17 September 2020

FINANCAL CLOSE ON TRANSURBAN'S 144A / REG S MARKET ISSUANCE AND UPDATE OF EURO MEDIUM TERM NOTE PROGRAMME DOCUMENTATION

Transurban confirms that Transurban Finance Company Pty Limited, Transurban's financing vehicle, has successfully reached financial close on its issuance of US$900 million of senior secured 10.5 year notes in the 144A / Reg S market.

Furthermore, Transurban Finance Company Pty Limited has updated its Euro Medium Term Note Programme documentation listed with the Singapore and Australian Exchanges. A copy of the updated Offering Circular is attached.

Investor enquiries
Tess Palmer
Head of Investor Relations
+61 458 231 983

Media enquiries
Sarah Chapman
Manager, Media and Communications
+61 400 841 898

This announcement is authorised by Transurban CEO, Scott Charlton.

Transurban Group
Transurban International Limited
ABN 90 121 746 825
Transurban Holdings Limited
ABN 86 098 143 429
Transurban Holding Trust
ABN 30 169 362 255
ARSN 098 807 419
corporate@transurban.com
www.transurban.com

Level 31
Tower Five, Collins Square
727 Collins Street
Docklands
Victoria 3008 Australia
Telephone +613 8656 8900
Facsimile +613 8656 8585

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (**REGULATION S**)), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view the offering circular or make an investment decision with respect to the securities, investors must not be a U.S. person (within the meaning of Regulation S). The offering circular is being sent at your request and by accepting the e-mail and accessing the offering circular, you shall be deemed to have represented to Transurban Finance Company Pty Ltd, J.P. Morgan Securities plc and J.P. Morgan Securities Australia Limited that you are not a U.S. person, the e-mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and that you consent to delivery of such offering circular by e-mail.

You are reminded that the offering circular has been delivered to you on the basis that you are a person into whose possession the offering circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver the offering circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of Transurban Finance Company Pty Ltd in such jurisdiction.

The offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Transurban Finance Company Pty Ltd, J.P. Morgan Securities plc, J.P. Morgan Securities Australia Limited or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you on request from Transurban Finance Company Pty Ltd, J.P. Morgan Securities plc or J.P. Morgan Securities Australia Limited.

Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Transurban Finance Company Pty Ltd

(ABN 65 098 539 452)

(incorporated with limited liability in Victoria, Australia)

U.S.$10,000,000,000

Secured Euro Medium Term Note Programme

Under this U.S.$10,000,000,000 Secured Euro Medium Term Note Programme (the **Programme**), Transurban Finance Company Pty Ltd (the **Issuer**) may from time to time issue notes (the **Notes**) in bearer or registered form (respectively, **Bearer Notes** and **Registered Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below) and will be constituted by an amended and restated trust deed dated August 30, 2017 between the Issuer and The Bank of New York Mellon, London Branch (the **Trustee**) (the **Trust Deed**). The Issuer may from time to time issue Notes denominated in Australian dollars issued in the Australian domestic capital market (**AMTNs**). AMTNs will be issued in registered uncertificated form, and will take the form of entries on a register established and maintained by a registrar in Australia and may be lodged with the clearing system (**Austraclear System**) operated by Austraclear Ltd (**Austraclear**). AMTNs will be constituted by a trust deed dated August 30, 2017 between the Issuer and BNY Trust Company of Australia Limited (the **AMTN Trustee**) (the **AMTN Trust Deed**).

The obligations of the Issuer in respect of the Notes are secured by certain charges granted by the Issuer and certain related entities and guaranteed by certain related entities which have also granted charges and mortgages to secure their guarantees (the **Securities**). The Securities are held by BTA Institutional Services Australia Limited (the **Security Trustee**) the trustee of the security trust (**Security Trust**) established by a security trust deed originally dated June 28, 2002 (as most recently amended by an amendment deed dated July 28, 2017 and as may be updated and/or amended and/or supplemented and/or restated from time to time in accordance with its terms, the **Security Trust Deed**). The holders of the Notes will be Senior Secured Creditors (as defined in the Security Trust Deed) under the Security Trust, ranking equally with the other Senior Secured Creditors, including those described in "*Description of Other Indebtedness*". The Senior Secured Creditors rank for payment out of the assets the subject of the Securities ahead of the Subordinated Secured Creditors (as defined in the Security Trust Deed) and unsecured creditors, except creditors mandatorily preferred by law. For a discussion of these arrangements see "*Description of the Security Arrangements*".

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.$10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Application has been made to the Singapore Exchange Securities Trading Limited (the **SGX-ST**) for permission to deal in and quotation for any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. Any admission of any Notes to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantors, their subsidiaries, their associated companies, the Programme or such Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST before the listing of Notes of such Tranche.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market. The relevant Final Terms in respect of any Series (as defined under "*Terms and Conditions of the Notes*") will specify whether or not such Notes will be listed and, if so, on which exchange(s) the Notes are to be listed. The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the terms and conditions of the Notes herein, in which event a supplemental Offering Circular or other document, if necessary, will be made available which will describe the effect of the agreement reached in relation to such Notes. The relevant exchange or market assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. There is no assurance that any application to an exchange or market will be approved. Any listing or admission is not to be taken as an indication of the merits of the Issuer, the Guarantors, their subsidiaries, their associated companies, the Programme or such Notes.

Notes to be issued under the Programme are expected to be rated "BBB+" by S&P Global Ratings Australia Pty Ltd (**Standard & Poor's** or **S&P**) and "Baa1" by Moody's Investors Service Pty Ltd (**Moody's**). Fitch Australia Pty Ltd (**Fitch**) will, if applicable, rate Notes to be issued under the Programme on a Series-by-Series basis. A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

This Offering Circular is an advertisement and not a prospectus for the purposes of EU Directive 2003/71/EC, as amended or superseded.

Arrangers

J.P. MORGAN

J.P. MORGAN SECURITIES AUSTRALIA LIMITED

The date of this Offering Circular is September 16, 2020.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

To the best of the knowledge of the Issuer as at the date of this Offering Circular, having made all reasonable enquiries, the information contained or incorporated in this Offering Circular is in accordance with the facts and there are no other facts the omission of which would make this Offering Circular or any of such information misleading. The Issuer accepts responsibility accordingly.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Manager(s) (as defined below), as the case may be. This Offering Circular and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealers of Notes from time to time to be issued pursuant to the Programme and with respect to Notes to be listed on the SGX-ST, such listing.

Copies of Final Terms will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined below) save that, if the relevant Notes are not listed on a stock exchange, the applicable Final Terms will only be obtainable by a Noteholder (as defined in "*Terms and Conditions of the Notes*") holding one or more Notes, subject to such Noteholder providing evidence satisfactory to the Issuer, the Trustee or the AMTN Trustee (as the case may be) and the relevant Paying Agent as to its holding of such Notes and its identity.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

None of the Dealers, the Agents (as defined in "*Terms and Conditions of the Notes*"), the Arrangers, the Trustee or the AMTN Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers, the Agents, the Arrangers, the Trustee or the AMTN Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme. None of the Dealers, the Arrangers, the Agents, the Trustee or the AMTN Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme. The Arrangers, each Dealer, the Trustee, the AMTN Trustee and each Agent accordingly disclaims all and any liability, whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. Advisers named in this Offering Circular have acted pursuant to the terms of their respective engagements, have not authorised or caused the issue of, and take no responsibility for, this Offering Circular and do not make, and should not be taken to have verified, any statement or information in this Offering Circular unless expressly stated otherwise.

No person is or has been authorised by the Issuer, the Arrangers, any of the Dealers, the Agents, the Trustee or the AMTN Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied

upon as having been authorised by the Issuer, any of the Dealers, the Arrangers, the Agents, the Trustee or the AMTN Trustee.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Arrangers, the Agents, any of the Dealers, the Trustee or the AMTN Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. This Offering Circular does not take into account the objectives, financial situation or needs of any potential investor. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arrangers, the Agents, any of the Dealers, the Trustee or the AMTN Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers, the Arrangers, the Agents, the Trustee and the AMTN Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, among other things, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the Securities Act) and Bearer Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

There are restrictions on the offer and sale of the Notes in the United Kingdom. All applicable provisions of the Financial Services and Markets Act 2000 (the FSMA) with respect to anything done by any person in relation to the Notes in, from or otherwise involving the United Kingdom must be complied with (see "*Subscription and Sale*").

This Offering Circular is not, and is not intended to be, a disclosure document within the meaning of section 9 of the Corporations Act 2001 (Cth) (the Corporations Act), or a Product Disclosure Statement for the purposes of Chapter 7 of the Corporations Act. This Offering Circular has not been, and will not be, lodged with the Australian Securities and Investments Commission and is not, and does not purport to be, a document containing disclosure to investors for the purposes of Parts 6D.2 or 7.9 of the Corporations Act. It is not intended to be used in connection with any offer for which such disclosure is required and does not contain all the information that would be required by those provisions if they applied. It is not to be provided to any "retail client" for the purposes of section 761G of the Corporations Act. The Issuer is not licensed to provide financial product advice in respect of the Notes. Cooling-off rights do not apply to the acquisition of the Notes.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by

law in certain jurisdictions. The Issuer, the Arrangers, the Dealers, the Agents, the Trustee and the AMTN Trustee do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers, the Arrangers, the Agents, the Trustee or the AMTN Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom), Japan, Hong Kong, Singapore and Australia, see "*Subscription and Sale*". Recipients of this Offering Circular shall not reissue, circulate or distribute this Offering Circular or any part hereof in any matter whatsoever.

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area (EEA) or offered to the public in a Member State of the EEA (and for these purposes, references to the EEA include the United Kingdom) (each a Relevant State) in circumstances which require the publication of a prospectus under Regulation (EU) No. 1129 of June 14, 2017 (as amended or superseded from time to time, the Prospectus Regulation), the minimum specified denomination shall be €100,000 (or its equivalent in any other currency at the date of issue of the Notes).

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, MiFID II) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the MiFID Product Governance Rules), any Dealer subscribing for any Notes is a manufacturer (each a Manufacturer and together, the Manufacturers) in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a Manufacturer for the purpose of the MiFID Product Governance Rules.

PRIIPS / IMPORTANT - EEA AND UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Notes or

otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (the SFA) – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the CMP Regulations 2018), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in the Section 309(A)(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

All references in this document to "U.S. dollars", "U.S.$", "USD" and "$" refer to United States dollars, to "S$" refer to Singapore dollars, to "A$" and "AUD" refer to Australian dollars, to "C$" and "CAD" refer to Canadian dollars and to "NOK" refer to the lawful currency of the Kingdom of Norway. In addition, all references to "EUR", "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

In connection with the issue of any Tranche of Notes (other than in circumstances where such action would reasonably be expected to support, maintain or otherwise have an effect on the market for or the price of the Notes traded within Australia or on a financial market, as defined in the Corporations Act, operated within Australia), the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules. Any such stabilisation action may only be conducted outside Australia and on a market operated outside Australia.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes forward-looking statements. Some of these forward-looking statements can be identified by the use of words such as "may", "will", "should", "expect", "anticipate", "believe", "estimate", "plan", "forecast", "intend", "target", "aim", "goal" and similar expressions in this Offering Circular and include statements regarding certain plans, strategies and objectives of management, industry trends and outlook.

Forward-looking statements involve known and unknown risks, uncertainties and other important factors, including risks related to the effects of the spread of pandemics (including the novel coronavirus (**COVID-19**)) and the current and possible future government responses to COVID-19 including business restrictions and travel restrictions impacting the global economy, that could cause our actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks, uncertainties and other important factors include, among others:

- the adverse impact of the COVID-19 pandemic on our business and operations, and those of our suppliers and contractors;
- the finite lives of our Concession Agreements (see "*Certain Definitions*") and that we may not be able to enter into new Concession Agreements or extend our existing Concession Agreements;
- reduced traffic volumes or an inability to grow traffic volumes on our toll roads;
- the loss of a toll road asset for non-performance or default under a Concession Agreement, or as a result of government action;
- the mechanisms within our Concession Agreements regulating changes to the tolls that we can charge and permitted toll increases not covering our cost increases;
- existence and development of, or changes to, competing roads, feeder roads and other means of transportation;
- a failure of key operating systems, including tolling systems, which adversely impacts our ability to make a road available or collect revenue;
- reliance on inaccurate forecasting and modelling;
- changes in government policy with respect to transport, infrastructure and contracting methodology adversely affecting our ability to make new acquisitions and develop new projects;
- deterioration in our relationships with governments;
- loss of our social licence to operate and any negative perceptions of our company or toll roads generally;
- failure to develop and implement new information technology systems and enhance existing systems to improve our operating efficiencies and maximise our revenue from our toll roads;
- failure of operating and safety systems causing disruption to the operation of our toll roads;
- failure to safeguard our customers' confidential information;
- external cyber-attacks on our technology systems;

- dependence on the services of key contractors and counterparties for development and construction activities and for the provision of tolling, customer services, operations and maintenance services, road management and control systems;
- failure to complete new development projects, enhance existing infrastructure or undertake information technology, maintenance and capital expenditure projects in the manner or within the timeframe and budget expected;
- changes in law or regulation, including the imposition of new or increased taxes or other governmental charges or levies, or restrictions or prohibitions on our right to levy tolls on our toll roads;
- adverse tax developments, including as a result of legislative change or interpretation, and changes to accounting standards;
- failure of acquisitions or development projects to generate anticipated benefits, financial or otherwise;
- exposure to risks associated with financing arrangements and financial transactions, including sourcing new financing and credit exposures on transactions with financial counterparties;
- risks of accidents, incidents, terrorist attacks and other events relating to our assets and insurance policies not providing adequate protection against those risks;
- potential for involvement in legal, regulatory and other proceedings and disputes arising from our business and operations, and being subject to various laws including environmental and health and safety regulations;
- an inability to refinance our significant existing indebtedness;
- risks derived from asset impairment;
- risks relating to our equity interests in certain Concessionaires;
- reliance on dividends, distributions, interest on and repayments of shareholder loans from our subsidiaries and assets which are not wholly owned for funding;
- exposure to foreign exchange risks;
- reliance on key personnel;
- reliance on procurement, delivery and financing of information technology, maintenance and capital expenditure projects;
- exposure to interest rate risks; and
- exposure to fraudulent employee behaviour.

We caution that the foregoing list of important factors is not exhaustive. Forward-looking statements are based upon management's good faith assumptions relating to the financial, market, industry, regulatory and other relevant environments and conditions that will exist and affect our business and operations in the future. We cannot give investors any assurance that the assumptions upon which management based its forward-looking statements will prove to be correct, or that our business and operations will not be affected in any substantial manner by other factors not currently foreseen or foreseeable by management or beyond its control. Such factors include, but are not limited to, natural disasters and epidemics, such as the COVID-19 pandemic. As COVID-19 has developed into a pandemic, it has affected, and we expect that it will continue to directly and indirectly affect, our operations, as well as those of our suppliers and contractors, and our customers. Should restrictions imposed due to COVID-19 continue for extended periods of time or should they be broadened further in areas in which we operate, or even in areas in which we do not operate, the pandemic and the related restrictions may cause further disruption to our business and to our customers, suppliers, contractors and employees, any of which could have a material adverse effect on our business, financial condition and results of operations. Further, global financial markets have experienced, and may continue to experience, significant volatility and liquidity disruptions due to COVID-19, which may adversely affect our funding costs and access to funding and, as a result, our liquidity and financial condition.

Accordingly, investors are strongly cautioned not to place undue reliance on any forward-looking statement, particularly in light of the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. These forward-looking statements speak only as of the date of this Offering Circular or, where a statement is made with reference to a specific date which precedes the date of this Offering Circular, that date, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, except as required by law.

REFERENCE TO CREDIT RATINGS

There are references in this Offering Circular to "credit ratings". A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the relevant credit rating agency. Each rating should be evaluated independently of any other rating.

Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act; and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Offering Circular and anyone who receives this Offering Circular must not distribute it to any person who is not entitled to receive it. See also "*Risk Factors—Risks related to the market generally—Credit ratings may not reflect all risks*".

STAPLED STRUCTURE

Overview

We operate under a stapled structure and our triple-stapled securities trade on the ASX under the code "TCL". Each of our stapled securities comprise a share in THL, a unit in THT and a share in TIL. This triple-stapled security structure was established through a corporate restructure in December 2006. Each of THL's and TIL's shares and the unit in THT are quoted and trade as a single security on the ASX and cannot be traded separately. THL, THT and TIL are governed by boards that have common membership and are managed by the same senior management team.

Trusts and managed investment schemes in Australia

An Australian trust or managed investment scheme, which is a form of trust that is regulated under the Corporations Act (each, an **Australian Trust**), is not a legal entity and can only act through individuals or corporate entities acting in the capacity of trustee or responsible entity for such Australian Trust. Obligations undertaken by a trustee or responsible entity on behalf of an Australian Trust are those of the trustee or responsible entity personally (subject to limitation clauses, discussed below), but the trustee or responsible entity is entitled to have any liabilities it incurs in its capacity as trustee or responsible entity, except in limited circumstances, satisfied out of the assets of such Australian Trust through a right of indemnity. This right is afforded a priority in respect of the assets of such Australian Trust as against the Australian Trust beneficiaries. Unsecured creditors of a trustee or responsible entity who incurred the debts in that capacity have no direct claim upon the assets of the relevant Australian Trust, but are entitled to be subrogated to the trustee or responsible entity's right of indemnity. In the usual course, as a result of limitation clauses, except in limited circumstances, Australian Trust creditors do not have access to the assets held by the trustee or responsible entity in its personal capacity, or any assets held as trustee of another trust.

An action against an Australian Trust for the payment of money or otherwise would therefore need to be instituted against the trustee or responsible entity of the Australian Trust and not against the Australian Trust itself. If the trustee or responsible entity, as trustee or responsible entity of the Australian Trust, was liable for the payment of money, and was properly entitled to exercise its right of indemnity, such payment would be made out of the assets of such Australian Trust (and the creditors could subrogate to that right in the insolvency of the trustee or responsible entity). A trustee or responsible entity may impair or lose its right of indemnity in circumstances where the trustee or responsible entity acts in breach of the terms of trust or outside its authority or, in the case of a managed investment scheme, otherwise than in the proper performance of its duties.

Capacity of certain Security Providers

THT is a managed investment scheme and is registered under the Corporations Act. TIML, a wholly owned subsidiary of THL, is the responsible entity for THT. TIML guarantees the Notes in its capacity as responsible entity for THT. The liability of TIML is limited to and can be enforced against it only to the extent that such liability can be satisfied out of the assets of THT from which TIML is actually indemnified for its liability.

TCS, a wholly owned subsidiary of THL, is the trustee for TFT. The liability of TCS is limited to and can be enforced against it only to the extent that such liability can be satisfied out of the assets of TFT from which TCS is actually indemnified for its liability.

See "*Risk Factors—Risks related to the security arrangements—Except in limited circumstances, the liability of TIML as responsible entity for THT and TCS as trustee of TFT will be limited to the extent to which such liability can be satisfied out of the assets of the relevant trust*".

FINANCIAL INFORMATION PRESENTATION

Historical financial information

The historical consolidated financial information of THL for FY2020, FY2019, FY2018, FY2017 and FY2016 included in this Offering Circular have been prepared in accordance with the Corporations Act, Australian Accounting Standards (**AAS**) and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**), including interpretations issued by the AASB, and comply with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board.

AAS and IFRS differ from generally accepted accounting principles in the United States (**U.S. GAAP**), and those differences may be material to the financial information contained in this Offering Circular. We have not provided a quantitative reconciliation or narrative discussion of these differences in this Offering Circular. In making an investment decision, investors must rely on their own examination of our results and consult with their own professional advisors for an understanding of the differences between AAS and IFRS and U.S. GAAP and how those differences might affect the financial information contained in this Offering Circular.

Unless the context otherwise requires, references to "FY2020", "FY2019", "FY2018", "FY2017", "FY2016", "FY2015", "FY2014", "FY2013", "FY2012", "FY2011" and "FY2010" in this Offering Circular are to the fiscal years ended June 30, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011 and 2010, respectively.

Under the *ASIC Corporations (Stapled Group Reports) Instrument 2015/838*, we have elected to present the consolidated financial statements of THL and its controlled entities in one section (Section A of our financial statements for FY2020, FY2019 and FY2018) and the consolidated financial statements of THT and TIL and their respective controlled entities in a separate section (Section C of our financial statements for FY2020, FY2019 and FY2018).

Net asset position

As at each of June 30, 2020, 2019, 2018, 2017 and 2016, we had a net current asset deficiency of A$1,020 million, A$1,866 million, A$411 million, A$864 million and A$650 million, respectively. The net current asset deficiency in each period occurs because a substantial portion of our operating assets are concession assets, which represent our right to operate our toll roads under Concession Agreements (as defined herein). Our concession assets are intangible assets and are classified as non-current assets. At the end of each financial year any borrowings that are required to be repaid or refinanced in the next 12 months and our declared distribution from the current financial year are classified as current liabilities. As at each of June 30, 2020, 2019, 2018, 2017 and 2016, our directors determined that we have the capacity to repay our debts in full as and when they fall due as a result of our generation of positive cash inflows from operating activities, the expected refinancing of maturing borrowings, and the availability of undrawn borrowing facilities from a number of finance providers in each period. This includes consideration of the impact of the COVID-19 pandemic on our operations. Scenario analysis has been undertaken on cash flow forecasts to reflect reasonably possible changes in traffic volume and includes funding future debt financing through the use of existing debt facilities and cash and cash equivalents as at June 30, 2020. Based on the analysis, which includes judgement, we expect to have sufficient headroom to continue to operate within available cash levels and the terms of our debt facilities, and fund the net current liability position as at June 30, 2020. Refer to Note B2 to our consolidated financial statements for FY2020 for detail of the impact of the COVID-19 pandemic on the most recent reporting period.

Effect of changes in accounting policy

Transition to new accounting standards in FY2020

We have adopted AASB 16 *Leases* (**AASB 16**) retrospectively from July 1, 2019, and have not restated comparative periods, as permitted under the transitional provisions in the standard. The reclassifications and adjustments arising from the new leasing standard are recognised in our opening balance sheet on July 1, 2019.

AASB 16 modifies accounting for leases by removing the distinction between operating and finance leases. The standard requires the recognition of an asset and a financial liability for all leases, with exemptions for short-term and low value leases.

On adoption of AASB 16, we recognised A$137 million of lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of AASB 117 *Leases*. These leases relate primarily to office space that we lease from third parties. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of July 1, 2019. The weighted average incremental borrowing rate applied to lease liabilities on July 1, 2019 was 4.57%.

The associated right-of-use assets for these leases amounted to A$133 million. They were measured on a retrospective basis as if the new standard had applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. Deferred tax assets of A$1 million were also recognised. Overall, net assets are A$3 million lower.

We present right-of-use assets in "property, plant and equipment" and lease liabilities in "other liabilities" in our statement of financial position. In our statement of cash flows, lease payments are presented as "principal repayments of leases" in "cash flows from financing activities" and finance cost is presented in "interest paid" in "cash flows from operating activities".

See Note B3 to our consolidated financial statements for FY2020 for more information regarding the effect of adopting AASB 16.

Transition to new accounting standards in FY2019

We adopted AASB 15 *Revenue from Contracts with Customers* (**AASB 15**) from July 1, 2018 on a fully retrospective basis. AASB 15 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. AASB 15 supersedes a number of current revenue standards, including AASB 118 Revenue, AASB 111 *Construction Contracts* and associated interpretations.

Our principal revenue generating activities, being the service Concession Agreements, are accounted for in accordance with AASB Interpretation 12 *Service Concession Arrangements* (IFRIC 12), which specifies that the construction services and operation or maintenance services provided under our service Concession Agreements are two distinct types of services.

We concluded that there is no material change to the presentation, recognition, and measurement of revenue as a result of the transition to AASB 15 and consequently, the information presented for the prior comparative period has not been restated.

We adopted AASB 9 *Financial Instruments* (**AASB 9**) from July 1, 2018. AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. Although a number of line items were affected, the adoption of AASB 9 has not had a significant effect on our accounting policies related to financial liabilities and derivative financial instruments. Accordingly, we did not restate the comparative information. The reclassifications and the adjustments arising from the new standard are therefore not reflected in the balance sheet as at June 30, 2018, but are recognised in the opening balance sheet on July 1, 2018.

See Note B35 to our consolidated financial statements for FY2019 for more information regarding the transition impact of AASB 9.

Non-GAAP measures

In addition to the financial statements presented in accordance with AAS and IFRS contained in this Offering Circular, certain "non-GAAP financial measures" (as defined in Regulation G under the Securities Act) have been included in this Offering Circular.

