 'associate' has the meaning given to that term in section 12 of the Corporations Act;
- (s) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1 or 1.2, has the same meaning when used in this deed; and
- (t) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.3 Interpretation of inclusive expressions

Specifying anything in this deed after the words 'include' or 'for example' or similar expressions does not limit what else is included.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.5 Deed components

This deed includes any schedule.

2 Proposed Transaction

2.1 Intention to recommend Proposed Transaction

Subject to termination of this deed, each of PHL, PAIP RE and PT RE undertake that its directors intend, upon entry into a Bid Implementation Agreement, to unanimously recommend to Propertylink Securityholders that they accept the offer to be made to them under the Takeover Bid, in the absence of a Superior Proposal and subject to the



Independent Expert concluding that the Proposed Transaction is fair and reasonable to Propertylink Securityholders not associated with ESR.

2.2 Agreement of Bid Implementation Agreement

- (a) During the Implementation Period, the parties must negotiate in good faith with a view to finalising a Bid Implementation Agreement that contains the key terms set out in Schedule 1, and such other terms and conditions as may be agreed by the parties.
- (b) PHL must provide a first draft of the Bid Implementation Agreement as soon as practicable after the date of this deed.
- (c) Subject to:
 - (1) terms and conditions of the Bid Implementation Agreement being finalised and agreed;
 - (2) PLG not breaching its obligations under clause 6.3;
 - (3) ESR not breaching its obligations under clause 7 of the Confidentiality Agreement; and
 - (4) completion of due diligence in accordance with clause 3.2 and ESR being satisfied with the results of that due diligence,each of the parties must take all action within its power to execute the Bid Implementation Agreement.

2.3 Restriction on distributions

During the Implementation Period, PHL, PAIP RE and PT RE will not pay, determine to pay, or declare, any dividend or distribution without ESR's prior written consent.

3 Due diligence

3.1 Provision of information

- (a) Subject to clauses 3.1(b) and 3.2, PHL, PAIP RE and PT RE must use reasonable endeavours to give ESR and its advisers access:
 - (1) in the Data Room to all the information set out in the Due Diligence Information Request, as soon as reasonably practicable after the date of this deed and respond to ESR's reasonable requests for further information in connection with the information requested in the Due Diligence Information Request or any other information otherwise provided to ESR;
 - (2) to site visits in respect of material properties owned by PLG or any funds managed by any Propertylink Group Member; and
 - (3) members of the Propertylink Group's senior management team for due diligence interviews, as reasonably requested by ESR.
- (b) PHL, PAIP RE and PT RE have no obligation to disclose information disclosure of which is restricted by obligations of confidentiality owing by any Propertylink Group Member to a third party, or which is the subject of legal professional privilege. However, in relation to information disclosure of which is restricted by



obligations of confidentiality owing to a third party, PHL, PAIP RE and PT RE must use reasonable endeavours to obtain consent to disclosure from the relevant third party.

3.2 Conduct of due diligence

- (a) ESR must conduct due diligence enquiries as expeditiously as is practicable, and use reasonable endeavours to complete its due diligence within the Implementation Period.
- (b) ESR agrees that the obligations of PLG under clauses 3.1(a)(2) and (3) are subject to that access not unreasonably disrupting the business of the Propertylink Group.
- (c) ESR must notify PHL, PAIP RE and PT RE as soon as practicable following completion of its due diligence enquiries as to whether it is satisfied or not satisfied of the results of its due diligence (but is not otherwise required to provide details of those results).

3.3 Engagement with Specified Persons

Notwithstanding any restrictions on ESR's communication with equity investors in funds managed by the Propertylink Group, with the Propertylink Group's debt financiers and with lessors of properties leased to the Propertylink Group under any long-term leases (**Specified Persons**) in the Confidentiality Agreement, during the Implementation Period:

- (a) PHL, PAIP RE and PT RE must use reasonable endeavours, as soon as practicable and in any event within 14 days following the date of this deed, to arrange meetings between representatives of ESR, representatives of Specified Persons and representatives of the Propertylink Group to discuss ongoing management of the funds following completion of the Takeover Bid; and
- (b) if a Specified Person or ESR notifies PHL, PAIP RE or PT RE that the Specified Person or ESR wishes to meet or communicate directly with ESR, PHL must not unreasonably withhold consent under the Confidentiality Agreement to any request by ESR to meet or communicate directly with the relevant Specified Person.

