

28 November 2016

Australian Securities Exchange
Companies Announcements Platform
20 Bridge Street
Sydney NSW 2000

NOTICE OF INITIAL SUBSTANTIAL HOLDER

Further to the announcement by Tabcorp Holdings Limited (**Tabcorp**) on 25 November 2016 in relation to Tabcorp's entry into a cash-settled equity swap with an investment bank in respect of c.147 million shares in Tatts Group Limited (**Tatts**), we attach a notice of initial substantial holder in relation to Tatts.

Yours faithfully



Fiona Mead
Company Secretary (subject to approval)

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Tabcorp Holdings Limited	5 Bowen Crescent Melbourne VIC Australia 3004	GPO Box 1943 Melbourne VIC Australia 3001	tabcorp.com.au ABN 66 063 780 709
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Form 603Corporations Act 2001
Section 671B**Notice of initial substantial holder**To Company Name/Scheme Tatts Group Limited (**Tatts**)

ACN/ARSN 108 686 040

1. Details of substantial holder (1)
Name**Tabcorp Holdings Limited** (ACN 063 780 709) (**Tabcorp**), Tabcorp Investments No. 4 Pty Ltd (ACN 108 197 084) (**Tabcorp No. 4**) and each of the other entities listed in Tabcorp's 2016 Annual Report on page 101 (as updated from time to time and available on request) (**Tabcorp Group Entities**)

ACN/ARSN (if applicable)

The holder became a substantial holder on 24/11/2016

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interest in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	146,705,096 (see 3 below)	146,705,096 (see 3 below)	9.99 % (see 3 below) (based on 1,468,519,481 ordinary shares on issue)

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Tabcorp No. 4	Relevant interest under section 608(1)(b) of the Corporations Act, by reason of its ability to control the voting of any Tatts shares held by UBS AG, Australia Branch (UBS) or its affiliate as part of its hedge positions (Hedged Positions) in connection with a cash-settled equity swap between Tabcorp No. 4 and UBS (Swap). The maximum number of shares subject to the Swap as agreed is 146,705,096. See Annexure "A" for further details.	146,705,096 ordinary shares, subject to that Tabcorp No. 4 is not aware of UBS's Hedged Positions. If UBS and its affiliates hold less than the number of shares referred to in paragraph 2 of this notice as part of its Hedged Positions, the number of ordinary shares in which Tabcorp No. 4 has a relevant interest, and its voting power, are correspondingly reduced: see substantial holding notices lodged for UBS in relation to Tatts from time to time.
Tabcorp	Relevant interest under section 608(3)(b) of the Corporations Act, as it controls Tabcorp No. 4.	146,705,096 ordinary shares (see note above in relation to Tabcorp No. 4)
Each Tabcorp Group Entity	Relevant interest under section 608(3)(a) and/or section 608(3)(b) of the Corporations Act, being a relevant interest held through a body corporate (Tabcorp No. 4) in which the voting power of the relevant Tabcorp Group Entity is more than 20% or which the relevant Tabcorp Group Entity controls.	146,705,096 ordinary shares (see note above in relation to Tabcorp No. 4)

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Tabcorp, Tabcorp No. 4 and each Tabcorp Group Entity	Unknown	Unknown. UBS or its affiliates may hold ordinary shares from time to time as part of its Hedged Positions	Unknown

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number of securities
Tabcorp No. 4	22/11/16, 23/11/16 and 24/11/16	The mutual promises under the Swap agreement (see Annexure "A"). The average reference price under the Swap is \$4.34 per share.	As set out in paragraph 2 of this notice
Tabcorp	As above	Nil	As set out in paragraph 2 of this notice
Each Tabcorp Group Entity	As above	Nil	As set out in paragraph 2 of this notice

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Tabcorp, Tabcorp No. 4 and each Tabcorp Group Entity	These entities are all associates of each other by virtue of section 12(2)(a) of the Corporations Act 2001 as Tabcorp controls each other entity.

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Tabcorp	5 Bowen Crescent, Melbourne VIC 3000
Tabcorp No. 4	5 Bowen Crescent, Melbourne VIC 3000
Each Tabcorp Group Entity	Care of: Tabcorp, 5 Bowen Crescent, Melbourne VIC 3000

Signatureprint name **Fiona Mead**capacity **Company Secretary**

sign here

F Mead

date 28/11/2016

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure “A”

This is Annexure “A” of 18 pages referred to in the Form 603 (Notice of Initial Substantial Holder), signed by me and dated 28/11/16.



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Fiona Mead, Company Secretary

Execution version



UBS AG, Australia Branch
ABN 47 088 129 613
AFSL No. 231087
Level 16 Chifley Tower
2 Chifley Square
Sydney NSW 2000 Australia

OTC Operations
Tel. +612-9324 3455

Warning: This is a structured derivative. Do not invest in it unless you fully understand and are willing to assume the risks associated with it.