These measures include:

- **EBITDA**, which is defined as earnings before depreciation, amortisation, net finance costs, equity accounted investments and income taxes;
- **Free cash**, which is the primary measure we use to assess our cash generation. It represents the cash available for distributions to our security holders. We calculate free cash as follows:
  - statutory cash flow from our operating activities
  - add back transaction and integration costs related to acquisitions
  - add back payments for maintenance of intangible assets
  - less allowance for maintenance of intangible assets for 100% owned assets
  - add capital releases from 100% owned assets
  - less debt amortisation of 100% owned assets
  - less cash flow from operating activities from consolidated non-100% owned assets
  - add distributions and interest received from non-100% owned entities
- **Proportional debt**, which is defined as the debt of our controlled entities and equity accounted joint ventures multiplied by our percentage ownership of each such entity. Our Proportional debt includes debt from our corporate function;
- **Proportional EBITDA**, which is defined as the aggregation of EBITDA from each of our toll road assets multiplied by our percentage ownership of each toll road asset. Our Proportional EBITDA includes EBITDA from our corporate function;
- **Proportional EBITDA margin**, which is defined for the Group as Proportional EBITDA divided by Proportional total revenue. "Proportional EBITDA margin" is defined for each segment as Proportional EBITDA divided by Proportional toll revenue;
- **Proportional net costs**, which is defined as the aggregation of costs before depreciation, amortisation, net finance costs and income taxes, less fee and other revenues, from each of our toll road assets multiplied by our percentage ownership of each toll road asset. Our Proportional net costs include the costs of our corporate function;
- **Proportional toll revenue**, which is defined as the aggregation of our toll, service and fee revenue from each of our toll road assets multiplied by our percentage ownership in each toll road asset;

- **Proportional total revenue**, which is defined as the aggregation of our toll, service, fee and other revenue from each of our toll road assets multiplied by our percentage ownership in each toll road asset;
- **Underlying Proportional EBITDA**, which is defined as Proportional EBITDA, excluding significant items. Significant items are those items that have a significant impact on our financial statements and are not in the ordinary course of business; and
- **Underlying Proportional EBITDA margin**, which is defined as Underlying Proportional EBITDA divided by Proportional toll revenue.

We believe that these non-GAAP financial measures provide useful supplemental measures to examine the underlying performance of our business, and management considers these metrics in assessing our operating performance. These measures, however, should not be considered to be an indication of, or alternative to, corresponding measures determined in accordance with AAS. In addition, such measures may not be comparable to similar measures presented by other companies.

Segment results

In the segment information provided to our executive committee, segments are defined by the geographic regions in which we operate, being Melbourne, Sydney and Brisbane in Australia and North America. The Greater Washington Area and Montreal networks together make up the North American segment. Our corporate function is not an operating segment under the requirements of AASB 8 *Operating Segments* (**AASB 8**), as its revenue generating activities are only incidental to our business.

Our executive committee assesses the performance of the geographic networks in which we operate based on Underlying Proportional EBITDA, as defined above. See "*Operating and financial review*" for further information on our segment results.

Certain restated financial information presentation

In this Offering Circular, certain consolidated balance sheet information as at June 30, 2018 (as comparatives) in our financial statements for FY2019 has been restated to reflect the final fair value of the purchase price allocation of the A25, which was acquired on June 5, 2018, within the 12-month measurement period as permitted under AAS. See Note B24 to our consolidated financial statements for FY2019 for more information. This restatement has not impacted our net assets or total equity for FY2018.

Certain reclassified financial information presentation

Revenue and expenses presentation

In our financial statements for FY2019, we changed the presentation of corporate and other expenses so that such expenses are recorded as employee expenses rather than as corporate and other expenses. For the purposes of this Offering Circular, we have reclassified employee expenses for FY2018 so that this information is presented on the same basis as our segment information in our financial statements for FY2019 and FY2020.

Segment financial information presentation

In our financial statements for FY2019, we changed the presentation of certain internal technology fees so that such fees are recorded in the New South Wales segment rather than in the Corporate segment. For the purposes of this Offering Circular, we have reclassified our segment information in our financial statements for FY2018.

Changes in the composition of the Transurban Group

Acquisition of additional equity interest in M5 West Motorway Concessionaire

We acquired an additional 15.38% equity interest in M5 West Motorway in 2018 across two transactions, taking our equity interest to 65.38%. As a result of the step up acquisition, M5 West Motorway is no longer accounted for under the equity method and has been consolidated in our results from September 18, 2018 in our consolidated financial statements for FY2019 and FY2020.

On October 30, 2019, we completed the acquisition of the 34.62% equity interest that we did not already own in Interlink Roads Pty Ltd (M5 West Motorway), the company that holds the M5 West Motorway concession in Sydney, New South Wales, for a purchase price of A$459 million. This took our ownership interest to 100%. This transaction did not result in a change in control over the M5 West Motorway and the M5 West Motorway continues to be controlled and consolidated in our results. As the change in ownership interest does not result from a loss of control, the transaction is recorded in equity.

Investment in WestConnex through the Sydney Transport Partners joint venture

On August 31, 2018, Transurban (50%), AustralianSuper Pty Limited (20.5%), CPPIB (20.5%) and Tawreed Investments Limited (9%), as members of the Sydney Transport Partners joint venture (**Sydney Transport Partners joint venture**), executed an agreement to acquire a 51% stake in WestConnex from the New South Wales Government for A$9.3 billion (including transaction costs). Financial close occurred on September 27, 2018. To fund the investment in WestConnex through the Sydney Transport Partners joint venture, we contributed A$3,411 million in equity into the Sydney Transport Partners joint venture and also issued shareholder loan notes (**SLNs**) with a face value of A$700 million. We do not control the Sydney Transport Partners joint venture and, as a result, our investment in the joint venture is equity accounted in our FY2020 and FY2019 financial statements. Once construction is completed, WestConnex will comprise 20.5 miles (33 km) of new or improved motorways linking Sydney's west and south-west with the CBD, and the corridor to Sydney Airport and Port Botany. From December 2026, the M5 West Motorway, which is 14 miles (22km), forms part of the M5 WestConnex Concession.

Acquisition of the A25

On June 5, 2018, we acquired 100% of the entities that hold the A25 concession in Montreal, Canada for C$867 million including transaction costs and settlement adjustments. The A25 is a 4.5 mile (7.2 km) toll road connecting Northern Montreal across the Rivière des Prairies to commercial and residential areas. It opened in May 2011 with a concession period to September 2042.

West Gate Tunnel project

We established Transurban WGT Co Pty Ltd, West Gate Tunnel Leasehold Co Pty Ltd and Transurban Vic OpCo Pty Ltd for the purpose of entering into arrangements in relation to a concession agreement entered into on December 11, 2017 with the Victorian Government to build, toll and operate the West Gate Tunnel project. This project comprises two additional traffic lanes in each direction on the West Gate Freeway from the M80 Interchange to Williamstown Road, a tunnel and elevated motorway to connect the West Gate Freeway with the Port of Melbourne, CityLink and the Melbourne CBD, providing an alternate river crossing and easing pressure on the West Gate Bridge. Major construction on the West Gate Tunnel project commenced in early 2018. We currently expect completion of the project to occur in 2023. We are working with the State of Victoria and the construction subcontractor to resolve certain claims and disputes that have arisen on the project, to mitigate delays in the construction schedule and to reduce the risk of cost overruns. See "*Summary—Current and recently completed development projects—West Gate Tunnel*" and "*Business—Toll roads—Australian assets—Melbourne Network—Melbourne Network developments—West Gate Tunnel project*" for more information.

Acquisition of AirportlinkM7

On April 1, 2016, Transurban Queensland, in which we have a 62.5% controlling interest, acquired AirportlinkM7 for A$1,870 million, plus stamp duty of A$108 million and transaction and integration costs of A$23 million. The assets and liabilities acquired, and the results for, AirportlinkM7 were consolidated into the Transurban Group as at, and from, April 1, 2016.

CERTAIN DEFINITIONS

In this Offering Circular, all references to the "**Group**", "**we**", "**us**" and "**our**" and similar expressions refer to the Transurban Group. This Offering Circular also uses the following defined terms:

- **A25 Concessionaire** means Concession A25, S.E.C.;
- **ADT** means average daily traffic, which for CityLink in Melbourne means Average Daily Transactions and for all other assets means Average Daily Trips;
- **ASIC** means Australian Securities and Investments Commission;
- **ASX** means the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691);
- **Average Daily Transactions** with respect to CityLink are calculated by dividing the total number of transactions by the number of days in the period. A single continuous trip on CityLink can consist of between one and six transactions, depending on which toll points a vehicle passes through on the toll road;
- **Average Daily Trips** are calculated by dividing the total number of trips on each toll road (other than CityLink) by the number of days in the period. A trip represents a vehicle passing through one or more gantries in a continuous journey on the relevant road;
- **Brisbane Network** means the Gateway and Logan Motorways, Clem7, Go Between Bridge, Legacy Way and AirportlinkM7;
- **CAGR** means compound annual growth rate;
- **CBD** means central business district;
- **CityLink Concessionaires** means CityLink Melbourne Limited and the CityLink Trust (through its trustee, Transurban Infrastructure Management Limited);
- **Concession Agreement** means each concession agreement entered into with a relevant government entity;
- **Concessionaire** means each relevant Transurban Group entity that is a party to a Concession Agreement;
- **Corporations Act** means the *Corporations Act 2001* (Cth);
- **CPI** means, unless specified otherwise, the All Groups Consumer Price Index Weighted Average of Eight Capital Cities published by the Australian Bureau of Statistics;
- **CPPIB** means Canadian Pension Plan Investment Board;
- **DRIVe** means Transurban DRIVe Holdings LLC;
- **Finance Trust** means TCS as trustee of TFT;
- **Fitch** means Fitch Australia Pty Ltd, a subsidiary of Fitch Group, Inc., and its successors;
- **Greater Washington Area** means northern Virginia, Washington D.C., areas of Maryland and the surrounding metropolitan area;
- **Greater Washington Area Network** means 495 Express Lanes and 95 Express Lanes;
- **Guarantors** means, collectively, THL, THT, TIL and TL;

- **Holdings Trust** means Transurban Holding Trust;
- **HOT** means high occupancy toll;
- **Linkt** means the tolling retail brand operating in Australia;
- **M4 Motorway** means both the M4 West Motorway and the New M4 Tunnels following the completion of Stages 1A and 1B of the WestConnex project;
- **M4 West Motorway** means the section of M4 Motorway from Parramatta to Homebush widened as part of stage 1A of the WestConnex project;
- **M4 WestConnex Concession** means the concession for Stage 1 of the WestConnex project, which is comprised of the M4 West Motorway and the New M4 Tunnels;
- **M4-M5 Link WestConnex Concession** means the concession for Stage 3 of the WestConnex project;
- **M5 East Motorway** means the motorway linking the M5 West Motorway at King Georges Road to General Holmes Drive;
- **M5 WestConnex Concession** means the concession for Stage 2 of the WestConnex project which is currently comprised of the M8 Motorway and the M5 East Motorway. The M5 West Motorway will also form part of this concession from December 2026 when the existing concession expires;
- **M5 West Motorway** means the motorway connecting the M5 West Motorway and M8 Motorway to WestLink M7 currently covered by the M5 West Motorway Concession Agreement;
- **M8 Motorway** (formerly known as the New M5) means the new motorway between Kingsgrove and the new St Peters Interchange;
- **Melbourne Network** means CityLink, as well as the West Gate Tunnel where applicable in the relevant context;
- **Moody's** means Moody's Investors Service Pty Ltd, a subsidiary of Moody's Corporation, and its successors;
- **New M4 Tunnels** means the new motorway section of three lanes in each direction, from Homebush Bay Drive, Homebush to Parramatta Rd and City West Link (Wattle St) at Haberfield;
- **North America** means the Greater Washington Area and Montreal;
- **NWRG** means the NorthWestern Roads Group;
- **Project T Partners** means Project T Partner Co 1 Pty Limited and Project T Partner Co 2 Pty Limited;
- **Proportional** means the removal of a portion of results representing non-controlling interests in our controlled roads from our statutory results and the inclusion of a portion of results representing our interests in non-controlled (equity accounted) assets;
- **Queensland Franchisees** means Queensland Motorways Pty Limited, Gateway Motorway Pty Limited and Logan Motorways Pty Limited;
- **RIFR** means recordable injury frequency rate;
- **S&P** means Standard & Poor's (Australia) Pty Ltd, a division of S&P Global Inc., and its successors;

- **Security Provider** means:

  (a) the Issuer;

  (b) Finance Trust;

  (c) Holdings Trust;

  (d) THL;

  (e) Transurban Limited;

  (f) TIL;

  (g) Transurban Collateral Security Pty Ltd (in its personal capacity); and

  (h) any other security provider as defined in the Security Trust Deed;

- **Sydney Network** means Hills M2, Lane Cove Tunnel, Cross City Tunnel, Eastern Distributor, Westlink M7 and M5 West Motorway, as well as NorthConnex and WCX where applicable in the relevant context;

- **Sydney Transport Partners joint venture** means the Sydney Transport Partners consortium comprising Transurban (50%), AustralianSuper Pty Limited (20.5%), CPPIB (20.5%) and Tawreed Investments Limited (9%);

- **TCS** means Transurban Collateral Security Pty Ltd (ABN 26 097 586 797);

- **TEU** means twenty-foot equivalent units;

- **TFT** means Transurban Finance Trust — City Link;

- **THL** means Transurban Holdings Limited;

- **THT** means the Transurban Holding Trust (ABN 30 169 362 255);

- **TIFIA** means the Transportation Infrastructure Finance and Innovation Act;

- **TIL** means Transurban International Limited (ABN 90 121 746 825);

- **TIML** means Transurban Infrastructure Management Limited (ABN 27 098 147 678);

- **TL** means Transurban Limited (ABN 96 098 143 410);

- **Transport for NSW** means the government authority responsible for the government-owned road network in New South Wales (formerly known as the Roads and Maritime Services New South Wales (**RMS**) and the Roads and Traffic Authority of New South Wales);

- **Transurban Queensland** means the business formerly known as the Queensland Motorway Group which was acquired by a Transurban-led consortium in July 2014;

- **VDOT** means the Virginia Department of Transportation;

- **VicRoads** means the statutory authority established under the *Transport Act 1983* (Vic) and continued in the *Transport Integration Act 2010* (Vic) that is responsible for the government-owned road network in Victoria;

- **Washington Metro Area** means the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan statistical area;

- **WCX** means WestConnex;

- **WestConnex Concession** means the M4 WestConnex Concession, M4-M5 Link WestConnex Concession and M5 WestConnex Concession, collectively; and
- **WestConnex M5** means the M8 Motorway and the M5 East Motorway.

TABLE OF CONTENTS

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are issued from time to time after the date of this Offering Circular shall be incorporated in, and form part of, this Offering Circular:

(a) the audited consolidated annual financial statements of the Transurban Group consisting of Transurban Holdings Limited (ABN 86 098 143 429) (**THL**), Transurban International Limited (ABN 90 121 746 825) (**TIL**) and Transurban Infrastructure Management Limited (ABN 27 098 147 678) (**TIML**) as responsible entity of the Transurban Holding Trust (**THT**) and their respective controlled entities (together, the **Transurban Group**), for the financial years ended June 30, 2018, 2019 and 2020, together with the audit reports prepared in connection therewith;

(b) the most recently published audited consolidated annual financial statements and, if published later, the most recently published unaudited consolidated interim financial statements (if any) of the Transurban Group, in each case together with any audit or review reports prepared in connection therewith (where relevant);

(c) the 2020 Annual Report of the Transurban Group; and

(d) all supplements (other than the Final Terms) or amendments to this Offering Circular circulated by the Issuer from time to time,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Any published unaudited interim financial statements of the Transurban Group which are, from time to time, deemed to be incorporated by reference in this Offering Circular will have been reviewed (in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*) but not audited by the auditors of the Transurban Group. Accordingly, there can be no assurance that, had an audit been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its registered office set out at the end of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of the Issuer and from the specified offices of the Principal Paying Agent (as defined in "*Terms and Conditions of the Notes*") for the time being at One Canada Square, London E14 5AL, United Kingdom.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a supplemental Offering Circular will be published.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this "*Overview of the Programme*" section.

Issuer	Transurban Finance Company Pty Ltd (ABN 65 098 539 452)
Risk Factors	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks.
Description	Secured Euro Medium Term Note Programme
Arrangers	J.P. Morgan Securities plc (in respect of Notes other than AMTNs) J.P. Morgan Securities Australia Limited (in respect of AMTNs only)
Dealers	No dealers have been appointed as at the date of this Offering Circular. Pursuant to the Programme Agreement, the Issuer may from time to time appoint dealers either in respect of one or more Tranches or in respect of the whole Programme or terminate the appointment of any dealer under the Programme.
Certain Restrictions	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restriction applicable at the date of this Offering Circular. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Trustee	The Bank of New York Mellon, London Branch (in respect of Notes other than AMTNs)
AMTN Trustee	BNY Trust Company of Australia Limited (ABN 49 050 294 052)

Security Trustee	BTA Institutional Services Australia Limited (ABN 48 002 916 396)
Principal Paying Agent	The Bank of New York Mellon, London Branch (in respect of Notes other than AMTNs)
Paying Agent in respect of AMTNs	BTA Institutional Services Australia Limited (the **Australian Agent**)
Registrar	The Bank of New York Mellon SA/NV, Luxembourg Branch (in respect of Notes other than AMTNs) and BTA Institutional Services Australia Limited (in respect of the AMTNs)
Transfer Agent	The Bank of New York Mellon SA/NV, Luxembourg Branch
Programme Size	Up to U.S.$10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the size of the Programme in accordance with the terms of the Programme Agreement. The Programme Agreement provides for the U.S. dollars equivalent of any Note denominated in another currency to be determined on or around the date agreement is reached to issue those Notes or, if the Agreement Date is not a date that commercial banks and foreign exchange markets are open for general business in London, on the preceding day on which commercial banks and foreign exchange markets are open for general business in London.
Security	The obligations of the Issuer under the Notes are secured (as described in Condition 4 of the Terms and Conditions of the Notes and in the security trust deed originally dated June 28, 2002 executed by the Security Trustee, the Issuer and others (as most recently amended by an amendment deed dated July 28, 2017 and as may be updated and/or amended and/or supplemented and/or restated from time to time in accordance with its terms) (the **Security Trust Deed**)) by the charge granted by the Issuer in favour of the Security Trustee (the **Issuer Charge**), the charge granted by Finance Trust (as defined below) in favour of the Security Trustee (the **Finance Trust Charge**) and the limited recourse Holdings Trust Charge (as defined in the Security Trust Deed). THL, TIL and THT guarantee the obligations of the Issuer and the charges and the general security agreement granted by each of THL, TIL and THT (each a **Parent Security**) secure their respective obligations under the guarantees given by them. Transurban Limited (ABN 96 098 143 410) (**TL**) has also guaranteed the obligations of the Issuer and the charge granted by TL secures its obligations under this guarantee (the **TL Security**). THL, TIL and THT have also granted further share and unit mortgages and share security deeds to secure their obligations under their guarantees (the **Share and Unit Mortgages**). The Security Trustee holds the guarantees given to it for a defined class of beneficiaries, including (by virtue of an accession certificate dated October 27, 2011 executed by the Trustee and the Security Trustee (the **Accession Certificate**)) the holders of the Notes (other than AMTNs) and (by virtue of an accession certificate dated August 30, 2017 executed by the AMTN Trustee and the Security Trustee (the **AMTN**

Accession Certificate)) the holders of the AMTNs, in accordance with the Security Trust Deed. The Security Trustee holds the benefit of the Issuer Charge, the Finance Trust Charge, the limited recourse Holdings Trust Charge, the Parent Securities, the TL Security and Share and Unit Mortgages as security for the obligations of the Issuer and Transurban Collateral Security Pty Ltd (ABN 26 097 586 797) (in its capacity as trustee of the Transurban Finance Trust — City Link) (**Finance Trust**) and the obligations of THL, TIL, THT and TL under the relevant guarantee (as applicable) for a defined class of beneficiaries, including (by virtue of the Accession Certificate) the Trustee and the holders of the Notes (other than AMTNs) and (by virtue of the AMTN Accession Certificate) the AMTN Trustee and the holders of the AMTNs, in accordance with the Security Trust Deed. By enforcing its rights under the Issuer Charge, the Finance Trust Charge, the limited recourse Holdings Trust Charge, each Parent Security, the TL Security and the Share and Unit Mortgages, the Security Trustee will be able to appoint a Controller (as defined in the Corporations Act 2001 of Australia) or otherwise enforce or take steps to enforce the Issuer Charge, the Finance Trust Charge, the limited recourse Holdings Trust Charge, each Parent Security, the TL Security or the Share and Unit Mortgages as directed in writing by the Majority Secured Creditors (as defined in the Security Trust Deed) in accordance with the Security Trust Deed.

The Security Trust Deed, the Issuer Charge, the Finance Trust Charge, the limited recourse Holdings Trust Charge, each Parent Security, the TL Security and the Share and Unit Mortgages are governed by the laws of Victoria, Australia.

Distribution Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies Notes may be denominated in, subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.

Redenomination The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 5.

Maturities The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

Issue Price Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes The Notes will be issued in bearer or registered form as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.

Fixed Rate Notes Fixed Rate Notes will bear interest at a fixed rate per annum specified in the applicable Final Terms. Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer, as indicated in the applicable Final Terms.

Floating Rate Notes

Floating Rate Notes will bear interest at a rate determined separately for each Series as follows:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or

(c) on such other basis as may be agreed between the Issuer and the relevant Dealer.

The applicable method and the margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes and will be specified in the applicable Final Terms.

Index Linked Notes

Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree and specified in the applicable Final Terms.

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes

Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Final Terms.

Dual Currency Notes

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree and specified in the applicable Final Terms.

Zero Coupon Notes

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the

Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions—Notes having a maturity of less than one year*" above.

Denomination of Notes

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions—Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Relevant State in circumstances which would otherwise require the publication of a prospectus under Regulation (EU) No. 1129 of June 14, 2017 (as amended from time to time, the **Prospectus Regulation**) will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

AMTNs will be issued in a single denomination as specified in the Final Terms save that:

(i) the aggregate consideration payable to the Issuer by each offeree is at least A$500,000 (or the equivalent in another currency and disregarding moneys lent by the Issuer or its associates to the purchaser) or the issue results from an offer or invitation of those Notes which otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;

(ii) the issue is not to a "retail client" for the purposes of section 761G of the Corporations Act;

(iii) the issue complies with all other applicable laws; and

(iv) the issue does not require any document to be lodged with the Australian Securities and Investments Commission or ASX Limited.

Taxation

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction unless required by law, as provided in Condition 9. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 9, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge	The terms of the Notes will contain a negative pledge provision as further described in Condition 4.
Cross Acceleration	The terms of the Notes will contain a cross acceleration provision as further described in Condition 11.
Status of the Notes	The Notes will constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) in priority to all other unsecured obligations of the Issuer, from time to time outstanding.
Rating	Notes to be issued under the Programme are expected to be rated "BBB+" by Standard & Poor's and "Baa1" by Moody's. Fitch will, if applicable, rate Notes to be issued under the Programme on a Series-by-Series basis. Notes issued under the Programme may be rated or unrated. Where an issue of certain series of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme and (where applicable) such rating will be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.
Listing and admission to trading	Application will be made to the SGX-ST for permission to deal in and quotation for any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. Any admission of any Notes to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantors, their subsidiaries, their associated companies, the Programme or such Notes. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies). Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Legal Entity Identifier	54930081LPJMUMEA6E57
Governing Law	The Notes (other than AMTNs) and any non-contractual obligations arising out of or in connection with the Notes (other than AMTNs) will

be governed by, and shall be construed in accordance with, English law. The AMTNs will be governed by, and shall be construed in accordance with, the laws of the State of Victoria, Australia. The Security Trust Deed and each Security are governed by, and shall be construed in accordance with, the laws of the State of Victoria, Australia.

Selling Restrictions

There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom), Japan, Hong Kong, Singapore and Australia and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

Where Bearer Notes are issued, such Bearer Notes will be issued in compliance with U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**)) (the **D Rules**) unless (i) the relevant Final Terms state that Notes are issued in compliance with U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the **C Rules**) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 (**TEFRA**), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which (although not exhaustive) could be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision. Prospective investors should also consult their own financial and legal advisers about risks associated with an investment in any Note issued under the Programme and the suitability of investing in such Notes in light of their particular circumstances.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Our business and operations, and those of our suppliers and contractors, have been, and will likely continue to be, adversely affected by the COVID-19 pandemic

Our business and operations, and those of our suppliers and contractors, as well as our customers, have been and will continue to be adversely affected by the COVID-19 pandemic. The outbreak of COVID-19 commenced in early 2020 and has spread globally, causing significant disruption across a number of regions, industries and markets, and was declared a pandemic by the World Health Organisation on March 11, 2020.

The outbreak of COVID-19 in Australia and North America where we have business and operations has resulted in relevant federal, state and local governments implementing a number of measures and recommendations, including significant restrictions on movement and activity to slow or stop its spread. These have included restrictions on travel and transportation and prolonged closures of workplaces, businesses and schools, which have had a material adverse effect on our traffic volumes and toll revenues from March 2020. The COVID-19 pandemic has also likely resulted in voluntary behavioural changes among some of our customers who may limit movements (for example, shifting to a working from home lifestyle, increasing online relative to in-store shopping and reducing long-distance travel and other leisure activities) to reduce the possibility of exposure.

Traffic volumes on our toll roads decreased from early March 2020 as government-mandated lockdown measures were imposed. Our traffic volumes subsequently improved from mid-April 2020, as restrictions eased, and peak adverse impacts across our Australian markets were relatively short in duration. However, recent and renewed government restrictions in Victoria, and particularly Melbourne, are continuing to result in decreased traffic volumes. Recovery in traffic volumes on our assets in the Greater Washington Area continues at a slower rate than our Australian assets, reflecting the prolonged government travel restrictions in the area and the nature of these assets. In addition, tolls on the A25 were suspended from March 25, 2020 to May 24, 2020, with compensation agreed with the Ministry of Transport Quebec.