4 Announcements

- (a) Promptly after the execution of this deed, PHL, PAIP RE and PT RE must issue a public announcement concerning the Proposed Transaction in the form agreed between the parties.
- (b) Where a party proposes to make any public announcement in connection with the Proposed Transaction, it must to the extent practicable and lawful to do so, consult with the other party prior to making the relevant disclosure and take account of any reasonable comments received from the other party in relation to the form and content of the announcement or disclosure.



5 Confidentiality

- (a) The Confidentiality Agreement will apply to all information disclosed by the parties to one another as contemplated by this deed.
- (b) Each party acknowledges and agrees that it is bound by the Confidentiality Agreement in respect of information received by it from the other party before or after the date of this deed.
- (c) The rights and obligations of the parties under the Confidentiality Agreement survive termination of this deed. To the extent of any inconsistency between the Confidentiality Agreement and this deed, the terms of the Confidentiality Agreement prevail.

6 Exclusivity

6.1 No shop

During the Implementation Period, PHL, PAIP RE and PT RE must not, and must ensure that each of their Related Persons do not, directly or indirectly, solicit, invite or initiate any offer, proposal, inquiry, expression of interest, negotiations or discussions by or with any person with a view to obtaining, or which would reasonably be expected to lead to, the making of an actual, proposed or potential Competing Proposal, or communicate any intention to any person to do any of those things, but nothing in this clause 6.1 prevents Propertylink or any of its Related Persons from:

- (a) providing information as required by any applicable law or the Listing Rules or by any Government Agency;
- (b) providing information to its auditors, advisers, customers, suppliers, investors in external funds in the ordinary course of business;
- (c) making normal presentations to brokers, portfolio investors and analysts in the ordinary course of business or promoting the merits of the Takeover Bid; or
- (d) communicating with Propertylink Securityholders in accordance with its ordinary investor communications practices.

6.2 Notification of approaches

- (a) During the Implementation Period, PHL, PAIP RE or PT RE must notify ESR in writing within 2 Business Days if PHL, PAIP RE or PT RE or any of their Related Persons becomes aware of any actual, proposed or potential bona fide Competing Proposal made to PHL, PAIP RE or PT RE or any of their Related Persons, whether, solicited or unsolicited, and in writing or otherwise, and, subject to clause 6.2(b), such notice must include the following details:
 - (1) the fact of the making of the Competing Proposal; and
 - (2) the price implied by the Competing Proposal for each Propertylink Security, the key conditions to implementation of that Competing Proposal, the identity of the person making the Competing Proposal and all other material terms and conditions of the Competing Proposal.
- (b) Clause 6.2(a) does not require PHL, PAIP RE or PT RE or any of their Related Persons to provide notice of the details set out in clause 6.2(a)(2) in respect of



an actual, proposed or potential Competing Proposal to the extent that compliance with that clause would, in the opinion of the Propertylink Boards, formed in good faith, constitute, or would be reasonably likely to constitute, a breach of any of the fiduciary or statutory duties of the Propertylink Directors, provided that the actual, proposed or potential Competing Proposal was not brought about by a breach of clause 6.1.

6.3 CIP Proposal

During the Implementation Period, PAIP RE must not and PHL, PAIP RE and PT RE must ensure that each other Propertylink Group Member does not:

