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* Associated Firm

** In cooperation with

Trench, Rossi e Watanabe
Advogados

24 April 2017

ASX Market Announcements

ASX Limited
20 Bridge Street
Sydney NSW 2000

Off-market takeover bid by NWH Australia AssetCo Pty Ltd as trustee for NWH Australia Asset Trust for Generation Healthcare REIT (ASX: GHC)

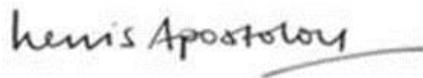
We act for NWH Australia AssetCo Pty Ltd (ACN 617 449 948) as trustee for NWH Australia Asset Trust (**NorthWest Australia**), a controlled entity of NorthWest Healthcare Properties Real Estate Investment Trust (TSX: NWH), in relation to its unconditional off-market takeover bid for all the units in Generation Healthcare REIT (ARSN 118 712 584) (ASX: GHC) (**Generation**).

In accordance with item 5 of subsection 633(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), we attach for lodgement a copy of NorthWest Australia's Bidder's Statement dated 24 April 2017.

A copy of the Bidder's Statement was lodged with the Australian Securities and Investments Commission and served on APN Funds Management Limited in its capacity as responsible entity for Generation today pursuant to items 2 and 3 of section 633(1) of the Corporations Act.

As required by section 633(4) of the Corporations Act, NorthWest Australia gives notice that it has set 7:00 pm (Sydney time) on 26 April 2017 as the register date (being the date for determining holders of Generation securities for the purposes of section 633(2) of the Corporations Act).

Yours faithfully,



Lewis Apostolou
Partner

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Riccardo Troiano
Partner

+61 3 9617 4247
Riccardo.Troiano@bakermckenzie.com

Bidder's Statement

Accept the Offer

by

NWH Australia AssetCo Pty Ltd (ACN 617 449 948) as trustee for NWH Australia Asset Trust
(a controlled entity of NorthWest Healthcare Properties Real Estate Investment Trust)

to acquire all of your units in

Generation Healthcare REIT (ARSN 118 712 584)

for

\$2.24 cash per unit

This is an important document and requires your immediate attention

You should read this document in its entirety. If you are in any doubt as to how to deal with this document, you should consult your broker or your legal, financial or other professional adviser as soon as possible.

If you have any questions in relation to this document, the Offer or how to accept the Offer, please call the NorthWest Offer Information Line on 1800 129 431 (for calls made from within Australia) or +61 1800 129 431 (for calls made from outside Australia) from Monday to Friday between 8:30am and 5:30pm (Sydney time).

Financial adviser

Deutsche Bank 

Legal adviser

**Baker
McKenzie.**

Important Information and Notices

Important Information

This Bidder's Statement is given under Part 6.5 of the Corporations Act and relates to the Offer. It is given by NWH Australia AssetCo Pty Ltd (ACN 617 449 948) as trustee for NWH Australia Asset Trust (**NorthWest Australia**).

You should read this Bidder's Statement in its entirety.

This Bidder's Statement is dated 24 April 2017 and includes an Offer dated [●] 2017 in Section 11.

A copy of this Bidder's Statement was lodged with ASIC on 24 April 2017. Neither ASIC nor any of its officers takes any responsibility for the contents of this Bidder's Statement.

This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. You may wish to seek independent financial and taxation advice before deciding whether or not to accept the Offer.

References in this Bidder's Statement to NorthWest's website (www.nwhp.ca) or Generation's website (www.generationreit.com.au) are for your reference only. Information contained in or otherwise accessible from those websites are not part of this Bidder's Statement.

A number of defined terms are used in this Bidder's Statement. These terms are explained in Section 12 along with certain rules of interpretation which apply to this Bidder's Statement.

Disclaimer as to forward-looking statements

This Bidder's Statement contains forward-looking statements. These statements are based, among other things, on NorthWest Australia's assumptions, expectations, estimates, objectives, plans and intentions as of the date of this Bidder's Statement regarding the Offer and the number of units that NorthWest Australia will actually be able to acquire.

Forward-looking statements are based on NorthWest Australia's current estimates, expectations and assumptions, which NorthWest Australia believes are reasonable as at the date of this Bidder's Statement, and, accordingly, are subject to changes after that date. You should not place undue importance on forward-looking statements and should not rely on this information in respect of any other date. Except as required by law, NorthWest Australia does not undertake to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

None of NorthWest Australia or any of its officers, or any other person named in this Bidder's Statement with their consent, or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, except to the extent required by law.

Privacy statement

NorthWest Australia has collected your information from the Generation register of unitholders for the purpose of making the Offer. The type of information collected about you includes your name, address, contact details and information on your unit holding in Generation. Without this information, NorthWest Australia will be hindered in its ability to carry out the Offer.

The Corporations Act requires the name and address of unitholders to be held in a public register. Your information may be disclosed on a confidential basis to entities within the NorthWest group and external service providers (such as the Registry and providers of print and mail services), and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by NorthWest Australia or the Registry please contact them at the addresses set out in the corporate directory in Section 14.

Key Dates

Announcement Date	24 April 2017
The Bidder's Statement lodged with ASIC and ASX	24 April 2017
Date of Offer	[●] 2017
Offer closes (unless extended)	7:00pm (Sydney time) on [●] 2017

Note: The closing date for the Offer may change as permitted by the Corporations Act.

How do I accept the Offer?

You may only accept the Offer for all of your Generation Units	
Acceptances must be received before the end of the Offer Period	
For issuer sponsored holdings of Generation Units	For CHESS Holdings of Generation Units
(Securityholder Reference Number beginning with "I") To accept the Offer, complete the enclosed Issuer Sponsored Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to an address on the Issuer Sponsored Acceptance Form so that it is received before 7:00pm (Sydney time) on the last day of the Offer Period.	(Holder Identification Number beginning with "X") To accept the Offer, either contact your Controlling Participant (usually your Broker) and instruct them to accept the Offer on your behalf, or complete the enclosed CHESS Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to the address on the CHESS Acceptance Form so that it is received before 7:00pm (Sydney time) on the last day of the Offer Period.

NorthWest Offer Information Line

If you have any questions in relation to this document, the Offer or how to accept the Offer, please call the NorthWest Offer Information Line on 1800 129 431 (for calls made from within Australia) or +61 1800 129 431 (for calls made from outside Australia) from Monday to Friday between 8:30am and 5:30pm (Sydney time).

Please note that calls to these numbers may be recorded.

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Letter from NorthWest

24 April 2017

Dear Unitholder,

On behalf of NorthWest Healthcare Properties Real Estate Investment Trust (**NorthWest**), I am pleased to provide you with this offer (**Offer**) to acquire all of your Units in Generation Healthcare REIT (**Generation**).

The Offer is being made by NWH Australia AssetCo Pty Ltd (ACN 617 449 948) as trustee for NWH Australia Asset Trust (**NorthWest Australia**), a controlled entity of NorthWest.

The cash consideration payable under the Offer is \$2.24 per Unit, subject to the terms specified in this Bidder's Statement, including Section 11.8 in relation to distributions and other entitlements.

The Offer is attractive to Generation Unitholders. The Offer Price of \$2.24 per Unit, in cash, represents a premium of:

- 45.5% to Generation's 31 December 2016 reported net tangible assets (**NTA**) per Unit of \$1.54, reported on 20 February 2017;
- 10.5% to Generation's one day volume weighted average price (**VWAP**) on 21 April 2017, being the last Trading Day prior to the Announcement Date;
- 10.4% to Generation's one month VWAP (calculated from 22 March 2017); and
- 12.8% to Generation's three month VWAP (calculated from 22 January 2017).

The key attractions of the Offer are summarised below:

- You will receive an attractive cash price for your Generation Units
- The Offer provides you with the opportunity to access meaningful liquidity at certain value
- NorthWest considers that the likelihood of a competing proposal emerging is low given NorthWest's current relevant interest in Generation
- The Offer is unconditional

Furthermore, there are risks to remaining a Unitholder in Generation, including that:

- The price of your Generation Units may fall
- The market for your securities may become less liquid
- Generation may be removed from the official list of the ASX

NorthWest owns the manager of Generation, being Generation Healthcare Management Pty Limited (**Generation Healthcare Management**). NorthWest Australia is the largest Generation Unitholder, with a current relevant interest of 50,175,078 Units, representing 22.73% of Generation Units on issue.

On 27 June 2016, NorthWest acquired 100% of Generation Healthcare Management, and NWI Healthcare Properties LP (a controlled entity of NorthWest) acquired 27.1 million Generation Units held by APN Property Group Limited, Miles Wentworth (Chief Executive Officer of Generation) and Chris Adams (Director of Generation Healthcare Management) (and persons associated with them)¹. These June 2016 transactions were supported by the independent directors of the Responsible Entity¹. Following completion of these transactions, NorthWest and its controlled entities held a 19.9% relevant interest in Generation. NorthWest has subsequently acquired additional Generation Units to reach its current relevant interest of 22.73%.

From the Announcement Date until the end of the Offer Period, NorthWest Australia intends to conduct on-market purchases of Units in accordance with item 2 of section 611 of the Corporations Act. NorthWest Australia has appointed Deutsche Bank's market participant, Deutsche Securities Australia Limited, to make such on-market purchases on its behalf. A detailed description of NorthWest's intentions is contained in Section 6.

I encourage you to read the Bidder's Statement in its entirety for more details about the Offer, its terms and the benefits you will receive from accepting the Offer.

The Offer is now open for acceptance and is scheduled to close at 7:00pm (Sydney time) on [●] 2017 (unless extended). See Section 11 for details on how to accept the Offer.

Please contact the NorthWest Offer Information Line on 1800 129 431 (for calls made from within Australia) or +61 1800 129 431 (for calls made from outside Australia) if you have any questions in relation to the Offer.

We look forward to your acceptance of the Offer.

Yours sincerely,



Paul Dalla Lana
NorthWest Healthcare Properties REIT, Chief Executive Officer

¹ For further details see Generation's ASX announcement dated 27 June 2016.

Summary of the Offer

This summary provides an overview of the Offer only and is qualified by, and is to be read in conjunction with, the detailed information contained in the remainder of this Bidder's Statement. You should read this Bidder's Statement in full before deciding whether or not to accept the Offer.

NorthWest	<ul style="list-style-type: none"> – NorthWest is a Canadian listed healthcare REIT that owns a portfolio of medical office and hospital properties located throughout major markets in Canada, Brazil, Germany, Australia and New Zealand. NorthWest is listed on the TSX with a market capitalisation of approximately C\$1,160 million as at the date of this Bidder's Statement – NorthWest currently has a relevant interest in 22.73% of Generation Units – NorthWest is the owner of Generation Healthcare Management, the manager of Generation – Section 4 contains further information about NorthWest
NorthWest Australia	<ul style="list-style-type: none"> – NorthWest Australia is offering to acquire all of your Generation Units – NorthWest Australia is a controlled entity of NorthWest – Section 4.4 contains further information about NorthWest Australia
The Offer	<ul style="list-style-type: none"> – NorthWest Australia is offering to acquire all of your Generation Units for \$2.24 cash per Generation Unit by way of an off-market takeover under Chapter 6 of the Corporations Act on the terms set out in this Bidder's Statement – The cash consideration payable under the Offer will be reduced by the amount or value of any Rights attaching to the Generation Units which arise or are paid on or after the date of this Bidder's Statement which NorthWest Australia does not receive – The Offer relates to all Generation Units on issue on the Register Date
Conditions to the Offer	<ul style="list-style-type: none"> – The Offer is unconditional
Offer Period	<ul style="list-style-type: none"> – The Offer is scheduled to close at 7:00pm (Sydney time) on [●] 2017, unless it is extended or withdrawn by NorthWest Australia as permitted by the Corporations Act
How to accept	<ul style="list-style-type: none"> – To accept the Offer you should follow the instructions set out in Section 11 and on the Acceptance Form. Your acceptance must be received before the Offer Period ends – From the Announcement Date until the end of the Offer Period, NorthWest Australia intends to conduct on-market purchases of Units in accordance with item 2 of section 611 of the Corporations Act
Payment date	<ul style="list-style-type: none"> – If you accept the Offer, NorthWest Australia will pay you the consideration under the Offer within five Business Days after receipt of your valid acceptance

Why you should accept NorthWest Australia's Offer

NorthWest Australia is offering all cash consideration of \$2.24 per Unit. The cash consideration will be reduced by the amount or value of any Rights attaching to the Generation Units which arise or are paid on or after the date of this Bidder's Statement which NorthWest Australia does not receive. This includes any distribution that is declared or paid on or after the date of this Bidder's Statement which NorthWest Australia does not receive.