Date: 21 NOVEMBER 2016

To: Tabcorp Investments No.4 Pty Ltd (*Counterparty or Party B*)

Attention: Fiona Mead, Company Secretary

Email: fiona.mead@tabcorp.com.au

Tel: +61 3 9868 2469

From: UBS AG, Australia Branch (ABN 47 088 129 613) (*UBS or Party A*)

Address: Level 16 Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia

Email: sh-tradecapture-sydney@ubs.com

Subject: **Confirmation of an Equity Swap Transaction**
(UBS Ref: BKP 314 SYD 1396983)

Dear Sirs/Madams,

The purpose of this letter agreement (this "**Confirmation**") is to confirm the terms and conditions of the above referenced transaction entered into between Counterparty and UBS on the Trade Date specified below (the "**Transaction**"). This communication evidences a complete and binding agreement between you and us as to the terms of the Transaction to which this Confirmation relates.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "**Equity Definitions**") and the 2006 ISDA Definitions (the "**Swap Definitions**"), and together with the Equity Definitions, the "**Definitions**"), in each case, as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the Swap Definitions and the Equity Definitions, the Equity Definitions will govern. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern. References herein to a "Transaction" shall be deemed references to an "Equity Swap Transaction" for the purposes of the Equity Definitions.

This Confirmation constitutes a "Confirmation" as referred to in, and supplements, forms part of, and is subject to, the ISDA Master Agreement dated as of 25 August 2005, as amended and supplemented from time to time (the "**Agreement**"), between Party A and Party B. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of the Agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction.

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The terms of the particular Transaction to which this Confirmation relates are as follows:

GENERAL TERMS

Trade Date: 21 NOVEMBER 2016

Effective Date: The final day of the Initial Execution Period

Scheduled Termination Date: The final Cash Settlement Payment Date

Voluntary Termination: The Counterparty may upon not less than 10 Business Days written notice to UBS terminate the Transaction in whole or in part on any Business Day by specifying (i) an Unwind Period Commencement Date and (ii) all or a portion of the Number of Shares to be subject to the early Voluntary Termination, provided that if a portion of the Number of Shares is specified then such portion shall be at least equal to 25% of Number of Shares as at the relevant time

Any Voluntary Termination shall be subject to repetition of the representations and warranties in this Agreement at the time the written notice is given by the Counterparty to UBS.

Company or Issuer: Tatts Group Limited ABN 19 108 686 040

Shares: Ordinary shares of the Company (Bloomberg code: TTS AU)

Business Day: A day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Sydney and Melbourne

Business Day Convention: Following

Exchange: Australian Securities Exchange

Related Exchange: All Exchanges

Upfront Fee: As agreed between the parties.

INITIAL EXECUTION TERMS

Initial Execution Period: The period commencing on and including the Trade Date and ending on and including the date which is the earlier of (i) the date falling 30 Scheduled Trading Days following the Trade Date, and (ii) the date as of which UBS determines that a Hypothetical Broker Dealer acting in good faith and a commercially reasonable manner would have completed the establishment of its Applicable Hedge Positions in respect of the Transaction

Applicable Hedge Positions: At any time, the Hedge Positions that Party A determines that a Hypothetical Broker Dealer, acting in good faith and a commercially reasonable manner, would consider necessary to hedge through the Hedge Positions alone 100 per cent. of the equity price risk and dividend risk of

Execution version

entering into and performing its obligations with respect to the Transaction at that time

Hypothetical Broker Dealer: A hypothetical broker dealer subject to the same securities laws and rules and regulations of any securities regulators, exchanges and self-regulating organisations as apply to Party A or any Australian affiliate(s) designated by it

Maximum Initial Price: As agreed between the parties

Maximum Number of Shares: As agreed between the parties

EQUITY AMOUNTS

Equity Amount Payer: Party A

Equity Amount Receiver: Party B

Equity Notional Amount: An amount in AUD determined by UBS on the Effective Date equal to the product of the Number of Shares and the Initial Price, as adjusted from time to time in connection with any partial Voluntary Termination

Number of Shares: In respect of any day during the Initial Execution Period, the aggregate number of Shares notified by UBS to the Counterparty in the most recent Initial Execution Notification (as defined under "Notification by Party A during Initial Hedging Period", below)

In respect of any day after the Effective Date, the aggregate number of Shares notified by UBS to the Counterparty in the final Initial Execution Notification, subject to a maximum of the Maximum Number of Shares, as adjusted from time to time by UBS in connection with any partial Voluntary Termination

The Number of Shares will be reduced at the Scheduled Closing Time on each day during an Unwind Period by the same proportion as the proportion (if any) of Applicable Hedge Positions that would have been terminated or liquidated on that day by a Hypothetical Broker Dealer acting in good faith and a commercially reasonable manner for the purpose of determining the Final Price in connection with such Unwind Period

Initial Price: The price per Share in AUD notified by UBS to the Counterparty equal to the volume weighted average price per Share at which UBS determines that a Hypothetical Broker Dealer acting in good faith and a commercially reasonable manner would have executed its Applicable Hedge Positions during the Initial Execution Period (subject to a cap equal to the Maximum Initial Price), plus all fees, exchange fees, costs, taxes, stamp duty, levies, charges, commissions and trading fees (all such costs being "Hedging Costs").