- (a) make or publicly propose a takeover bid for CIP (or issue a bidder's statement in respect of a takeover bid for CIP) other than a takeover bid that:
 - (1) is for the consideration, and is subject to the conditions (including the condition that the independent directors of Centuria Property Funds No.2 Limited recommend acceptance of the offer), set out in Propertylink's ASX announcement of 13 September 2018 and has an offer period of no more than one month; and
 - (2) a Court or the Takeovers Panel has ordered that PAIP RE make , or ASIC has informed PAIP RE in writing that it would regard PAIP RE as contravening section 631 of the Corporations Act if PAIP RE did not make , or that ASIC otherwise requires or expects PAIP RE to make because of the application of section 631 of the Corporations Act or similar principles,provided that PAIP RE does not waive any of the conditions to, increase the consideration under, or extend the offer period for, that takeover bid; or
- (b) except under a takeover bid permitted under clause 6.3(a), enter into, make an offer to enter into, or announce any intention or proposal to enter into, any transaction or agreement that would involve or result in any Propertylink Group Member directly or indirectly acquiring, or obtaining a right to acquire a relevant interest, or an economic interest under a cash settled equity swap or similar derivative, in CIP units or voting power in CIP.

6.4 Compliance with law

- (a) If it is finally determined by a court, or the Takeovers Panel, that the agreement by the parties under this clause 6 or any part of it:
 - (1) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the Propertylink Boards;
 - (2) constituted, or constitutes, or would constitute, 'unacceptable circumstances' within the meaning of the Corporations Act; or
 - (3) was, or is, or would be, unlawful for any other reason,then, to that extent (and only to that extent) Propertylink will not be obliged to comply with that provision of clause 6.
- (b) The parties must not make or cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in this clause 6.4.



7 Representations and warranties

7.1 Representations and warranties

Each party represents and warrants to each other party that:

- (a) **validly existing:** it is a validly existing corporation registered under the laws of its place of incorporation;
- (b) **authority:** the execution and delivery of this deed has been properly authorised by all necessary corporate and trustee action of the party;
- (c) **power:** the party has full capacity to own its property and carry on its business and has full capacity to enter into and perform its obligations under this deed;
- (d) **no default:** this deed does not conflict with or result in the breach of or a default under:
 - (1) any provision of the party's constituent documents; or
 - (2) any writ, order or injunction, judgment, law, rule or regulation to which it is party or subject or by which it is bound,and the party is not otherwise bound by any deed that would prevent or restrict it from entering into or performing this deed;
- (e) **agreement binding:** this deed is a valid and binding obligation of the party, enforceable in accordance with its terms.

7.2 Survival of representations and warranties

Each representation and warranty in clause 7.1 is severable, survives the termination of this deed and is given with the intention that liability under it is not confined to breaches that are discovered before the date of termination of this deed.

7.3 Timing of representations and warranties

Each representation and warranty made or given under clauses 7.1 is given at the date of this deed.

7.4 No representation or reliance

Except as otherwise agreed in any Bid Implementation Agreement:

- (a) each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this deed, except for representations or inducements expressly set out in this deed and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this deed, the circumstances surrounding the parties' entry into it and the transactions contemplated by it, are expressly excluded; and
- (b) each party acknowledges and confirms that it does not enter into this deed in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this deed.



8 Termination

8.1 Term and termination

This deed, and the parties' obligations under it, terminate on the earliest of the following to occur:

- (a) the end of the Implementation Period (subject to any extension of the Implementation Period agreed by the parties);
- (b) entry by the parties into the Bid Implementation Agreement;
- (c) any of PHL, PAIP RE or PT RE giving ESR notice of termination following a material breach of this deed or the Confidentiality Agreement by ESR and that breach, if remediable, not having been remedied to the reasonable satisfaction of PHL, PAIP RE and PT RE in a reasonable period;
- (d) ESR giving PHL, PAIP RE or PT RE notice of termination following a material breach of this deed by any of PHL, PAIP RE or PT RE and that breach, if remediable, not having been remedied to the reasonable satisfaction of ESR in a reasonable period;
- (e) ESR giving PHL, PAIP RE or PT RE notice that it has determined to terminate this deed in circumstances where either:
 - (1) it is not satisfied with the results of its due diligence enquiries in respect of the Propertylink Group; or
 - (2) a Competing Proposal has been announced or otherwise communicated by or on behalf of PHL, PAIP RE or PT RE to ESR; or
- (f) any of PHL, PAIP RE or PT RE giving ESR notice of immediate termination following receipt of a Superior Proposal.