Reasons for accepting the Offer are set out below:

1. You will receive an attractive cash price for your Generation Units
2. The Offer is an all cash offer with a certain value
3. The likelihood of a competing proposal emerging is low
4. The Offer is unconditional
5. The Offer removes your exposure to the risks and uncertainties associated with a continued investment in Generation
6. There may be a potential reduction in liquidity if NorthWest Australia further increases its interest in Generation
7. There are possible minority Unitholder risks if you do not accept the Offer
8. The Generation Unit price may fall after the Offer closes
9. If NorthWest Australia compulsorily acquires your Generation Units, you will receive consideration at a later date than if you had accepted the Offer
10. NorthWest Australia may seek to have Generation removed from the official list of the ASX after the Offer closes
11. If you do not accept the Offer, the tax profile of your investment may change

Further details on each of these reasons are set out in Section 1 of this Bidder's Statement.

You should read this entire Bidder's Statement before deciding whether to accept the Offer.

Section 1

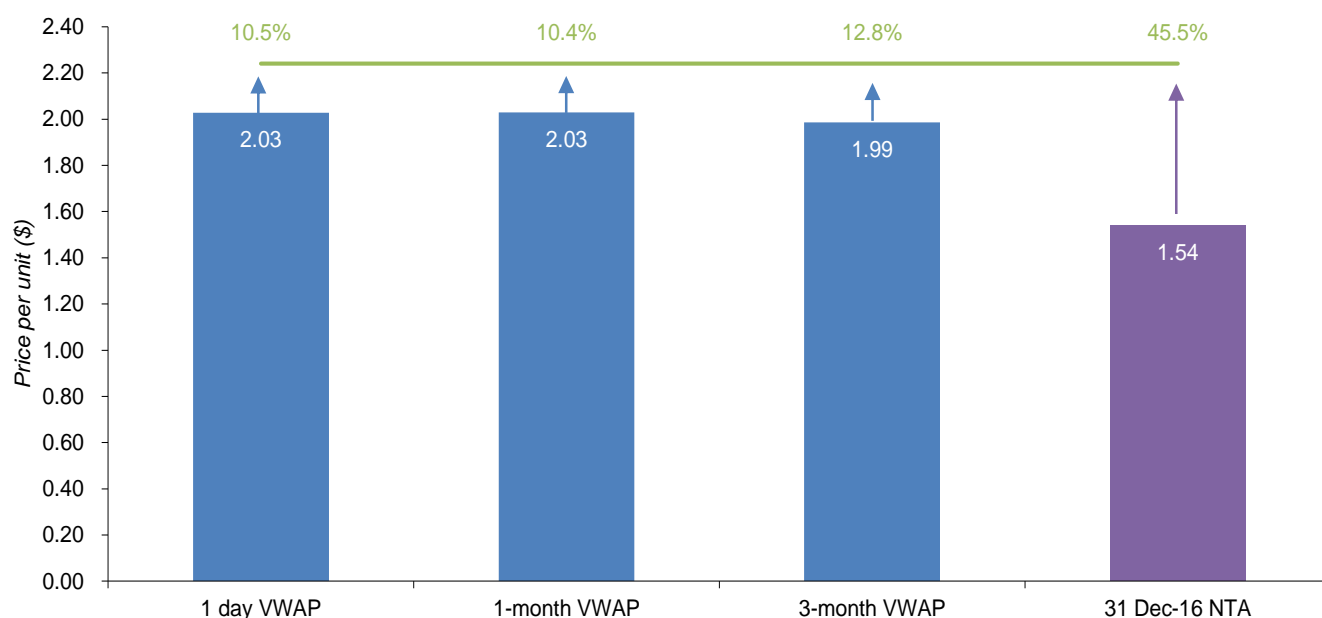
Why you should accept NorthWest Australia's Offer

1.1. You will receive an attractive cash price for your Units

NorthWest Australia considers that the Offer is attractive to Generation Unitholders and represents an attractive premium to historical trading prices and net tangible assets (**NTA**). The Offer Price of \$2.24 per Generation Unit, in cash, represents a premium of:

- 45.5% to Generation's 31 December 2016 reported NTA per Unit of \$1.54 per Generation Unit, reported on 20 February 2017
- 10.5% to Generation's one day volume weighted average price (**VWAP**) on 21 April 2017, being the last Trading Day prior to the Announcement Date
- 10.4% to the one month VWAP of Generation Units as at the Trading Day prior to the Announcement Date, of \$2.03 per Generation Unit
- 12.8% to the three month VWAP of Generation Units as at the Trading Day prior to the Announcement Date, of \$1.99 per Generation Unit

Offer premium benchmarking



Sources: IRESS; Generation HY17 Results Presentation

1.2. The Offer is an all cash offer with a certain value

NorthWest Australia is offering to acquire all of your Generation Units for \$2.24 cash consideration per Generation Unit. If you accept the Offer, you will be paid the consideration under the Offer within five Business Days after receipt of your valid acceptance.

1.3. The likelihood of a competing proposal emerging is low

NorthWest Australia considers that the likelihood of Unitholders receiving a competing proposal is low given NorthWest Australia's current 22.73% relevant interest in Generation Units on issue.

1.4. [The Offer is unconditional](#)

The Offer is unconditional and will provide Unitholders with timely receipt of consideration within five Business Days of receipt of your valid acceptance.

1.5. [The Offer removes your exposure to the risks and uncertainties associated with a continued investment in Generation](#)

NorthWest Australia believes that the cash consideration payable under the Offer represents compelling value for your Generation Units. As a Generation Unitholder, you are subject to a number of external and company specific risks and uncertainties that could affect the trading price of Generation Units. Accepting the Offer removes your exposure to these risks.

1.6. [There may be a potential reduction in liquidity if NorthWest Australia further increases its interest in Generation](#)

NorthWest Australia currently has a relevant interest in 22.73% of the Generation Units on issue. Should NorthWest Australia be successful in increasing its relevant interest in Generation, this may lead to reduced liquidity and may make it difficult for you to sell your Generation Units outside the Offer at current price levels.

The Offer enables all Generation Unitholders to exit their Unitholding in an orderly manner at the Offer Price.

1.7. [There are possible minority Unitholder risks if you do not accept the Offer](#)

If you do not accept the Offer, but NorthWest Australia acquires more than 50% control of Generation but does not achieve compulsory acquisition, you will become a minority Unitholder in Generation with limited influence in the running of the business.

Decisions made in respect of the business of Generation under the control of NorthWest may, therefore, have an impact on those Generation Unitholders who do not accept the Offer.

1.8. [The Generation Unit price may fall after the Offer closes](#)

The closing Generation Unit price on ASX on 21 April 2017, being the last Trading Day prior to the Announcement Date, was \$2.05.

The Generation Unit price may trade at levels below the Offer Price once the Offer has lapsed (although this is difficult to predict with any degree of certainty) given the premium currently being offered to Generation Unitholders under the Offer.

1.9. [If NorthWest Australia compulsorily acquires your Units, you will receive consideration at a later date than if you had accepted the Offer](#)

If NorthWest Australia becomes entitled to compulsorily acquire your Units, it intends to exercise those rights. If your Units are compulsorily acquired, you will still receive the consideration offered under the Offer, but at a later time than you would have received it if you had accepted the Offer.

1.10. [NorthWest Australia may seek to have Generation removed from the official list of the ASX after the Offer closes](#)

If it is in a position to do so, NorthWest Australia may seek a removal of Generation from the official list of the ASX. If the ASX were to delist Generation, any remaining Generation Unitholders at that time will likely be impacted by significantly reduced liquidity, given they would not be able to trade their Units on the ASX.

1.11. [If you do not accept the Offer, the tax profile of your investment may change](#)

Subject to the Unitholding in Generation achieved by NorthWest, Generation may no longer qualify to be treated as a Managed Investment Trust (**MIT**). If this were to occur, this may give rise to adverse tax implications for Unitholders who are non-residents for Australian tax purposes.

Section 2

Frequently Asked Questions

The table below answers some key questions that you may have about the Offer and should be read in conjunction with the remainder of this Bidder's Statement.

Question	Answer
What is the Offer?	<ul style="list-style-type: none"> – NorthWest Australia, a controlled entity of NorthWest, is offering to buy your Generation Units by way of an off-market takeover offer for \$2.24 cash per Unit on the terms set out in Section 11 – You can only accept the Offer for all of your holding of Generation Units
Who is making the Offer?	<ul style="list-style-type: none"> – NorthWest Australia is making the Offer. NorthWest Australia is a controlled entity of NorthWest – NorthWest is listed on the Toronto Stock Exchange and provides investors with access to a portfolio of high quality healthcare real estate – Further information about NorthWest and NorthWest Australia is provided in Section 4 of this Bidder's Statement and on NorthWest's website at www.nwhp.ca
What is the Offer Price?	<ul style="list-style-type: none"> – The Offer consideration is \$2.24 cash per Generation Unit. The cash consideration will be reduced by the amount or value of any Rights attaching to the Generation Units which arise or are paid on or after the date of this Bidder's Statement which NorthWest Australia does not receive. This includes any distribution that is declared or paid on or after the date of this Bidder's Statement which NorthWest Australia does not receive
When does the Offer close?	<ul style="list-style-type: none"> – The Offer is scheduled to close at 7:00pm (Sydney time) on [●] 2017, unless it is extended or withdrawn by NorthWest Australia as permitted by the Corporations Act
How do I accept the Offer?	<ul style="list-style-type: none"> – To accept the Offer you should follow the instructions set out in Section 11 and on the Acceptance Form. Your acceptance must be received before the end of the Offer Period
Can I sell my Generation Units on market?	<ul style="list-style-type: none"> – Yes, you can sell your Generation Units on market, however, you may incur brokerage costs in doing so – Once you accept the Offer you will not be able to sell your Generation Units on the ASX, accept any other offer in respect of your Generation Units or otherwise deal with your Generation Units – From the Announcement Date until the end of the Offer Period, NorthWest Australia intends to conduct on-market purchases of Units in accordance with item 2 of section 611 of the Corporations Act
If I accept the Offer, when will I be paid?	<ul style="list-style-type: none"> – If you accept the Offer, NorthWest Australia will pay you the consideration under the Offer within five Business Days after receipt of your valid acceptance

Do I have to pay stamp duty or brokerage if I accept?	<ul style="list-style-type: none"> – You will not pay stamp duty on the disposal of your Units if you accept the Offer – If your Units are registered in an Issuer Sponsored Holding in your name and you deliver them directly to NorthWest Australia, you will not incur any brokerage in connection with your acceptance of the Offer – If your Units are registered in a CHESS Holding, or if you are a beneficial owner whose Units are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your Broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer
What will happen if I do not accept the Offer?	<ul style="list-style-type: none"> – You will remain a Unitholder and will not receive the consideration offered by NorthWest Australia. – If your Units are compulsorily acquired by NorthWest Australia, it will be on the same terms (including the same consideration for each Unit acquired) as the Offer. However, you will receive the money later than the Unitholders who choose to accept the Offer. If NorthWest does not become entitled to compulsorily acquire your Units, you will remain a Unitholder – Risks of remaining a Unitholder in Generation are further outlined in Section 1 of this Bidder's Statement
Are there any conditions to the Offer?	<ul style="list-style-type: none"> – The Offer is unconditional
What are the tax implications?	<ul style="list-style-type: none"> – You should consult your financial, tax or other professional adviser on the tax implications of acceptance. However, Section 9 contains a general summary of the major likely Australian tax consequences for Unitholders who accept the Offer
Further information	<ul style="list-style-type: none"> – If you require any further information in relation to the Offer, or if you have lost your Acceptance Form and require a replacement, please call the NorthWest Offer Information Line on 1800 129 431 (for calls made from within Australia) or +61 1800 129 431 (for calls made from outside Australia)

Section 3

Overview of the Offer

3.1. [Summary of terms of the Offer](#)

NorthWest Australia offers to acquire all of your Generation Units for \$2.24 cash per Generation Unit on the terms of the Offer set out in Section 11 of this Bidder's Statement.