Type of Return: Total Return

Equity Notional Reset: Not Applicable

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Equity Amount:	<p>In respect of a termination of the Transaction in full: <i>Equity Notional Amount x Rate of Return</i></p> <p>In respect of a partial termination of the Transaction: <i>Unwind Notional Amount x Rate of Return</i></p> <p>Where "Unwind Notional Amount" means, in respect of any Unwind Period, an amount in AUD equal to the product of the Initial Price and the number of Shares by which the Number of Shares is reduced pursuant to such Unwind Period</p> <p>If the Equity Amount determined by the Calculation Agent is a positive number, Party A shall pay such amount to the Counterparty on the applicable Cash Settlement Payment Date</p> <p>If the Equity Amount determined by the Calculation Agent is a negative number, Party B shall pay the absolute value of that amount to Party A on the Cash Settlement Payment Date</p>
Rate of Return:	$(\text{Final Price} - \text{Initial Price}) / \text{Initial Price}$
Final Price:	<p>In respect of any Unwind Period, the price per Share in AUD notified by UBS to the Counterparty equal to the volume weighted average price that would be realised by a Hypothetical Broker Dealer, acting in good faith and in a commercially reasonable manner, in terminating or liquidating Applicable Hedge Positions in connection with the number of Shares to be unwound during such Unwind Period net of all Hedging Costs.</p>
Unwind Period:	<p>Each period commencing on an Unwind Period Commencement Date and ending on the date on which UBS determines that a Hypothetical Broker Dealer acting in good faith and in a commercially reasonable manner could terminate or liquidate the entirety of its Applicable Hedge Positions in connection with the number of Shares to be unwound during such Unwind Period</p>
Unwind Period Commencement Date:	<p>The date falling 12 months after the Trade Date or, if sooner, (i) each date as the Counterparty may specify in connection with a Voluntary Termination, or (ii) any other date as agreed between the parties</p>
Notification by Party A during the Initial Execution Period:	<p>In respect of each day during the Initial Execution Period on which Party A determines that a Hypothetical Broker Dealer would have executed hedging transactions in connection with the establishment of its Applicable Hedge Positions in respect of the Transaction (each such day an "Initial Hedging Date"), Party A will provide a notification to Party B (each an "Initial Execution Notification") of the following information:</p> <ul style="list-style-type: none">(i) the increase in the Number of Shares on that Initial Hedging Date;(ii) the aggregate Number of Shares in respect of the

Execution version

Transaction after giving effect to such increase; and
(iii) the volume weighted average price per Share in AUD at which UBS determines that a Hypothetical Broker Dealer acting in good faith and a commercially reasonable manner would have executed hedging transactions on that Initial Hedging Date in connection with the establishment of its Applicable Hedge Positions in respect of the Transaction (subject to a cap equal to the Maximum Initial Price), plus all Hedging Costs (such price being the "Hedging Price" in respect of that Initial Hedging Date)

FLOATING AMOUNT

Floating Rate Payer:	Party B
Floating Amount:	In respect of a Calculation Period, the sum of each Daily Floating Amount in respect of each day in such Calculation Period
Daily Floating Amount:	In respect of any day in a Calculation Period, an amount in AUD equal to the product of (a) the Floating Rate Notional Amount on such day, (b) the sum of the Floating Rate and the Spread, and (c) the quotient of 1 (as numerator) and 365 (as denominator)
Calculation Period:	Each period from and including one Payment Date to but excluding the next Payment Date, provided that the initial Calculation Period shall commence on and include the Trade Date, and the final Calculation Period shall end on but exclude the final Cash Settlement Payment Date
Payment Date:	Each 3 month anniversary of the Trade Date, subject to the Following Business Day Convention, provided that the final Payment Date shall be the final Cash Settlement Payment Date
Floating Rate Notional Amount:	On each day during a Calculation Period, an amount in AUD equal to the Equity Notional Amount as at such date minus the aggregate amount transferred by Party B to Party A by way of initial exchange (as adjusted to reflect any Voluntary Termination executed prior to such date and the portion of the Transaction being terminated on each Cash Settlement Payment Date)
Floating Rate Option:	AUD-BBR-BBSW
Designated Maturity:	3 month
Spread:	As agreed between the parties
Reset Dates:	The first day of each Calculation Period

SETTLEMENT TERMS

Valuation Date(s):	In respect of each Unwind Period, the final day of such Unwind Period
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Execution version

Settlement Method Election: Not Applicable

Settlement Method Cash Settlement

Settlement Currency: AUD

Cash Settlement Payment Date: In respect of each Unwind Period, the date that is one Settlement Cycle following the applicable Valuation Date

DIVIDENDS

Dividend Amount: The Ex Amount x Number of Shares.