ADT across the Group decreased by 48% for the month of April 2020 (relative to April 2019) before recovering to a 20% decrease in June 2020 (relative to June 2019) as some restrictions were eased across our markets. However, provisional management data indicates that ADT in July 2020 decreased 25% relative to ADT in July 2019 (excluding the recently opened WestConnex M5), following renewed government restrictions in Victoria in July 2020. Since that time further restrictions have been introduced in Victoria, including an evening curfew and further limitations on movement which have had a material adverse impact on our August 2020 traffic volumes. See "*Operating and financial review—Components of our financial results and their drivers—COVID-19 Traffic Impacts*" for more information. Our toll revenue across the existing Australian and North American networks decreased by A$201 million in FY2020 compared to FY2019 and our EBITDA decreased by A$197 million in FY2020 compared to FY2019, resulting in a net loss of A$153 million in FY2020 compared to a net profit of A$170 million in FY2019. We expect that traffic volumes will remain sensitive to future government responses to the COVID-19 pandemic and the overall economic conditions in Australia and North America. There is no assurance that we will not incur further net losses in current or future periods. See "*Operating and financial review—Results of operations—Comparison of the year ended June 30, 2020 to the year ended June 30, 2019*" for further discussion.

As at the date of this Offering Circular, governments in a number of the locations in which our assets are located continue to impose restrictions on local and/or interstate and international travel and/or encourage citizens to remain at home where possible. As a result, we expect that our traffic volumes will continue to be adversely affected. The course of the pandemic is unpredictable, and while we expect restrictions to ease as the spread of the virus is contained, there may be further outbreaks that lead to the re-imposition of restrictions in any of the places we operate our assets. In addition, we cannot assure you that the pandemic will not result in longer term changes to traffic patterns and volumes that are unfavourable to our business compared to pre-pandemic conditions. We cannot predict how long general travel and transportation restrictions or advisories may be in place or whether traffic volumes will return to pre-pandemic levels even after such restrictions or advisories are lifted. See "*Business—Recent Developments—COVID-19*" and "*—Reduced traffic volumes or an inability to grow traffic volumes on our toll roads could negatively affect our results of operations*" for more information.

In addition, many of our employees have been required to work from home, which has necessitated a reassessment of some work flows and procedures. Addressing the disruptions caused by COVID-19 has also required our senior management team and staff to devote time and resources to address the impact of the pandemic on our business, which may negatively affect our ability to implement our business plans and respond to other issues and opportunities.

Government measures or actions could also negatively impact our contractors' ability to perform their contracts with us, including our construction contractors, which could have a material adverse effect on our business, financial condition and results of operation. Additionally, if any of our employees or our contractors' employees are identified as a possible source of spreading COVID-19, or any other highly contagious virus or disease particularly during an epidemic or pandemic, we may be required to quarantine employees that are suspected of being infected, or our contractors may be required to quarantine employees that are suspected of being infected, as well as others that have come into contact with those employees which could have an adverse effect on our business operations.

The extent to which COVID-19 will impact our business and our financial results will depend on future developments, which are highly uncertain and cannot be predicted. Such developments may include the geographic spread of the virus; the severity of the disease; the duration of the pandemic; the actions that may be taken by Australian and North American federal and state or local governmental authorities and governmental authorities in other jurisdictions outside Australia and North America in response to the pandemic, including such governmental authorities or negative public sentiment requiring us to reduce or remove tolls from our toll roads, particularly in the event of global depression or recession, and other actions to impose new, or relax existing, travel restrictions; the impact on contracts and agreements to which we are a party; the impact on ADT and our toll revenues, our customers and the regions in which we operate; and the impact on the global economy generally.

Uncertainty about the effects of the COVID-19 pandemic has also resulted in significant disruption to credit and capital markets, which, if it continues, may affect our ability to raise new financing and refinance our existing and future indebtedness, including Notes issued under this Programme. See "*—We are exposed to risks associated with our financing arrangements and financial transactions, including sourcing new financing and credit exposures on transactions with financial counterparties*". In addition, the outbreak of other communicable diseases and adverse public health developments could also adversely affect our ability to service our existing and future indebtedness, including the Notes offered hereby, particularly if such outbreaks and developments are inadequately controlled, are prolonged, or if located in regions where we derive a significant amount of our revenue.

The COVID-19 pandemic may also have the effect of heightening many of the other risks described in this "*Risk factors*" section.

We derive virtually all of our earnings from Concession Agreements that have finite lives

Our business depends on Concession Agreements that have been granted to members of our Group, or entities in which we have an interest, to operate various toll roads in Australia and North America. Earnings from the Concession Agreements account for virtually all of our earnings. Our Concession Agreements are long-dated with a weighted average concession life (based on Proportional toll revenue) across our portfolio of assets of 28.8 years as at June 30, 2020. When the Concession Agreements expire, the toll roads and related infrastructure must be returned to the relevant government counterparty. If we cannot enter into new Concession Agreements or extend our existing Concession Agreements to permit us to carry on our core business, or any new Concession Agreements entered into are on less favourable terms compared to our current Concession Agreements, our business, financial condition, results of operations and cash flows could be materially adversely affected.

Reduced traffic volumes or an inability to grow traffic volumes on our toll roads could negatively affect our results of operations

The volume of traffic using our toll roads is critical to the generation of our revenues and earnings. Any developments that reduce traffic volumes or inhibit the growth in traffic volumes below our traffic forecasts or growth expectations, or that reduce or result in slower growth of the volume of commercial vehicles leading to an adverse change in mix of traffic, could have a material impact on our financial performance. In addition to the impact of COVID-19, factors that affect traffic volumes on our toll roads, and consequently our earnings, include:

- the level of congestion, level of carpooling, tolls charged to users and any toll increases on the toll roads;
- the quality and state of repair of the toll roads, including any upgrades and any disruption as a result thereof;
- the quality, state of repair, proximity and convenience of alternative public (toll-free) roads as well as the existence of other public transport infrastructure;
- the nature, extent and timing of the connections of our toll roads to other urban roads and regional highway networks;
- disruptions, changes to, or events (including events that affect public safety) that occur on our toll roads or on roads that connect to or feed our toll roads;
- economic and fiscal conditions including fuel prices, taxation on road use and motor vehicle use, other costs associated with owning and operating a vehicle, inflation, interest rates and levels of employment in areas served by our toll roads;
- changing travel patterns and habits of private and commercial users of our toll roads;

- demographic and social conditions including population growth, migration, land development programmes, social instability, changes in residential and commercial land use and general development in areas served by our toll roads;
- community and customer perception and sentiment regarding our toll roads;
- transport, environmental and corporate regulation and policy, including the impact of carbon reduction programmes, impact of autonomous vehicles, congestion taxes on urban travel, other measures to restrict motor vehicle use and government transport and urban management policies and strategies;
- weather conditions, forest fires, flooding, natural phenomena, pandemics (including the COVID-19 pandemic), natural disasters and acts of terrorism; and
- reduced traffic volumes or an inability to grow traffic volumes including as a result of us carrying out brownfield upgrade/development work on our toll roads.

Many of these factors, including the number and classes of vehicles using our toll roads are, to a large extent, outside of our control. See "*Operating and financial review—Components of our financial results and their drivers—Traffic*" for more information of the impact of traffic volumes and traffic mix on our results of operations.

If our toll roads are unable to maintain or grow an adequate level of vehicle traffic, or if traffic volumes decrease or experience unexpected lower rates of growth than in previous periods, our business, financial condition, results of operations and cash flows may be materially adversely affected.

The loss of a toll road asset for non-performance or default under a Concession Agreement, or as a result of government action, could materially adversely affect us

The breach of a material obligation under a Concession Agreement and failure to remedy the breach could lead to the early termination of the relevant toll road concession. For example, a failure to comply with agreements with government counterparties that govern upgrade projects, or new toll road projects, could result in the termination of the underlying Concession Agreement or the government taking action to remove the benefit of funding sources for the relevant project.

In relation to each of the Legacy Way and Go Between Bridge concessions, a material default under either Concession Agreement, and prior to the consideration for both concessions being paid in full, gives the government counterparty a right to terminate both Concession Agreements (subject to a remedy regime).

In relation to WCX, any of the three WCX Concession Agreements may be terminated by Transport for NSW for breach by the relevant WCX concessionaire, and in other circumstances, including a failure by the WCX concessionaire to comply with certain specified obligations under the Road Operators Co-ordination Agreement, the insolvency of a WCX concessionaire or the insolvency of either the design and construct contractor or the operations and/or maintenance contractor working on the WCX project unless the contractor is replaced by a party acceptable to Transport for NSW.

The West Gate Tunnel Concession Agreement contains similar provisions, which provide that the West Gate Tunnel Concession Agreement may be terminated by the State of Victoria for breach by the West Gate Tunnel concessionaire, and in other circumstances, including the insolvency of the West Gate Tunnel concessionaire or the insolvency of either the design and construct contractor or the operations and/or maintenance contractor working on the West Gate Tunnel project, unless that contractor is replaced by a party acceptable to the State of Victoria.

Each of the WCX Concession Agreements may also be terminated by Transport for NSW and the West Gate Tunnel Concession Agreement may be terminated by the State of Victoria in no-fault circumstances, including where a court has made a determination that cannot be overcome that prevents the relevant project from proceeding, a native title claim is made that prevents the relevant project from proceeding, or a subsisting uninsurable force majeure event occurs on the relevant project.

If one or more of our Concession Agreements were to be terminated early, the relevant toll road and associated infrastructure would revert to the relevant government body, which could materially adversely affect our business, cash flow, financial condition and results of operations.

Our Concession Agreements contain mechanisms that regulate changes to the tolls that we can charge and permitted toll increases may not cover increases in our costs

Our Australian and Canadian Concession Agreements contain mechanisms that regulate the tolls that can be charged for using the relevant toll road. The mechanism used generally provides for increases in tolls on a quarterly or annual basis by reference to inflation, measured by the quarterly consumer price index, or annual consumer price index of a specified geographic area. Under certain Concession Agreements, we do not have the right to increase tolls beyond the relevant rate of inflation. Where there is deflation, certain of the Concession Agreements may require us to reduce the tolls that can be charged to users of the relevant toll road. Additionally, for some Concession Agreements with inflation-linked tolls, tolls cannot be lowered as a result of deflation; however, an increase cannot occur until inflation offsets the previous deflation.

The price adjustment mechanisms in the Concession Agreements do not take account of changes in our operating, financing and other costs. Therefore, those operating, financing and other costs could increase at a greater rate than revenue from tolls and other fees charged to users of the toll roads, which could negatively impact our results of operations.

The tolls relating to the 495 Express Lanes and 95 Express Lanes are not directly linked to inflation. These roads have variable tolls where the toll prices change dynamically to manage traffic demand and maintain a minimum speed flow, which is achieved by raising tolls when traffic is heavy and reducing tolls when traffic is light. If we fail to apply appropriate toll prices to effectively maintain traffic flow, usage on the 495 Express Lanes and the 95 Express Lanes may not be optimised, and our revenues may be adversely affected as a result. In addition, any consistent failure to apply toll prices so that minimum speeds are maintained as referenced in our Concession Agreements and under United States federal law may result in increased regulatory oversight of the operation of our toll roads, which may impact our ability to autonomously set our toll prices.

We may be affected by the existence and development of, or changes to, competing roads, feeder roads and other means of transportation

Competing toll roads or toll-free roads may be built in the vicinity of our toll roads and may charge lower tolls or be toll-free. Additionally, there may be changes to the existing transport network feeding or surrounding our toll roads. We are also subject to competition from competing modes of public transportation or mass transit such as buses and trains. An increase in the number or improvement in quality of alternative roads, public transportation or mass transit options, including the Sydney Metro Rail, the first stage of which (Northwest) opened in May 2019, and their relative convenience, affordability and efficiency, could reduce traffic volumes on our toll roads and therefore reduce our earnings.

In general, the Concession Agreements do not prevent the relevant governmental authorities from building or awarding contracts to build roads or infrastructure for alternate modes of transportation that may impact usage of our toll roads, although we may, in certain circumstances, be entitled to compensation from the relevant government counterparty. Any compensation awarded in such circumstances may not adequately compensate us.

For example, in negotiations with the relevant governmental entity to undertake improvement projects on existing toll roads, or to develop new toll roads, we may agree to vary or waive certain benefits under an existing

Concession Agreement, including waiving rights to receive compensation where competing infrastructure is built. Our decisions to agree to such variations are based on a number of factors, including the package of rights and obligations proposed to be agreed with the relevant governmental entity as part of the improvement project in its entirety, the materiality of the right or benefit to be varied or waived and, for material adverse event rights, the likelihood of occurrence of the relevant events that could give rise to compensation. If a material adverse event occurs after the completion of an improvement project and we have waived the right to compensation, this could have a material adverse effect on our business, cash flow, financial condition and results of operations.

In relation to the West Gate Tunnel project, a number of changes to the CityLink Concession Agreement were effected after relevant amendments were passed through the Victorian Parliament. Among other things, these changes reduce certain protections provided under the CityLink Concession Agreement, including by relaxing legacy restrictions to allow the State of Victoria to make certain enhancements to the existing transport network, which may result in a decrease in traffic on CityLink. The changes, in aggregate, restrict our right to object to, or be compensated for, the changes to the existing transport network.

In addition, we rely on local government entities, with which we have separate agreements, as well as other managers of the roads feeding our toll roads and of the surrounding road network to maintain those roads in good working order to allow traffic to flow consistently to our toll roads. If these feeder roads and surrounding roads are not properly maintained or are subject to major works that affect their ability to serve as a conduit to our toll roads, the level of traffic on our toll roads and our revenue may be adversely affected, which could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We are reliant on tolling systems and on arrangements with governments, other toll road operators and our customers to collect toll revenues

We collect and process toll revenue using a variety of tolling systems and other information technology systems, and depend on the reliable and efficient operation and maintenance of those systems. The failure of an existing tolling system could result in a loss of revenue and has the potential to increase costs that may materially adversely affect our business, cash flow, financial condition and results of operations.

The costs associated with the development of any new tolling system, if pursued, may be greater than anticipated. In addition, if implemented, any new tolling system may not function effectively or deliver the anticipated benefits. Any circumstances that impair the operation or maintenance of the tolling system may result in an inability to collect tolls from users of our toll roads, which could result in a loss of toll revenue and has the potential to increase costs. If we are unable to successfully implement or deliver these projects or systems in a timely manner, this could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We rely in part on the assistance of governmental authorities to take enforcement action against motorists who default on their obligation to pay our road tolls. We also rely in part on the assistance of governmental authorities to monitor and prevent unauthorised use of the 95 Express Lanes and 495 Express Lanes in the Greater Washington Area. If these enforcement actions are not taken or are unsuccessful, or if the legislative framework governing the enforcement proceedings is deficient or changes adversely, we may be unable to recover the relevant tolls from road users which may adversely affect our cash flow, financial condition and results of operations. However, if enforcement action is pursued too vigorously, our reputation may be adversely affected.

Agreements between other toll road operators and ourselves require that each operator pays us for that operator's customers who travel on our toll roads. We bear the credit risk if those other operators default on such payments.

We also collect revenue from our tag customers for travelling on other toll roads. We bear the credit risk relating to recovering these toll payments from those customers. If there is an increase in the number of our customers who are unable pay the required toll payments, particularly during an economic depression or recession, this may adversely affect our business and toll revenues.

We rely on internal traffic and other forecasts and modelling to guide our development and operations strategy

We rely on internal traffic and other forecasts and modelling capability to assess the viability of acquisitions, the development of new projects, the improvement and expansion of existing toll roads, the timeframe in which to undertake these activities and the carrying value of our assets. Traffic modelling depends on other inherently variable data inputs such as population, employment, trip rates and travel costs. Population forecasting for instance relies on assumptions which are in turn tied to other macro factors such as government policies, housing, employment, demographics, economic growth and some of the other factors outlined in "*—Reduced traffic volumes or an inability to grow traffic volumes on our toll roads could affect our results of operations*" above in relation to traffic volumes. If our forecasting methodology and modelling, including the underlying assumptions or information from third party sources used to derive the information, are inaccurate or do not reflect current or future market conditions, particularly in light of the difficulties posed to forecasting methodology and modelling as a result of the COVID-19 pandemic, our existing assets, acquisitions and projects (including the WCX project, the A25 and the West Gate Tunnel project) may not deliver forecasted returns or earnings, and we may fail to optimise the value of acquired assets and may overvalue acquisition targets which may result in write down of the carrying value of assets, each of which could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Our ability to make new acquisitions and develop new projects depends on supportive government policy

Our ability to supplement our current portfolio of assets with new assets and to undertake additional developments on our existing assets is dependent on federal, state and local Australian, American and Canadian government policies with respect to ownership and operating models for transport and road infrastructure. Government policies with respect to transport and road infrastructure have changed in the past and are subject to future changes, which may include a potential reduction of the amount of investment made by the government in the transport and road infrastructure sector. Governments may also decide to change their methodology for awarding Concession Agreements or making investments in large scale transport infrastructure projects in ways that reduce the opportunity for involvement by private toll road owners and operators. For example, if governments cease to enter into Public Private Partnerships or move towards a different contracting methodology where owner/operators do not bear traffic and revenue risk, we may not have the same opportunities to invest in new projects, and may be unable to maintain or continue to grow our existing levels of business, which could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We rely on our relationships with governments

Our relationships with government entities are key to ensuring the continuity of our existing Concession Agreements and future opportunities for new projects and improvements or growth of our toll roads.

Governments could terminate our concessions or introduce legislation to amend our rights under the Concession Agreements. See also "*—The loss of a toll road asset for non-performance or default under a Concession Agreement, or as a result of government action, could materially adversely affect us*". In addition, if we are prevented from exercising our material rights (such as operating and tolling the relevant toll road) under a Concession Agreement as a result of government action, we may be able to terminate the Concession Agreement early. In either of such circumstances we may be entitled to receive compensation from the relevant government entity but the compensation may not be adequate to compensate us for the loss of our rights under the

Concession Agreement which could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Our dealings with governments are subject to stringent regulations, breaches of which may result in substantial fines and other penalties. Our reputation may also suffer and breaches may result in limitations on our future ability to interact with governments or participate in government tender processes.

We rely on our social licence to operate and any negative perceptions of our company or toll roads generally may adversely affect our business and reputation

We rely on a level of broad public acceptance of our activities, which we refer to as our social licence to operate. Our business, projects and toll roads generally, may generate negative public sentiment with certain stakeholder groups due to the perception that our toll roads are expensive, that there are too many toll roads or negative sentiment towards private ownership of roads. In addition, construction and improvement of new and existing toll roads often results in disruptions to local business, communities and road users over extended periods of time, which may lead to negative public sentiment and publicity for our toll roads. Negative public sentiment, any resulting community action and related publicity may result in federal and state governments declining to pursue projects involving private toll road operators or implementing political measures that adversely impact our ability to own and operate toll roads in the future or that adversely impact the profitability of our current toll roads. Any government measures restricting our ability to own or operate toll roads, including in circumstances where the government may impose measures to reduce or remove tolls or postpone scheduled toll price increases due to social pressure during an economic depression or recession following the COVID-19 pandemic or otherwise, or negative community sentiment and publicity could impact our social license to operate and adversely impact our reputation, financial condition and results of operations.

We rely on developing new information technology systems and enhancing existing systems to improve our operating efficiencies and maximise our revenue from our toll roads

Our ability to continue to improve revenue generation from our toll roads and provide key services to our customers depends on our operational capacity to develop and manage new technology systems and platforms. In some cases, we partner with technology providers to develop and implement new information technology systems. Some of our software is held under licence agreements with technology providers. If we fail to continue to maintain our relationships with our key technology partners or licensors of key software, our ability to operate and grow our business may be adversely affected.

We rely on operating and safety systems on our toll roads and their failure could materially disrupt the operation of our toll roads

We use operating, maintenance, traffic management and safety technology and systems to optimise the safe and efficient operation of our toll roads. These systems include CCTV camera surveillance, lane use management signs, electronic speed and lane control, over-height vehicle detection, weigh-in-motion sensors and systems that automatically detect incidents, as well as safety systems in tunnels, such as ventilation systems and fire suppression sprinkler systems. The failure of these systems, including a failure to adequately respond to a disruption event or manage an incident effectively could materially disrupt the operation of our toll roads, leading to reduced traffic volumes or closure of a road.

We obtain confidential information from our customers, the deliberate or inadvertent release of which could adversely affect our business and reputation

Our tolling arrangements and systems lead us to obtain personal and confidential information from our customers, including bank account and credit card details. The handling and retention of such information is regulated by various privacy laws and the Payment Card Industry Data Security Standard (**PCI DSS**). We are exposed to the risk of deliberate or inadvertent release of this information and the loss or misuse of data.

Although we utilise systems and processes that are designed to protect data and to prevent data loss and other security breaches, no assurance can be given that such measures will provide absolute security. If confidential information were released, we may be subject to financial penalties under privacy laws and PCI DSS and/or be subject to increased regulatory scrutiny or legal action and our reputation may be negatively affected. The occurrence of such an event could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Our technology systems may be subjected to external cyber-attacks that could adversely affect our business and reputation

Our technology systems may be subjected to external cyber-attacks that could adversely affect our business (including interruptions to tolling and collection services) and reputation. Although we take various measures to prevent or mitigate external breaches to our systems and monitor our technology networks, there is no guarantee that such measures will provide absolute security. The occurrence of any such cyber-attacks could have a material adverse effect on our reputation, business, cash flow, financial condition and results of operations.

We depend on the services of key contractors and counterparties for development and construction activities and for the provision of tolling, customer services, operations and maintenance services, road management and control systems

We engage third party contractors and counterparties to carry out development and construction activities and to provide certain systems and services, including those relating to tolling, customer services, operations and maintenance services, road management and control systems. We are therefore dependent upon the services of key contractors and counterparties.

If any of these contractors or counterparties are unable or unwilling to perform the obligations owed to us or there is industrial action taken by the employees of those third party contractors and counterparties, we could suffer material disruptions to our development and construction activities and other operations. See, for example, "*Business—Toll roads—Australian assets—Melbourne Network—Melbourne Network developments—West Gate Tunnel project*". Disruptions to our development and construction activities, disruptions to our operations or inadequately performed services could result in delays to projects, degradation in the quality and state of repair of our toll roads, dissatisfaction of toll road users, reduced traffic volumes, reduced toll road revenues, breaches of Concession Agreements and financing arrangements or losses of Concession Agreements.

In certain circumstances, the loss of a Concession Agreement before a toll road is completed could result in the loss of, or a change to, funding sources for the relevant toll road development that are provided by amendments to other existing toll road Concession Agreements. For example, the NorthConnex project is partially funded by increased truck tolls charged on the M7 motorway and the West Gate Tunnel project is partially funded by an extension to the CityLink Concession Agreement and toll escalation on CityLink.

Any of these factors could result in a material increase in our costs and/or an interruption to our development and construction activities, or our other operations, particularly in the event that we need to replace a service provider and incur legal liabilities in connection with any associated dispute. The occurrence of any of these risks, as well as the early termination of a Concession Agreement, could materially adversely affect our business, cash flow, financial condition and results of operations.

We may not be able to complete new development projects, enhance existing infrastructure or undertake information technology, maintenance and capital expenditure projects in the manner or within the timeframe and budget expected

We may not be able to complete current and future development projects in the manner or within the timeframe and budget expected. Additionally, such current and future development projects may not deliver the return or earnings we expect. Factors that could cause us to be unable to complete these projects on time and on budget include:

- inaccuracies in the projected cost of completing a project, due to, for example, assumptions used in the forecasts and models in connection with the planning process proving to be incorrect;
- inadequate management by us of contractors and subcontractors engaged by us to carry out the applicable project;
- liabilities arising as a result of our agreeing to an inappropriate risk allocation with our counterparties;
- delays associated with a range of factors depending on the applicable project, including delays in obtaining government or lender approval, delays as a result of the impact of litigation or regulatory actions, the occurrence of a force majeure event, shortages of labour and materials, excessive road closures, inclement weather conditions, natural phenomena, natural disasters, vandalism and acts of terrorism and unforeseen technical, engineering or environmental problems;
- non-performance or inadequate performance of the duties of contractors and subcontractors engaged by us; and
- unforeseen changes in financial, economic, political or social conditions.

Our failure to successfully implement current and future development and construction projects in the manner or within the timeframe and budget expected could lead to the loss of a concession and/or materially adversely affect our business, cash flow, financial condition and results of operations.

Changes in law or regulation, including the imposition of new or increased taxes or other governmental charges or levies, or restrictions or prohibitions on our right to levy tolls on our toll roads, could materially adversely affect us

Governments may impose new or increased charges on road transportation (for example, congestion charges or time of day pricing), motorists or motor vehicles (for example, licence and registration charges) or fuel (for example, fuel taxes and carbon taxes) or other legislative or regulatory change that could affect our business.