Under the terms of the Offer, the amount of consideration you receive from NorthWest Australia will be reduced by the amount or value or any Rights attaching to the Generation Units (including any distribution per Unit) which arise or are paid on or after the date of this Bidder's Statement which NorthWest Australia does not receive. See Section 11 for further details regarding the treatment of distributions and other entitlements.

[Offer Period](#)

The Offer is scheduled to close at 7:00pm (Sydney time) on [●] 2017 (but it may be extended or withdrawn in accordance with the Corporations Act).

[Payment date](#)

If you accept the Offer, NorthWest Australia will pay you the consideration under the Offer within five Business Days after receipt of your valid acceptance.

[No defeating conditions](#)

The Offer is not subject to any defeating conditions.

3.2. [How to accept the Offer](#)

The Offer may only be accepted for all of your Generation Units.

How you accept the Offer depends on whether your Generation Units are in an Issuer Sponsored Holding or a CHESS Holding. You will have been sent an Acceptance Form with this Bidder's Statement (an Issuer Sponsored Acceptance Form or a CHESS Acceptance Form), which will be the Acceptance Form to be used in relation to your Generation Units:

- If you hold your Generation Units in an Issuer Sponsored Holding (your SRN starts with an 'I'), to accept the Offer you must complete, sign and return the enclosed Acceptance Form (together with all other documents required by the instructions on the Acceptance Form) in accordance with the instructions on it to the address indicated on the form before the end of the Offer Period.
- If you hold your Generation Units in a CHESS Holding (your HIN starts with an 'X'), to accept the Offer you must either:
 - instruct your Controlling Participant (for example, your Broker) to initiate acceptance of the Offer before the end of the Offer Period; or
 - complete, sign and return the Acceptance Form in accordance with the instructions on it and lodge it by returning it to the address indicated on the form (and set out below) so that your acceptance is received by NorthWest Australia in time to give instructions to your Controlling Participant, and for your Controlling Participant to carry out those instructions, before the end of the Offer Period. This will authorise NorthWest Australia to instruct your Broker or other Controlling Participant to initiate acceptance of the Offer on your behalf.
- If you are a Controlling Participant (usually a Broker or a bank, custodian or other nominee), to accept the offer you must initiate acceptance in accordance with the requirements of ASX Settlement Operating Rules before the end of the Offer Period.

The postal address for completed Acceptance Forms is as follows:

Link Market Services Limited
Generation Healthcare REIT Takeover
Locked Bag A14
SYDNEY SOUTH NSW 1235

The transmission of the Acceptance Form and other documents is at your own risk.

For full details see Section 11 of this Bidder's Statement.

Section 4

Overview of NorthWest

4.1. Overview of NorthWest

Established in 2004, NorthWest is a Canadian listed healthcare REIT that owns a portfolio of medical office buildings, clinics and hospitals located throughout major markets in Canada, Brazil, Germany, Australia and New Zealand. NorthWest is listed on the Toronto Stock Exchange and has a market capitalisation of approximately C\$1,160 million as at the date of this Bidder's Statement.

NorthWest's investments in Australia and New Zealand are through its holdings in Generation and New Zealand listed Vital Healthcare Property Trust (**Vital**). NorthWest has a 22.73% interest in Generation and a 24.5% interest in Vital. Both Generation and Vital are externally managed by entities controlled by NorthWest.

NorthWest is led by founder Paul Dalla Lana, who is Chairman and Chief Executive Officer and has more than 20 years' experience in healthcare real estate acquisitions, development and finance. As at 31 March 2017, Mr Dalla Lana (through entities controlled by him) held an approximate 30% interest in NorthWest¹.

NorthWest employs over 180 professionals across nine offices in five countries.

Overview of NorthWest's portfolio

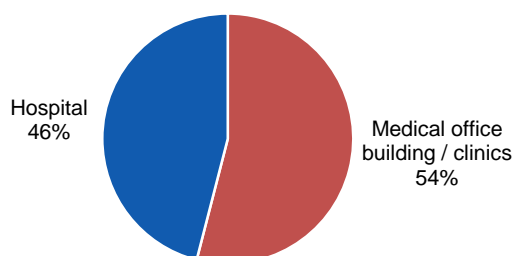
NorthWest has a diversified portfolio comprised of 141 income producing properties valued at C\$3.9 billion with gross leasable area of 9.5 million square feet.

Summary of key NorthWest statistics

Number of properties	141
Occupancy (%)	95.6%
WALE (years)	11.0
WACR	7.0%

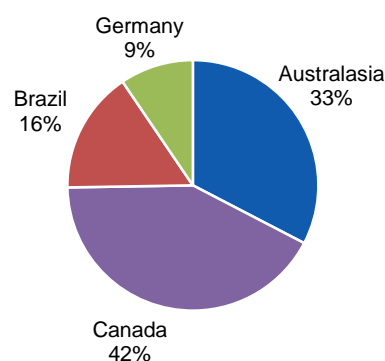
Source: NorthWest Q4 2016 Investor Update

Portfolio diversification (by gross leasable area)



Source: NorthWest Q4 2016 Investor Update

Portfolio location diversification (by gross leasable area)



Source: NorthWest Q4 2016 Investor Update

¹ See NorthWest's SEDAR filing entitled 'Annual Information Form - English' dated 31 March 2017.

Summary of assets under management

	Canada	Brazil	Germany	Vital ^(a)	Generation ^(a)	Pro Forma Germany	Pro Forma Platform
Number of properties	58	7	20	38	16	2	141
Asset mix	100% MOB	100% hospital	100% MOB	~24% MOB/ ~76% hospital	~66% MOB/ ~34% hospital	100% MOB	54% hospital/ 46% MOB
Gross assets (C\$m)	1,222	651	192	1,004	602	29	3,900
WALE (years)	4.8	21.7	4.7	17.7	12.0	4.7	11.0
WACR	6.4%	8.5%	5.8%	6.9%	6.7%	5.8%	7.0%

(a) Shown on a 100% basis

Source: NorthWest Q4 2016 Investor Update

4.2. NorthWest's Board of Trustees

Biographical details of the NorthWest's Board of Trustees as at the date of this Bidder's Statement are set out below.

4.2.1. Paul Dalla Lana – Chairman of the Board

Mr Dalla Lana is the founder, Chairman and CEO of NorthWest and the founder and President of NorthWest Value Partners Inc. He has more than 20 years of experience in real estate acquisition, development, and finance. Since 2004, Mr Dalla Lana has led NorthWest's strategy and growth into Canada's largest healthcare REIT and, more recently, into the global healthcare market. Mr Dalla Lana received his BA and his MBA from the University of British Columbia, is an Advisory Board Member of the Dalla Lana School of Public Health and is on the President's Advisory Council at the University of Toronto.

4.2.2. Dr Martin Barkin – Trustee

Dr Barkin currently serves as a director of Viventia Biotech and of Viable Healthworks. Dr Barkin was also a professor in the Faculty of Medicine at the University of Toronto, in the Department of Surgery as well as the Department of Health Administration and was President of the Surgical Alumni Association of the University of Toronto. From 1993 to 2007, Dr Barkin was the President and CEO of DRAXIS Health Inc, as well as a Director of several TSX and NASDAQ listed companies. Dr. Barkin was the CEO of Sunnybrook Health Sciences Centre from 1983 to 1987 and was its Chairman of the Board from 1998 to 2003. Dr Barkin served as the Deputy Minister of Health, Ontario, from 1987 to 1991 and received the Queen Elizabeth II Silver Jubilee Award. Dr Barkin has received the degrees of MD, BSc (Med), MA and is a Fellow of the Royal College of Surgeons of Canada.

4.2.3. Robert Baron – Trustee

Mr Baron is the founder and President of BCGI American Real Estate Executive Search with offices in New York, Chicago and Toronto. The firm acts on behalf of private and institutional real estate investors and lenders throughout North America. Prior to forming BCGI in 1995 Mr Baron was employed in Investment Banking at CIBC Wood Gundy Inc from 1991 to 1995 and CB Commercial Real Estate from 1987 to 1991. Mr Baron has a BA in Economics from the University of Western Ontario and an MBA from the University of Toronto.

4.2.4. [Bernard Crotty](#) – *Trustee and President of NorthWest*

Mr Crotty is the President of NorthWest and is responsible for its activities in Australia and New Zealand through its investments in Generation and Vital, while also providing strategic direction as part of NorthWest's leadership team. Mr Crotty is also currently a Trustee of NorthWest. Mr Crotty has many years of experience as a corporate executive, board member, private investor and lawyer and previously was a principal of Silver and White Management, Inc, a private investment firm, Chairman and CEO of Certicom Corp and Comnetix Inc. In addition Mr Crotty has served on a variety of public company boards and was counsel to the law firm Gibson, Dunn & Crutcher LLP in Los Angeles and a partner at the law firm McCarthy Tétrault, LLP in Toronto and London, England. Mr Crotty received his B.A. from the University of Alberta, LL.B. from the University of Toronto, LL.M from the London School of Economics and his M.B.A. from Duke University.

4.2.5. [Colin Loudon](#) – *Trustee*

Mr Loudon is currently Executive Vice President, Strategy at Oxford Properties Group. At Oxford he is a member of the Executive Committee and the Investment Committee and is responsible for executive oversight of debt financing, treasury operations, risk management, strategic planning and research for Oxford globally, as well as for a number of key strategic initiatives within both Oxford and its parent company, OMERS. Prior to his current role, Mr Loudon was Chief Financial Officer at Oxford. Prior to joining Oxford in 2009, Mr Loudon was a senior Partner and National Real Estate Industry Leader at KPMG. Mr Loudon holds a Bachelor of Commerce degree (Honours) from Queen's University as well as Chartered Accountant and Chartered Business Valuator designations.

4.2.6. [Dr C David Naylor](#) – *Trustee*

Dr C David Naylor is president emeritus and professor of medicine at the University of Toronto. Dr Naylor previously served as president (2005 to 2013) and dean of medicine (1999 to 2005) at University of Toronto. Co-author of over 300 scholarly publications, Dr Naylor was also founding CEO of the Institute for Clinical Evaluative Sciences (1991 to 1999) and founding director of clinical epidemiology at Sunnybrook Health Sciences Centre (1990 to 1996). Dr Naylor has extensive hospital and academic governance experience, and his counsel on healthcare strategy and policy has been sought by governments, associations and companies across Canada and abroad over the course of more than 25 years. Dr Naylor is an Officer of the Order of Canada, a Fellow of the Royal Society of Canada and the Canadian Academy of Health Sciences, and a Foreign Associate of the US Institute of Medicine.

4.2.7. [Brian Petersen](#) – *Trustee*

Mr Petersen is currently an independent financial consultant and merchant banker based in Calgary, Alberta. Previously, he has been an investment banker for over 23 years and held executive-level roles in financial advisory and investment banking, including as a Managing Director at RBC Capital Markets. He has extensive experience with royalty and income trusts and has been a board member of several private and public companies. Mr Petersen received his Bachelor of Commerce, Finance from the Sauder Business School at the University of British Columbia and later received his Chartered Financial Analyst (CFA) designation. He is also active with the United Way as well as other community-based organisations.

4.3. [Publicly available information regarding NorthWest](#)

NorthWest has been listed on the TSX since 25 March 2010. Information on NorthWest (including any filings or announcements with the TSX) may also be obtained from the NorthWest website at www.nwhp.ca.