"Ex Amount" means, in relation to a Dividend Amount, 100% of the net cash dividend in AUD per Share declared by the Issuer to holders of record of the Shares where the Ex-Date occurs during the Dividend Period.

"Number of Shares" means the Number of Shares as at the start (i.e. prior to the commencement of trading on the Exchange) of the Scheduled Trading Day on which the Shares commence trading ex-dividend on the Exchange.

"Ex-Date" means, in relation to any cash dividend declared by the Issuer, the date that the Shares commence trading ex-dividend on the Exchange.

Extraordinary Dividends: Applicable

"Extraordinary Dividend" means, as determined by the Calculation Agent:

- (i) any payment by the Issuer to shareholders that the Issuer announces will be an extraordinary dividend; or
- (ii) any other "special" cash dividend on the Shares which is, by its terms or declared intent, declared and paid outside the normal operations or normal dividend procedures of the Issuer,

but excluding any Tatts Special Dividend (as defined in the Merger Implementation Deed).

Dividend Period: The period commences on, and includes, the first day of the Initial Execution Period and ends on, and includes, the Valuation Date in respect of the final Unwind Period.

Dividend Payment Date: The third Business Day following the payment date by the Issuer of a cash dividend declared by the Issuer in respect of which the Ex-Date occurred during the Dividend Period

Deferral of payment of Dividend Amount(s) under certain circumstances: Notwithstanding any other provision of this Confirmation or the Agreement to the contrary, if the Annual Dividend Yield in relation to an Ex-Date occurring during a financial year of the Company (the "Relevant Financial Year") exceeds 7% per annum as determined by Party A

(acting in good faith and in a commercially reasonable manner) by reference to the Official Closing Price relating to such Ex-Date, then:

- (a) the Dividend Amount will only be payable on the Dividend Payment Date relating to such Ex-Date to the extent that the sum of such payment and all previous Dividend Amount(s) paid in relation to which the Ex-Date(s) occurred during the Relevant Financial Year would not exceed the related Capped Annual Dividend Yield Amount; and
- (b) any Dividend Amount (or part thereof) that is not payable on the Dividend Payment Date relating to such Ex-Date by virtue of the operation of paragraph (a) above will be payable by the Equity Amount Payer to the Equity Amount Receiver on the later of (i) the final Cash Settlement Payment Date and (ii) the third Business Day following the payment date by the Issuer of the last cash dividend declared by the Issuer in respect of which the Ex-Date occurred during the Dividend Period.

"Annual Dividend Yield" means, in relation to an Ex-Date occurring during any Relevant Financial Year, the annual cumulative gross yield of all cash dividends declared in relation to the Shares during that Relevant Financial Year up to and including the declaration date relating to such Ex-Date.

"Capped Annual Dividend Yield Amount" means, in relation to an Ex-Date occurring during any Relevant Financial Year, an amount of cash dividends declared in relation to the Shares during that Relevant Financial Year that would correspond to an Annual Dividend Yield of 7% per annum, as determined by Party A (acting in good faith and in a commercially reasonable manner) by reference to the Official Closing Price relating to such Ex-Date.

"Official Closing Price" means, in relation to an Ex-Date during any Relevant Financial Year, the official closing price of the Shares on the Exchange on the Scheduled Trading Day immediately preceding such Ex-Date or, if such official closing price is not available on such Scheduled Trading Day, the previous official closing price on the first preceding Scheduled Trading Day on which such official closing price was available.

Re-investment of Dividends:

Not Applicable

OTHER TERMS

Method of Adjustment:

Calculation Agent Adjustment. In its determinations of the existence and extent of any dilutive or concentrative effect on the theoretical value of the Shares of any Potential Adjustment Event, and any related adjustments to the terms of the Transaction, the Calculation Agent shall take into account any amounts of Local Taxes that

would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Potential Adjustment Event

As used herein "Local Taxes" shall mean taxes, duties, and similar charges imposed by the taxing authority of the Local Jurisdiction

"Offshore Investor" shall mean a holder of Shares who is an institutional investor not resident in the Local Jurisdiction for the purposes of the tax laws and regulations of the Local Jurisdiction and, for the avoidance of doubt, whose jurisdiction of residence (i) shall be determined by the Calculation Agent and (ii) may be the jurisdiction of the other party to the Transaction.

"Local Jurisdiction" shall mean Australia

EXTRAORDINARY EVENTS

Consequences of Merger Events and Tender Offers :

(a) Share-for-Share : Modified Calculation Agent Adjustment

(b) Share-for-Other : Modified Calculation Agent Adjustment

(c) Share-for-Combined : Modified Calculation Agent Adjustment

Determining Party: Party A

Tender Offer: Applicable

Composition of Combined Consideration: Not Applicable

Nationalization, Insolvency or Delisting Cancellation and Payment (Calculation Agent Determination)

Determining Party: Party A

Merger Event, Tender Offer, Nationalization, Insolvency or Delisting and corporate action: Modified Calculation Agent Adjustment, provided that the relevant event shall be deemed to occur on the earlier of the Ex-Date and the announcement date in relation to such event or on such other date as the Calculation Agent determines is commercially reasonable. All relevant terms of the Definitions (including the definitions of "Merger Date" and "Tender Offer Date" in the Equity Definitions) should be construed accordingly

Amendments to Transaction upon Scheme becoming effective: Notwithstanding any other provision of this Confirmation to the contrary, if the Scheme becomes effective, then on the Tatts Shares Suspension Date the Counterparty must pay to Party A an amount equal to the Scheme Effectiveness Collateralising Payment.