Our Concession Agreements generally contain mechanisms under which we may be able to claim compensation for the impact of a change in law or regulation, but the compensation mechanism may not be applicable to every possible change in law or regulation, or the compensation payable may not adequately compensate us for the adverse effect on traffic, cash flow, financial condition and results of operations. Consequently, such changes could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Adverse tax developments, including as a result of legislative change or interpretation, and changes to accounting standards could have a material impact on our financial position

We are structured as a stapled group comprising two companies, THL and TIL, and a trust, THT, the equity securities of which trade as a single stapled security. Australian taxation laws apply to each of these entities separately. Changes to tax legislation, the interpretation of tax legislation by the courts, the administration of tax legislation by the relevant tax authorities and the applicability of such legislation to us may increase our tax liabilities.

THT and its subsidiary trusts are generally not liable for Australian income tax and capital gains tax, provided that:

- where the trust is an Attribution Managed Investment Trust (**AMIT**), the trust attributes the net income to its unit holders on a fair and reasonable basis; and
- where the trust is not an AMIT, all income is distributed to its unit holders.

THT is qualified to make and has made the relevant election under the Australian tax law to be treated as an AMIT.

The position must be assessed on a yearly basis in the future. If THT ceases to be qualified to make the relevant election to be characterised as an AMIT or ceases to reasonably attribute all of its income to unitholders in any income year, we may incur tax liabilities.

THT may be liable for tax if it derives non-arm's length income. THT's subsidiary trusts may be liable for tax if they derive non-arm's length income or do not designate all income to their unitholders.

Certain distributions made by THT after July 1, 2019 to non-resident unitholders sourced from cross staple rental income may be subject to 30% withholding tax, rather than 15% withholding tax. A number of concessions and a long-dated transitional measure exists to mitigate the impact of the higher withholding tax. In the event that THT withholds at the incorrect rate, THT may be required to make up the shortfall in withholding tax remitted.

In addition, certain companies within the Transurban Group have carried forward tax losses that are recognised as deferred tax assets on our balance sheet. The ability of members of the Transurban Group to utilise their tax losses to decrease our tax liabilities in future periods is subject to us meeting certain conditions under the relevant tax legislation regarding continuity of ownership and activities. If members of the Transurban Group fail to meet the relevant conditions, or if the relevant tax legislation is amended in a way that results in an inability for members of the Transurban Group to use their tax losses in future periods, our tax liabilities could be materially higher than currently expected.

Adverse tax developments, including the factors described above, could materially increase our tax liabilities or timing of our tax payments, which could have a material adverse effect on our business, cash flow, financial condition and results of operations.

The Australian Taxation Office (**ATO**) and The Treasury of the Australian Federal Government continue to closely scrutinise the use of stapled structures. Taxation of stapled structures in Australia may change, including in ways that may adversely impact us.

In addition, changes to AAS and other authoritative pronouncements of the AASB and the Corporations Act could affect the Concessionaires' or the Transurban Group's reported results of operations in any given period or the Transurban Group's reported financial condition from time to time.

We may in the future seek to acquire or develop additional assets or businesses and to integrate these into our business. Such acquisitions or developments could prove to be unsuccessful or may not generate the benefits we expect, and there is a risk that there may not be sufficient opportunities in the future to acquire or develop additional assets in the manner or within the timeframe in line with our strategy

We have in the past expanded our portfolio through acquisitions or bids for new projects. In the future, we may seek to acquire or develop additional toll roads, assets or businesses.

There can be no assurance that such acquisitions or developments will be available, successful or generate the anticipated project cash flows and returns, benefits, synergies and efficiencies that we expect. We may incur substantial costs, delays or other operational or financial difficulties in acquiring, integrating, developing and/or managing additional assets or businesses, and any such investments may divert management's attention from the operation of our existing businesses. In particular, our ability to supplement our current portfolio of assets with new assets and to undertake additional developments on our existing assets is dependent on government policies with respect to ownership and operating models for transport and road infrastructure. Changes to government policies could adversely impact our ability to invest in new projects, develop existing assets and maintain or continue to grow our existing levels of business. See *"—Our ability to make new acquisitions and develop new projects depend on supportive government policy*" above.

Additionally, we may encounter unanticipated events, circumstances or legal liabilities in connection with any investment, have difficulty financing or refinancing any investment and may be unable to service any increased indebtedness as a result of such investment. The occurrence of any of the risks relating to any such investment could materially adversely affect our business, results of operations and financial condition.

We are exposed to risks associated with our financing arrangements and financial transactions, including sourcing new financing and credit exposures on transactions with financial counterparties

We have existing debt financing arrangements and credit facilities from bank, debt capital markets and government sources. We will need to continue accessing debt markets in the future to refinance maturing debt and to access debt for corporate purposes or in connection with the financing of existing projects or new acquisition or development projects.

We are exposed to risks associated with debt financing, including that we will be unable to arrange financing for growth projects or refinance our existing indebtedness as and when required, on the terms expected or at all. As at June 30, 2020, we had drawn proportional debt of A$22.1 billion (drawn statutory debt of A$21.1 billion). We may be unable to refinance our indebtedness on commercially favourable terms or at all. Our ability to refinance our maturing indebtedness may be materially adversely affected if global credit markets tighten and there is a resultant shortage of available credit. Any limitations on our access to external capital, including limitations caused by volatility in the capital markets, may impair our ability to refinance our expiring debt facilities on commercially favourable terms or at all. If we are unable to obtain additional financing to meet our maturing debt obligations, we could be forced to reduce or delay capital expenditures or forgo strategic business opportunities, sell assets, raise additional equity, restructure or refinance existing debt on terms that are disadvantageous to us or take other protective measures.

We are rated by external credit rating agencies. Our access to, and cost of financing, is also affected by our credit ratings, in particular our senior secured debt credit ratings. Any downgrade or adverse change in outlook (including in relation to global credit markets) could affect our ability to refinance our existing indebtedness or materially increase our cost of financing. In April 2020, Moody's affirmed TFC's corporate senior secured debt credit rating of "Baa1" and "stable" outlook, S&P affirmed TFC's credit rating of "BBB+" and changed the outlook from "stable" to "negative" and Fitch affirmed TFC's rating of "A-" and changed the outlook from "stable" to "negative". S&P also reaffirmed the BBB+ rating and "negative" outlook in June 2020. S&P changed our outlook due to the sharp decline in traffic levels following government lock downs for non-essential services and activities, which S&P believed would lead to significantly reduced cash flows for a number of months. Fitch changed our outlook to reflect their view of a weaker and uncertain near-term revenue environment caused by the COVID-19 containment measures. No assurances can be given that the ratings assigned to us will not be lowered or withdrawn entirely by the relevant rating agency if in its judgement circumstances in the future so warrant. Circumstances that may result in a downgrade of our credit ratings include if the relevant rating agency anticipates that persistently weak market conditions will strain our liquidity position, an extended period of disruption to or low traffic volumes across our toll roads, and an inability to maintain our available liquidity through cash flows from operations, asset sales or further debt issuances. See also "*Risk factors—Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme—Our business and operations, and those of our suppliers and contractors, have been, and will likely continue to be, adversely affected by the COVID-19 pandemic*".

Financing arrangements typically require us to comply with certain obligations and undertakings, including maintaining security arrangements for the benefit of lenders, and in some instances meeting certain financial covenants. If we breach a material obligation and fail to remedy within prescribed cure periods, this could lead to early termination of the financing arrangement and a requirement to repay the debt financing or the lender may have rights to step in and operate the applicable asset or appoint receivers.

We undertake transactions with financial counterparties including banking, cash investments and derivatives that create an exposure to the creditworthiness of those financial counterparties. If a financial counterparty defaults on such a transaction, we may suffer material financial loss.

We are subject to the risk of accidents, incidents, terrorist attacks and other events relating to our toll road network and our insurance policies may not provide adequate protection against those and all other risks we face

We are subject to the risk of accidents and incidents on our toll roads and adjacent and feeder roads and sites, as well as to weather conditions, natural phenomena, natural disasters, vandalism and acts of terrorism which may impact our toll roads. The occurrence of any of these factors could adversely affect traffic volumes, the collection of toll revenue and could cause physical damage to our toll roads. In addition, any such incident could result in the loss of part of our infrastructure assets or critical operating equipment and we may incur additional costs in repairing the affected infrastructure asset. The occurrence of any of these risks could materially adversely affect our business, cash flow, financial condition and results of operations.

We operate critical road infrastructure assets in and around high-density population areas in Australia and North America that could be targeted by terrorist attacks or threatened with terrorist attacks. Terrorist attacks or threats of terrorist attacks on our toll road assets could affect traffic volumes and the collection of toll revenue and could lead to physical damage to toll roads, any of which could have a material adverse effect on our business, cash flow, financial condition and results of operations. In addition, any physical damage to our toll roads may cause loss or damage to customers or third parties who may seek to recover damages from us for any such terrorist attacks.

There can be no assurance that we maintain, or will continue to maintain, sufficient insurance coverage for the risks associated with the operation of our businesses. In particular, there can be no assurance that events that result in a prolonged reduction in traffic volume or in toll revenues will be adequately covered by our insurance policies. The renewal of insurance will be dependent on a number of factors, such as the continued availability of coverage, the nature of risks to be covered, the extent of the proposed coverage and costs involved. The cost of our insurance policies could significantly increase as a result of claims made by us or as a result of local or global economic conditions that cause insurance to be more expensive. In addition, we are subject to the credit risk of our insurers and their continued ability to satisfy any claims we make. Certain risks and liabilities, including potential losses of a catastrophic nature, such as those arising from floods, earthquakes, terrorism or other similar catastrophic events, may be either uninsurable or not insurable on a financially reasonable basis, or may be subject to larger deductibles. We may also elect to self-insure and/or carry large deductibles. In the event we experience a loss or liability to third parties in the future, the proceeds of an applicable insurance policy may not be sufficient to cover the full actual loss incurred or related liabilities to third parties. If our insurance coverage is not sufficient or available to cover any losses that are incurred in the course of our business, or if our insurers are unwilling or unable to satisfy claims we make, we could be exposed to uninsured losses that are significant, or the payment of a larger deductible, which could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We may, from time to time, be involved in legal, regulatory and other proceedings and disputes arising from our business and operations and we are subject to various laws including environmental and health and safety regulations

We may, from time to time, be involved in legal, regulatory and other proceedings and disputes arising from our business and operations, including proceedings and disputes relating to construction, development, operation and expansion of toll roads, collection of toll revenue, environmental issues, native title claims, shareholder action, industrial action and action from special interest groups and disputes with equity partners, contractors and other counterparties including with a government counterparty. These disputes may lead to legal, regulatory and other proceedings, and may cause us to incur significant costs, delays and other disruptions to our business and operations. In addition, regulatory actions and disputes with governmental authorities may result in fines, penalties and other administrative sanctions. Any of these factors could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Following the Australian Competition and Consumer Commission (**ACCC**) investigation into whether the Sydney Transport Partners joint venture's proposed acquisition of WCX, in the context of our existing interests in toll roads, would substantially lessen competition for future toll road concessions, the ACCC confirmed it would not oppose the Sydney Transport Partners joint venture's proposed acquisition of the majority interest in WCX following the acceptance of an enforceable undertaking given by us and our partners. The undertaking requires us to publish certain quarterly traffic data that is obtained or collected by us (or an alternative tolling services provider) on existing and future NSW toll roads in which we have an ownership interest. The undertaking also requires us to identify any error in traffic data published, explain how the error was corrected and re-publish that traffic data corrected to eliminate the error. The undertaking has no operational impact on the WCX concession.

If we breach a term of the undertaking, the ACCC could apply to the Court to make orders against us in respect of the breach. The orders made could include a direction to us to comply with the undertaking, a penalty up to the amount of any financial benefit reasonably attributable to the breach, an order to pay compensation to any person who has suffered loss or damage, or any other order the Court considers appropriate. If the Court were to make any orders of this nature, it could materially adversely affect our business, reputation, cash flow, financial condition and results of operations.

In addition, we are subject to environmental and health and safety regulations under Australian Commonwealth and state laws and applicable federal and state laws in North America. We are also exposed, directly or indirectly through engaging with counterparties, to various laws and regulations governing anti-bribery, antitrust and competition, human rights and modern slavery, sourcing of raw materials, third party relationships and supply chain operations in jurisdictions in which we operate. Although we maintain comprehensive health, safety and environmental management plans to monitor the performance of our toll roads and to manage the third parties we engage to work on our toll roads, no assurance can be given that we will not be subject to potential environmental and health and safety liabilities including fines, penalties, damages or suspension or termination of government contracts, associated with the operation of our business. Our construction projects may also be subject to delays as a result of environmental disputes, environmental impact assessments and consultation processes and the need to obtain necessary environmental approvals. If we were to incur any such liabilities or experience any such delays, this could have a material adverse effect on our business, cash flow, financial condition and results of operations.

Asset impairment could have a material adverse effect on our financial condition and reported financial results

Asset impairment charges may result from actual performance failing to meet our forecasts or the occurrence of unexpected adverse events that impact our expected performance. The Transurban Board regularly monitors impairment risk and assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

For example, the economic impact of COVID-19 and the direct impact on traffic performance was considered an impairment trigger in FY2020. Accordingly, impairment testing has been performed for goodwill, other intangible assets (such as our concession intangible assets), assets under construction and equity accounted investments for FY2020. The impairment testing indicated the recoverable amount exceeded the relevant carrying amount for all assets, and accordingly, there was no impairment of our assets as at June 30, 2020. See Notes B16, B17 and B25 to our consolidated financial statements for FY2020 included elsewhere in this Offering Circular for more information.

As part of the impairment testing, sensitivity analysis was performed that considered reasonably possible changes in key assumptions for each of our assets subject to impairment testing. Except for the A25, the impairment assessment of our concession intangible assets were not sensitive to reasonable possible changes in key assumptions. The recoverable amount of the A25 was calculated based on fair value less costs of disposal and exceeded the carrying amount by less than 5% (carrying amount A$1,272 million at June 30, 2020). The A25 was acquired in June 2018 and due to the recency of the acquisition, the concession intangible asset may be impaired if there were a reasonable possible change in key assumptions relating to traffic volume, the discount rate or long-term CPI. The A25 has performed ahead of acquisition assumptions and, despite the impact of the COVID-19 pandemic on near term cash flows, there has not been a material change to long-term assumptions. Accordingly, and in consideration of the A25's reducing carrying amount through amortisation, there was no impairment as at June 30, 2020.

However, there is no assurance that there will not be a material change to the underlying assumptions including future traffic performance, recovery of traffic from COVID-19 pandemic and discount rate, which could result in the recognition of impairment provisions, including with respect to our concession intangible assets such as the A25, that could be significant and could have a material adverse effect on our reported financial condition and results of operations.

We are subject to certain risks relating to our equity interests in certain Concessionaires

We hold interests in certain Concessionaires with equity partners (Eastern Distributor (75.1%), Westlink M7 (50%), Logan Motorway (62.5%.), Gateway Motorway (62.5%), Clem7 (62.5%), Go Between Bridge (62.5%), Legacy Way (62.5%), AirportlinkM7 (62.5%) and WestConnex (25.5%)). In those circumstances, the success of the Concessionaire and the toll road it operates may be adversely impacted by the actions of our equity partners. We have control, joint control or significant influence over the decision-making of these entities. For certain equity interests, certain decisions require approval of the majority or a higher percentage of all the directors or shareholders of the relevant entity. Therefore, irrespective of our proportional interest in the entity, for certain equity interests we will not be able to unilaterally control all decision-making processes, including decisions in respect of distributions.

The equity partners in these projects (which may include State-owned entities) may have economic or business interests or objectives that are different to ours, may be unable or unwilling to fulfil their obligations under the relevant joint venture contracts or may experience financial or other difficulties.

In addition, our reputation and our relationship with governments and other stakeholders could be affected if our brand is associated with a partner that has engaged in misconduct or has been negligent, either in connection with a joint venture project or a different project. The occurrence of any of these risks could disrupt the operations of these entities and negatively impact our investment in, and the returns from, these entities.

We rely on dividends, distributions, interest on and repayments of shareholder loans from our subsidiaries and assets which are not wholly owned for funding

We operate our business through our subsidiaries. We also fund certain of our subsidiaries through intra-group loans. The availability of funds to service our debts is impacted by dividends, distributions, interest and repayments on intra-group loans, shareholder loans received from our subsidiaries and distribution decisions from our assets which are not wholly owned.

Some of our subsidiaries that have entered into Concession Agreements have incurred debt with external financiers which is secured against the specific assets, including the relevant Concession Agreement of the Transurban subsidiary. The external financiers may in certain circumstances be able to restrict the ability of the relevant Transurban subsidiary to pay dividends or other distributions to us. As a result, our ability to service our debt may be restricted and this could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We are exposed to foreign exchange risks

We are exposed to foreign exchange risks due to fluctuations in foreign exchange rates. A portion of our investments is and will continue to be denominated in, or generate cash flow in, U.S. dollars and Canadian dollars, while our reporting currency is Australian dollars. As a result, our assets, liabilities, income, costs and operating cash flows are exposed to foreign exchange risks arising from U.S. dollar and Canadian dollar exposures when these items are translated into Australian dollars. Consequently, portions of our costs and margins are affected by fluctuations in the exchange rates between these currencies.

To the extent that we have unhedged investments in assets outside of Australia, movements in currency exchange rates have the potential to reduce the capital value of our investments and cash returns from investments.

We rely on key personnel

Recruiting and retaining qualified personnel is critical to our success. We may face risks from the loss of key personnel and an inability to attract any new personnel required in our business. Although we have implemented strategies designed to assist in the recruitment and retention of people within our business, we may encounter difficulties in recruiting and retaining candidates with appropriate experience and expertise.

If any of our key employees leave their employment, this may adversely affect our ability to conduct our business. If we are unable to attract and retain the services of a sufficient number of qualified personnel, this could impact our operations and development and could have a material adverse effect on our business, cash flow, financial condition and results of operations.

We rely on the successful procurement, delivery and financing of information technology, maintenance and capital expenditure projects

We are required under our Concession Agreements to undertake information technology, maintenance and capital expenditure projects from time to time on our toll roads. There can be no assurance that we will be able to implement these projects in the manner or within the timeframe and budget expected. In addition, we are subject to the risk of unexpected significant maintenance or capital expenditure requirements, which may arise as a result of a variety of factors which may be outside our control, such as the identification of material defects or material latent defects in the road infrastructure.

Under the terms of our Concession Agreements and the documents related to those agreements, we can also be required to perform upgrades on the concessions and other road projects. The upgrades are generally governed by process deeds. Under those deeds, a failure to carry out an upgrade in accordance with the terms of the deed can result in the government counterparty having a right to terminate the relevant Concession Agreement. Additionally, in negotiations with the relevant governmental entity to undertake improvement projects on an existing toll road, or to develop new toll roads, we may agree to vary or waive certain benefits under an existing Concession Agreement, including waiving rights to receive compensation where infrastructure is built or a material adverse event occurs. Any such variation or waiver may restrict our rights to receive compensation if the relevant event occurred.

Our failure to successfully implement planned information technology, maintenance and capital expenditure projects in the manner or within the timeframe and budget expected, or the occurrence of any unexpected maintenance or capital expenditure requirements or events for which our right to compensation has been waived, could materially adversely affect our business, cash flow, financial condition and results of operations.

We are exposed to interest rate risk

Our ability, and the ability of the Concessionaires in which we have or will have an interest, to arrange financing, and the cost of any such financing, is impacted by changes in interest rates, prevailing economic conditions and deteriorations in the bank finance market or in the Australian or international debt capital markets.

An increase in interest rates would increase the Transurban Group's or the relevant Concessionaire's debt servicing costs on any part of their indebtedness which is unhedged.

We may be exposed to fraudulent employee behaviour

We are exposed to risks associated with fraudulent behaviour of our officers, employees, consultants, contractors and contractual counterparties. The occurrence of such behaviour could materially adversely affect our business, cash flow, financial condition and results of operations.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors

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

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) the amount of principal payable at redemption may be less than the nominal amount of the Notes or even zero;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

(vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Notes referencing or linked to 'benchmark' rates

Interest rate benchmarks and other rates and indices (such as the London Interbank Offered Rate (**LIBOR**) and the Euro Interbank Offered Rate (**EURIBOR**)), by reference to which the amount payable under, or value of, a financial instrument may be determined, have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated, culminating in regulatory reform and changes with further changes yet to be implemented. These reforms and changes may cause a 'benchmark' rate or index to perform differently than it has done in the past, or to be discontinued and any change in the performance of a 'benchmark' rate or index or the cessation of a 'benchmark' rate or index could have a material adverse effect on any Notes linked to or referencing such a 'benchmark' rate or index.

Regulation (EU) 2016/1011 (the **Benchmark Regulation**) was published in the official journal of the European Union on June 29, 2016 and has applied in the European Union since January 1, 2018 (with the exception of provisions specified in Article 59 of the Benchmark Regulation that applied from June 30, 2016). The Benchmark Regulation could have a material impact on any Notes linked to a 'benchmark' rate or index, in particular, if the methodology or other terms of the 'benchmark' are changed in order to comply with the terms of the Benchmark Regulation (or any such other rules), and such changes could (amongst other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the benchmark.

In addition, the Benchmark Regulation stipulates that each administrator of a 'benchmark' regulated thereunder must be licensed by the competent authority of the Relevant State where such administrator is located. It cannot be ruled out that administrators of certain 'benchmarks' will fail to obtain a necessary license, preventing them from continuing to provide such 'benchmarks'. Other administrators may cease the provision of certain 'benchmarks' because of additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of 'benchmarks', could increase the costs and risks of administering or otherwise participating in the setting of a 'benchmark' and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain 'benchmarks', trigger changes in the rules or methodologies used in certain 'benchmarks' or lead to the discontinuance of certain 'benchmarks'.

More generally there can be no assurance that LIBOR or EURIBOR will continue to be available. On July 27, 2017, the United Kingdom Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the **FCA Announcement**). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forward. This may cause LIBOR to perform differently than it did in the past and may have other consequences that cannot be predicted. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR). Any such consequence could have a material adverse effect on the value of and return on any such Notes.

The terms and conditions of the Notes (the **Conditions**) and the Agency Agreement (as defined under "*Terms and Conditions of the Notes*") contain fallback provisions in the event that LIBOR or EURIBOR rates are not available. If the Rate of Interest cannot be determined due to the potential elimination of the LIBOR benchmark or any other benchmark, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (subject to substitution of the margin, if applicable).

Any of the above changes or any other consequential changes as a result of international or national proposals for reform or other initiatives or investigations, could require an adjustment to the Conditions, or result in other consequences, which could have a material adverse effect on the value of and return on any Notes linked to a 'benchmark' (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR).

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his or her investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes and could affect the market value of an investment in the relevant Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Structural subordination

The Notes will be structurally subordinated to the existing and future claims of the creditors of the subsidiaries of THL, THT and TIL that do not guarantee the Notes (or otherwise provide security to secure the obligations of the Issuer under the Notes). Any existing and future claims of creditors of such subsidiaries will have priority over the holders of the Notes. In this respect, there are several operating subsidiaries of THL, THT and TIL that do not guarantee the Notes or otherwise provide security to secure the obligations of the Issuer under the Notes. A description of the entities which have provided guarantees and/or securities is set out below in the section entitled "*Description of the Security Arrangements*".

Modification, waivers and substitution

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 16.

Change of law

The Conditions (other than the conditions of the AMTNs) are based on English law or, in the case of AMTNs, the laws of the State of Victoria, Australia in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law, the laws of the State of Victoria, Australia or administrative practice after the date of this Offering Circular.

Reliance on Euroclear and Clearstream, Luxembourg procedures

Notes (other than AMTNs) issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg (each as defined under "*Form of the Notes*"). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes (other than AMTNs) are represented by Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Where the AMTNs are lodged with the Austraclear System, investors will have to rely on the procedures of Austraclear

AMTNs will be issued in registered uncertificated form. Title to any AMTNs is evidenced by entry in the register to be established and maintained by the Australian Agent in Sydney and, in the event of a conflict, the register shall prevail (subject to correction for fraud or proven error).

The Issuer may procure that the AMTNs are lodged with the Austraclear System. On lodgment, Austraclear will become the sole registered holder and legal owner of the AMTNs. Subject to the rules and regulations known as the **Austraclear System Regulations** established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System, participants of the Austraclear System (**Accountholders**) may acquire rights against Austraclear in relation to those AMTNs as beneficial owners and Austraclear is required to deal with the AMTNs in accordance with the directions and instructions of the Accountholders. Investors in AMTNs who are not Accountholders would need to hold their interest in the relevant AMTNs through a nominee who is an Accountholder. All payments made by the Issuer in respect of AMTNs lodged with the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear System Regulations.

Where the AMTNs are lodged with the Austraclear System, any transfer of AMTNs will be subject to the Austraclear System Regulations. Secondary market sales of AMTNs cleared through the Austraclear System will be settled in accordance with the Austraclear System Regulations.

Accountholders who acquire an interest in AMTNs lodged with the Austraclear System must look solely to Austraclear for their rights in relation to such Securities and will have no claim directly against the relevant Issuer in respect of such AMTNs although under the Austraclear System Regulations, Austraclear may direct the Issuer to make payments direct to the relevant Accountholders.