4.4. [Overview of NorthWest Australia](#)

The Offer is being made by NorthWest Australia. NorthWest Australia was established on 17 February 2017 and is a controlled entity of NorthWest.

The directors of NorthWest Australia as at the date of this Bidder's Statement are:

a) Bernard Crotty

Refer to Section 4.2.4 for biographical details of Mr Crotty.

b) Rupert Smoker

Mr Smoker is the CEO of Evolution Trustees. Mr Smoker started his career in a variety of roles with the Australian Securities and Investments Commission culminating in his last role as a Senior Manager, responsible for regulating responsible entities in NSW and Queensland. Mr Smoker led the significant growth of the corporate trustee business (RE and MIT) within The Trust Company before it was acquired in 2013. Mr Smoker was then the Head of responsible entity services at Perpetual Limited.

Section 5

Overview of Generation

5.1. [Disclaimer](#)

The following information on Generation has been prepared based on a review of publicly available information (which has not been independently verified). Neither NorthWest nor NorthWest Australia make any representation or warranty, express or implied, as to the accuracy or completeness of such information. To the extent permitted by law, none of NorthWest, NorthWest Australia nor any of their respective directors, officers or advisers assume any responsibility for the accuracy or completeness of this information.

The information on Generation in this Bidder's Statement should not be considered comprehensive. Further information relating to Generation will be set out in the Target's Statement that Generation is required to issue in response to the Offer, which will be sent to you directly by Generation.

5.2. [Generation overview](#)

Generation is an Australian listed healthcare REIT that owns a portfolio of Australian healthcare assets. Generation is listed on the ASX and has a current market capitalisation of approximately \$453 million as at the close of trading on the last Trading Day prior to the Announcement Date.

NorthWest owns the manager of Generation, being Generation Healthcare Management Pty Limited (**Generation Healthcare Management**). NorthWest Australia is the largest Generation Unitholder, with a relevant interest in 22.73% of Generation Units on issue.

On 27 June 2016, NorthWest acquired 100% of Generation Healthcare Management, and NWI Healthcare Properties LP (a controlled entity of NorthWest) acquired 27.1 million Generation Units held by APN Property Group Limited, Miles Wentworth (Chief Executive Officer of Generation) and Chris Adams (Director of Generation Healthcare Management) (and persons associated with them). These June 2016 transactions were supported by the independent directors of the Responsible Entity. Following completion of these transactions, NorthWest and its controlled entities held a 19.9% relevant interest in Generation. NorthWest has subsequently acquired additional Generation Units to reach its current relevant interest of 22.73%.

Generation Healthcare Management's primary responsibilities include the day to day administration of Generation, portfolio management, sourcing new opportunities and conducting due diligence on potential acquisitions. Generation Healthcare Management is also responsible for providing specialist property, project and development management and leasing services to Generation. Miles Wentworth (Chief Executive Officer of Generation) and Chris Adams (Director of Generation Healthcare Management) are employed in key management roles by Generation Healthcare Management.

5.3. [Overview of Generation's portfolio](#)

Generation's portfolio comprises 16 hospital, medical centre and laboratory properties located across Victoria, Queensland and New South Wales. The properties are valued at \$516 million as at 31 December 2016.

Generation has an identified development pipeline comprising two projects under construction and one pending. Generation's share of forecast total project cost is circa \$110.3m, with expected income returns of between 8.0% to 8.5%¹. The Casey Private Hospital (Stage 2) (Forecast GHC share of cost circa \$44.8m²) and Frankston Private Expansion project (Forecast GHC share of cost circa \$29.5m) are currently under construction and expected to complete in late CY17 and April 2017 respectively. The development pipeline also includes the Grey Street Centre and Albert Street car park development (circa \$36m), where construction is yet to commence and the project is contingent on successful construction tenders, debt tenders and governance approvals.

¹ The income return is the contracted rental yield applied to the forecast total project cost

² These costs include a contingency of circa \$2m for the Casey Private Hospital (Stage 2) development, which is not currently forecast to be expended

Generation portfolio summary (as at 31 December 2016)

Number of properties	16
Occupancy (%)	98.7%
WALE (years)	12.1
WACR	6.67%

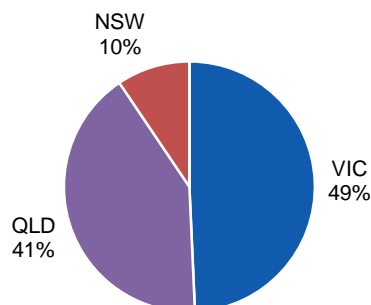
Source: Generation HY17 Results Presentation

Generation portfolio of properties

Property	December 2016 cap rate	December 2016 book value (\$m)
Epworth Freemasons Victoria Parade	6.25%	77.8
Epworth Freemasons Clarendon Street	5.50%	48.7
Frankston Private	6.00%	26.3
Harvester Centre	7.00%	19.0
ARCBS Headquarters	7.05%	81.5
RSL Care RDNS Tantula Rise	7.25%	19.1
RSL Care RDNS Baycrest	7.25%	15.3
RSL Care RDNS Darlington	7.25%	14.3
Pacific Private Clinic	8.25%	32.9
Westmead Rehabilitation	7.00%	27.0
Spring Hill	6.75%	64.0
Casey Specialist Centre	6.00%	31.8
Frankston Specialist Centre	5.75%	1.6
Waratah PH Ground Floor Suites	6.75%	7.3
Casey 2 Project	-	25.8
Frankston Private Expansion Project	-	23.1
Total¹	6.67%	\$515.5m

Source: Generation HY17 Results Presentation

Geographical diversification (by value) (as at 31 December 2016)



Source: Generation HY17 Results Presentation

¹ Excludes Leading Healthcare Bendigo (\$11.4m) which was sold in December 2016, Waratah Private Hospital debt interest (\$8.0m) and Epping Medical Centre which was structured as a debt investment (\$28.7m)

Generation development property pipeline

		Status	Start date	Expected completion	Forecast total cost ¹ (GHC share)	Percentage complete (31 Jan 2017)	Income return ²
Under construction	Frankston Private Expansion	Under construction	Dec-15	Apr-17	\$29.5m	76%	8.50%
	Casey 2 project	Under construction	Jan-16	Late CY17	\$44.8m ³	48%	8.00%
Total under construction					\$74.3m		
Construction pending	Grey Street Centre and Albert Street car park ⁴	Heritage Permit and Planning Permit issued	Late first half CY17	c.22 months	c.\$36.0m	0%	Car park: 8.25% Grey St Centre: 8.50%
Total under and pending construction					c.\$110.3m		

Source: Generation HY17 Results Presentation

5.4. Board of Generation's Responsible Entity

As at the date of the Bidder's Statement, the directors of the board of Generation's Responsible Entity, APN Funds Management Limited, are:

- Geoff Brunsdon - Independent Non-Executive Chairman
- Jennifer Horrigan - Independent Non-Executive Director
- Michael Johnstone - Independent Non-Executive Director
- Howard Brenchley - Non-Executive Director
- Michael Groth - APN Group Chief Financial Officer and Executive Alternate Director for Howard Brenchley

5.5. Publicly available information

Generation has been listed since May 2006 and is obliged to comply with continuous disclosure obligations.

Information about Generation (including copies of financial statements) may be obtained from Generation's website: (www.generationreit.com.au) and from the ASX website (www.asx.com.au).

5.6. Generation securities on issue

According to documents lodged by Generation with ASX, NorthWest understand that the total number of securities in Generation on issue as at the Trading Day prior to the Announcement Date is 220,742,347 fully paid ordinary Units.

5.7. Recent security price performance

The last recorded sale price of Units on the ASX on 21 April 2017, being the Trading Day prior to the Announcement Date, was \$2.05.

The closing prices of Units on the ASX over the 24 months prior to the date of this Bidder's Statement are depicted in the chart below.

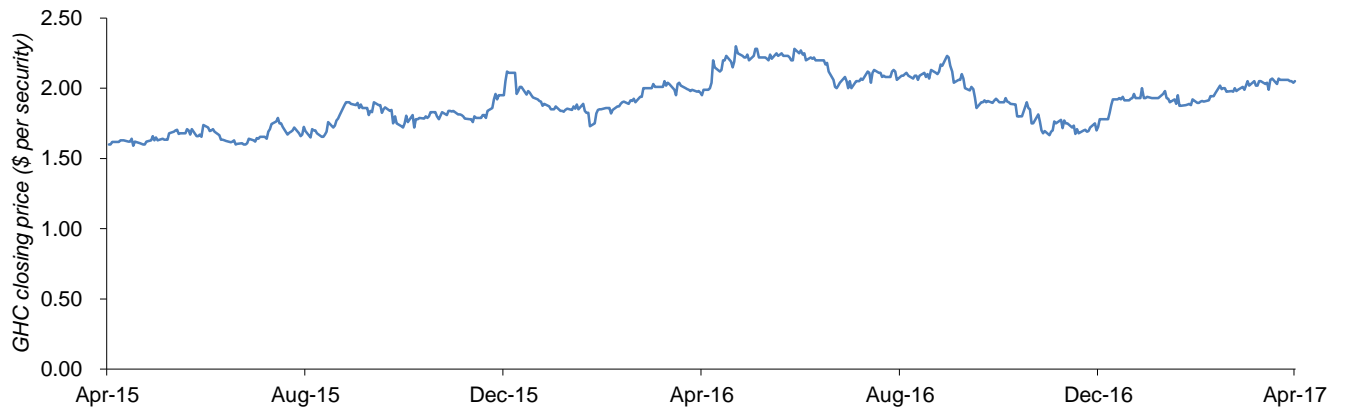
¹ Forecast total costs includes a portion of costs which have already been incurred to date

² The income return is the contracted rental yield applied to the forecast total project cost

³ Includes contingency of circa \$2m not currently forecast to be expended

⁴ Dependent on successful construction and debt tenders and governance approvals

Generation's last 24 months trading performance



Source: IRESS

Section 6

NorthWest Australia's Intentions

6.1. Introduction

This Section 6 sets out NorthWest Australia's intentions in relation to:

- the continued operation of Generation;
- any major changes to be made to the operation of Generation, including any redeployment of Generation property; and
- any plans to remove the current responsible entity of Generation and appoint a new responsible entity.

NorthWest Australia is a controlled entity of NorthWest. The intentions of NorthWest Australia as set out in this Section 6 are the same as those of NorthWest, and both are collectively referred to as the intentions of NorthWest Australia in this Section 6.

These intentions are based on the information concerning Generation, its business and the general business environment that is known to NorthWest Australia at the time of preparation of this Bidder's Statement and publicly available. NorthWest Australia's intentions are not based on any information that it may have received since NorthWest became the owner of Generation Healthcare Management, the manager of Generation, in its capacity as the manager of Generation, and which is not publicly available.

It should be noted that the statements set out in this Section 6 are statements of current intention only and may vary as new information becomes available or circumstances change. Final decisions will only be reached in light of all material facts and circumstances at the relevant time. The statements in this Section 6 should be read in this context.