"Merger Implementation Deed" means the merger implementation deed dated 18 October 2016 between Tabcorp Holdings Limited and Tatts Group Limited, as

amended, restated, novated, supplemented, modified or varied.

"Scheme" has the meaning given to it under the Merger Implementation Deed.

"Scheme Effectiveness Collateralising Payment" means:

- (i) the Floating Rate Notional Amount immediately prior to the Tatts Shares Suspension Date; minus
- (ii) an amount determined by Party A,

as reduced in accordance with the provisions relating to Cash Consideration below.

"Tatts Shares Suspension Date" means the first day after the Scheme becomes effective on which the Shares (being, for the avoidance of doubt, the Shares under the Original Transaction (as defined below)) are suspended from trading by the Exchange.

Without limiting the obligation of Counterparty to pay the Scheme Effectiveness Collateralising Payment, with effect on and from the Tatts Shares Suspension Date and subject to Party A being satisfied that the Amended Transaction (as defined below) will not cause Party A to breach any applicable law, regulation or rule or requirement of any governing body, this Transaction (the "Original Transaction") will automatically be amended, without requiring any further action to be taken by any of the parties, to a Transaction (such amended Transaction, the "Amended Transaction") with the same terms and conditions as the terms and conditions of the Original Transaction except that:

- (A) the "Company" or "Issuer" under the Amended Transaction will be Tabcorp Holdings Limited;
- (B) the "Shares" under the Amended Transaction will be the ordinary shares of Tabcorp Holdings Limited (Bloomberg code: TAH AU);
- (C) the provisions of the Original Transaction under paragraph (e) (Acknowledgements) under "Additional Provisions" of this Confirmation will be taken to be deleted; and
- (D) the Calculation Agent may, without the consent of the Counterparty, make such other modifications to the Original Transaction as it determines are necessary or appropriate:
 - (1) to take into account the payment of the Scheme Effectiveness Collateralising Payment by the Counterparty to Party A;
 - (2) to give effect to any of the matters under paragraph (A), (B) or (C) above; and/or

- (3) to preserve the economic effects of the Original Transaction under the terms of the Amended Transaction.

To the extent that UBS determines that a Hypothetical Broker Dealer would have received any Cash Consideration on or prior to the Tatts Shares Suspension Date, the amount of the Scheme Effectiveness Collateralising Payment will be reduced by the amount of such Cash Consideration that UBS determines that a Hypothetical Broker Dealer would have received. For the avoidance of doubt, Party A will not be required to make any payment to the Counterparty for, or relating to, the amount of such Cash Consideration that UBS determines that a Hypothetical Broker Dealer would have received.

To the extent that UBS determines that a Hypothetical Broker Dealer would have received any Cash Consideration after the Tatts Shares Suspension Date (each such day of receipt, a "Cash Consideration Receipt Date"), UBS agrees that on the third Business Day following a Cash Consideration Receipt Date UBS will pay to the Counterparty an amount equal to the amount of the Cash Consideration received on that Cash Consideration Receipt Date.

"Cash Consideration" means the cash consideration provided by Tabcorp Holdings Limited to each holder of Shares for the transfer to Tabcorp Holdings Limited of each Share pursuant to the Scheme (as defined in the Merger Implementation Deed) plus the amount of any Tatts Special Dividend (as defined in the Merger Implementation Deed).

Additional Disruption Events

Exchange Disruption:	Applicable
Trading Disruption:	Applicable
Change in Law:	Applicable; provided that Section 12.9(a)(ii)(B) of the Equity Definitions is replaced in its entirety as follows: "(B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal or not permissible to hold, acquire or dispose of Hedge Positions relating to such Transaction"
Insolvency Filing:	Applicable.
Hedging Disruption:	Applicable. Section 12.9(a)(v) of the Equity Definitions is replaced in its entirety by the words: "Hedging Disruption" means that the Hedging Party is unable, after using commercially reasonable efforts, to either (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it

deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to this Transaction, or (ii) realize, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or this Transaction between accounts within the jurisdiction of the Hedge Positions (the "Affected Jurisdiction") or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction

For the avoidance of doubt, clause (i) of Section 12.9(a)(v) of the Equity Definitions shall be construed to include, without limitation, the inability to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) referred to in that clause (i) due to the operation of, or any breach of or restriction under, any applicable law or regulation (including, without limitation, gaming or gambling law or regulation), any direction from a governmental authority, any licence or agreement relating to the ownership or control of the Issuer or the constitution of the Issuer.