8.2 Effect of termination

If this deed is terminated by a party under this clause 8:

- (a) each party will be released from its obligations under this deed, except that clauses 1, 5, 7, 8, 9, 11, 12 and 13 (except clause 13.7) which will survive termination and remain in force;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this deed; and
- (c) in all other respects, all future obligations of the parties under this deed will immediately terminate and be of no further force or effect, including, without limitation, any further obligations in respect of the Takeover Bid.

9 Limitation of liability

9.1 Capacity

Each party acknowledges that:

- (a) PAIP RE is entering into this deed as responsible entity of PAIP and not in any other capacity; and



- (b) PT RE is entering into this deed as responsible entity of PT and not in any other capacity.

9.2 PAIP RE's liability

- (a) Subject to clause 9.2(b):
 - (1) PAIP RE is not liable to the other parties or any other person in any capacity other than as responsible entity of PAIP;
 - (2) a liability of PAIP RE to the other parties arising under or in connection with this deed is limited to and can be enforced by the other parties against PAIP RE only to the extent to which it can be satisfied out of the property of PAIP. This limitation of PAIP RE's liability applies despite any other provision of this deed and extends to all liabilities and obligations of PAIP RE in any way connected with any representation, warranty, conduct, omission, agreement or transaction of PAIP RE related to this deed;
 - (3) the other parties may not sue PAIP RE in any capacity other than as trustee of PAIP, including seeking the appointment of a receiver (except in relation to property of PAIP), a liquidator, an administrator or any other similar person to PAIP RE or prove in any liquidation of or affecting PAIP RE (except in relation to the property of PAIP); and
 - (4) each of the other parties waives its rights and releases PAIP RE from any personal liability in respect of any Loss which the other parties may suffer as a consequence of a failure of PAIP RE to perform its obligations under this deed, which cannot be paid or satisfied out of any property held by PAIP RE as responsible entity of PAIP.
- (b) The provisions of clause 9.2(a) will not apply to any obligation or liability of PAIP RE to the extent arising as a result of PAIP RE's fraud, gross negligence or wilful default or where PAIP RE's right of indemnity is otherwise reduced by operation of law or the PAIP Constitution.
- (c) No act or omission of PAIP RE (including any related failure to satisfy its obligations or breach of representations or warranty under this deed) will be considered fraud, gross negligence or wilful default of PAIP RE for the purposes of clause 9.2(b) to the extent to which the act or omission was caused by any act of omission of any other person.

9.3 PT RE's liability

- (a) Subject to clause 9.3(b):
 - (1) PT RE is not liable to the other parties or any other person in any capacity other than as responsible entity of PT;
 - (2) a liability of PT RE to the other parties arising under or in connection with this deed is limited to and can be enforced by the other parties against PT RE only to the extent to which it can be satisfied out of the property of PT. This limitation of PT RE's liability applies despite any other provision of this deed and extends to all liabilities and obligations of PT RE in any way connected with any representation, warranty, conduct, omission, agreement or transaction of PT RE related to this deed;
 - (3) the other parties may not sue PT RE in any capacity other than as trustee of PT, including seeking the appointment of a receiver (except



in relation to property of PT), a liquidator, an administrator or any other similar person to PT RE or prove in any liquidation of or affecting PT RE (except in relation to the property of PT); and

- (4) each of the other parties waives its rights and releases PT RE from any personal liability in respect of any Loss which the other parties may suffer as a consequence of a failure of PT RE to perform its obligations under this deed, which cannot be paid or satisfied out of any property held by PT RE as responsible entity of PT.
- (b) The provisions of clause 9.3(a) will not apply to any obligation or liability of PT RE to the extent arising as a result of PT RE's fraud, gross negligence or wilful default or where PT RE's right of indemnity is otherwise reduced by operation of law or the PT Constitution.
- (c) No act or omission of PT RE (including any related failure to satisfy its obligations or breach of representations or warranty under this deed) will be considered fraud, gross negligence or wilful default of PT RE for the purposes of clause 9.3(b) to the extent to which the act or omission was caused by any act of omission of any other person.