6.2. Intentions upon acquisition of 90% or more of Generation Units

This Section 6.2 sets out the current intentions of NorthWest Australia if it acquires a relevant interest in 90% or more of Generation Units and becomes entitled to proceed with compulsory acquisition of the remaining Generation Units under the Corporations Act.

a) Corporate matters, including change of the Generation responsible entity

It is intended that:

- **Compulsory acquisition:** NorthWest Australia intends to proceed with compulsory acquisition of the outstanding Generation Units in accordance with Part 6A.1 of the Corporations Act. If it is required to do so under section 662A of the Corporations Act, NorthWest intends to give notices to Generation Unitholders offering to acquire their Generation Units in accordance with sections 662B and 662C of the Corporations Act;
- **De-listing:** NorthWest Australia intends to arrange for Generation to be removed from the official list of the ASX; and
- **Change in responsible entity:** following the close of the Offer, NorthWest Australia intends to seek to change the responsible entity of Generation to a NorthWest responsible entity, with a board nominated by NorthWest (and may seek to do so before the close of the Offer).

b) Existing borrowings and refinancing of Generation's indebtedness

NorthWest Australia has made no final determination in relation to whether it may refinance Generation's existing debt financing arrangements. NorthWest Australia expects that the Offer may give rise to change of control or review events within Generation's existing financing arrangements. If triggered, these change of control or review events may cause the relevant facilities to become repayable in circumstances where NorthWest Australia obtains control of Generation (for example, by holding more than 50% of Generation Units). If this were to occur, NorthWest Australia expects that these facilities could be refinanced by Generation in the ordinary course.

c) Capital structure and distribution policies

Following the close of the Offer, NorthWest Australia intends to form views on the most effective and efficient capital structure for Generation, including whether Generation's leverage could be increased beyond its current levels. This may also affect NorthWest Australia's view on the payment of distributions by Generation.

NorthWest considers that the proposed review of Generation's distribution and capital management policies will assist in identifying the most effective and efficient capital structure for Generation. In addition, NorthWest Australia's view on payment of distributions by Generation may be different to those of Generation's current responsible entity. No determination has yet been made regarding Generation's distribution and capital management policies after the conclusion of the Offer, nor is it practical to make any such determination until after the conclusion of the Offer.

It should also be noted that any change to Generation's distribution and capital management policies will need to be approved and implemented by the responsible entity of Generation. To that end, we note that NorthWest Australia intends to seek to change the responsible entity of Generation to a NorthWest responsible entity following the close of the Offer (and may seek to do so before the close of the Offer).

d) General operational and strategic review

NorthWest Australia intends to undertake a general review of Generation's assets and operations.

While NorthWest Australia does not have any specific intentions in relation to this review or its outcomes, its current expectation is that any review would focus on:

- operational changes for the portfolio;
- potential repositioning of the portfolio;
- potential asset acquisitions or disposals;
- changes to development and redevelopment programs;
- management arrangements; and
- hedging transactions.

In the ordinary course of its management, NorthWest intends to continually review Generation's assets and the way in which they are developed and managed to evaluate performance, profitability and prospects. This may lead to further acquisitions, disposals or developments in due course.

e) The manager of Generation

Generation does not directly employ any staff. However, NorthWest Australia intends that Generation Healthcare Management, the existing manager of Generation, will continue to manage Generation on a day-to-day basis. NorthWest owns 100% of Generation Healthcare Management.

6.3. Intentions upon acquisition of less than 90% but more than 50% of Generation Units

This Section sets out the current intentions of NorthWest Australia if it acquires more than 50% of Generation Units but less than 90% and does not become entitled to compulsorily acquire any outstanding Units under the Corporations Act.

It is intended that:

- if NorthWest Australia becomes entitled at some later time to exercise any compulsory acquisition rights under the Corporations Act, it may exercise those rights;
- NorthWest Australia will review the ongoing suitability of Generation remaining listed on the ASX. Subject to compliance with law and applicable ASX guidance, NorthWest Australia may seek to arrange for Generation to be removed from the official list of ASX;
- NorthWest Australia may, at some later time, acquire further Generation Units in any manner permitted by the Corporations Act; and

- NorthWest Australia intends to otherwise seek to implement the intentions set out in Section 6.2 to the maximum extent possible.

6.4. [Intentions upon acquisition of less than 50% of Generation Units](#)

Should NorthWest acquire less than 50% of Generation Units, NorthWest Australia intends to assess its position with respect to Generation in light of the outcome of the Offer and NorthWest Australia's position at that time. This may include seeking the implementation of some or all of its intentions as outlined above. Any such implementation of NorthWest Australia's intentions would be subject to the Corporations Act and may rely on the cooperation of other Generation Unitholders and will require the responsible entity of Generation at the relevant time to approve and implement some or all of its intentions as outlined above (which is uncertain).

6.5. [On-market purchases](#)

From the Announcement Date until the end of the Offer Period, NorthWest Australia intends to conduct on-market purchases of Units in accordance with item 2 of section 611 of the Corporations Act. NorthWest Australia has appointed Deutsche Bank's market participant, Deutsche Securities Australia Limited, to make such on-market purchases on its behalf.

6.6. [Other intentions](#)

Subject to the matters described above in Section 6 and elsewhere in this Bidder's Statement and, in particular, the completion of the reviews outlined in this Section 6, it is the present intention of NorthWest Australia, on the basis of the facts and information concerning Generation that are known to it and the existing circumstances affecting the assets and operations of Generation at the date of this Bidder's Statement:

- to generally continue the operations of Generation; and
- to not make any major changes to the operations of Generation nor to redeploy any Generation property.

6.7. [Limitations in giving effect to intentions](#)

The extent to which NorthWest Australia will be able to implement its intentions in relation to Generation will be subject to:

- the law (including the Corporations Act) and the ASX Listing Rules, in particular in relation to related party transactions and conflicts of interests;
- neither NorthWest Australia nor Generation being or becoming subject to any legal or contractual requirements which may restrict or prohibit the intentions as set out in this Bidder's Statement;
- the legal obligations of Generation's Responsible Entity and its directors at the time to act in good faith in the best interests of Generation and for proper purposes and to have regard to the interests of all Unitholders;
- the outcome of the reviews and considerations referred to in this Section, in particular as more information becomes available;
- the outcome of the Offer and the size of NorthWest Australia's Unitholding at that time; and
- the requirements of Generation's Trust Deed.

Section 7

Information on Generation Units

7.1. Capital structure of Generation

According to documents lodged by Generation with ASX, NorthWest understands that the total number of Units in Generation on issue as at the Trading Day prior to the Announcement Date is 220,742,347.

7.2. Details of relevant interests in Generation Units and voting power

NorthWest Australia's relevant interest in Generation Units, and its voting power in Generation Units (as at the dates specified) is shown below:

	At date of this Bidder's Statement	At date first Offer is sent
<i>Relevant interest in Generation Units</i>	50,175,078	[●]
<i>Voting power in Generation</i>	Approximately 22.73%	[●]%

7.3. Performance Fee

On 23 December 2016, NWI LP (a controlled entity of NorthWest) acquired 47,342 Generation Units, which were issued in satisfaction of the performance fee due to Generation Healthcare Management for the 6 month period ended 30 June 2016. These Units were issued to NWI LP (at the direction of Generation Healthcare Management). These Units were issued for non-cash consideration at an issue price of \$1.962 per Unit.

7.4. On-market Purchases

NorthWest acquired Generation Units on-market on the ASX for cash consideration as set out in the following table:

Date of Acquisition	Number of Generation Units acquired	Consideration per Generation Unit (\$)
28 December 2016	816,351	1.78
28 December 2016	7,537	1.785
28 December 2016	1,446	1.79
28 December 2016	21,473	1.80
28 December 2016	7,084	1.81
29 December 2016	24	1.76
29 December 2016	632	1.775
29 December 2016	17,721	1.78
29 December 2016	3,388	1.79
29 December 2016	762	1.795
29 December 2016	3,946	1.80
29 December 2016	2,912	1.835
29 December 2016	9,695	1.84
29 December 2016	5,119	1.845
29 December 2016	4,000	1.85
Total	902,090	-

On 30 December 2016, NWI LP disposed of the above 902,090 Units to Deutsche Bank AG, Sydney Branch via an off-market transaction for cash consideration of \$1.906 per Unit.

7.5. Unit Forward Transaction

On 27 March 2017, NWI LP acquired 6,700,000 Generation Units following settlement of a unit forward contract dated 30 December 2016 between NWI LP and Deutsche Bank AG, Sydney Branch for cash consideration of an agreed average aggregate of \$2.0377 per Unit. A copy of the unit forward contract was attached to the Form 604 (Notice of change of interests of substantial holder) lodged by NorthWest with ASX on 4 January 2017 (as amended in accordance with the update to notice of substantial holder dated 23 February 2017, which was lodged with ASX on 24 February 2017).

7.6. Transfer of Generation Units to NorthWest Australia

On 24 April 2017, 50,175,078 Generation Units were transferred from NWI LP to NorthWest Australia by way of an off-market transfer at a price of \$2.05 per Generation Unit.

7.7. Inducing benefits given during previous four months

Except as set out in this Bidder's Statement, neither NorthWest nor NorthWest Australia have, during the period of four months ending on the day immediately before the date of the Offer, given, offered or agreed to give, a benefit to another person where the benefit was likely to induce the other person, or an associate, to:

- accept the Offer; or
- dispose of Generation Units,

which benefit was not offered to all Generation Unitholders under the Offer.

Section 8

Funding

8.1. [Maximum cash consideration](#)

The consideration for the acquisition of the Generation Units to which the Offer relates will be satisfied by the payment by NorthWest Australia of cash (in Australian dollars).

Based on the number of Units as at the date of this Bidder's Statement, and as NorthWest Australia held 50,175,078 Units as at the date of this Bidder's Statement, the maximum cash amount which may be required by NorthWest Australia to settle all acceptances under the Offer is \$382.1 million (**Maximum Cash Consideration**). This is calculated on the basis of 170,567,269 Units outstanding as at the date of this Bidder's Statement which NorthWest does not already hold a relevant interest in, at an Offer Price of \$2.24 per Generation Unit.

8.2. [NorthWest Australia's funding arrangements](#)

Overview

NorthWest Australia will fund the cash consideration through a combination of internal and external funding arrangements put in place by NorthWest.

As at the date of this Bidder's Statement, NorthWest Australia had available to it:

- aggregate loan facilities from Deutsche Bank to the limit of approximately \$149 million (see below for further details) (**Deutsche Bank Facilities**); and
- a NorthWest funding commitment equal to the amount by which the cash consideration and associated transaction costs exceed the amounts available under the Deutsche Bank Facilities.

Deutsche Bank Facilities

NWH Australia AssetCo Pty Ltd (in its capacity as trustee of NWH Australia Asset Trust and in its personal capacity) and NWI Healthcare Properties LP have entered into secured syndicated facilities arranged and underwritten by Deutsche Bank for the purposes of funding part of the cash consideration and associated transaction costs. NWI Healthcare Properties LP will advance the funds it draws down under the Deutsche Bank Facilities to NorthWest Australia for such purposes. The Deutsche Bank Facilities are available for drawdown on satisfaction of certain conditions precedent. There is no reason currently known to NorthWest Australia why the conditions precedent will not be satisfied at any time at which drawdown of the Deutsche Bank Facilities is required.

The Deutsche Bank Facilities are also subject to events of default, undertakings, representations and warranties and other provisions that are not unusual for facilities of this nature. NorthWest Australia has no reason to believe that any of the events of default will occur such that a drawdown will not be able to be made.

Internal funding arrangements

NorthWest has undertaken to provide NorthWest Australia (directly or indirectly) with an amount that is equal to the amount by which the cash consideration and associated transaction costs exceed amounts available under the Deutsche Bank Facilities. NorthWest has confirmed to NorthWest Australia that funds of the amount by which the cash consideration and associated transaction costs exceed amounts available under the Deutsche Bank Facilities will be made available when required under the Offer.

NorthWest is not aware of any reason why there will not be cash reserves at least equal to the cash consideration amount and associated transaction costs which will be available for provision to NorthWest Australia when required under the Offer.

Under the terms of the internal funding arrangements, NorthWest is obliged to advance funds on request by NorthWest Australia to enable NorthWest Australia to satisfy its payment obligations to Unitholders under the Offer, as well as to meet associated transaction costs.

8.3. [Payment of cash consideration](#)

Having regard to the matters set out above, NorthWest Australia is of the opinion that it has a reasonable basis for forming, and it holds, the view that it will be able to pay the Maximum Cash Consideration required for the acquisition of Generation Units pursuant to the Offer.

Section 9

Australian tax considerations

9.1. [Introduction](#)

The following is a general description of the principal Australian tax consequences for the registered holders of Generation Units upon the disposal of their Generation Units to NorthWest Australia pursuant to this Offer.