Hedge Positions:	The definition of "Hedge Positions" in Section 13.2(b) of the Equity Definitions shall be amended by inserting the words "or an Affiliate thereof" after the words "a party" in the third line
Increased Cost of Hedging:	Applicable. Section 12.9(a)(vi) of the Equity Definitions is replaced as follows: "(vi) "Increased Cost of Hedging" means that the Hedging Party would incur a materially increased (as compared with the circumstances that existed on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of the any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to this Transaction or (B) realise, recover or remit the proceeds of the Hedge Positions or this Transaction between accounts within the Affected Jurisdiction or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction
Loss of Stock Borrow:	Inapplicable
Increased Cost of Stock Borrow:	Inapplicable
Hedging Party:	Party A
Determining Party:	Party A
Non-Reliance:	Applicable
Agreements and Acknowledgements Regarding Hedging Activities:	Applicable

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Additional Acknowledgements: Applicable

SETTLEMENT

This Transaction has been entered into by a member of the UBS group ("UBS Party"). For the avoidance of doubt, any payment or delivery obligations of the UBS Party in respect of this Transaction ("Obligations") may be effected by either UBS Limited, UBS Securities LLC or UBS AG, London Branch, or UBS Securities Australia Limited (the "Settlement Agent"). UBS Party has authorised the Settlement Agent to act on its behalf in the same manner and with the same force and effect as UBS Party might or could do in connection with any such payment or delivery obligation.

ACCOUNT DETAILS

Account for payments to Party B: TBA

Account for payments to Party A: Beneficiary Bank: UBS AG Australia Bank
Beneficiary Bank SWIFT: UBSWAU2S
Account holder name: UBS AG Australia
Correspondent: UBS AG, Australia Branch
BSB: 946 612
A/c: 242624
Swift: UBSWAU2S

ADDITIONAL PROVISIONS

For the purposes of this Transaction:

(a) **Mutual Representations:** Each party will be deemed to represent to the other party on the date on which it enters into this Transaction and on the date it enters into any amendment that (in the absence of any written agreement between the parties which expressly imposes affirmative obligations to the contrary for this Transaction):-

- (i) *Non-Reliance:* it is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction, it being understood that information and explanations related to the terms and conditions of this Transaction will not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party will be deemed to be an assurance or guarantee as to the expected results of this Transaction;
- (ii) *Assessment and Understanding:* it is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the risks of this Transaction;
- (iii) *Status of Parties:* the other party is not acting as a fiduciary for or an adviser to it in respect of this Transaction;
- (iv) *Disclosure Requirement:* Details of this Transaction (including the Confirmation and the identity of the counterparty) may, (1) upon request or order by any competent authority, regulatory or enforcement organisation, governmental or otherwise, including the stock exchange on which the underlying shares are listed, (2) as required by applicable law, rules, regulations, codes or guidelines (whether having the force of law or otherwise), be disclosed in accordance with such request, order.

law, rules, regulations, codes or guidelines (whether such disclosure is to be made to third parties or otherwise). By entering into the Transaction, each party agrees to such disclosure and releases the other party and any of its subsidiaries and affiliates from any duty of confidentiality owed to it in relation to such information; and

- (v) Each party's rights and obligations under this Transaction are not dependent or conditional upon Party A owning or having any legal or equitable interest in the Shares or any expectation of Party A acquiring such an interest and the fact that Party A may or may not have such an interest or an expectation of acquiring such an interest shall have no effect whatsoever on the rights and obligations of the parties under this Transaction.

(b) **Additional Party B representations, acknowledgements and agreements; additional Party A representation and agreement**

- (i) Party B acknowledges and agrees that neither Party B or any officer, director, employee or related person of Party B is in possession of any "inside information" (as defined in section 1042A of the Corporations Act 2001 (Cth)) in relation to the Issuer or the Shares which might have influenced its decision to enter into the Transaction and the Confirmation or any particular element thereof and it is not entering into the Transaction or the Confirmation on the basis of any such information.
- (ii) Party B represents and undertakes to Party A that it will not terminate, amend or otherwise modify this Transaction or exercise any rights under this Transaction or enter into, or agree to enter into, any transaction relating to Shares after Party A gives it notice of any matter that Party A is required to give it notice under this Confirmation or the Agreement or otherwise in relation to this Transaction if that conduct would result in the party being in breach of Part 7.10, Division 3 of the Corporations Act 2001 (Cth).
- (iii) Party B shall comply with all reporting and disclosure requirements applicable to the Transaction as required under all reporting and disclosure requirements applicable to it in Australia.
- (iv) Party B represents and confirms that the entering into of the Transaction and any amendment to the Transaction and any related action in connection with the exercise of any rights under the Transaction by it will not cause or result in violation of any provision of applicable law and regulation, any provision of the Merger Implementation Deed, any agreement by which it or any member of the Tabcorp Group (as defined in the Merger Implementation Deed) is bound or any constitution of a member of the Tabcorp Group (as defined in the Merger Implementation Deed).
- (v) Party B acknowledges and agrees that Party A has no obligation to enter into any Hedge Positions under this Transaction or notify Party B if it has done so or if it changes those Hedge Positions and, and for the avoidance of doubt, any notification by Party A during the Initial Execution Period is not a notification of any Hedge Positions entered into by Party A or Shares held or acquired by Party A. For the avoidance of doubt, if any Shares are held by or for or otherwise controlled by Party A (whether or not as part of any Hedge Position in relation to the Transaction), Party B acknowledges and agrees that (A) it has no beneficial ownership or other ownership interest in or to any of those Shares; (B) Party A is the sole legal and beneficial owner of those Shares and may dispose of or trade in those Shares without consulting Party B; (C) there is no agreement between Party A and Party B in relation to controlling or influencing the composition of the Issuer's board or the conduct of the Issuer's affairs; and (D) Party B is not acting or proposing to act in concert with Party A in relation to the Issuer or its affairs and Party B will make its own determination independently of Party A in relation to corporate actions in respect of the Issuer and any Shares it may hold.