Where Austraclear is registered as the holder of any AMTN that is lodged with the Austraclear System, Austraclear may, where specified in the Austraclear System Regulations, transfer the AMTNs to the person in whose Security Record (as defined in the Austraclear System Regulations) those AMTNs are recorded and, as a consequence, remove those AMTNs from the Austraclear System.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be particularly liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-European Union credit rating agencies, unless the relevant credit ratings are endorsed by a European Union-registered credit rating agency or the relevant non-European Union rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

Risks related to the security arrangements

The ability of the Trustee to exercise rights on behalf of Noteholders will be limited in several important respects by the Security Trust Deed, which limits the rights of senior creditors of our Group in certain respects, and Noteholders will not be able to direct the Security Trustee without the consent of other senior secured creditors

The Trustee will not have any independent power to enforce any of the security documents or to exercise any other rights or powers arising under the security documents except through the Security Trustee (which is also the Security Trustee for the other secured creditors under the security documents) as provided in the Security

Trust Deed. A senior secured creditor (other than a hedge counterparty) can request that the Security Trustee seek the consent of senior secured creditors, which requires the affirmative vote of more than 51 per cent. of exposures (or one-third of exposures in relation to certain insolvency events) in order to enforce the securities if such senior secured creditor has first notified the Security Trustee of an event of default. See "*Description of the Security Arrangements—Majority Secured Creditors determined by Exposures*" and "*Description of the Security Arrangements—Majority Secured Creditors*" for a more detailed discussion of the manner in which the "Majority Secured Creditors" and "Exposures" are calculated.

This means that remedies available to the Noteholders upon the occurrence of an event of default under the Trust Deed or the AMTN Trust Deed (as the case may be) are limited by the Security Trust Deed. Following notification of an event of default by the Trustee in connection with the Trust Deed, the AMTN Trustee in connection with the AMTN Trust Deed or any other senior secured creditor under their relevant senior finance document, that senior secured creditor has no unilateral right to take enforcement action or to instruct the Security Trustee to do so. Following notification of any event of default, the Security Trustee must seek the instructions of all senior secured creditors before exercising any right, power or remedy in connection with the security documents. However, the Security Trust Deed does not limit or restrict the right of the senior secured creditors, including the Noteholders, to give demand for payment and give other notices (such as an acceleration notice) at any time.

As the aggregate outstanding principal amount of the Notes may represent less than the relevant majority benchmarks (being 51% of exposures or one-third of exposures (as applicable)), the Noteholders (through the Trustee) may be unable to direct any enforcement action under the Security Trust Deed without the consent of at least some of our other senior secured creditors. See "*Description of the Security Arrangements—Enforcement Action*" for a more detailed discussion of the enforcement procedures under the Security Trust Deed.

It may be difficult for Noteholders to enforce their rights under the Notes, the Security Trust Deed and the security documents as holders do not have the unilateral right to enforce their rights under the Notes after a default

Each of the Trustee and the AMTN Trustee has acceded to the Security Trust Deed as a "debt instrument trustee" (as representative for the Noteholders as "debt instrument holders"). As the appointed representative for the Noteholders, the Trustee and the AMTN Trustee (as applicable) will have the sole power to take any actions on behalf of the Noteholders under and subject to the Security Trust Deed. Consequently, the Noteholders will not have a unilateral right to instruct the Security Trustee to take any actions under the security documents or to consent to any matter relating to such documents or the collateral securing the Notes. The Trustee or AMTN Trustee (as applicable) will have no obligation to provide any such instruction or consent on behalf of the holders of the Notes unless directed to do so by the Noteholders in accordance with the Trust Deed or AMTN Trust Deed (as applicable).

Noteholders may not have the requisite "majority" to control voting and consents that are subject to the Security Trust Deed

As discussed above, the Noteholders may not constitute the requisite "majority" of our secured creditors, and as such will be unable to obtain an amendment to, or grant a waiver under, any senior finance document to which the Security Trustee is a party that requires the consent of the Security Trustee (as the Security Trustee is generally required to act on the instructions of the majority secured creditors) or to present an amendment or waiver that only requires majority consent.

In addition, if the Security Trustee requests instructions from creditors, the Trustee may be unable to provide instructions to the Security Trustee within the required time frames, which may result in the Noteholders being unable to vote on the matters on which the Security Trustee has requested instructions under the Security Trust

Deed. If the Security Trustee receives notice of an event of default under any of the senior finance documents that have the benefit of the Security Trust Deed, it is required to promptly notify the senior secured creditors under the Security Trust Deed and seek instructions. The Security Trustee may specify a reply period that it considers to be reasonable. Depending on the applicable time frame specified by the Security Trustee, it may be difficult for the Noteholders to provide instructions to the Trustee with sufficient time to ensure that the Trustee can provide instructions to the Security Trustee by the deadline. If the Trustee does not provide instructions to the Security Trustee by the applicable deadline, under the terms of the Security Trust Deed, the Noteholders will be deemed not to have instructed the Security Trustee in relation to the relevant amendment, waiver, consent or other matter.

Once agreed by all Secured Creditors, consent to amend certain voting provisions in the Security Trust Deed will result in the Noteholders voting as a block in respect of decisions under the Security Trust Deed and result in any votes cast by such Noteholders not being counted as part of the Exposures calculated under the Security Trust Deed if such votes are not cast within a specified time period

Each of the Trust Deed and the AMTN Trust Deed will provide that by purchasing a Note, each Noteholder will be taken to have unconditionally and irrevocably instructed the Trustee or AMTN Trustee (as applicable) to instruct the Security Trustee to make certain amendments to the voting provisions under the Security Trust Deed (which are summarised below) at such time as the Security Trustee seeks instructions on consent to amend these voting provisions. If implemented, such amendments will change the requirements for determining whether the approval, consent or determination or direction of the Secured Creditors under the Security Trust Deed (including Noteholders) has been given or made (other than in respect of an acceleration notice). In accordance with the terms of the Security Trust Deed, these amendments will come into full force and effect only if the Security Trustee receives unanimous instructions from all Secured Creditors to make such amendments.

First, if implemented, the effect of the amendments will be that the Secured Creditors (or any class of them (if applicable)) under a particular finance document will vote as a block in respect of a decision under the Security Trust Deed (other than in respect of an acceleration notice). This will mean that, with respect to each finance document, if:

- a requisite majority of such Secured Creditors (however described and determined in accordance with the relevant finance document) cast votes in favour of a particular decision; or
- a representative of particular Secured Creditors has instructions from a requisite majority of such Secured Creditors to cast a vote in favour of a particular decision,

all Secured Creditors (or, if applicable, all Secured Creditors of the relevant class) under such finance document will be deemed to have voted in favour of the decision. Conversely, if the requisite majority of such Secured Creditors cast votes against a particular decision, all Secured Creditors (or, if applicable, all Secured Creditors of the relevant class) under such finance document will be deemed to have voted against the decision. Accordingly, even if a holder of a Note instructs the Trustee that it has voted against a decision, the relevant holder may be deemed to have voted in favour of that decision and its individual Exposure may be counted for the purposes of calculating the Majority Secured Creditors or any decision requiring unanimous instructions from the Secured Creditors under the Security Trust Deed. Accordingly, the Security Trustee may be able to act in respect of a decision that requires instructions from the Majority Secured Creditors or from all Secured Creditors (i.e. even in respect of decisions that require unanimous instructions, such as certain amendments to the Security Trust Deed and releasing security under the Security Trust Deed), even though an individual Secured Creditor may not have consented to such decision.

Secondly, if implemented, the effect of the amendments will be that, with respect to each finance document, if a Secured Creditor fails to cast a vote on a particular decision or the representative of certain Secured Creditors (for example, the Trustee) does not provide instructions in writing within the time period specified by the Security Trustee (of at least 15 business days), such Secured Creditors (for example, the Noteholders) will be taken, for the purposes of determining whether instructions have been given from all Secured Creditors or the requisite majority of Secured Creditors (or any class of them (if applicable)) under any relevant finance document, to have an Exposure of nil and not to be Secured Creditors. Accordingly, only Secured Creditors who actually vote or whose representatives acting on their behalf provide instructions within the specified time period will be included in any calculation as to whether instructions from all Secured Creditors or the requisite majority of Secured Creditors under the relevant finance document has been obtained in relation to any matter. As noted in "*—Noteholders do not have the requisite "majority" to control voting and consents that are subject to the Security Trust Deed*" above, it may be difficult for the Noteholders to provide instructions to the Trustee within a specified time period. In turn, the inability of the Trustee or the AMTN Trustee, as the case may be, to provide instructions to the Security Trustee within a specified time period may also result in holders of the Notes being unable to vote on those instructions requested under the Security Trust Deed.

At present, we do not propose to seek the unanimous consent of all of our existing Secured Creditors to the proposed amendment to the Security Trust Deed outlined above. However, as we issue new secured debt, we will seek to include equivalent consent provisions in the relevant debt instrument or finance document. The holders of the Notes will not be deemed to have consented to any other amendments for which the Security Trustee may seek instructions.

The requirements of the Security Trustee to act are limited in certain respects

Under the Security Trust Deed, the Security Trustee and its employees, agents, directors and delegates are entitled to be indemnified out of any moneys received under the Securities against all liabilities and expenses incurred in connection with the enforcement or purported enforcement of the Securities and all actions, proceedings, costs, claims and demands arising in relation to the Security Trust Deed or the Securities. If the moneys received under the Securities are insufficient to satisfy this indemnity, each of the secured creditors must indemnify the Security Trustee (rateably in accordance with their exposures). These indemnities would not apply where the Security Trustee has engaged in fraud, negligence or wilful misconduct. To the extent that a secured creditor is required to indemnify the Security Trustee, each security provider jointly and severally indemnifies each secured creditor with respect to such amounts paid by a secured creditor.

The Trust Deed, the AMTN Trust Deed and the Security Trust Deed will not require the Trustee to expend or risk its own funds to satisfy any demand under this indemnity noted above. The Security Trustee's obligation to commence any enforcement action may, at the Security Trustee's discretion, be subject to the granting of a suitable indemnity. If such indemnity was not provided, the Security Trustee may not proceed with enforcement action, which would materially adversely affect the Noteholders.

Our operating subsidiaries have incurred and may incur significant amounts of debt that is secured by the assets of those subsidiaries, including the assets and cash flows of our Concessionaires, to which the Notes will be structurally subordinated

Our funding structure permits us to incur debt at the asset level subject to certain limitations under our Concession Agreements and asset level financing agreements. We raise non-recourse project debt for certain Concessionaires, other than CityLink. This non-recourse debt is generally secured by the assets and cash flows of the relevant Concessionaire, which are not part of the security that will secure the Notes. If the relevant borrowers fail to repay this debt, the lenders may enforce security over the assets that have been pledged as security, which would result in the cash flows from such assets not being available to repay the Notes, and would reduce the value of the equity interests that are part of the security for the Notes. In addition, because the subsidiaries that incur such debt are not Security Providers, if any such subsidiaries become insolvent, reorganise, dissolve or otherwise wind up, the assets of such subsidiary will be used first to satisfy the claims of its creditors. Consequently, claims of the Noteholders will be structurally subordinated to all of the claims of the creditors that are not Security Providers. Further, this non-recourse debt is typically subject to distribution lock-up tests which will prevent distributions to the Security Providers. As at June 30, 2020 there were no covenant breaches by the non-recourse borrowers in the Group. However, certain assets are forecast to enter distribution lock-up within the next 12 months as a result of the negative impacts to traffic volumes due to the COVID-19 pandemic. This may impact the level of distributions paid to the Security Providers from these assets. See also "*Operating and financial review—Liquidity and capital resources—Overview—Covenants*".

As at June 30, 2020, our subsidiaries that are not Security Providers had A$12,566 million of non-recourse proportional drawn debt, all of which was secured. See "*Operating and financial review—Liquidity and capital resources*" for more information about our outstanding asset-level non-recourse debt. Neither the Trust Deed nor the AMTN Trust Deed limits the amount of additional debt that may be incurred by subsidiaries that are not Security Providers or prevent security being granted over the assets of such subsidiaries to secure such debt.

In some situations, the Security Providers may dispose of the collateral securing the Notes and such collateral may subsequently be released by the Security Trustee

The Security Providers must comply with restrictions on disposal of collateral securing the Notes under our senior finance documents. Where a disposal of collateral is permitted under the Trust Deed, the AMTN Trust Deed and the Transurban Group's other senior finance documents, the Security Trustee is required to release the collateral, which may result in a decrease in the value of the collateral securing the Notes.

Any future security interest over collateral may be voidable

Any future security interest over collateral in favour of the Security Trustee might be voidable by a liquidator of the grantor if certain events or circumstances exist or occur, including, among others, if the granting of the security interest is deemed a fraudulent conveyance or transfer; if the grantor is insolvent at the time of the granting of, or at the time an act was done to give effect to, the security interest; if the grantor became insolvent as a result of the entry into (or giving effect to) the transaction; or if the granting of the security interest permits the Noteholders to receive a greater recovery than if the security interest had not been given and a winding-up proceeding (including as deemed under Pt 5.6 of the Corporations Act) in respect of the grantor is commenced within six months following the granting of the security interest or, in certain circumstances, a longer period.

Covenants in our senior finance documents limit our flexibility, and breaches of these covenants could materially adversely affect our financial condition

Some of our principal senior finance documents require us to comply with a number of customary financial covenants, such as maintaining interest coverage cash flow ratios and other general undertakings. Please see "*Operating and financial review—Liquidity and capital resources—Overview—Covenants*" for further information. These covenants limit the flexibility in our operations, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness and the acceleration of such indebtedness. Certain senior finance documents also contain cross-default or cross-acceleration provisions that would permit the lenders thereunder to accelerate indebtedness in the event of a default or acceleration of other of our material indebtedness. Any breaches of our covenants could have a materially adverse impact on our financial condition and our ability to pay the interest on, and principal of, the Notes.

If the Issuer defaults on the Notes, or any other Security Provider defaults on a guarantee or other amounts owing with respect to the Notes, your right to receive payments on the Notes or the guarantee may be materially adversely affected by Australian insolvency laws

Each Security Provider is organised under the laws of Australia and, therefore, insolvency with respect to them would be most likely to proceed under, and be governed by, Australian insolvency law, which is different from the insolvency laws of the United States, England and other jurisdictions. If any Security Provider becomes insolvent or otherwise subject to external administration, the treatment and ranking of holders of the Notes and other of our creditors and our shareholders under Australian law may be different than the resulting treatment and ranking if we were subject to the bankruptcy laws of the United States, England or other jurisdictions. The application of laws, including conflicts of laws, in the context of where and how insolvency and restructuring proceedings take place is complex and may be impacted by jurisdiction of the relevant company, the governing law of any applicable documentation entered into by the relevant company, the location of the assets of the relevant company, recognition of other proceedings under the UNCITRAL Model Law, and other matters.

Fraudulent conveyance laws or similar provisions or principles have been enacted or exist for the protection of creditors in a number of jurisdictions, including Australia, and upstream or sister guarantees (including the guarantees) and covenants to pay may be subject to claims that they should be subordinated or avoided in favour of other creditors of the Security Providers. To the extent that any guarantee or covenant to pay is voided as a fraudulent conveyance, voidable transaction or otherwise held to be unenforceable, your claim against that Security Provider could be lost or limited, and you could be required to return payments previously received from any such Security Provider.

Under Australian law, if a liquidator was appointed to any Security Provider, the liquidator would have the power to investigate the validity of past transactions and commence proceedings seeking various court orders in relation to those transactions, including orders declaring certain transactions entered into prior to the winding up of such Security Provider to be void and for the repayment of money to the relevant company in respect of which the liquidator is appointed. Instances where a liquidator may seek such orders include where transactions constitute unfair loans, unreasonable director-related transactions, or transactions entered into within a specified period that a court finds were entered into, or acts were done, when the Security Provider was insolvent or the Security Provider becomes insolvent as a result and were uncommercial transactions or transactions entered into that had the effect of preferring a creditor or creditors or otherwise defeating, delaying or interfering with the rights of creditors.

In addition to the matters described above, under the laws of Australia, guarantees and covenants to pay may be set aside, subordinated or otherwise avoided by the application of fraudulent conveyance, voidable transaction, financial assistance, bankruptcy, insolvency and administration, statutory management, equitable subordination principles or other similar provisions or principles existing under the laws of Australia, including as a result of the application of laws in relation to the duties of directors to act in good faith and for proper purposes. In addition, other debts and liabilities of the Security Providers, such as certain employee entitlements or an external administrator's indemnity for expenses and remuneration, may rank ahead of claims under the Notes and the guarantees and covenants to pay in the event of external administration or statutory management or similar proceedings. If one or more of the guarantees or covenants to pay are set aside or otherwise avoided, your claim against the Security Providers giving those guarantees and covenants to pay could be lost or limited and it is possible that you may only have a claim against the Issuer and any remaining Security Provider.

It should also be noted that "ipso facto" legislation in Australia provides that enforcement of certain rights against a company under a contract, agreement or arrangement (such as a right entitling a creditor to terminate the contract or to accelerate payments or providing for automatic acceleration) are stayed for a certain period of time, if the right for enforcement arises for the reason that the company is in voluntary administration, or a managing controller (including a receiver) is appointed over the whole or substantially the whole of a company's property, or the company is, or announces that it will be applying to be, subject to a creditors' scheme of arrangement, or that it relates to the company's financial position during any of those proceedings. The specified proceedings do not include liquidation.

The legislation provides for certain types of contracts and contractual rights to be excluded from the "ipso facto" regime by regulations and declaration. The list of excluded contracts includes, among other, contracts, agreements or arrangements that are, or govern, securities, financial products, bonds or promissory notes. If the Notes are not excluded from the operation of the "ipso facto" regime, then during any "stay period" as described above, this may render unenforceable in Australia provisions of the Notes conditional merely on the occurrence of events giving rise to the "ipso facto" rights.

Except in limited circumstances, the liability of TIML as responsible entity for THT and TCS as trustee of TFT will be limited to the extent to which such liability can be satisfied out of the assets of the relevant trust

TIML guarantees the obligations of the Issuer under the Notes solely in its capacity as responsible entity for THT. The liability of TIML in relation to its guarantee is limited to and can be enforced against TIML only to the extent to which such liability can be satisfied out of the assets of THT. None of the assets of TIML (other than assets that TIML holds as responsible entity for THT and out of which TIML is actually indemnified for the liability and that are available to TIML in accordance with the terms of the constitution of THT to meet its obligations in relation to its guarantee) are available to meet claims under its guarantee.

TIML is not entitled to indemnification out of assets of THT in certain circumstances, such as if TIML acts fraudulently or negligently or breaches its duty with respect to THT (whether or not such breach is in respect of its guarantee). TIML is only liable to satisfy any obligation or liability in connection with its guarantee from its personal assets to the extent that the obligation or liability is not satisfied because there is a reduction in the extent of TIML's indemnification out of the assets of THT due to TIML's gross negligence, fraud, breach of trust or breach of duty.

The liability of TCS in relation to its covenants to pay is limited to and can be enforced against TCS only to the extent to which such liability can be satisfied out of the assets of TFT. None of the assets of TCS (other than assets that TCS holds as trustee for TFT and out of which TCS is actually indemnified for the liability and that are available to TCS in accordance with the terms of the constitution of TFT to meet its obligations in relation to its covenants to pay) are available to meet claims with respect to the Notes.

Certain limitations on remedies and other claims with priority over claims of the Noteholders could materially adversely affect the rights of security holders in insolvency proceedings

The right of the Security Trustee to enforce and sell the collateral securing the Notes upon the occurrence of a default will be subject to limitations under applicable law. For example, in the event of a voluntary administration, some or all of the Security Trustee's enforcement rights may be affected (such as being prevented from enforcing a security interest except with the consent of the administrator or leave of the court).

The *Personal Property Securities Act 2009* (Cth) of Australia (the **PPSA**) establishes a national system for the registration of security interests, and a system of priority and other provisions that affect most collateral other than land. Among other things, security interests perfected by control over financial assets like bank accounts (even where they are not registered), purchase money security interests (which can include asset financing security, leases of goods and retention of title arrangements) registered as such, subject to limited exceptions, rank in priority over prior secured interests regardless of notice. Under the PPSA, third parties may purchase or lease items of collateral free of the security interest in various ways, including by any sale or lease carried on in the grantor's ordinary course of business. However, if this happens, the secured party retains a security interest in the proceeds of that sale or lease. Prohibitions on disposal contained in the security documents are not effective against third party buyers.

In relation to security over land, where such security is a registered Torrens title security interest, its priority will be subject to any interest noted on the title register before registration of the security interest. It is also subject to claims that may have obtained priority by virtue of applicable law that may affect the priority of the security interest. For example, liens arising by operation of law or charges or liens arising under statute over the relevant property (including, without limitation, local government rates and land taxes applicable to real property) may have priority over the security interest.

Proceeds from any sale of the collateral upon enforcement may be insufficient to repay the Notes in full

We cannot assure you that the net proceeds from a sale of the collateral securing the Notes would be sufficient to repay principal and accrued interest on the Notes following a foreclosure upon the collateral or a liquidation of our assets. The value of the collateral and the amount to be received by the Noteholders upon a sale of the collateral will depend upon many factors including, among others, the quantum of other secured indebtedness existing at the time, the condition of the collateral, the ability to sell the collateral in an orderly sale, the condition of the international, national and local economies, the availability of buyers and similar factors. The book value of the collateral should not be relied on as a measure of realisable value for these assets. By their nature, portions of the collateral may be illiquid and may have no readily ascertainable market value.

Legal investment considerations may restrict certain investments

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

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons and talons for further coupons if appropriate attached, or registered form, without interest coupons attached, in each case as specified in the applicable Final Terms. AMTNs will only be issued in registered form.

Bearer Notes

The following applies to Notes specified in the applicable Final Terms to be in bearer form.

Each Tranche of Bearer Notes will be initially issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Bearer Global Note** and, together with a Temporary Bearer Global Note, each a **Bearer Global Note**) which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for, Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**). Notes in bearer form will be delivered and deliverable only outside the United States (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction).

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made to the bearer of the Temporary Bearer Global Note to the extent that there is presented to the Principal Paying Agent by Clearstream Luxembourg or Euroclear a certificate to the effect that it has received from or in respect of a person entitled to a particular nominal amount of the Notes represented by the Temporary Bearer Global Note (as shown by its records) a certificate of non-U.S. beneficial ownership in the form required by it.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given in connection with a payment of principal, interest or any other amount payable in respect of the Bearer Notes. The bearer of the Temporary Bearer Global Note will not (unless upon due presentation of the Temporary Bearer Global Note for exchange, delivery of the appropriate number of Definitive Bearer Notes (together, if applicable, with the Receipts, Coupons and Talons appertaining thereto) or, as the case may be, issue and delivery (or, as the case may be, endorsement) of the Permanent Bearer Global Note is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment thereon due on or after the Exchange Date.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

Holders of beneficial ownership interests must look solely to their nominee and/or applicable clearing system to receive such payment and none of the Issuer, the Trustee, the Security Trustee, the Principal Paying Agent, any Paying Agent or the Agent will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in Bearer Global Notes or for maintaining, supervising or reviewing any records relating to such interests.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 11) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor or alternative clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 15, and the Trustee if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur on a date specified in the notice not more than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent. No definitive Bearer Note delivered in exchange for a Permanent Bearer Global Note will be mailed or otherwise delivered to any location in the United States (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction) in connection with such exchange.

The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons or talons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The following applies to Notes specified in the applicable Final Terms to be in registered form.

The Registered Notes (other than AMTNs) of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a **Registered Global Note** and, together with any Bearer Global Note, each, a **Global Note**). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2.1 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Registered Global Note will bear a legend regarding such restrictions on transfer.

Registered Global Notes will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.4) as the registered holder of the Registered Global Notes. None of the Issuer, the Trustee, the Principal Paying Agent, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) if the Registered Global Note is registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg and the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor or alternative clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 15, and the Trustee if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with, and subject to, the provisions of the Agency Agreement, and the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

AMTNs

The following applies to Notes specified in the applicable Final Terms to be AMTNs.

The AMTNs of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will be issued only as Registered Notes. AMTNs will be issued in registered uncertificated form and will take the form of entries on a register established and maintained by a registrar in Australia and may be lodged with the Austraclear System.

On issue of any AMTNs, the Issuer will (unless otherwise specified in the applicable Final Terms) procure that the AMTNs are lodged with the Austraclear System. On lodgment, Austraclear will become the sole registered holder and legal owner of the AMTNs. Subject to the Austraclear System Regulations, Accountholders may acquire rights against Austraclear in relation to those AMTNs as beneficial owners and Austraclear is required to deal with the AMTNs in accordance with the directions and instructions of the Accountholders. Any potential investors who are not Accountholders would need to hold their interest in the relevant AMTNs through a nominee who is an Accountholder. All payments by us in respect of AMTNs entered in the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear System Regulations.

Holding of AMTNs through Euroclear and Clearstream, Luxembourg

Once lodged with the Austraclear System, interests in the AMTNs may be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the AMTNs in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear, while entitlements in respect of holdings of interests in the AMTNs in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank N.A., as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in AMTNs held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations of Euroclear and Clearstream, Luxembourg, the arrangements between Euroclear and Clearstream, Luxembourg and their respective nominees and the Austraclear System Regulations.

Transfers

Any transfer of AMTNs will be subject to the Corporations Act and the other requirements set out in the Terms and Conditions of the AMTNs and, where the AMTNs are entered in the Austraclear System, the Austraclear System Regulations.

Secondary market sales of AMTNs settled in the Austraclear System will be settled in accordance with the Austraclear System Regulations.