10 Costs and expenses

Except as otherwise provided in this deed or the Bid Implementation Agreement, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution, delivery and performance of this deed and the proposed, attempted or actual implementation of this deed and the Proposed Transaction.

11 GST

- (a) Any consideration or amount payable under this deed, including any non-monetary consideration (as reduced in accordance with clause 11(e) if required) (**Consideration**) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this deed, an additional amount (**Additional Amount**) is payable by the party providing consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST Law.
- (c) The Additional Amount payable under clause 11(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice. However, the Additional Amount is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason (including the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 11(b):
 - (1) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
 - (2) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and



- (3) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.
- (e) Despite any other provision in this deed if an amount payable under or in connection with this deed (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred.
- (f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of a GST Group of which the party is a member is entitled.
- (g) Any term starting with a capital letter that is not defined in this deed has the same meaning as the term has in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

12 Notices

12.1 Form of Notice

A notice or other communication to a party under this deed (**Notice**) must be:

- (a) in writing and in English; and
- (b) addressed to that party as nominated below (or any alternative details nominated to the sending party by Notice):

Party	Address	Addressee	Email
PHL PAIP RE PT RE	10-20 Bond Street, Sydney NSW 2000	Rebekah Hourigan	rhourigan@propertylink.com.au
	Copy to: Herbert Smith Freehills ANZ Tower, 161 Castlereagh Street Sydney NSW 2000	Philip Podzebenko and Andrew Rich, Herbert Smith Freehills	philip.podzebenko@hsf.com andrew.rich@hsf.com
ESR	Suite 59, Jones Bay Wharf,	Andrew	andrew.fitzpatrick@au.esr.com



26-32 Pirrama Road, Pyrmont Fitzpatrick
2009

Copy to	Sandy Mak	sandy.mak@corrs.com.au
Corrs Chambers Westgarth	and Adam	
8 Chifley Square, Sydney,	Foreman,	adam.foreman@corrs.com.au
NSW 2000	Corrs	
	Chambers	
	Westgarth	

12.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address.
By email to the nominated email address	When the party sending the email receives notification that the email was successfully transmitted and read by the receiving party, or if no such notification is received, 24 hours after the email was sent, unless the party sending the email receives notification that the email was not successfully transmitted.

13 General

13.1 Governing law and jurisdiction

- (a) This deed is governed by the law in force in New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.



13.2 Service of process

Without preventing any other mode of service, any document in an action (including any writ of summons or other originating process or any third or other party notice) may be served on any party by being delivered to or left for that party at its address for service of Notices under clause 12.

13.3 Invalidity and enforceability

- (a) If any provision of this deed is invalid under the law of any jurisdiction, the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 13.3(a) does not apply where enforcement of the provision of this deed in accordance with clause 13.3(a) would materially affect the nature or effect of the parties' obligations under this deed.

13.4 Waiver

No party to this deed may rely on the words or conduct of any other party as a waiver of any right unless the waiver is in writing and signed by the party granting the waiver.

The meanings of the terms used in this clause 13.4 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

13.5 Variation

A variation of any term of this deed must be in writing and signed by the parties.

13.6 Assignment of rights

A party may not assign, novate, declare a trust over or otherwise transfer or deal with any of its rights or obligations under this deed without the prior written consent of the other party, which consent may be withheld at the absolute discretion of the party from whom consent is sought.

13.7 Further action to be taken at each party's own expense

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this agreement and the transactions contemplated by it.



13.8 Entire agreement

This deed, together with the Confidentiality Agreement, states all the terms agreed by the parties in respect of its subject matter. These supersede all prior discussions, negotiations, understandings and agreements in respect of its subject matter (other than the Confidentiality Agreement).

13.9 Counterparts

This deed may be executed in any number of counterparts.

13.10 Relationship of the parties

- (a) Nothing in this deed gives a party authority to bind any other party in any way.
- (b) Nothing in this deed imposes any fiduciary duties on a party in relation to any other party.
- (c) Nothing in this deed is intended to constitute any Propertylink Group Member an associate of ESR or any of its Affiliates within the meaning of section 12 of the Corporations Act.