The following description is intended as a general guide to the Australian tax considerations and is based upon the law in effect at the date of this Bidder's Statement. It is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of every registered holder of Generation Units, and is not intended to be advice and should not be relied on as such. In particular, the registered holders of Generation Units should be aware that the levels and bases of taxation can change and that where reference is made to tax concessions, this is to tax concessions as currently applying. Registered Unitholders should seek independent professional advice in relation to their own particular circumstances and should not rely upon the comments contained in this general description.

Any persons who may be subject to tax in any jurisdiction outside Australia should obtain independent professional advice on their particular circumstances.

The Australian tax implications outlined below are relevant to registered Unitholders who hold their Generation Units as capital assets for the purposes of investment and who do not hold their Generation Units as trading stock, as part of a profit-making undertaking. This Section in particular does not address the tax considerations applicable to registered Unitholders that may be subject to special rules, such as banks, insurance companies, tax exempt organisations, trusts, superannuation funds, dealers in securities or registered Unitholders who change their tax residence while holding Generation Units. It also does not consider the Australian tax considerations for registered Unitholders who are non-residents for Australian tax purposes or who hold their Generation Units as an asset of a permanent establishment in Australia.

9.2. [Capital gains tax \(CGT\) implications](#)

[CGT event](#)

For CGT purposes, a 'CGT event' will occur when you dispose of your Generation Units to NorthWest Australia. Generally, your disposal should be taken to occur on the date that the Offer contract to dispose of your Generation Units is formed. However, if you do not accept the Offer and your Generation Units are compulsorily acquired, your disposal should take place on the date that NorthWest Australia becomes the owner of your Generation Units.

[Determining your capital gain or loss](#)

Broadly, any capital gain or loss from the CGT event will be determined by comparing the total consideration that you receive for your Generation Units with the CGT cost base (in the case of a capital gain) or reduced cost base (in the case of a capital loss) of your Generation Units.

The cost base or reduced cost base of your Generation Units should broadly equal the money you paid or were required to pay to acquire your Generation Units plus certain non-deductible incidental costs incurred in acquiring and disposing of the Generation Units (for example, brokerage) less any capital returns received during the duration of holding your Generation Units.

You will make a capital gain from the disposal of your Generation Units to NorthWest Australia to the extent that the consideration that you received for your Generation Units exceeds the cost base of your Generation Units.

Conversely, you will make a capital loss to the extent that the reduced cost base of your Generation Units exceeds the consideration that you received for your Generation Units.

The tax treatment of your capital gain or capital loss arising from the disposal of your Generation Units depends on whether or not you are an Australian resident for taxation purposes and whether you hold your Generation Units as an individual, trustee of a trust, complying superannuation fund or company.

– Australian residents

You may be entitled to the CGT discount if:

- you are an Australian resident individual, trust or complying superannuation fund;
- you have held your Generation Units for at least 12 months (excluding the days of acquisition and disposal); and
- you make a capital gain from the disposal of your Generation Units.

The CGT discount may result in your capital gain being reduced by the 'discount percentage', being:

- 50%, if you are an individual or a trust; or
- 33⅓%, if you are a complying superannuation fund.

No CGT discount is available for companies.

If you make a capital gain from the disposal of your Generation Units, that capital gain will be combined with any other capital gains that you have made for the income year. Any available capital losses will then be applied against the total of the capital gains (before applying any CGT discount) that you have made in the current income year. Any remaining discount capital gains are then reduced by your discount percentage. Any resulting net capital gain will be included in your assessable income for the income year.

If you make a capital loss from the disposal of your Generation Units, that capital loss may only be offset against your assessable capital gains (before taking into account the CGT discount, if applicable) for the current income year. Any excess capital losses will be carried forward and may be applied against your future assessable capital gains (before taking into account the CGT discount, if applicable) if any relevant loss carry forward requirements are met.

– Non-Australian residents

The disposal of your Generation Units may be subject to Australian CGT if you and your associates held 10% or more of the Units in Generation:

- at the time of disposal; or
- throughout a 12 month period that began no earlier than 24 months before the date of disposal.

The disposal may also be subject to Australian tax if have used the Generation units at any time in carrying on a business through a permanent establishment in Australia. If you are a non-Australian tax resident, you should obtain your own independent professional advice as to the Australian tax consequences arising from the disposal of your Generation Units.

9.3. [Generation's treatment under the Managed Investment Trust legislation](#)

NorthWest Australia's acquisition of Generation Units, whether under the Offer or otherwise, may affect the treatment of Generation under Australia's Managed Investment Trust (**MIT**) legislation. In particular, Generation may cease to qualify as a MIT in accordance with Division 275 of the *Income Tax Assessment Act 1997* (Cth). If this were to occur, this may give rise to tax implications for Unitholders who are non-residents for Australian tax purposes. For example, non-Australian resident Unitholders who do not accept the Offer may be subject to higher withholding tax rates on their Generation distributions in respect of financial periods on and from Generation ceasing to qualify as a MIT. If you are a non-Australian tax resident, you should obtain your own independent professional advice as to the tax consequences for you of Generation potentially ceasing to qualify as a MIT.

9.4. [Australian stamp duty and the goods and services tax \(GST\)](#)

No Australian stamp duty or GST is payable by you on the sale of your Generation Units to NorthWest Australia pursuant to the Offer.

You may be charged GST on incidental costs (for example, advisory fees) incurred in acquiring and disposing of your Generation Units. You may be entitled to input tax credits or reduced input tax credits for such costs, but should seek independent professional advice in relation to your own particular circumstances.

Section 10

Additional Information

10.1. Governance arrangements and information protocols

Governance protocols were adopted by Generation Healthcare Management to address any actual or perceived conflict of interest that may potentially arise in relation to the Offer as a result of the relationship between NorthWest and Generation Healthcare Management. The governance protocols are designed to ensure that:

- there are appropriate rules in place with respect to the interaction between the Responsible Entity and Generation Healthcare Management;
- there are appropriate rules about information disclosure to the Responsible Entity, information access by the Responsible Entity, discussions with the Responsible Entity and the preservation of confidentiality in information; and
- Generation Healthcare Management continues to manage Generation in the ordinary course and without being involved in the consideration of the Offer by the Responsible Entity; and
- there are appropriate rules in place with respect to interactions with Generation Unitholders, NorthWest and Generation counterparties.

NorthWest has also adopted separate protocols to ensure that any information obtained by Generation Healthcare Management under its investment management agreement with the Responsible Entity that is confidential is not used for the purposes of the Offer.

10.2. Change of control implications

The Offer may result in a change of control of Generation depending on the number of Units acquired by NorthWest Australia. If this occurs, there could be consequences for Generation under applicable change of control provisions relating to Generation's various financial and other contractual arrangements. If any applicable waivers or consents to these change of control provisions cannot be obtained, then this may have an adverse impact on Generation.

10.3. Management fee cap and outstanding performance fees

With effect from 1 July 2014, the Responsible Entity and Generation Healthcare Management undertook to apply an aggregate cap on management fees payable to Generation Healthcare Management (being the base management fee and performance fee) equal to 1.5% per annum of Generation's monthly average gross assets (**Fee Cap**).

Under that management fee structure, any excess amounts over the Fee Cap are accumulated and rolled forward to the next 6 month period until they may be paid. Such accumulated excess is to be paid out in cash by Generation (or satisfied at Generation's election by the issue of new Generation Units to Generation Healthcare Management or its nominee) in the following circumstances:

- where the current 6 month period's management fees together with any accumulated excess from the prior period or part thereof being within the Fee Cap for the current 6 month period; and
- where Generation's total return for the current 6 month period is positive.

If the relevant amount is to be satisfied by the issue of new Generation Units, the relevant Generation Unit issue price is to be based on an agreed formula calculated at the time that the entitlement crystallised as opposed to the date of issue.

There currently remains an accumulated excess relating to previous periods that remains payable to Generation Healthcare Management (and which was not paid out at the relevant time, whether in cash or through the issue of new Generation Units, as it exceeded the Fee Cap at the time).

In addition, Generation would be obliged to immediately pay Generation Healthcare Management any accumulated excess amounts over the Fee Cap in cash based on the Generation Unit price at the time of financial close of any of the following events:

- a takeover or merger in relation to Generation;

- internalisation of Generation Healthcare Management or the Responsible Entity; or
- removal of the Generation Healthcare Management or the Responsible Entity.

Having regard to the above events, NorthWest Australia expects that any accumulated excess would be payable in cash to Generation Healthcare Management in circumstances where NorthWest Australia obtains control of Generation under the Offer (for example, by holding more than 50% of Generation Units).

10.4. [ASIC modifications and exemptions](#)

ASIC has published various 'Class Order' instruments providing for modifications and exemptions that apply generally to all persons, including NorthWest Australia, in relation to the operation of Chapter 6 of the Corporations Act.

Amongst others, NorthWest Australia has relied on the modification to section 636(3) of the Corporations Act set out in paragraph 5(d) of ASIC Class Order 13/521 'Takeover Bids' to include references to certain statements by Generation in this Bidder's Statement without obtaining the consent of those persons. The relevant statements were respectively taken from announcements released to the ASX by Generation and Generation's website: www.generationreit.com.au.

As required by Class Order 13/521, Generation will make available a copy of these documents (or relevant extracts of these documents), free of charge, to Unitholders who request them during the Bid Period. To obtain a copy of these documents (or the relevant extracts), Unitholders may telephone the NorthWest Offer Information Line on 1800 129 431 (for calls made from within Australia) or +61 1800 129 431 (for calls made from outside Australia) from Monday to Friday between 8:30am and 5:30pm (Sydney time).

10.5. [No defeating conditions](#)

The Offer is not subject to any defeating conditions.

10.6. [Persons to whom Offer is sent](#)

For the purposes of section 633(2) of the Corporations Act, the date for determining the persons to whom information is to be sent in items 6 and 12 of section 633(1) of the Corporations Act is the Register Date.

10.7. [Regulatory matters](#)

NorthWest has obtained Foreign Investment Review Board approval to acquire all of the Generation Units under the Offer.

10.8. [Social security and superannuation implications of the Offer](#)

Acceptance of the Offer may have implications under your superannuation or pension arrangements or on your social security entitlements. If in any doubt, Unitholders should seek professional advice before accepting the Offer.

10.9. [Approvals for payment of consideration](#)

NorthWest Australia is not aware of any Unitholders who require any approval referred to in Section 11 in order to be entitled to receive any consideration under the Offer.

10.10. [Generation's treatment under the Managed Investment Trust legislation](#)

As described in Section 9.3, NorthWest Australia's acquisition of Generation Units, whether under the Offer or otherwise, may affect the treatment of Generation under Australia's Managed Investment Trust (**MIT**) legislation. In particular, Generation may cease to qualify as a MIT in accordance with Division 275 of the *Income Tax Assessment Act 1997* (Cth). If this were to occur, this may give rise to tax implications for Generation. For example, the Responsible Entity may need to consider whether it has withheld a sufficient amount of withholding tax from its previous distributions to non-Australian resident Unitholders in respect of the half year ended 31 December 2016.

10.11. [No collateral benefits](#)

Neither NorthWest, NorthWest Australia nor any of their associates has in the four months before the date of this Bidder's Statement, or in the period between the date of this Bidder's Statement and the date of the Offer, given, offered to give or agreed to give a benefit which is not offered to all Unitholders under the Offer to another person which was likely to induce the other person (or an associate) to accept the Offer or dispose of Units.

10.12. [No escalation agreements](#)

Neither NorthWest, NorthWest Australia nor any of its associates has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

10.13. [Consents](#)

This Bidder's Statement contains statements made by, or statements based on statements made by the following persons. Each of the following persons have consented to being named in this Bidder's Statement and has consented to the inclusion of each statement it has made and each statement which is said in this Bidder's Statement to be based on a statement it has made in the form and context in which the statements have been included and in which its name appears, and has not withdrawn that consent:

- NorthWest, in relation to statements attributed to it;
- Deutsche Bank, to being named as financial advisor to NorthWest Australia in relation to the Offer;
- Baker McKenzie, to being named as Australian legal and taxation advisor to NorthWest Australia in relation to the Offer;
- Link Market Services, to being named as NorthWest Australia's share registry; and
- Deutsche Securities Australia Limited (ACN 003 204 368), to being named as Deutsche Bank's market participant as set out in this Bidder's Statement.