Relationship of Accountholders with the Austraclear System

Accountholders who acquire an interest in AMTNs lodged with the Austraclear System must look solely to Austraclear for their rights in relation to such AMTNs and will have no claim directly against the Issuer in respect of such AMTNs although under the Austraclear System Regulations, Austraclear may direct the Issuer to make payments direct to the relevant Accountholders.

Where Austraclear is registered as the holder of any AMTNs that is lodged with the Austraclear System, Austraclear may, where specified in the Austraclear System Regulations, transfer the AMTNs to the person in whose Security Record (as defined in the Austraclear System Regulations) those AMTNs are recorded and, as a consequence, remove those AMTNs from the Austraclear System.

Potential investors in AMTNs should inform themselves of, and satisfy themselves with, the Austraclear System Regulations and (where applicable) the rules of Euroclear and Clearstream, Luxembourg and the arrangements between them and their nominees in the Austraclear System.

AMTNs lodged with the Austraclear System will be transferable only in accordance with the rules and regulations (in force from time to time) of the Austraclear System. The transferor of an AMTN is deemed to remain the holder of such AMTN until the name of the transferee is entered in the register in respect of such AMTN.

General

Pursuant to the Agency Agreement, the Principal Paying Agent or (in respect of the AMTNs) pursuant to the Australian Agency Agreement, the Australian Agent, shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S) applicable to the Notes of such Tranche.

For so long as any Note of any Series is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear and/or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg, as the case may be, as the holder of a particular nominal amount of the Notes of such Series (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Security Trustee and their respective agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal, interest and any other amount payable on such nominal amount of such Notes, for which purposes the bearer of the relevant Bearer Global.

Note, or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Trustee, the Security Trustee and their respective agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note, and the expression **Noteholder** and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to take such proceedings, fails to do so within a reasonable period and such failure shall be continuing.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a new Offering Circular or a supplement to the Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[MiFID II Product Governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer['s/s'] product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*] Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][1]

[**Prohibition of Sales to EEA and UK Retail Investors** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**) or in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, **MiFID II**)]/[MiFID II]; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) No. 1129 of June 14, 2017 (as amended from time to time). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIIPs Regulation.]

[**Notification under Section 309B(1)(C) of the Securities and Futures Act (Chapter 289) of Singapore** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][2]

[*Date*]

TRANSURBAN FINANCE COMPANY PTY LTD (ABN 65 098 539 452)
Legal Entity Identifier (LEI): 54930081LPJMUMEA6E57

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the U.S.$10,000,000,000 Secured Euro Medium Term Note Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [[●], 2020] [and the Supplemental Offering Circular dated [*date*]] ([together,] the

---

1 Applicable in the case where a "manufacturer" participates in the issuance. Delete this legend if there are none.

2 For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

Offering Circular). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing at all reasonable times during normal business hours and copies may be obtained from the Issuer at its registered office at Level 31, Tower Five, Collins Square, 727 Collins Street, Docklands VIC 3008, Australia and from the specified offices of the Principal Paying Agent for the time being at One Canada Square, London E14 5AL, United Kingdom.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.*]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [*original date*] [and the Supplemental Offering Circular dated [*date*]] which [are incorporated by reference in the Offering Circular dated [[●], 2020] and] are attached hereto. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Offering Circular dated [[●], 2020] [and the Supplemental Offering Circular dated [*date*]] ([together,] the Offering Circular), save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] [and the Supplemental Offering Circular dated [*date*]]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. Copies of such Offering Circulars are available for viewing at all reasonable times during normal business hours and copies may be obtained from the Issuer at its registered office at Level 31, Tower Five, Collins Square, 727 Collins Street, Docklands VIC 3008, Australia and from the specified offices of the Principal Paying Agent for the time being at One Canada Square, London E14 5AL, United Kingdom.

[*Insert the following language for an issue of AMTNs.*]

The Notes will be constituted by a trust deed (the **AMTN Trust Deed**) dated [*date*] between the Issuer and the AMTN Trustee and will be issued in registered uncertificated form by inscription on a register. The Notes are AMTNs for the purposes of the Offering Circular dated [*date*] and the Conditions.

Notes will be offered in Australia only in the wholesale capital markets and on the basis that no disclosure to investors is required under Parts 6D.2 or 7.9 of the Corporations Act.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*]

1	Issuer:		Transurban Finance Company Pty Ltd
2			
	a.	Series Number:	[ ]
	b.	Tranche Number:	[ ] *(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3	Specified Currency or Currencies:		[ ]
4	Aggregate Nominal Amount:		
	a.	Series:	[ ]

	b. Tranche:	[ ]
5		
	a. Issue Price:	[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)
	b. Net Proceeds:	[ ] (*include for listed issues if required by the relevant stock exchange on which the Notes are listed*.)
6		
	a. Specified Denominations:	[ ] (*Note where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:* *"€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000."*) (*N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area or United Kingdom exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Regulation, the €100,000 minimum denomination is not required.*) (*In the case of Registered Notes, this means the minimum integral amount in which transfers can be made.*) (*N.B. In the case of AMTNs, this should be a single denomination.*)
	b. Calculation Amount:	[ ] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.*)
7		
	a. Issue Date:	[ ]
	b. Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)
8	Maturity Date:	[*Fixed rate - specify date / Floating rate* - Interest Payment Date falling in or nearest to [*specify month*]]
9	Interest Basis:	[[ ] per cent. Fixed Rate] [[LIBOR/EURIBOR/BBSW Rate] +/- [ ] per cent. Floating Rate]

		[Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [specify other] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11	Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]
12	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13	Status of the Notes:	Senior Secured
14	Method of distribution:	[Syndicated/Non-syndicated]
15	Listing:	[[*Specify*]/None]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions:	[*Applicable/Not Applicable*] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
a.	Rate(s) of Interest:	[ ] per cent. per annum payable [annually/semi-annually/quarterly/other (*specify*)] in arrear] (*If payable other than annually, consider amending Condition 6*)
b.	Interest Payment Date(s):	[[ ] in each year up to and including the[*Maturity Date*]/[*specify other*]] (*N.B. This will need to be amended in the case of long or short coupons*)
c.	Fixed Coupon Amount(s): (*Applicable to Notes in definitive form.*)	[ ] per Calculation Amount
d.	Broken Amount(s): (*Applicable to Notes in definitive form.*)	[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
e.	Day Count Fraction:	[30/360 or Actual/Actual (ICMA) or RBA Bond Basis or [*specify other*]]
f.	Determination Date(s):	[ ] in each year (*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*)

		N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration *N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
	g. Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
17	Floating Rate Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	a. Specified Period(s)/Specified Interest Payment Dates:	[ ]
	b. Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ [*specify other*]]
	c. Additional Business Centre(s):	[ ]
	d. Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/BBSW Rate Determination/specify other]
	e. Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ]
	f. Screen Rate Determination:	
	(i) Reference Rate:	[ ] (*Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback provisions in the Agency Agreement*)
	(ii) Interest Determination Date(s):	[ ] (*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
	(iii) Relevant Screen Page:	[ ] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
	g. ISDA Determination:	
	(i) Floating Rate Option:	[ ]

	(ii)	Designated Maturity:	[ ]
	(iii)	Reset Date:	[ ]
	h.	BBSW Rate Determination:	As per Condition 6.2(b)(iv)
	i.	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
	j.	Margin(s):	[+/-] [ ] per cent. per annum
	k.	Minimum Rate of Interest:	[ ] per cent. per annum
	l.	Maximum Rate of Interest:	[ ] per cent. per annum
	m.	Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) Other] (*See Condition 6 for alternatives*)
	n.	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]
18	Zero Coupon Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	a.	Accrual Yield:	[ ] per cent. per annum
	b.	Reference Price:	[ ]
	c.	Any other formula/basis of determining amount payable:	[ ]
	d.	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 8.5 and 8.10 apply/specify other] (*Consider applicable day count fraction if not U.S. dollar denominated*)
19	Index Linked Interest Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Index/Formula:	[*give or annex details*]
	(b)	Calculation Agent:	[*give name*]
	(c)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent):	[ ]

	(d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(e) Specified Period(s)/Specified Interest Payment Dates:	[ ]
	(f) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ *specify other*]
	(g) Additional Business Centre(s):	[ ]
	(h) Minimum Rate of Interest:	[ ] per cent. per annum
	(i) Maximum Rate of Interest:	[ ] per cent. per annum
	(j) Day Count Fraction:	[ ]
20	Dual Currency Interest Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Rate of Exchange/method of calculating Rate of Exchange:	[*give or annex details*]
	(b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent):	[ ]
	(c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(d) Person at whose option Specified Currency(ies) is/are payable:	[ ]

PROVISIONS RELATING TO REDEMPTION

21	Issuer Call:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Optional Redemption Date(s):	[ ]
	(b) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount/specify other/see Appendix]
	(c) If redeemable in part:	
	(i) Minimum Redemption Amount:	[None]/[*Specify*]
	(ii) Maximum Redemption Amount:	[None]/[*Specify*]

	(d) Notice period (if other than as set out in the Conditions):	[ ]
22	Investor Put:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Optional Redemption Date(s):	[ ]
	(b) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*specify other*/see Appendix]
	(c) Notice period (if other than as set out in the Conditions):	[ ] (*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee*)
23	Final Redemption Amount	[[ ] per Calculation Amount/specify other/see Appendix]
24	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 8.5):	[[ ] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25	Form of Notes:	[Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] *(Note that language substantially to the following effect:* *"€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000"* *in paragraph 6 is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note in bearer form exchangeable for Definitive Notes in bearer form).* [Permanent Global Note exchangeable for Definitive Notes only upon an Exchange Event] [Registered Notes:

		[Registered Global Note (U.S.$[ ] nominal amount) registered in the name of a common depositary for Euroclear and Clearstream, Luxembourg] [The Notes are AMTNs, as referred to in the Offering Circular, and will be issued in registered uncertificated form, constituted by the AMTN Trust Deed and take the form of entries on a register to be maintained by the Australian Agent (as defined below). Copies of the AMTN Trust Deed are available from the AMTN Trustee at its principal office in Sydney.]]
26	Additional Financial Centre(s) or other special provisions relating to Payment Days:	[Not Applicable/*give details*] (*Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 17(c) and 19(g) relate*)
27	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment	[Not Applicable/*give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
29	Details relating to Instalment Notes:	
	(a) Instalment Amount(s):	[Not Applicable/*give details*]
	(b) Instalment Date(s):	[Not Applicable/*give details*]
30	Redenomination applicable:	Redenomination [not] applicable [(*If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates)*)]
31	Other final terms:	[Not Applicable/*give details*]
32	Ratings:	[Not Applicable/*give details*] [Credit ratings are for distribution only to a person who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive the Offering Circular and anyone who receives the

		Offering Circular must not distribute it to any person who is not entitled to receive it.]
33	Prohibition of Sales to EEA or UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)

DISTRIBUTION

34		
	(a) If syndicated, names of Managers:	[Not Applicable/*give name(s)*]
	(b) Stabilising Manager(s) (if any):	[Not Applicable/*give name(s)*]
35	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name(s)*]
36	Whether TEFRA D/TEFRA C rules are applicable or TEFRA rules not applicable:	[D Rules/C Rules/TEFRA not applicable]
37	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

38		
	(a) ISIN Code:	[ ]
	(b) Common Code:	[ ]
	(c) Classification of Financial Instruments Code (CFI):	[[ ]/Not Applicable]
	(d) Financial Instrument Short Name (FISN):	[[ ]/Not Applicable]
39	Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. and/or Austraclear Ltd as operator of the Austraclear System and the relevant identification numbers	[Not Applicable/*give details*]
40	Delivery:	Delivery [against/free of] payment
41	Names and addresses of additional Paying Agent(s) (if any):	[Not Applicable/*give name(s) and address(es)*] [*If the Notes are AMTNs, insert the following*: BTA Institutional Services Australia Limited (ABN 48 002 916 396) has been appointed under the Australian Agency Agreement dated [*date*] as issuing, paying and transfer agent and registrar (**Australian Agent**) in respect of the AMTNs. The Australian Agent's address is Level 2, 1 Bligh Street, Sydney NSW 2000, Australia.]

42	Name and address of Registrar (if applicable):	[Not Applicable/*give name(s) and address(es)*]
43	Name and address of Transfer Agent (if applicable):	[Not Applicable/*give name(s) and address(es)*]
44	Name and address of Calculation Agent (if any):	[Not Applicable/*give name(s) and address(es)*]
45	Name and address of Trustee (if any):	[The Bank of New York Mellon, London Branch/BNY Trust Company of Australia Limited (ABN 49 050 294 052) *and address(s)*]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and admission to trading on [the Singapore Exchange Securities Trading Limited/*specify relevant market*]] of the Notes described herein pursuant to the U.S.$10,000,000,000 Secured Euro Medium Term Note Programme of Transurban Finance Company Pty Ltd.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of Transurban Finance Company Pty Ltd:

By: ____

Duly authorised

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Transurban Finance Company Pty Ltd (the **Issuer**) and (other than Notes which are specified in the applicable Final Terms as being denominated in Australian dollars and issued in the Australian domestic capital market (**AMTNs**)) constituted by an amended and restated Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 30 August 2017 made between the Issuer, Transurban Collateral Security Pty Ltd (ABN 26 097 586 797) as trustee of the Transurban Finance Trust — City Link (in such capacity, **Finance Trust**) and The Bank of New York Mellon (the **Trustee**, which expression shall include any successor as Trustee). AMTNs will be constituted by an AMTN Trust Deed (such AMTN Trust Deed as modified and/or supplemented and/or restated from time to time, the **AMTN Trust Deed**) dated 30 August 2017 made between the Issuer, Finance Trust and BNY Trust Company of Australia Limited (ABN 49 050 294 052) (the **AMTN Trustee**, which expression shall include any successor as AMTN Trustee).

References herein to the Notes shall be references to the Notes of the Series of which this Note forms part and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the currency specified therein or, if none is specified, the currency in which the Notes are denominated (the **Specified Currency**);

(b) any Global Note in bearer form (a **Bearer Global Note**);

(c) any Global Note in registered form (a **Registered Global Note**);

(d) definitive Notes in bearer form (**Definitive Bearer Notes**, and together with Bearer Global Notes, the **Bearer Notes**) issued in exchange for a Bearer Global Note;

(e) definitive Notes in registered form (**Definitive Registered Notes**, and together with Registered Global Notes, the **Registered Notes**), whether or not issued in exchange for a Registered Global Note; and

(f) AMTNs.

The Notes (other than AMTNs), the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 30 August 2017 and made between the Issuer, the Trustee, The Bank of New York Mellon as principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and as paying agent (together with (i) any additional or successor paying agent appointed under the Agency Agreement and (ii) the Australian Agent (as defined below), the **Paying Agents** and each a **Paying Agent**) and The Bank of New York Mellon SA/NV, Luxembourg Branch as transfer agent (the **Transfer Agent**, which expression shall include any additional or successor transfer agents appointed in accordance with the Agency Agreement) and as registrar (the **Registrar**, which expression shall include any successor registrar and together with the Paying Agents and Transfer Agents, the **Agents**). The Issuer and BTA Institutional Services Australia Limited (ABN 48 002 916 396) as registrar and issuing and paying agent in Australia (the **Australian Agent**) have entered into an agency and registry services agreement (as amended and/or supplemented and/or restated from time to time, the **Australian Agency Agreement**) dated 30 August 2017 in relation to the AMTNs.

The Notes will be secured by each Security as defined in the Security Trust Deed (such Security Trust Deed as amended and/or supplemented and/or restated from time to time, the **Security Trust Deed**) originally dated 28 June 2002 between the Issuer, Finance Trust the Agent defined therein, BTA Institutional Services Australia Limited (the **Security Trustee**, which expression shall include any successor as Security Trustee appointed under the Security Trust Deed) and others.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue. The provisions of these Conditions (as defined below) relating to Bearer Notes, Global Notes, Certificates, Receipts, Coupons and or Talons do not apply to AMTNs.

The Final Terms (or the relevant provisions thereof) applying to this Note is attached to or endorsed on this Note and supplements these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are to the Final Terms (or the relevant provisions thereof) applying to, attached to or endorsed on this Note.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean, in the case of Bearer Notes, the holders of the Bearer Notes and, in the case of Registered Notes, the persons in whose name the Registered Notes are registered, and shall, in relation to any Notes represented by a Global Note or a Registered Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. The Trustee acts for the benefit of the Noteholders, the Receiptholders and the Couponholders, in accordance with the provisions of the Trust Deed. The AMTN Trustee acts for the benefit of the holders of AMTNs, in accordance with the provisions of the AMTN Trust Deed. The Trustee is not appointed in respect of any AMTNs and accordingly, if the agreement, opinion, approval, consent, satisfaction or any similar action or decision (however described) is specified or required of, from, by or on the part of the Trustee with respect to any Notes or documents in these Conditions, such agreement, opinion, approval, consent, satisfaction or any similar action or decision (however described) of the Trustee shall not be required in respect of any AMTNs, the AMTN Trust Deed or any other document or agreement in connection with them.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and Series means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed, the AMTN Trust Deed, the Security Trust Deed, each Security, the Agency Agreement and the Australian Agency Agreement are available for inspection at all reasonable times during normal business hours at the specified office of the Trustee being at the date hereof One Canada Square, London E14

5AL, United Kingdom and at the specified office of each of the Paying Agents and the Registrar. The AMTN Trust Deed will be held by the AMTN Trustee and copies of the AMTN Trust Deed and the Australian Agency Agreement referred to above are available for inspection free of charge during usual business hours at the principal office of the AMTN Trustee and the Australian Agent respectively, being at Level 2, 1 Bligh Street, Sydney NSW 2000, Australia. Copies of the applicable Final Terms are available for viewing at the registered office of the Issuer and each of the Paying Agents and copies may be obtained from those offices during normal business hours save that, if this Note is an unlisted Note of any Series, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee (or the AMTN Trustee in respect of holders of AMTNs) and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, and are bound by, (in respect of holders of all Notes (other than AMTNs)) all the provisions of the Trust Deed, (in respect of holders of AMTNs only) the AMTN Trust Deed, the Security Trust Deed, each Security, the Agency Agreement or the Australian Agency Agreement, as the case may be, and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the AMTN Trust Deed, the Security Trust Deed, the Agency Agreement and the Australian Agency Agreement.

Words and expressions defined in the Trust Deed, the AMTN Trust Deed, the Agency Agreement, the Australian Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement (or, in the case of AMTNs, between the AMTN Trust Deed and the Australian Agency Agreement), the Trust Deed (or, in the case of AMTNs, the AMTN Trust Deed) will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms (or, in the case of AMTNs, between the AMTN Trust Deed or the Australian Agency Agreement and the applicable Final Terms), the applicable Final Terms will prevail. If any such document terminates or expires in accordance with its terms and such document is necessary to interpret these Conditions, without prejudice to that termination or expiry, references to such document shall be interpreted as references to the form of that document which existed immediately prior to its termination or expiry.

1 FORM, DENOMINATION AND TITLE

The Notes may be in bearer form and or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, will be serially numbered, in the Specified Currency and the Specified Denomination(s). Save as provided in Condition 2, Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and vice versa.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery. Title to Registered Notes will pass upon registration of transfers in the books of the Registrar or, in the case of AMTNs, the Australian Agent in accordance with the provisions of the Agency Agreement or the Australian Agency Agreement respectively. The Issuer, the Paying Agents, the Trustee, the AMTN Trustee, the Registrar and the Transfer Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and any person in whose name a Registered Note is registered as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents, the Trustee, the Registrar and the Transfer Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer or registered holder of the relevant Global Note shall be treated by the Issuer, the Paying Agents, the Trustee, the Registrar and the Transfer Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

In the case of AMTNs, the following provisions shall apply in lieu of the above-mentioned provisions of Condition 1 in the event of any inconsistency.

AMTNs will be debt obligations of the Issuer owing under the AMTN Trust Deed, will be uncertificated and will take the form of entries in a register to be established and maintained by the Australian Agent in Sydney unless otherwise agreed with the Australian Agent (pursuant to the Australian Agency Agreement). The Agency Agreement is not applicable to the AMTNs.

AMTNs will not be serially numbered. Each entry in the register constitutes a separate and individual acknowledgement to the relevant Noteholder of the indebtedness of the Issuer to the relevant Noteholder. The obligations of the Issuer in respect of each AMTN constitute separate and independent obligations which the Noteholder is entitled to enforce in accordance with these Conditions and the AMTN Trust Deed. No certificate or other evidence of title will be issued by or on behalf of the Issuer unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

No AMTN will be registered in the name of more than four persons. AMTNs registered in the name of more than one person are held by those persons as joint tenants. AMTNs will be registered by name only, without reference to any trusteeship and an entry in the register in relation to an AMTN constitutes conclusive evidence that the person so entered is the registered owner of such AMTN, subject to rectification for fraud or error.

Upon a person acquiring title to any AMTNs by virtue of becoming registered as the owner of that AMTN, all rights and entitlements arising by virtue of the AMTN Trust Deed in respect of that AMTN vest absolutely in the registered owner of the AMTN, such that no person who has previously been registered as the owner of the AMTN has or is entitled to assert against the Issuer, the AMTN Trustee or the Australian Agent or the registered owner of the AMTN for the time being and from time to time any rights, benefits or entitlements in respect of the AMTN.

2 TRANSFERS OF REGISTERED NOTES

2.1 Transfers of Interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Registered Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for Euroclear or Clearstream, Luxembourg shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of Euroclear or Clearstream, Luxembourg or to a successor of Euroclear or Clearstream, Luxembourg or such successor's nominee.

2.2 Transfers of Registered Notes (other than AMTNs) Generally

Registered Notes may not be exchanged for Bearer Notes and *vice versa*.

Upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, and subject to compliance with all applicable legal and regulatory restrictions, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer:

(a) the holder or holders must:

  (i) surrender the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and

  (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and

(b) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such regulations as the Issuer, the Principal Paying Agent, the Trustee and the Registrar, may prescribe (such initial regulations being set out in Schedule 4 to the Agency Agreement), which may be changed by the Issuer with the prior written approval of the Registrar, the Principal Paying Agent and the Trustee. Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Definitive Registered Note of a like aggregate nominal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred. In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of Transfer upon Partial Redemption

In the event of a partial redemption of Notes under Condition 8, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Transfers of AMTNs

AMTNs may be transferred in whole but not in part. Unless lodged in the clearing system operated by Austraclear Ltd (**Austraclear**), the AMTNs will be transferable by duly completed and (if applicable) stamped transfer and acceptance forms in the form specified by, and obtainable from, the Australian Agent or by any other manner approved by the Issuer and the Australian Agent. Each transfer and acceptance form must be accompanied by such evidence (if any) as the Australian Agent may require to prove the title of the transferor or the transferor's right to transfer the AMTNs and be signed by both the transferor and the transferee.

AMTNs may only be transferred within, to or from Australia if (i) the aggregate consideration payable by the transferee at the time of transfer is at least A$500,000 (or its equivalent in any other currency and, in either case, disregarding moneys lent by the transferor or its associates) or the offer or invitation giving rise to the transfer otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act 2001 (Cth) (the **Corporations Act**), (ii) the transfer is not to a "retail client" for the purposes of section 761G of the Corporations Act, (iii) the transfer is in compliance with all applicable laws, regulations or directives (including, without limitation, in the case of a transfer to or from Australia, the laws of the jurisdiction in which the transfer takes place), and (iv) in the case of a transfer between persons outside Australia, if a transfer and acceptance form is signed outside Australia. A transfer to an unincorporated association is not permitted.

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

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

2.5 Costs of Registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.6 Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered during the period of:

(a) 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note; and

(b) seven days ending on (and including) any Record Date (as defined in Condition 7.4).

2.7 Exchange of Registered Notes Generally

Holders of Definitive Registered Notes may exchange such Notes for interests in a Registered Global Note of the same type at any time.

2.8 No transfer to retail clients

No Notes (whether in bearer form or registered form) may be transferred to a "retail client" within the meaning of section 761G of the Corporations Act.

3 STATUS OF THE NOTES

The Notes and any related Receipts and Coupons are direct, unconditional, unsubordinated and secured obligations of the Issuer and rank *pari passu* without any preference among themselves and (save for certain obligations required to be preferred by law) in priority to all unsecured obligations of the Issuer, from time to time outstanding.

4 SECURITY AND NEGATIVE PLEDGE

4.1 Security

(a) The Trustee has for and on behalf of the Noteholders executed an accession certificate dated 27 October 2011 to accede to the Security Trust Deed as a Senior Secured Creditor pursuant to Clause 16.3 of the Security Trust Deed in order that the Notes be secured or guaranteed (as applicable) by each Security in accordance with and subject to the terms of the Security Trust Deed. The AMTN Trustee has for and on behalf of the holders of AMTNs executed an accession certificate dated 30 August 2017 to accede to the Security Trust Deed as a Senior Secured Creditor pursuant to Clause 16.3 of the Security Trust Deed in order that the AMTNs be secured or guaranteed (as applicable) by each Security in accordance with and subject to the terms of the Security Trust Deed.

(b) Each Security is governed by the laws of Victoria, Australia (other than the share mortgage dated 14 September 2007 granted by Transurban International Limited, which is governed by the laws of Bermuda) and has been given in favour of the Security Trustee which holds each such Security for a defined class of beneficiaries including the Noteholders (following accession by the Trustee or the AMTN Trustee, as the case may be, to the Security Trust Deed in the manner referred to in paragraph (a) above) in accordance with the Security Trust Deed.