- (vi) Party B irrevocably consents to the production of, and authorises Party A to produce, the Confirmation, and any other letter or agreement relating to the Transaction, in whole or in part, to any interested party in any potential or actual dispute or any administrative, regulatory, arbitration or legal proceeding, investigation or official enquiry with respect to the matters set forth in the Confirmation or pursuant to any requirement of law, regulation or any judicial, administrative, governmental, regulatory or self-regulatory authority or body (including securities exchange and tax authorities).
 - (vii) Party B acknowledges and agrees that it is not entering into the Transaction to:
 - (A) create a false or misleading appearance of trading activity in the Shares (or any security convertible into or exchangeable for Shares); or
 - (B) create an artificial price for trading of the Shares (or any security convertible into or exchangeable for Shares); or
 - (C) maintain at a level which is artificial a price for trading of the Shares (or any security convertible into or exchangeable for Shares).
 - (viii) Party B acknowledges and agrees that Party A is entering into the Transaction and the Confirmation in reliance on, and Party A will rely upon, the truth and accuracy of the agreements and acknowledgements, representations and warranties, and undertakings given by Party B under the Confirmation (including in connection with applicable securities laws).
 - (ix) Party B agrees to notify Party A promptly, and in any event within 2 Business Days, of any termination, amendment, supplement, modification, variation or waiver, in each case, with respect to the Merger Implementation Deed.
 - (x) Party A represents and confirms that the entering into of the Transaction and any amendment to the Transaction by it will not cause or result in violation of any provision of applicable law and regulation.
 - (xi) If Party A (or its nominated affiliate) receives a notice under section 672A of the Corporations Act 2001 (Cth) and at that time Party A (or its nominated affiliate) holds any Shares as part of its Hedge Positions (such notice, "**Section 672A Notice**"). Party A will use reasonable endeavours to give Party B notice of receipt of that Section 672A Notice as soon as reasonably practicable after Party A becomes aware of the receipt of such Section 672A Notice by Party A (or its nominated affiliate); provided that Party A will not be required to give such notice to Party B if to do so would cause Party A to breach any applicable law, regulation or rule or requirement of any governing body.
- (c) **Party B undertakings:**
- (i) Party B shall provide such financial information as UBS may reasonably request from time to time in relation to this Transaction. To the extent the financial statements of Party B are freely available to UBS via publically available sources, then the obligation of Party B to provide such information shall be deemed satisfied as of the date on which such information is made so available.
 - (ii) Party B shall promptly notify UBS of any potential Event of Default.
 - (iii) Party B acknowledges and accepts that UBS is entitled to disclose information to, and obtain information from, its various offices, branches and affiliates in connection with the Transaction, including, without limitation, information relating to (a) all assets of Party B and its affiliates held with UBS and/or any of its offices, branches, affiliates and subsidiaries, and (b) any transactions entered into by Party B or any of its affiliates with UBS and/or any of its offices, branches, affiliates and subsidiaries.

(d) **FATCA – HIRE Act:**

(A) **FATCA PROTOCOL PROVISION.** “Withholding Tax imposed on payments to non-US counterparties under the United States Foreign Account Tax Compliance Act. “Tax” as used in Part 2(a) of the Schedule (Payer Tax Representation), if applicable, and “Indemnifiable Tax” as defined in Section 14 of this Agreement shall not include any U.S. federal withholding tax imposed or collected pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (a “FATCA Withholding Tax”). For the avoidance of doubt, a FATCA Withholding Tax is a Tax the deduction or withholding of which is required by applicable law for the purposes of Section 2(d) of this agreement. If the parties each independently decide to adhere to any ISDA Protocol on FATCA Withholding Tax, upon effective adherence by both parties, the provisions of such Protocol shall supersede the foregoing provision

(B) **SHORT FORM HIRE ACT PROTOCOL PROVISION.** The parties agree that the definitions and provisions contained in the Attachment to the 2010 Short Form HIRE Act Protocol published by the International Swaps and Derivatives Association, Inc. on November 30, 2010 are incorporated into and apply to this Agreement as if set forth in full herein. The definition of “Indemnifiable Tax” shall not include any Dividend Equivalent Tax.