In addition, this Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 13/521, the persons making those statements are not required to consent to, and have not consented to, the inclusion of those statements, or of statements based on those statements, in this Bidder's Statement. See Section 10.5.

10.14. [Other material information](#)

Except as disclosed in this Bidder's Statement, there is no other information that:

- is material to the making of the decision by a Unitholder whether or not to accept the Offer; and
- is known to NorthWest Australia, which has not previously been disclosed to Unitholders.

Section 11

Offer Terms

11.1. The Offer

- (a) NorthWest Australia offers to acquire all of your Units together with all Rights attaching to those Units on and subject to the terms set out in this Section 11.
- (b) This Offer is dated [●] 2017.

11.2. Consideration for the Offer

Subject to the terms of this Offer, the consideration offered for each of your Units is \$2.24 in cash.

11.3. Offer Period

- (a) This Offer will remain open for acceptance during the period that commences on the date of this Offer and ends at 7:00pm on [●] 2017, unless this Offer is withdrawn or that period is extended in accordance with the Corporations Act.
- (b) NorthWest Australia may, in accordance with the Corporations Act, extend the period during which this Offer remains open for acceptance.
- (c) If, within the last seven days of the Offer Period:
 - (i) NorthWest Australia's voting power in Generation increases to more than 50%; or
 - (ii) this Offer is varied to improve the consideration offered,then the Offer Period will be automatically extended in accordance with section 624(2) of the Corporations Act so that it ends 14 days after the relevant event.

11.4. How to accept this Offer

- (a) [Accept for all of your Units](#)

Subject to Section 11.1, you may only accept this Offer for all of your Units.

- (b) [Issuer Sponsored Holdings](#)

If your Units are held in an Issuer Sponsored Holding (in which case your Securityholder Reference Number will commence with 'I'), to accept this Offer in respect of those Units you must:

- (i) **complete and sign** the enclosed Acceptance Form in accordance with the instructions on it; and
- (ii) **return** the Acceptance Form (using the enclosed reply paid envelope if you wish), together with all other documents required by the instructions on it, so that they are received before the end of the Offer Period at the address indicated on the Acceptance Form.

- (c) [CHESS Holdings](#)

If your Units are held in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), to accept this Offer in respect of those Units you must either:

(i) **instruct** your Controlling Participant, in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules, so as to be effective before the end of the Offer Period; or

(ii) **complete, sign and return** the enclosed Acceptance Form (using the enclosed reply paid envelope if you wish) in accordance with the instructions on the Acceptance Form, together with all other documents required by those instructions, so that they are received before the end of the Offer Period at the address indicated on the Acceptance Form. This will authorise NorthWest Australia to initiate, or alternatively to instruct your Controlling Participant to initiate, acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period. You must ensure that the Acceptance Form (and the other required documents) are received in sufficient time for NorthWest Australia to give instructions to your Controlling Participant, and for your Controlling Participant to carry out those instructions, before the end of the Offer Period.

However, if you are the Controlling Participant in respect of your Units, to accept this Offer you must yourself initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

11.5. [Status and effect of the Acceptance Form](#)

(a) [Status of Acceptance Form](#)

The Acceptance Form that accompanies this Bidder's Statement forms part of this Offer, and the instructions on the Acceptance Form must be followed in using it to accept this Offer.

(b) [Effect of Acceptance Form](#)

By completing, signing and returning the Acceptance Form in accordance with Section 11.4, you irrevocably authorise NorthWest Australia and its nominees:

(i) to rectify any errors in, or omissions from, the Acceptance Form that are necessary to make it an effective acceptance of this Offer or to enable registration of the transfer of all of your Units to NorthWest Australia; and

(ii) in respect of any of your Units in a CHESS Holding, to:

(A) initiate, or alternatively instruct your Controlling Participant to initiate, acceptance of this Offer in respect of all such Units in accordance with Rule 14.14 of the ASX Settlement Operating Rules; and

(B) give any other instructions concerning those Units to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant.

(c) [Validation of Acceptance Form](#)

Notwithstanding the above, NorthWest Australia may (except in relation to Units in a CHESS Holding) treat the receipt by it of a signed Acceptance Form as valid even though it does not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance. If NorthWest Australia does treat such an Acceptance Form as valid, subject to Section 11.7, NorthWest Australia will not be obliged to give the consideration to you until NorthWest Australia receives all those documents and all of the requirements for acceptance referred to in Section 11.4 and in the Acceptance Form have been met.

(d) [Risk in Acceptance Form](#)

The transmission by you of the Acceptance Form and any other documents in accordance with Section 11.4 is at your own risk. No acknowledgement of receipt of any such documents will be given to you by or on behalf of NorthWest Australia.

11.6. [Agreement resulting from acceptance](#)

By completing, signing and returning the Acceptance Form or initiating or causing acceptance of this Offer under the ASX Settlement Operating Rules in accordance with Section 11.4:

(a) you accept this Offer in respect of all of Units held by you as at the date your acceptance is processed (even if the number of Units specified on the Acceptance Form differs from the number of your Units) and agree to the terms of this Offer;

(b) you transfer, and consent to the transfer in accordance with the ASX Settlement Operating Rules of, all of your Units to NorthWest Australia in accordance with this Offer and subject to the terms of the constitution of Generation on which they were held immediately before your acceptance of this Offer (and NorthWest Australia agrees to take those Units subject to those terms);

(c) you represent and warrant to NorthWest Australia that, both at the time of your acceptance and at the time the transfer of your Units (including any Rights) to NorthWest Australia is registered, all of your Units (including any Rights) are and will be fully paid, and NorthWest Australia will acquire good title to them and full beneficial ownership of them free from all Encumbrances and that you have full power and capacity (whether legal or equitable) to sell and transfer the Units (including any Rights);

(d) you irrevocably appoint NorthWest Australia and each of its directors and nominees severally as your attorney to exercise all powers and rights that you have as the registered holder of your Units, including:

(i) attending any meeting of Generation, and voting in respect of your Units, proposing or seconding any motion, and demanding a poll for any vote, at any such meeting;

(ii) requisitioning the convening of any general meeting of Generation and convening a general meeting pursuant to any such requisition;

(iii) signing any form, notice, instrument or other document (including any proxy appointment) relating to your Units;

(iv) requesting Generation to register the Units in the name of NorthWest Australia; and

(iv) doing all things incidental or ancillary to any of the foregoing.

Such appointment will terminate on the earlier of the withdrawal of your acceptance of this Offer (either in accordance with its terms or under section 650E of the Corporations Act) and the end of the Offer Period;

(f) you agree that, in exercising the powers and rights conferred by the power of attorney in Section 11.6(d), each attorney may act in the interests of NorthWest Australia as the intended registered holder and beneficial owner of your Units;

(g) except as contemplated by Section 11.6(d) and while the appointment in that section continues, you agree not to attend or vote in person or by proxy, attorney or corporate representative at any meeting of Generation, or to exercise or purport to exercise (in person or by proxy, attorney, or corporate representative or otherwise) any of the powers conferred by the power of attorney in Section 11.6(d);

(h) you irrevocably authorise NorthWest Australia and its nominees to do all things necessary to transfer your Units to NorthWest Australia (including to cause a message to be transmitted in accordance with ASX Settlement Operating Rule 14.17.1 so as to transfer your Units, if held in a CHESS Holding, to the Takeover Transferee Holding), even if NorthWest Australia has not at that time paid or provided the consideration due to you under this Offer;

(i) you irrevocably authorise and direct Generation to pay to NorthWest Australia or to account to NorthWest Australia for all Rights in respect of the Units, subject, however, to any such Rights received by NorthWest Australia being accounted for by NorthWest Australia to you in the event that this Offer is withdrawn or avoided;

(j) except where Rights have been paid or accounted for under Section 11.6(i), you irrevocably authorise NorthWest Australia to deduct from the consideration payable in respect of the Units, the value of any Rights paid to you in respect of the Units which, where the Rights take a noncash form, will be the value of those Rights as reasonably assessed by NorthWest Australia. For the avoidance of doubt, NorthWest Australia will not be entitled to deduct the value of any franking credits attaching to any distributions declared or paid by Generation;

(j) you agree to indemnify NorthWest Australia and each of its agents in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or your Securityholder Reference Number or in consequence of the transfer of your Units to NorthWest Australia being registered by Generation without production of your Holder Identification Number or your Securityholder Reference Number;

(k) you represent and warrant to NorthWest Australia that, if you are the legal owner but not the beneficial owner of the Units:

(i) the beneficial holder has not sent a separate acceptance of the Offer in respect of the Units;

(ii) the number of Generation Units you have specified as being the entire holding of Generation Units you hold on behalf of a particular beneficial holder is in fact the entire holding; and

(iii) that you are irrevocably and unconditionally entitled to transfer the Units and to assign all the beneficial interest therein to NorthWest Australia; and

(l) agree to execute all such documents, transfers and assurances that may be necessary or desirable to convey the Units and any rights in respect of the Units to NorthWest Australia.

11.7. [Payment of consideration](#)

(a) [When you will generally be paid](#)

If you accept the Offer, NorthWest Australia will pay you the consideration for your Units under the Offer on or before the day that is five Business Days after receipt of your valid acceptance.

(b) [Payment where additional documents required](#)

Where additional documents are required, either by the Acceptance Form or otherwise, to be given to NorthWest Australia with your acceptance to enable NorthWest Australia to become the holder of your Units (such as a power of attorney) then, subject to Sections 11.7(c) to 11.7(f) and the Corporations Act:

(i) if those documents are given to NorthWest Australia with your acceptance, NorthWest Australia will pay you the consideration for your Units in accordance with Section 11.7(a); and

(ii) if those documents are given to NorthWest Australia after the end of the Offer Period, NorthWest Australia will pay you the consideration for your Units within five Business Days after those documents are given.

(c) [Delivery of consideration](#)

Payment of any cash amount to which you are entitled under the Offer will be made by cheque drawn in Australian currency in your favour. The cheque will be sent to you, at your risk, by ordinary mail (or, in the case of Unitholders with addresses outside Australia, by airmail) to your address shown on your Acceptance Form or the address last provided to NorthWest Australia by Generation.

(d) [Rights](#)

If NorthWest Australia becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give to NorthWest Australia all documents necessary to vest title to those Rights in NorthWest Australia, or otherwise to give NorthWest Australia the benefit or value of those Rights. If you do not do so, or if you have received or are entitled to receive (or any previous holder of your Units has received or is entitled to receive) the benefit of those Rights, NorthWest Australia will be entitled to deduct the amount (or an amount equal to the value, as reasonably assessed by NorthWest Australia) of those Rights from any consideration otherwise payable to you under this Offer. If NorthWest Australia does not, or cannot, make such a deduction, you must pay that amount to NorthWest Australia, except to the extent that NorthWest Australia elects to waive its entitlement to those Rights.

(e) [Non-Australian residents](#)

If, at the time of acceptance of this Offer, any authority or clearance of a Public Authority is required for you to receive any consideration under this Offer or you are a resident in or a resident of a place to which, or you are a person to whom any law (including any regulations) of Australia or regulation under the Charter of the United Nations that would make it unlawful for NorthWest Australia to provide consideration for your Units (for example Part 4 of the *Charter of the United Nations Act 1945* (Cth) and any regulations under that act) applies, then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained by NorthWest Australia.

(f) [Withholding of consideration by NorthWest Australia](#)

If any amount (the withholding amount) is required, under any Australian law or by any Public Authority, to be:

(i) withheld from any consideration otherwise payable to you under this Offer and paid to a Public Authority;
or

(ii) retained by NorthWest Australia out of any consideration otherwise payable to you under this Offer,

the payment or retention by NorthWest Australia of the withholding amount (as applicable) will constitute full discharge of NorthWest Australia's obligation to pay the consideration to you to the extent of the withholding amount.