13.11 Remedies cumulative

Except as provided in this deed and permitted by law, the rights, powers and remedies provided in this deed are cumulative with, and not exclusive of, the rights, powers and remedies provided by law independently of this deed.

13.12 Exercise of rights

- (a) Unless expressly required by the terms of this deed, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this deed.
- (b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power, authority, discretion or remedy, under or in connection with this deed. Any conditions must be complied with by the party relying on the consent, approval or waiver.



Schedule 1

Key terms of Bid Implementation Agreement

1 Consideration

The consideration under the offer is \$1.20 cash per Propertylink Security. ESR may deduct from the offer consideration payable to a Propertylink Securityholder the cash amount of any dividends or distributions paid by (or out of) PHL, PAIP and PT and which are received by the relevant Propertylink Securityholder or which those Propertylink Securityholders are entitled to receive.

2 Conditions

The Takeover Bid will be subject to such conditions as may be agreed by the parties.

3 Recommendation

PHL, PAIP RE and PT RE agree that the announcement of the Bid Implementation Agreement and the Target's Statement in relation to the Proposed Transaction must include a statement that:

- (a) subject to the Independent Expert concluding that the offer is fair and reasonable to Propertylink Securityholders not associated with ESR, and in the absence of a Superior Proposal the Propertylink Directors unanimously recommend that Propertylink Securityholders accept the offer to be made to them under the Takeover Bid; and
- (b) subject to the Independent Expert concluding that the offer is fair and reasonable to Propertylink Securityholders not associated with ESR, and in the absence of a Superior Proposal, each the Propertylink Director intends to accept the offer made under the Takeover Bid in respect of all Propertylink Securities held or controlled by the Propertylink Director.

The Bid Implementation Agreement will set out circumstances where the recommendation may be changed without PHL, PAIP RE or PT RE having to pay any cost reimbursement amount. Such circumstances will include any change of recommendation occurring after 15 June 2019 in circumstances where ESR has not waived its right to deduct from the offer consideration the cash amount of any final distribution made in respect of the year ending 30 June 2019 in the ordinary course (provided that the cost reimbursement amount may still be payable if the recommendation is changed after 15 June 2019 in circumstances where there is a Competing Proposal).



4 Conduct of business

PHL, PAIP RE and PT RE agree that, during the period before the end of the offer period for the Takeover Bid:

- (a) Propertylink Group Members conduct their business in the ordinary course, subject to customary exceptions;
- (b) Propertylink Group Members give ESR information reasonably requested and access to senior executives as reasonably requested for purposes of integration planning, and subject to customary restrictions; and
- (c) the parties will cooperate in integration planning, to ensure that the commercial interests of wholesale investors in the Propertylink Group's external funds are not adversely affected by the Proposed Transaction.

5 Exclusivity

The Bid Implementation Agreement will contain customary exclusivity obligations and cost reimbursement provisions.

6 Other provisions

The Bid Implementation Agreement will contain the following customary terms and conditions:

- (a) cooperation in relation to preparation of the Bidder's Statement and Target's Statement;
- (b) representations and warranties by each of the parties;
- (c) releases for officers and directors;
- (d) confidentiality provisions; and
- (e) trustee limitations of liability.



Signing page

Executed as an deed

Signed sealed and delivered by
Propertylink (Holdings) Limited
by

sign here ►

Company Secretary/Director

print name

Rebekah Hourigan

sign here ►

Director

print name

Stuart Dawes

Signed sealed and delivered by
Propertylink Investment Management Limited
by

sign here ►

Company Secretary/Director

print name

Rebekah Hourigan

sign here ►

Director

print name

Stuart Dawes



HERBERT
SMITH
FREEHILLS

Signed sealed and delivered by
ESR Real Estate (Australia) Pty Limited
by

sign here ► Philip Pearce
Company Secretary/Director

print name Philip Pearce

sign here ► Andrew Fitzpatrick
Director

print name ANDREW FITZPATRICK