(e) **Acknowledgements**

If at any time Party A or its nominated affiliate holds any Shares as part of its Hedge Positions in connection with the Transaction (as determined by Party A acting reasonably):

- (i) Party A agrees to use reasonable endeavours to give Party B notice of any Voting Event as soon as practicable after it becomes aware of such Voting Event;
- (ii) Party A will act in accordance with the instructions of Party B in relation to any Voting Event (“**Party B Voting Instructions**”) provided that:
 - (A) Party B provides such Party B Voting Instructions to Party A at least 7 days prior to the date on which Party A is required to act in accordance with such Party B Voting Instructions; and
 - (B) acting upon such Party B Voting Instructions does not cause Party A to breach any applicable law, regulation or rule or requirement of any governing body or would give rise (in the reasonable opinion of Party A) to a material risk that by so acting will cause reputational harm to Party A;
- (iii) Party A agrees that, within 5 Business Days of Party A receiving any Party B Voting Instructions, Party A will use reasonable endeavours to inform Party B of the number of Shares held as part of Party A's Hedge Positions (if any) in connection with the Transaction at that time; and
- (iv) Party A will provide Party B with, or procure to be provided to Party B, all material notices, reports and other material information provided by the Issuer to holders of Shares,

however, Party A gives no representation, warranty or other assurance, and cannot guarantee, that it or its nominated affiliate will hold any Shares as part of its Hedge Positions in connection with the Transaction.

Party B agrees that it will not provide Party B Voting Instructions to Party A in relation to any Voting Event if the provisions of any agreement or the requirements of any Listing Rule, the

Corporations Act 2001 (Cth) or any other applicable law or ASIC Regulatory Guide or Takeovers Panel Guidance provide that:

- (1) any votes cast by Party B (if it were the holder of the Shares) in respect of that Voting Event would be disregarded;
- (2) no votes may be cast in favour of the Voting Event by Party B (if it were the holder of the Shares); or
- (3) if Party B were the holder of the Shares it would not be entitled to vote in relation to those Shares.

"**Voting Event**" means any event whereby holders of Shares may vote in relation to those Shares, other than any voting in relation to those Shares in respect of the Scheme (as defined in the Merger Implementation Deed).

- (f) **Calculation Agent:** Party A, provided that if Party A is the Defaulting Party then the Calculation Agent shall be a leading independent dealer in the relevant market mutually selected by the parties (the "Substitute Calculation Agent"). The Substitute Calculation Agent shall be mutually selected by the parties within one Business Day of the event that requires Calculation Agent determination. If the parties are unable to agree on a Substitute Calculation Agent, each party shall select an independent leading dealer and such independent leading dealers shall agree on an independent third party within two Business Day of the event that requires Calculation Agent determination. Unless there is a clear error, the calculations and determinations of the Substitute Calculation Agent are binding and conclusive. The fees and expenses of using the Substitute Calculation Agent, if any, shall be paid by Party A. All determinations made by the Calculation Agent hereunder shall, in the absence of manifest error, wilful default or bad faith, be final and conclusive, and the Calculation Agent shall have no liability to the Counterparty or any third party in relation to such determinations. The Calculation Agent agrees that, upon making any determination under this Confirmation or the Agreement, it will promptly provide Party A and Party B with all relevant information relating to each such determination (including, without limitation, all relevant facts and other information supporting the determination).

Disclaimer

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UBS may hedge its exposure to structured products, although it may elect not to hedge or to partially hedge any structured product. UBS's hedging activity may be conducted through transactions in the underlying asset, index or instrument or in options, futures or other derivatives related to the underlying asset, index or instrument on publicly traded markets or otherwise, and may have an impact on the price of the underlying asset. If a transaction is cash settled, UBS will generally unwind or offset any hedge it has for such structured product in close proximity to the relevant valuation time or period. In some cases, this activity may affect the value of the structured product.

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Execution version

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us at your earliest convenience.


UBS AG, AUSTRALIA BRANCH

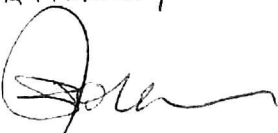
By: 
Name: YUEFEI WANG
Title: ASSOCIATE DIRECTOR

By: 
Name: DAVID DELLOW
Title: ASSOCIATE DIRECTOR.

We hereby confirm our entry into the Confirmation.

Agreed and accepted for and on behalf of **TABCORP INVESTMENTS NO.4 PTY LTD**

By: 
Name: JULIAN HOSKINS
Title: ATTORNEY

By: 
Name: DAMIEN JOHNSTON
Title: ATTORNEY