(c) Subject to the provisions of the Security Trust Deed, each Security may only be enforced by the Security Trustee. The Security Trustee is only required to enforce the Security on receiving instructions from the requisite majority of Senior Creditors as more fully described in Condition 11.2, Condition 11.3 and the Security Trust Deed.

4.2 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Trust Deed), the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest in addition to each

Security described in the Security Trust Deed (each such additional mortgage, charge, lien, pledge or other security interest a **Relevant Security Interest**) upon, or with respect to, any part of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Relevant Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(a) all amounts payable by it under the Notes, the Coupons and the Trust Deed (or under the AMTNs and the AMTN Trust Deed) are secured by the Relevant Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee (or the AMTN Trustee, in the case of AMTNs) in its absolute discretion; or

(b) such other Relevant Security Interest or other arrangement (whether or not it includes the giving of a Relevant Security Interest) is provided either:

  (i) as the Trustee (or the AMTN Trustee, in the case of AMTNs) in its absolute discretion deems not materially less beneficial to the interests of the Noteholders; or

  (ii) as is approved by an Extraordinary Resolution (which is defined in the Trust Deed (or the AMTN Trust Deed, in the case of AMTNs) as a resolution duly passed by a majority of not less than three-fourths of the votes cast thereon) of the Noteholders.

For the purposes of these Conditions, **Relevant Indebtedness** means:

(A) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being, or are intended to be, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market; and

(B) any guarantee or indemnity of such indebtedness referred to in (A) above.

5 REDENOMINATION

This Condition 5 does not apply to AMTNs.

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders but after prior consultation with the Trustee, on giving prior notice to the Paying Agents, the Transfer Agents and the Registrar (if applicable), Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 15, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

(a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Paying Agent and the Trustee (in the case of Bearer Notes) or the Registrar and the Trustee (in the case of Registered Notes), that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;

(b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes held (or, as the case may be, in respect of which Coupons are presented for payment) by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Principal Paying Agent and the Trustee may approve) euro 0.01 and such other denominations as the Principal Paying Agent shall determine and notify to the Noteholders, provided that in respect of any Notes the applicable Final Terms for which provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 100,000 and which are admitted to trading on a regulated market in the European Economic Area, such Notes shall be issued in the denomination of euro 100,000 and/or such higher amounts as the Issuer may determine and notify to the Noteholders and any remaining amounts less than euro 100,000 shall be redeemed by the Issuer and paid to the Noteholders in euro in accordance with Condition 7;

(d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Issuer may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;

(f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

  (i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and

  (ii) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the

Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding; and

(g) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest.

For the purposes of the Conditions, the following expressions have the following meanings:

Established Rate means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

Redenomination Date means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 5 above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

Treaty means the Treaty on the Functioning of the European Union, as amended.

6 INTEREST

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date (or such earlier date as may be fixed for redemption in accordance with the Conditions).

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.1:

(a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and

(c) if "RBA Bond Basis" is specified in the applicable Final Terms, one divided by the number of Interest Payment Dates in a year (or where the Determination Period does not constitute an Interest Period, the actual number of days in the Determination Period divided by 365 (or, if any portion of the Determination Period falls in a leap year, the sum of:

(i) the actual number of days in that portion of the Determination Period falling in a leap year divided by 366; and

(ii) the actual number of days in that portion of the Determination Period falling in a non-leap year divided by 365)).

For the purposes of the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on (but excluding) the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

6.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply mutatis mutandis or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

For the purposes of these Conditions, **Business Day** means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Sydney, London and each Additional Business Centre specified in the applicable Final Terms; and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(b) ***Rate of Interest***

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where "ISDA Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**) or on the Euro-zone interbank offered rate (**EURIBOR**), the first day of that Interest Period or (b) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where "Screen Rate Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(iii) *Linear Interpolation for Floating Rate Notes*

Where "Linear Interpolation" is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Applicable Maturity means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate and, (b) in relation to ISDA Determination, the Designated Maturity.

(iv) *BBSW Rate Determination for Floating Rate Notes*

Where "BBSW Rate Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the BBSW Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this Condition 6.2(b)(iv), **BBSW Rate** for an Interest Period means the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the "AVG MID" on the Reuters Screen BBSW Page (or any designation which replaces that designation on that page, or any replacement page) at approximately 10.15 am (or such other time at which such rate customarily appears on that page) on the first day of that Interest Period. However, if such rate does not appear on the Reuters Screen BBSW Page (or any replacement page) by 10.30 am on that day (or such other time that is 15 minutes after the then prevailing time), or if it does appear but the Australian Agent determines that there is an obvious error in that rate, **BBSW Rate** means the rate determined by the Australian Agent having regard to comparable indices then available. The rate calculated or determined by the Australian Agent will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent.).

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(c) ***Minimum Rate of Interest and/or Maximum Rate of Interest***

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) ***Determination of Rate of Interest and calculation of Interest Amounts***

The Principal Paying Agent or (in the case of AMTNs) the Australian Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent or (in the case of AMTNs) the Australian Agent or the Calculation Agent (as the case may be) will calculate the amount of interest (the **Interest Amount**) payable in respect of each Specified Denomination on the Floating Rate Notes or Index Linked Interest Notes respectively, for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2:

(i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y_1	=	is the year, expressed as a number, in which the first day of the Interest Period falls;
Y_2	=	is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
M_1	=	is the calendar month, expressed as a number, in which the first day of the Interest Period falls;
M_2	=	is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
D_1	=	is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and
D_2	=	is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y_1	=	is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2	=	is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
M_1	=	is the calendar month, expressed as a number, in which the first day of the Interest Period falls;
M_2	=	is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
D_1	=	is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and
D_2	=	is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y_1	=	is the year, expressed as a number, in which the first day of the Interest Period falls;
Y_2	=	is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
M_1	=	is the calendar month, expressed as a number, in which the first day of the Interest Period falls;
M_2	=	is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
D_1	=	is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and
D_2	=	is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(e) ***Notification of Rate of Interest and Interest Amounts***

The Principal Paying Agent or, in the case of AMTNs, the Australian Agent, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee or, in the case of AMTNs, the AMTN Trustee, and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth Sydney Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression **Sydney Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Sydney.

(f) ***Determination or Calculation by agent appointed by Trustee or AMTN Trustee***

If for any reason at any relevant time the Principal Paying Agent or, in the case of AMTNs, the Australian Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Principal Paying Agent or, in the case of AMTNs, the Australian Agent defaults in its obligation to calculate any Interest Amount in accordance with Conditions 6.2(b)(i), 6.2(b)(ii), 6.2(b)(iii) or 6.2(b)(iv) above or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with Condition 6.2(d) above, the Trustee or, in the case of AMTNs, the AMTN Trustee, shall be entitled (but not obliged to), at the expense of the Issuer, appoint an agent on its behalf to determine the Rate of Interest at such rate as (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms) it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent, the Australian Agent or the Calculation Agent, as applicable. Neither the Trustee nor the AMTN Trustee, as the case may be, shall be liable to make any such calculation itself or to monitor or supervise any such agent, and shall not be liable to the Noteholders, the Issuer or any other person for any calculation made by any agent appointed hereunder.

(g) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2, whether by the Principal Paying Agent or, in the case of AMTNs, the Australian Agent or, if applicable, the Calculation Agent, the Trustee or the AMTN Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Trustee, the AMTN Trustee, the Paying Agents, the Calculation Agent (if applicable), the Registrar, the Transfer Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Trustee, the AMTN Trustee, the Paying Agents, the Calculation Agent (if applicable), the Registrar or the Transfer Agents in connection with the exercise or non-exercise by any of them of their powers, duties and discretions pursuant to such provisions.

6.3 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

6.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

6.5 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) as provided in the Trust Deed or the AMTN Trust Deed, as the case may be.

7 PAYMENTS

7.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9.

7.2 Presentation of Definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, and its possessions and any other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Definitive Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof. Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

7.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Bearer Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes or otherwise in the manner specified in the relevant Bearer Global Note against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Note by the Paying Agent to which it was presented.

7.4 Payments in respect of Registered Notes (other than AMTNs)

This Condition 7.4 does not apply to AMTNs.

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business and a day on which it is a business day in Sydney and London) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account (as defined below) or (ii) the nominal amount of the Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a **Designated Bank** and identified as such in the Register and Designated Bank means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not a Registered Global Note) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the Business Day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a weekday (being Monday to Friday, inclusive, but excluding December 25 and January 1) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a Business Day) before the relevant due date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest or payment of an instalment in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the nominal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer, the Trustee, the Registrar, any Transfer Agent or any Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.5 General provisions applicable to payments

This Condition 7.5 does not apply to AMTNs.

The holder of a Global Note (or as provided in the Trust Deed, the Trustee) shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Bearer Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

In the event a Note is in definitive form and payment in respect of such Note cannot be made in accordance with this Condition 7 because appropriate account details have not been provided by the payee, the Issuer shall have no obligation to make the payment until the Paying Agent has received such details together with a claim for payment and evidence to such Paying Agent's satisfaction of the entitlement of the payee. No interest or other amount will be payable in respect of any delay in payment caused by the failure of a payee to provide appropriate account details.

7.6 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 10) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

  (i) in the case of Notes in definitive form only, the relevant place of presentation; and

  (ii) each Additional Financial Centre specified in the applicable Final Terms; and

(b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

7.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 9 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed or, in the case of AMTNs, the AMTN Trust Deed;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Notes redeemable in instalments, the Instalment Amounts;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.5); and

(g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed or, in the case of AMTNs, the AMTN Trust Deed.

7.8 Payments in respect of AMTNs

The Australian Agent will act (through its office in Sydney) as paying agent for AMTNs pursuant to the Australian Agency Agreement and:

(a) if the AMTNs are in the clearing system (the **Austraclear System**) operated by Austraclear, by crediting on the relevant Interest Payment Date or Maturity Date (as the case may be) the amount then due to the account (held with a bank in Australia) of Austraclear in accordance with the rules and regulations known as the **Austraclear System Regulations** established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System;

(b) if the AMTNs are not in the Austraclear System, by crediting on the Interest Payment Date or Maturity Date (as the case may be), the amount then due to an account (held with a bank in Australia) previously notified in writing by the holder of the AMTN to the Issuer and the Australian Agent.

If a payment in respect of the AMTN is prohibited by law from being made in Australia, such payment will be made in an international financial center for the account of the relevant payee, and on the basis that the relevant amounts are paid in immediately available funds, freely transferrable at the order of the payee.

For the purposes of this Condition 7.8, in relation to AMTNs, **Business Day** has the meaning given in the Australian Agency Agreement.

Payments of principal and interest will be made in Sydney in Australian dollars to the persons registered at the close of business in Sydney on the relevant Record Date (as defined below) as the holders of such AMTNs, subject in all cases to normal banking practice and all applicable laws and regulations. Payment will be made by cheques drawn on the Sydney branch of an Australian bank dispatched by post on the relevant payment date at the risk of the Noteholder or, at the option of the Noteholder, by the Australian Agent giving in Sydney irrevocable instructions for the effecting of a transfer of the relevant funds to an Australian dollar account in Australia specified by the Noteholder to the Australian Agent (or in any other manner in Sydney which the Australian Agent and the Noteholder agree).

In the case of payments made by electronic transfer, payments will for all purposes be taken to be made when the Australian Agent gives irrevocable instructions in Sydney for the making of the relevant payment by electronic transfer, being instructions which would be reasonably expected to result, in the ordinary course of banking business, in the funds transferred reaching the account of the Noteholder on the same day as the day on which the instructions are given.

If an electronic transfer or a cheque posted for which irrevocable instructions have been given by the Australian Agent is shown, to the satisfaction of the Australian Agent, not to have reached the Noteholder and the Australian Agent is able to recover the relevant funds, the Australian Agent may make such other arrangements as it thinks fit for the effecting of the payment in Sydney.

Interest will be calculated in the manner specified in Condition 6 and will be payable to the persons who are registered as Noteholders at the close of business in Sydney on the relevant Record Date and cheques will be made payable to the Noteholder (or, in the case of joint Noteholders, to the first-named) and sent to their registered address, unless instructions to the contrary are given by the Noteholder (or, in the case of joint Noteholders, by all the Noteholders) in such form as may be prescribed by the Australian Agent. Payments of principal will be made to, or to the order of, the persons who are registered as Noteholders at the close of business in Sydney on the relevant Record Date, subject, if so directed by the Australian Agent, to receipt from them of such instructions as the Australian Agent may require.

If any day for payment in respect of any AMTN is not a Business Day, such payment shall not be made until the next day which is a Business Day, and no further interest shall be paid in respect of the delay in such payment.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto. Neither the Issuer nor the Australian Agent shall be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from such payments.

In this Condition 7.8 in relation to AMTNs, **Record Date** means, in the case of payments of principal or interest, the close of business in Sydney on the date which is the eighth calendar day before the due date of the relevant payment of principal or interest.

8 REDEMPTION AND PURCHASE

8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

8.2 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent (in the case of Bearer Notes), the Trustee and the Registrar (in the case of Registered Notes) or the AMTN Trustee and the Australian Agent (in the case of AMTNs) and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee or, in the case of AMTNs, the AMTN Trustee, by giving the certificate described below immediately before the giving of such notice that:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 8.2, the Issuer shall deliver to the Trustee or, in the case of AMTNs, the AMTN Trustee, a certificate signed by two officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee or, in the case of AMTNs, the AMTN Trustee, shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.3 Redemption at the option of the Issuer (Issuer Call)

If "Issuer Call" is specified in the applicable Final Terms, the Issuer may, having given:

(a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15; and

(b) not less than five days before the giving of the notice referred to in (a) above, notice to the Trustee, the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar or, in the case of an AMTN, the AMTN Trustee and the Australian Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes other than AMTNs, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date. In the case of a particular redemption of AMTNs, the AMTNs to be redeemed must be specified in the notice and selected (i) in a fair and reasonable manner; and (ii) in compliance with any applicable law, directive or requirement of any stock exchange or other relevant authority on which the AMTNs are listed.

8.4 Redemption at the option of the Noteholders (Investor Put)

(a) If "Investor Put" is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 15 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, subject to, and in accordance with, the terms specified in the applicable Final Terms, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 8.4 in any multiple of their lowest Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

(b) To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes), the Registrar (in the case of Registered Notes) or the Australian Agent (in the case of AMTNs) at any time during normal business hours of such Paying Agent, the Registrar or the Australian Agent (as the case may be) falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent, the Registrar or the Australian Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 8.4 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent, subject to and in accordance with the provisions of Condition 2. If this Note is a Definitive Bearer Note, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

(c) If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent or the Registrar (as the case may be) of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent or Registrar (as the case may be) by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

(d) Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by any Noteholder pursuant to this Condition 8.4 (*Redemption at the option of the Noteholders (Investor Put)*) shall be irrevocable except that any such notice given after the Issuer has given notice to redeem the Notes pursuant to Condition 8.2 (*Redemption for tax reasons*) or Condition 8.3 (*Redemption at the option of the Issuer (Issuer Call)*) shall be deemed not to be effective.

8.5 Early Redemption Amounts

For the purpose of Condition 8.2 above and Condition 11, each Note will be redeemed at its Early Redemption Amount calculated as follows:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount (the Amortised Face Amount) calculated in accordance with the following formula:

$$Early\ Redemption\ Amount = RP \times (1 + AY)y$$

where:

$\boldsymbol{RP}$	=	means the Reference Price;
$\boldsymbol{AY}$	=	means the Accrual Yield expressed as a decimal; and
$\boldsymbol{y}$	=	is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

8.6 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.5.

8.7 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 8 and the applicable Final Terms.

8.8 Purchases

The Issuer, Transurban Collateral Security Pty Ltd as trustee of the Transurban Finance Trust — City Link or any of their respective Subsidiaries may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, resold or, in the case of the Issuer only, reissued, or at the option of any such purchaser, surrendered to any Paying Agent or the Registrar (as applicable) for cancellation.

8.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together, in the case of Definitive Bearer Notes, with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and surrendered for cancellation pursuant to Condition 8.8 above (together, in the case of Definitive Bearer Notes, with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent or, in the case of AMTNs, the Australian Agent (which shall notify the Registrar of such cancelled Notes in the case of Registered Notes) and cannot be reissued or resold.

8.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8.1, 8.2, 8.3 or 8.4 above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Principal Paying Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 15.

9 TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) presented for payment in the Commonwealth of Australia; or

(b) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.6); or

(d) to the extent that the payee (i) is treated as a resident (for the purposes of the relevant double taxation agreement) in a jurisdiction having a double taxation agreement with the relevant jurisdiction of the payor giving complete exemption from taxes otherwise imposed by such jurisdiction on the payment and (ii) is not excluded from the benefit of such exemption; or

(e) where presented for payment by or on behalf of a holder who is an associate (as that term is defined in section 128F(9) of the Australian Tax Act) of the Issuer and the payment being sought is not, or will not be, exempt from Australian interest withholding tax because of section 128F(6) of the Australian Tax Act; or

(f) in respect of a payment to, or to a third party on behalf of, a holder who is a resident of Australia or a holder who is a non-resident of Australia carrying on business in Australia at or through a permanent establishment in Australia, in circumstances where such withholding or deduction would not have been required if the holder or any person acting on his behalf had provided to the Issuer an appropriate tax file number, Australian business number or details of an exemption from providing those numbers; or

(g) presented for payment or held by, or by a third party on behalf of, a holder who is a resident of Australia or a holder who is a non-resident of Australia carrying on business in Australia at or through a permanent establishment in Australia if, and to the extent that, section 126 of the Australian Tax Act (or any equivalent provision) requires the Issuer to pay income tax in respect of interest payable on such Note, Receipt or Coupon and the income tax would not be payable were the holder not a resident of Australia or a non-resident of Australia carrying on business in Australia at or through a permanent establishment in Australia.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Notes, Receipts and Coupons by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a **FATCA Withholding**). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

As used herein:

(i) **Tax Jurisdiction** means the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax;

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee, the AMTN Trustee, the Principal Paying Agent or the Australian Agent (as the case may be) on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15; and

(iii) **Australian Tax Act** means the Income Tax Assessment Act 1936 of Australia.

10 PRESCRIPTION

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 10 or Condition 7.2 or any Talon which would be void pursuant to Condition 7.2.

11 EVENTS OF DEFAULT AND ENFORCEMENT

11.1 Events of Default

The Trustee or, in the case of AMTNs, the AMTN Trustee, at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified, prefunded and/or secured to its satisfaction), (but in the case of the happening of any of the events described in paragraphs (b) and (f), only if the Trustee or the AMTN Trustee, as the case may be, shall have, acting upon the written request of holders of at least one-quarter in nominal amount of the Notes then outstanding or otherwise (and subject to being indemnified and/or secured and/or prefunded to its satisfaction), certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed or, in the case of AMTNs, the AMTN Trust Deed, if any of the following events (each, subject in the case of paragraphs (b) and (f) below, to the giving of such certificate, an **Event of Default**) shall occur:

(a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or

(b) if the Issuer fails to perform or observe any of its other obligations under the Conditions, the Trust Deed (in the case of Notes other than AMTNs) or (in the case of AMTNs) the AMTN Trust Deed and (except in any case where, in the opinion of the Trustee or, in the case of AMTNs, the AMTN Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder, the Trustee or the AMTN Trustee on the Issuer of notice requiring the same to be remedied; or

(c) (i) any Indebtedness for Borrowed Money (as defined below) of any Security Provider (other than Indebtedness for Borrowed Money owed by a Security Provider to another member of the Transurban Group or Indebtedness for Borrowed Money owing under a Subordinated Finance Document) becomes due and repayable prematurely by reason of an event of default (however described); (ii) any Security Provider fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment after giving effect to any originally applicable grace period; or (iii) default is made by any Security Provider in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, provided that no event falling within sub-paragraphs (i) to (iii) above shall constitute an Event of Default unless the relevant amount of the Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and other liabilities due and unpaid relative to all (if any) other events specified in sub-paragraphs (i) to (iii) above which occurred and are continuing shall amount to at least A$75,000,000 (or its equivalent in any other currency or currencies); or

(d) if any order is made by any competent court or resolution passed for the winding up or dissolution of any Security Provider, save for the purposes of reorganisation on terms previously approved in writing by the Trustee (or the AMTN Trustee in the case of AMTNs) or by an Extraordinary Resolution; or

(e) any final judgment (that is, one which has been conceded or which is either not able to be appealed or one in which an appeal may be made but the time to make an appeal has lapsed without such appeal) is enforced against any property of any Security Provider for an amount exceeding A$75,000,000 (or its equivalent in any other currency or currencies) and such judgment is not satisfied (other than by such enforcement), discharged or a stay of execution is not obtained, within 60 days; or

(f) if any of the Notes, or the Trust Deed or the AMTN Trust Deed as the case may be, is or becomes wholly or in a material part void, voidable or unenforceable or any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done by the Issuer in order to ensure that the respective obligations of the Issuer under the Notes, or the Trust Deed or the AMTN Trust Deed as the case may be, are valid, legally binding and enforceable is not taken, fulfilled or done, and in any case that situation is not remedied within 30 days following the service by the Trustee or, in the case of AMTNs, the AMTN Trustee, on the Issuer of notice requiring the same to be remedied; or

(g) if any Security Provider ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of (A) a reorganisation or (B) a voluntary amalgamation, restructuring, redomiciliation or transfer of jurisdiction of incorporation where such Security Provider is solvent, on terms previously approved (x) in writing by the Trustee or, in the case of AMTNs, the AMTN Trustee (such approval not to be unreasonably withheld or delayed, provided that any delay resulting from the Trustee or the AMTN Trustee, as the case may be, seeking the instruction of Noteholders (by way of Extraordinary Resolution or otherwise) in accordance with the terms of the Trust Deed or the AMTN Trust Deed as applicable, shall not constitute an unreasonable delay) or (y) by an Extraordinary Resolution, or a Security Provider, stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(h) if (A) proceedings are initiated against a Security Provider under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to a Security Provider in relation to the whole or a substantial part of its undertaking or assets, or an encumbrancer takes possession of the whole or a substantial part of its undertaking or assets, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of its undertaking or assets and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; or

(i) if a Security Provider initiates or consents to judicial proceedings under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors), save for the purposes of (A) a reorganisation or (B) a voluntary amalgamation, restructuring, redomiciliation or transfer of jurisdiction of incorporation where such Security Provider is solvent, on terms previously approved (x) in writing by the Trustee or, in the case of AMTNs, the AMTN Trustee (such approval not to be unreasonably withheld or delayed, provided that any delay resulting from the Trustee or the AMTN Trustee, as the case may be, seeking the instruction of Noteholders (by way of Extraordinary Resolution or otherwise) in accordance with the terms of the Trust Deed or the AMTN Trust Deed as applicable, shall not constitute an unreasonable delay) or (y) by an Extraordinary Resolution; or

(j) if all or a substantial part of the assets of a Security Provider is seized or otherwise appropriated by, or custody thereof is assumed by any Government Agency or a Security Provider is otherwise prevented from exercising normal control over all or a material part of its assets or loses any of the rights or privileges necessary to maintain its existence or to carry on its business, unless such seizure, appropriation, assumption or custody or execution will not, or is not likely to, result in a Material Adverse Effect; or

(k) a Relevant Party Event of Default occurs and is not remedied within the period specified in Clause 12.9(a) of the Security Trust Deed following notice by the Security Trustee to that Relevant Party (each as defined in the Security Trust Deed) and is not waived by the Security Trustee in accordance with the Security Trust Deed; or

(l)

(i) unless such Security is released in accordance with the terms of the Security Trust Deed, if any Security and/or the security interest created or purported to be created thereunder (a) ceases to be, or (b) is claimed by a Security Provider or any other party not to be, in full force and effect (otherwise than in accordance with such Security), and in the case of (a) only, the Security Provider is taking reasonable steps to perfect such Security or security interest but has failed to perfect such Security or security interest so within 90 days of the date that the Security Provider knew (or should reasonably have known) that such Security or security interest ceased to be in full force and effect;

(ii) the beneficiaries resolve to wind up or terminate the Transurban Finance Trust, or Finance Trust is required to wind up or terminate the Transurban Finance Trust under the Transurban Finance Trust Deed or applicable law, or the winding up or termination of the Transurban Finance Trust commences;

(iii) the Transurban Finance Trust is held or is conceded by Finance Trust not to have been constituted or to have been imperfectly constituted; or

(iv) Finance Trust ceases to be authorised under the Transurban Finance Trust Deed to hold the property of the Transurban Finance Trust in its name and to perform its obligations under any Relevant Note Document; or

(m) unless such Security is released in accordance with the terms of the Security Trust Deed, if in respect of any Security, any event, condition, regulatory action, sanction or fine occurs or is made or imposed and has, results in or causes a Material Adverse Effect on the value of the secured assets the subject of such Security; or

(n) if any event occurs which, under the laws of any relevant jurisdiction, has or may have, in the Trustee's opinion or, in the case of AMTNs, the AMTN Trustee's opinion, an analogous effect to any of the events referred to in paragraphs (c) to (m) above.