11.8. Distributions and other entitlements

- (a) NorthWest Australia will be entitled to all Rights declared, paid, made or which arise or accrue after the Announcement Date in respect of Generation Units that it acquires pursuant to this Offer.
- (b) If any Rights are declared, paid, made or arise or accrue in cash after the Announcement Date in respect of Generation Units to the holders of the Generation Units, NorthWest Australia will (provided the same has not been paid to NorthWest Australia) be entitled to reduce the consideration specified in Section 11.2 and payable by it to the holders of those Units by an amount equal to the value of such Rights. If NorthWest Australia does not, or cannot, make such a reduction and you receive the Rights then you must pay the amount of those Rights to NorthWest Australia.
- (c) If any non-cash Rights (which do not include any franking credits) are issued or made or arise or accrue after the Announcement Date in respect of Generation Units to the holders of the Generation Units, NorthWest Australia will (provided the same has not been issued to NorthWest Australia) be entitled to reduce the consideration specified in Section 11.2 and payable by it to holders of those Generation Units by an amount equal to the value (as reasonably assessed by NorthWest Australia) of such non-cash Rights.

11.9. Offerees

- (a) Registered holders

NorthWest Australia is making an offer in the form of this Offer to:

- (i) each person registered as the holder of Units in the register of members of Generation as at the Register Date; and
- (ii) each person who, during the period from the Register Date to the end of the Offer Period, becomes registered or entitled to be registered as the holder of Units (whether or not they are registered or entitled to be registered as the holder of other Units) due to the conversion of, or exercise of rights attached to, other securities convertible into Units that are on issue at the Register Date.

- (b) Transferees

If at any time during the Offer Period another person is able to give good title to some or all of your Units, and that person has not already accepted an offer in the form of this Offer for those Units, then that person may accept as if an offer in the form of this Offer had been made to them in respect of those Units.

- (c) Trustees and nominees

If at any time during the Offer Period and before you accept this Offer your Units consist of two or more separate parcels within the meaning of section 653B of the Corporations Act (for example, because you hold your Units as trustee or nominee for, or otherwise on account of, several distinct beneficial owners), then you may accept as if a separate offer in the form of this Offer had been made in relation to each of those parcels (including any parcel you hold in your own right). Acceptance for any parcel of Units (including any parcel consisting of two or more parcels) is ineffective unless:

- (i) you give NorthWest Australia notice stating that the Units consist of a separate parcel, such notice being:
 - (A) in the case of Units not in a CHESS Holding, in writing; or
 - (B) in the case of Units in a CHESS Holding, in an electronic form approved by the ASX Settlement Operating Rules for the purposes of Part 6.8 of the Corporations Act; and

(ii) your acceptance specifies the number of Units in the parcel.

(d) [Units subject to transfer restrictions](#)

If at any time during the Offer Period some of your Units are subject to transfer restrictions imposed by Generation, then you may accept as if a separate offer in the form of this Offer has been made in relation to the balance of your Units. Acceptance for the balance of your Units is ineffective unless you give NorthWest Australia notice stating the number of your Units that are subject to a transfer restriction and explaining the nature of the restriction, and your acceptance specifies the balance of your Units.

11.10. [Additional copies of Offer documents](#)

If, for the purpose of accepting the Offer, you require additional copies of this Bidder's Statement or the Acceptance Form, please call the NorthWest Offer Information Line on 1800 129 431 (for calls made from within Australia) or +61 1800 129 431 (for calls made from outside Australia) to request those additional copies.

11.11. [Variation and withdrawal of Offer](#)

- (a) NorthWest Australia may at any time, and from time to time, vary this Offer in accordance with the Corporations Act.
- (b) This Offer may be withdrawn with the written consent of ASIC, which consent may be subject to conditions. If so, NorthWest Australia will give notice of the withdrawal to ASX and to Generation and will comply with any other conditions imposed by ASIC.

11.12. [Costs and stamp duty](#)

NorthWest Australia will pay all costs and expenses of the preparation and circulation of this Offer and any Australian stamp duty payable on the transfer of any Units to NorthWest Australia under this Offer.

11.13. [Governing law and jurisdiction](#)

This Offer and any contract resulting from your acceptance of this Offer are governed by the laws of New South Wales. In relation to them and related non-contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction in New South Wales, and waives any right to object to the venue on any ground.

Section 12

Glossary and Interpretation

12.1. Definitions

In this Bidder's Statement, unless the context requires otherwise the following words have the meaning as set out in the table below:

Word	Meaning
Acceptance Form	The acceptance form enclosed with this Bidder's Statement or, as the context requires, any replacement or substitute acceptance form provided by or on behalf of NorthWest Australia
Announcement Date	24 April 2017
ASIC	The Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it
ASX Listing Rules	The listing rules of ASX
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532), the body which administers the CHESS system in Australia
ASX Settlement Operating Rules	The settlement and operating rules of ASX Settlement
Bidder's Statement	This document, being the statement of the Bidder under Part 6.5 of the Corporations Act relating to the Offer
Bid Period	The period between the date on which this Bidder's Statement was provided to Generation and the end of the Offer Period (both inclusive)
Broker	A person who is a share broker and participant in CHESS
Business Day	A day which is not a Saturday, Sunday or a public holiday in Sydney, Australia
CHESS	The Clearing House Electronic Subregister System, which provides for the electronic transfer, settlement and registration of securities in Australia
CHESS Holding	A holding of Units on the CHESS Subregister of Generation
CHESS Subregister	The meaning given in the ASX Settlement Operating Rules
Controlling Participant	The meaning given in the ASX Settlement Operating Rules. Usually your Controlling Participant is a person, such as a broker, with whom you have a sponsorship agreement (as that term is defined in the ASX Settlement Operating Rules)
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Encumbrance	Any mortgage, fixed or floating charge, pledge, lien, option, right to acquire, right of pre-emption, assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement, hypothec or other security interest of any

	kind, and any agreement to create any of the foregoing and includes a security interest that is subject to the <i>Personal Property Securities Act 2009</i> (Cth)
Generation	Generation Healthcare REIT (ARSN 118 712 584) (ASX:GHC) (and where applicable includes the responsible entity of Generation Healthcare REIT)
Generation Healthcare Management	Generation Healthcare Management Pty Limited (ACN 116 881 559), which is the manager of Generation
Generation HY17 Results Presentation	Generation's 2017 Half Year Results Presentation dated 20 February 2017
GST	The goods and services tax imposed under the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth) and the related imposition acts of the Commonwealth of Australia
Holder Identification Number (or HIN)	The number used to identify a Unitholder on the CHESS Subregister of Generation
Issuer Sponsored Holding	A holding of Units on the Issuer Sponsored Subregister of Generation
Issuer Sponsored Subregister	The meaning given in the ASX Settlement Operating Rules
Link Market Services	Link Market Services Limited (ACN 083 214 537)
Maximum Cash Consideration	The meaning given in Section 8
MOB	Medical office building
NorthWest	NorthWest Healthcare Properties Real Estate Investment Trust (TSX: NWH.UN)
NorthWest Australia	NWH Australia AssetCo Pty Ltd (ACN 617 449 948) as trustee for NWH Australia Asset Trust
NTA	Net tangible assets
NWI LP	NWI Healthcare Properties LP (a controlled entity of NorthWest)
Offer	As the context requires, the offer for Units contained in Section 11, or the offmarket takeover bid constituted by that offer and each other offer by NorthWest Australia for Units in the form of that offer, including in each case as varied in accordance with the Corporations Act
Offer Period	The period during which the Offer will remain open for acceptance in accordance with Section 11.3
Offer Price	\$2.24 cash per Generation Unit
Public Authority	Any government or any governmental, semi-governmental, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any securities exchange

Register Date	7:00pm on 26 April 2017 being the date set by NorthWest Australia under section 633(2) of the Corporations Act
Registry	Link Market Services, being the securities registry appointed by NorthWest Australia for the purposes of performing unitholder registration functions in connection with the Offer
REIT	Real estate investment trust
Related Body Corporate	The meaning given in the Corporations Act
Responsible Entity	APN Funds Management Limited (ACN 080 674 479), which is the responsible entity of Generation
Rights	All accretions, rights and benefits of whatever kind attaching to or arising from or in respect of the Units directly or indirectly at or after the date of this Bidder's Statement (including all distributions and all rights to receive them and rights to receive or subscribe for units, shares, notes, bonds, options, other securities, distributions, capital returns or entitlements declared, made, paid or issued by Generation or any controlled entity of Generation (and where applicable the trustee of such entity))
Securityholder Reference Number (or SRN)	The number allocated by Generation to identify a Unitholder on the Issuer Sponsored Subregister of Generation
Takeover Transferee Holding	The CHESS Holding to which Units are to be transferred pursuant to acceptances of the Offer
Trading Day	The meaning given to it in the ASX Listing Rules
TSX	Toronto Stock Exchange
Trust Deed	The constitution establishing Generation dated 12 December 2005 (as amended)
Unit	A fully paid ordinary unit in Generation
Unitholder	A person registered in the register of members of Generation as a holder of Units
Vital	Vital Healthcare Property Trust
VWAP	Volume weighted average price
WACR	Weighted average capitalisation rate
WALE	Weight average lease expiry
your Units (or your Generation Units)	<p>subject to Section 11.9:</p> <ul style="list-style-type: none"> a) the Units in respect of which you are registered or entitled to be registered as a holder in the register of members of Generation at the Register Date, and in respect of which no other person becomes registered or entitled to be registered as a holder before you accept the Offer; and b) any other Units to which you are able to give good title at the time you accept the Offer

12.2. Interpretation

In this Bidder's Statement:

- a) headings are for convenience only and do not affect the interpretation of this Bidder's Statement;
- and unless the context otherwise requires:
- b) the singular includes the plural and vice versa;
- c) a gender includes all genders;
- d) references to persons include corporations and trusts;
- e) references to Clauses or Sections are to Clauses or Sections in this Bidder's Statement;
- f) a term not specifically defined in this Bidder's Statement has the meaning given to it in the Corporations Act (being, if any special meaning is given for the purposes of Chapter 6 or 6A of the Corporations Act or a provision of those chapters, that special meaning);
- g) references to dollar or \$ are references to Australian currency;
- h) references to "you" are to a person to whom the Offer is made under Sections 11.9;
- i) the word 'including' or 'includes' means 'including, but not limited to' or 'includes, without limitation';
- j) references to legislation, rules or other documents include those instruments as amended, supplemented or replaced, and in the case of legislation includes regulations, rules and instruments made under that legislation; and
- k) references to time are references to the prevailing time in Sydney, Australia.

Section 13

Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution of the directors of NorthWest Australia.

Dated 24 April 2017

Signed for and on behalf of NWH Australia AssetCo Pty Ltd (ACN 617 449 948) as trustee for NWH Australia Asset Trust:



Bernard Crotty
Director

Section 14

Corporate Directory

NorthWest Healthcare Properties Real Estate Investment Trust

Registered Office

284 King Street East
Toronto, Ontario, M5A 1K4
Canada

NorthWest Australia

Registered Office

Level 19, 181 William Street
Melbourne VIC 3000
Australia

NorthWest Offer Information Line

If you have any questions in relation to the Offer or how to accept it, or if you have lost your Acceptance Form and require a replacement, please call the NorthWest Offer Information Line on the following numbers:

From within Australia: 1800 129 431

From outside Australia: +61 1800 129 431

Registry for the Offer

You can contact NorthWest Australia's registry (Link Market Services) at the address set out below:

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Financial adviser

Deutsche Bank AG, Sydney Branch
Deutsche Bank Place
Level 16, Cnr Hunter & Philip Streets
Sydney NSW 2000

Legal adviser

Baker McKenzie
Level 27, AMP Centre, 50 Bridge Street
Sydney NSW 2000