11.2 Enforcement

(a) The Trustee or, in the case of AMTNs, the AMTN Trustee, may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit (subject always to the provisions of the Security Trust Deed) to enforce the provisions of the Trust Deed or the AMTN Trust Deed as applicable, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the AMTN Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

(b) At any time in which the Securities shall become enforceable, the Trustee or, in the case of AMTNs, the AMTN Trustee, may at its discretion and without notice, instruct the Security Trustee to take such proceedings against each Security Provider as it may think fit (subject always to the provisions of the Security Trust Deed) to enforce the provisions of each Security and the Security Trust Deed, but the Trustee shall not be bound to take any such proceedings or any other action in relation to the each Security and the Security Trust Deed unless (a) the Trustee or the AMTN Trustee, as the case may be, shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

(c) No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee or the AMTN Trustee, as the case may be, having become bound so to proceed, fails to do so within a reasonable period and the failure shall be continuing.

11.3 Directions following an Event of Default

(a) Subject to the Security Trust Deed, upon receipt from the Security Trustee of a request for a direction or confirmation in respect of the taking of any enforcement action by the Security Trustee which requires a direction of the Majority Secured Creditors under the Security Trust Deed, the Trustee must:

(i) without unreasonable delay notify the Noteholders in the manner set out in Condition 15 and seek directions or instructions from each Noteholder (whether by way of convening a meeting of all Noteholders in accordance with the Noteholder Meeting Provisions or otherwise) for the purpose of ascertaining whether that Noteholder directs (or votes) in favour of or against the taking of such action;

(ii) calculate the aggregate Exposure of Noteholders directing in favour of and against the approval, consent, determination or direction in question;

(iii) notify the Security Trustee for such purposes in accordance with those directions in the manner provided in the Security Trust Deed of the aggregate Exposure of Noteholders directing in favour of and against the approval, consent, determination or direction in question; and

(iv) take any other action required to be taken or in accordance with the directions of the Noteholders (in the form of an Extraordinary Resolution or otherwise in accordance with the Trust Deed or, in the case of AMTNs, the AMTN Trust Deed).

(b) Upon receipt from the Security Trustee of a request for a direction or confirmation in respect of any matter requiring the approval, consent or a determination or a direction of all of the Senior Secured Creditors or all the Secured Creditors in respect of any matter under the Security Trust Deed, the Trustee or, in the case of AMTNs, the AMTN Trustee must:

(i) without unreasonable delay notify the Noteholders in the manner set out in Condition 15 and seek directions or instructions from each Noteholder (whether by way of convening a meeting of all Noteholders in accordance with the Noteholder Meeting Provisions or otherwise) for the purpose of ascertaining whether that Noteholder directs or instructs (or votes) in favour of or against the approval, consent, determination or direction in question;

(ii) calculate the Exposure of Noteholders directing (or voting) in favour of and against the approval, consent determination or direction in question; and

(iii) notify the Security Trustee for such purposes, in accordance with those directions, in the manner provided in the Security Trust Deed of the aggregate Exposure (as defined in the Security Trust Deed) of the Noteholders directing or voting in favour of or against the approval, consent, determination or direction in question.

11.4 Definitions

For the purposes of the Conditions:

Accession Certificate means the accession certificate dated 27 October 2011 executed by the Trustee and the Security Trustee;

AMTN Accession Certificate means the accession certificate dated 30 August 2017 executed by the AMTN Trustee and the Security Trustee;

Arrangers means J.P. Morgan Securities plc (in respect of Notes other than AMTNs only) and J.P. Morgan Australia Limited (in respect of AMTNs only) and any successor, replacement or additional arranger appointed pursuant to the Programme Agreement;

CityLink Payment Directions Agreement has the meaning given to it in the Security Trust Deed;

Corporations Act means the Corporations Act 2001 (Cth);

Exposure means, in the case of a Noteholder, the amount that would be payable to the Noteholder if the Notes held by such Noteholder were redeemed at that time (or if such Notes have been redeemed, any amount which has become due to the Noteholder but has not been paid);

Extraordinary Resolution has the meaning given to it in the Noteholder Meeting Provisions;

Finance Debt has the meaning given to it in the Security Trust Deed;

Government Agency means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity;

Holdings Trust has the meaning given to it in the Security Trust Deed;

Indebtedness for Borrowed Money means any indebtedness for money borrowed now or hereafter existing and any liabilities under any bond, note, bill, loan, stock or other security, in each case issued for cash or in respect of acceptance credit facilities or as consideration for assets or services, but excluding such liabilities incurred in relation to the acquisition of goods or services in the ordinary course of business of the person incurring such liabilities;

Majority Secured Creditors has the meaning given to it in the Security Trust Deed;

Material Adverse Effect means any thing which has a material adverse effect upon a Security Provider's ability to perform any of its material obligations under the Relevant Note Documents to which it is a party;

Noteholder Meeting Provisions means the provisions set out in Schedule 3 of the Trust Deed or the AMTN Trust Deed, as applicable;

Programme Agreement means the Amended and Restated Programme Agreement (as amended and/or supplemented and/or restated from time to time) dated 30 August 2017 and made between the Issuer, Finance Trust and the Arrangers;

Relevant Note Documents means the Trust Deed (in the case of Notes other than AMTNs), the AMTN Trust Deed (in the case of AMTNs), each Note, the Security Trust Deed and each Security;

Relevant Party has the meaning given to it in the Security Trust Deed;

Relevant Party Event of Default has the meaning given to it in the Security Trust Deed;

Secured Creditor has the meaning given to it in the Security Trust Deed;

Security has the meaning given to it in the Security Trust Deed;

Security Interest includes any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind and:

(a) anything which gives a creditor priority to other creditors with respect to any asset; and

(b) retention of title other than in the ordinary course of day-to-day trading and a deposit of money by way of security but it excludes a charge or lien arising in favour of a Government Agency by operation of statute unless there is default in payment of moneys secured by that charge or lien;

Security Provider means:

(a) the Issuer;

(b) Transurban Collateral Security Pty Ltd as trustee of the Transurban Finance Trust — City Link;

(c) Holdings Trust;

(d) THL;

(e) Transurban Limited;

(f) TIL;

(g) Transurban Collateral Security Pty Ltd (in its personal capacity); and

(h) any other security provider as defined in the Security Trust Deed;

Senior Secured Creditor has the meaning given to it in the Security Trust Deed;

Subordinated Finance Document has the meaning given to it in the Security Trust Deed;

Subscription Agreement means an agreement between the Issuer and one or more dealers for the issue by the Issuer and the subscription by those dealers of any Notes;

Subsidiary means, in relation to an entity, any company (i) in which such entity holds a majority of the voting rights or (ii) of which such entity is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which such entity is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of such entity;

Transaction Documents means each of the Trust Deed, the AMTN Trust Deed (in the case of AMTNs), each Note, the Security Trust Deed, the Accession Certificate, each Security, the Programme Agreement, the Co-ordination Deed (as defined in the Security Trust Deed), each Final Terms, each Subscription Agreement, the Agency Agreement, the Australian Agency Agreement (in the case of AMTNs), the CityLink Payment Directions Agreement and any other instrument specified as such in a Final Terms;

Transurban Finance Trust means the Transurban Finance Trust — City Link; and

Transurban Finance Trust Deed means the Transurban Finance Trust — City Link Trust Deed dated 28 June 2002 between Transurban Collateral Security Pty Ltd and Transurban Infrastructure Management Ltd as responsible entity of the THT.

12 REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent or the Registrar (as the case may be) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and the Principal Paying Agent or the Registrar (as the case may be) may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13 PAYING AGENTS

The names of the initial Paying Agents, the initial Registrar and the initial Transfer Agents and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee or, in the case of AMTNs, the AMTN Trustee, to vary or terminate the appointment of any Principal Paying Agent, Paying Agent, Registrar or Transfer Agent and/or appoint additional or other Paying Agents, Registrars or Transfer Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent, a Transfer Agent and a Registrar or, in the case of AMTNs, an Australian Agent;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent, which may be the Principal Paying Agent, a Transfer Agent and a Registrar, or in the case of AMTNs, the Australian Agent, with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(c) so long as any Notes are listed on the Singapore Exchange Securities Trading Limited (the **SGX-ST**) and the rules of the SGX-ST so require the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for definitive Notes. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.5. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15.

In acting under the Agency Agreement, the Paying Agents, the Registrar and the Transfer Agents or, in the case of AMTNs, in acting under the Australian Agency Agreement, the Australian Agent, act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee, or in the case of AMTNs, the AMTN Trustee, and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement and the Australian Agency Agreement each contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

14 EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10.

15 NOTICES

Notices required to be given to holders of Registered Notes pursuant to the Conditions will be deemed to be validly given if sent by first class mail or (if posted to an overseas address) by air mail to them (or the first named of joint holders) at their respective addresses as recorded in the Register and will be deemed to have been validly given on the third day after the date of such mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, a copy of such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Notices regarding AMTNs may also be published in a leading daily newspaper of general circulation in Australia. If so given, it is expected that such notices will be published in *The Australian Financial Review*. Any such notice will be deemed to have been given on the date of such publication.

All notices regarding the Bearer Notes required to be given pursuant to the Conditions will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in Asia. It is expected that any such publication in a newspaper will be made in the *Asian Wall Street Journal*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such mailing or publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes), the Registrar (in the case of Registered Notes) or the Australian Agent (in the case of AMTNs). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition 15.

16 MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

16.1 Trust Deed

The Trust Deed and the AMTN Trust Deed each contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Conditions, the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed or the AMTN Trust Deed, as the case may be. Such a meeting may be convened by the Issuer or (in the case of Notes other than AMTNs) the Trustee or (in the case of AMTNs) the AMTN Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Conditions, the Notes, the Receipts or the Coupons or (in the case of Notes other than AMTNs) the Trust Deed or (in the case of AMTNs) the AMTN Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons or modifying the provisions concerning the quorum required at any meeting of the Noteholders or the majority required to pass an Extraordinary Resolution), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution in writing or passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution and on all Receiptholders and Couponholders.

Each of the Trust Deed and the AMTN Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Trustee or, in the case of AMTNs, the AMTN Trustee, may agree, without the consent or sanction of the Noteholders, Receiptholders or Couponholders, at any time, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, and without prejudice to its rights in respect of any subsequent breach any of the provisions of the Notes or the Trust Deed or the AMTN Trust Deed as applicable, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee or, in the case of AMTNs, the AMTN Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification to the Transaction Documents which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee or, in the case of AMTNs, the AMTN Trustee, is proven or to comply with mandatory provisions of law. Any such waiver, authorisation or modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such waiver, authorisation or modification shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee or, in the case of AMTNs, the AMTN Trustee, shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee or, in the case of AMTNs, the AMTN Trustee, shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee, the AMTN Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 9 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed or the AMTN Trust Deed, as applicable.

The Trustee or, in the case of AMTNs, the AMTN Trustee, may (but is not obliged to), without the consent of the Noteholders, at any time, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition 16) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed or the AMTN Trust Deed, as applicable, of any entity (including, without limitation, a special purpose company), subject to (a) each Security securing the obligations of the Issuer under the Relevant Note Documents continuing to secure the obligations of the substitute entity following such substitution, (b) the Trustee, or in the case of AMTNs, the AMTN Trustee, being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed or the AMTN Trust Deed, as applicable, being complied with.

16.2 Consent to amend voting provisions in the Security Trust Deed

In the event that the Issuer pursues a process to amend the Security Trust Deed at a future time to modify certain of the voting provisions across and among various creditor groups, each holder of a Note, at such future time, shall be deemed to have consented to, and will be taken to have unconditionally and irrevocably instructed the Trustee to instruct the Security Trustee to, to make such amendments to the voting procedures under the Security Trust Deed. If and when these amendments are approved by all of the Transurban Group's other Secured Creditors, the effect of these amendments will be that (i) the Secured Creditors (or any class of them (if applicable)) under a particular finance document will vote as a block in respect of a decision under the Security Trust Deed (other than in respect of acceleration) and (ii) if a Secured Creditor fails to cast a vote on a particular decision or a representative of certain Secured Creditors (for example, the Trustee) does not provide instructions within the time period specified by the Security Trustee (of at least 15 business days), such Secured Creditors (for example, the Noteholders) will be taken, for purposes of determining whether instructions have been given from all Secured Creditors or the requisite majority of the Secured Creditors (or any class of them (if applicable)) under the relevant finance document, to have an Exposure of nil and not to be Secured Creditors.

Pursuant to the terms of the Security Trust Deed, the amendments described above will come into full force and effect only if the Security Trustee obtains unanimous instructions from all Secured Creditors to make such amendments. The holders of Notes will not be deemed to have consented to the amendments at any time that an Event of Default has occurred and is continuing under the Trust Deed or the AMTN Trust Deed.

17 INDEMNIFICATION OF THE TRUSTEE AND THE AMTN TRUSTEE AND TRUSTEE AND AMTN TRUSTEE CONTRACTING WITH THE ISSUER

Each of the Trust Deed and the AMTN Trust Deed contains provisions for the indemnification of the Trustee or the AMTN Trustee, as the case may be, and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

Each of the Trust Deed and the AMTN Trust Deed also contains provisions pursuant to which the Trustee or the AMTN Trustee, as the case may be, is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

18 FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

19 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20 GOVERNING LAW AND SUBMISSION TO JURISDICTION

20.1 Governing law

The Trust Deed, the Agency Agreement, the Notes (other than AMTNs), the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes (other than AMTNs), the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law. The AMTN Trust Deed and the AMTNs are governed by, and shall be construed in accordance with, the laws of the State of Victoria, Australia. The Australian Agency Agreement is governed by, and shall be construed in accordance with, the laws of the State of New South Wales, Australia. The Security Trust Deed and each Security are governed by, and shall be construed in accordance with, the laws of the State of Victoria, Australia.

20.2 Submission to jurisdiction

The Issuer irrevocably agrees, for the benefit of the Trustee, the Noteholders (other than the holders of AMTNs), the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes (other than AMTNs), the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes (other than AMTNs), the Receipts and/or the Coupons) and accordingly submits irrevocably to the exclusive jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum or otherwise. The Trustee, the Noteholders (other than the holders of AMTNs), the Receiptholders and the Couponholders may take any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Trust Deed, the Notes (other than AMTNs), the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes (other than AMTNs), the Receipts and the Coupons) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

The Issuer irrevocably agrees, for the benefit of the AMTN Trustee and the holders of AMTNs, that the courts of Victoria, Australia and the courts of appeal from them are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the AMTN Trust Deed and/or the AMTNs and accordingly submits irrevocably to the non-exclusive jurisdiction of the Australian courts. The Issuer waives any objection to the courts of Victoria, Australia and the courts of appeal from them on the grounds that they are an inconvenient or inappropriate forum or otherwise. The AMTN Trustee and the holders of AMTNs may take any suit, action or proceedings (together referred to as **Australian Proceedings**) arising out of or in connection with the AMTN Trust Deed and the AMTNs against the Issuer in any other court of competent jurisdiction and concurrent Australian Proceedings in any number of jurisdictions.

20.3 Appointment of Process Agent

The Issuer irrevocably and unconditionally appoints Hackwood Secretaries Limited at its registered office at One Silk Street, London EC2Y 8HQ as its agent for service of process in England in respect of any Proceedings and undertakes that, in the event of Hackwood Secretaries Limited ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee (such approval not to be unreasonably withheld) and as the Issuer may nominate in writing to the Trustee for the purpose of accepting service of process on its behalf in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

20.4 Other documents and the Security Providers

The Issuer and, where applicable, the other Security Providers have in the Trust Deed and the Agency Agreement submitted to the jurisdiction of the English and the State of Victoria, Australia courts and appointed an agent for service of process in England in terms substantially similar to those set out above. The Security Providers have in the Security Trust Deed submitted to the jurisdiction of the courts of the State of Victoria, Australia.

USE OF PROCEEDS

The Issuer will use the net proceeds from each issue of Notes in or towards the repayment of certain of its existing debt, assisting with funding its development pipeline and/or for other general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

SELECTED HISTORICAL FINANCIAL DATA

Historical financial information as at and for the years ended June 30, 2020, 2019, 2018, 2017 and 2016 has been presented in this Offering Circular.

The selected historical consolidated financial information as at and for the years ended June 30, 2020, 2019, 2018, 2017 and 2016 has been derived from the audited consolidated financial statements of THL for the years then ended, and in each case prepared in accordance with AAS and other authoritative pronouncements of the AASB and the Corporations Act and which also comply with IFRS. We prepared our financial statements for the years ended June 30, 2020, 2019, 2018, 2017 and 2016 in accordance with AASB 10 and we have restated our financial statements for the comparative period for the year ended June 30, 2018 contained in our consolidated financial statements for FY2019 and set forth below to reflect the final fair value of the purchase price allocation of the A25 which was acquired on June 5, 2018. See "*Financial information presentation—Certain restated financial information presentation*" and Note B24 to our consolidated financial statements for FY2019 for further information.

The selected financial information presented in this section "*Selected historical financial data*" should be read in conjunction with, and is qualified in its entirety by reference to, the audited consolidated financial statements of the Transurban Group and the accompanying notes for the relevant financial years.

You should read this selected historical financial information together with the sections of this Offering Circular titled "*Financial information presentation*" and "*Operating and financial review*" and our consolidated financial statements and related notes thereto.

Selected income statement data of THL

	For the year ended June 30					
	2020[1]	**2020**	**2019[2][3][4]**	**2018[5]**	**2017**	**2016**
	(U.S.$ millions)	*(A$ millions)*				
Revenue						
Toll revenue	1,730	2,510	2,643	2,249	2,083	1,870
Construction revenue	691	1,003	1,435	989	592	282
Other revenue	71	103	88	60	57	58
Total revenue	2,492	3,616	4,166	3,298	2,732	2,210
Expenses						
Employee benefits expense	(172)	(250)	(230)	(200)	(168)	(149)
Road operating costs	(267)	(388)	(373)	(326)	(335)	(309)
Construction costs	(691)	(1,003)	(1,435)	(989)	(592)	(282)
Transaction and integration costs[6]	(5)	(7)	(25)	(21)	(5)	(131)
Corporate and other expenses	(88)	(127)	(107)	(113)	(106)	(91)
Total expenses before depreciation, amortisation and finance costs	(1,223)	(1,775)	(2,170)	(1,649)	(1,206)	(962)

	For the year ended June 30					
	2020[(1)]	**2020**	**2019[(2)(3)(4)]**	**2018[(5)]**	**2017**	**2016**
	(U.S.$ millions)	*(A$ millions)*				
Earnings before depreciation and amortisation, net finance costs, equity accounted investments and income taxes...	1,269	1,841	1,996	1,649	1,526	1,248
Depreciation and amortisation expense	(817)	(1,185)	(995)	(671)	(628)	(584)
Finance income	70	102	118	97	63	46
Finance costs............................	(700)	(1,016)	(983)	(819)	(812)	(774)
Net finance costs	(630)	(914)	(865)	(722)	(749)	(728)
Share of net profits/(losses) of equity accounted investments, inclusive of impairments	(43)	(62)	(334)	33	25	17
Gain on revaluation of equity accounted investment...............	—	—	228	—	—	—
Profit/(loss) before income tax..	(221)	(320)	30	289	174	(47)
Income tax (expense)/benefit	115	167	140	179	35	69
Profit/(loss) for the year	(106)	(153)	170	468	209	22
Profit/(loss) is attributable to:						
Ordinary equity holders of the stapled group............................	(77)	(111)	171	485	239	99
Non-controlling interests..........	(29)	(42)	(1)	(17)	(30)	(77)

Notes:

(1) Australian dollars have been translated into U.S. dollars for the purposes of this presentation at the exchange rate of U.S.$0.6893 per A$1.00, the noon buying rate on June 30, 2020.

(2) Reflects the investment in WestConnex through the Sydney Transport Partners joint venture, which was included in our FY2019 financial statements as an equity accounted investment from September 27, 2018. Please see "*Financial information presentation—Changes in the composition of the Transurban Group—Investment in WestConnex through the Sydney Transport Partners joint venture*".

(3) Reflects the step up acquisition of the M5 West Motorway Concessionaire, which changed from being equity accounted to being consolidated in our FY2019 financial statements from September 18, 2018. Please see "*Financial information presentation—Changes in the composition of the Transurban Group—Acquisition of additional equity interest in M5 West Motorway Concessionaire*".

(4) Includes the financial effects of the transition to new accounting standards (AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instrument) adopted from July 1, 2018. Please see "*Financial information presentation—Effect of changes in accounting policy*" for further information regarding the change to our accounting policy for FY2019.

(5) Reflects the acquisition of the A25, which was consolidated in our FY2018 financial statements from June 5, 2018. Please see "*Financial information presentation—Changes in the composition of the Transurban Group—Acquisition of the A25*".

(6) Transaction and integration costs of A$7 million in FY2020 were attributable to the acquisition of the remaining additional interest in the M5 West Motorway and integration costs attributable to A25, costs of A$25 million in FY2019 were attributable to the acquisition of the additional interest in

the M5 West Motorway and the acquisition of WestConnex and integration costs attributable to A25, costs of A$21 million in FY2018 were attributable to the acquisition of the A25, costs of A$5 million in FY2017 were attributable to the integration of Transurban Queensland and AirportlinkM7 into the Transurban Group and costs in FY2016 were attributable to the Transurban Queensland continued acquisition of AirportlinkM7 and the integration of Transurban Queensland and consisted of A$108 million of stamp duty, A$10 million of other transaction fees and A$13 million of integration costs. Please see "*Operating and financial review—Results of operations—Comparison of the year ended June 30, 2018 to the year ended June 30, 2017—Expenses—Transaction and integration costs*".

Selected statement of financial position data of THL

	As at June 30					
	2020[1]	**2020**	**2019**	**2018[2]**	**2017**	**2016[3]**
	(U.S.$ millions)	*(A$ millions)*				
Current assets						
Cash and cash equivalents	1,619	2,349	1,630	1,130	988	834
Trade and other receivables	287	417	285	444	130	121
Derivative financial instruments	49	71	10	21	—	—
Held-to-maturity investments	—	—	—	226	157	—
Total current assets	**1,955**	**2,837**	**1,925**	**1,821**	**1,275**	**955**
Non-current assets						
Equity accounted investments	2,368	3,435	3,614	474	654	971
Financial assets at amortised costs	932	1,352	1,193	—	—	—
Held-to-maturity investments	—	—	—	806	586	369
Derivative financial instruments	343	497	293	217	82	121
Property, plant and equipment[4]	409	594	414	374	327	268
Concession financial asset	228	331	341	323	—	—
Deferred tax assets	757	1,098	1,107	1,021	1,061	1,097
Goodwill	321	466	466	466	—	—
Other intangible assets	17,880	25,940	26,604	20,938	19,330	19,259
Total non-current assets	**23,238**	**33,713**	**34,032**	**24,619**	**22,040**	**22,085**
Total assets	**25,193**	**36,550**	**35,957**	**26,440**	**23,315**	**23,040**
Liabilities						
Current liabilities						
Trade and other payables	334	485	513	516	347	410
Borrowings	1,070	1,553	959	524	880	405
Derivative financial instruments	66	96	7	11	5	17
Maintenance provision	72	104	156	149	99	94
Distribution provision	328	476	841	671	594	516
Other provisions	97	141	193	68	40	31
Construction obligation provision	529	767	831	—	—	—

	As at June 30					
	2020[(1)]	2020	2019	2018[(2)]	2017	2016[(3)]
	(U.S.$ millions)			*(A$ millions)*		
Other liabilities[(4)]	162	235	291	293	174	132
Total current liabilities	**2,658**	**3,857**	**3,791**	**2,232**	**2,139**	**1,605**
Non-current liabilities						
Borrowings	13,459	19,525	17,507	14,871	12,868	12,468
Derivative financial instruments	436	632	496	441	362	393
Deferred tax liabilities	836	1,213	1,412	990	931	981
Maintenance provision	760	1,102	1,006	914	895	836
Other provisions	5	7	6	126	93	47
Construction obligation provision	567	822	1,391	—	—	—
Other liabilities[(4)]	407	591	446	100	228	252
Total non-current liabilities	**16,470**	**23,892**	**22,264**	**17,442**	**15,377**	**14,977**
Total liabilities	**19,128**	**27,749**	**26,055**	**19,674**	**17,516**	**16,582**
Net assets	**6,065**	**8,801**	**9,902**	**6,766**	**5,799**	**6,458**
Equity						
Contributed equity	2,012	2,919	2,675	1,746	1,450	1,422
Reserves	(338)	(491)	(149)	(101)	(54)	(66)
Accumulated losses	(2,679)	(3,887)	(3,563)	(3,455)	(3,195)	(3,129)
Non-controlling interest – Stapled Group	6,433	9,333	9,791	7,401	6,289	6,808
Non-controlling interest – Other	637	927	1,148	1,175	1,309	1,423
Total equity	**6,065**	**8,801**	**9,902**	**6,766**	**5,799**	**6,458**

Notes:

(1) Australian dollars have been translated into U.S. dollars for the purposes of this presentation at the exchange rate of U.S.$0.6893 per A$1.00, the noon buying rate on June 30, 2020.

(2) The June 30, 2018 balance sheet has been restated to reflect the final fair value of the purchase price allocation balances of the A25, which was acquired on June 5, 2018. Please see "*Financial information presentation—Certain restated financial information presentation*".

(3) Reflects the acquisition of AirportlinkM7, which was consolidated in our FY2016 financial statements from April 1, 2016. Please see "*Financial information presentation—Changes in the composition of the Transurban Group—Acquisition of AirportlinkM7*". The financial statements for the year ended June 30, 2016 included disclosure of the provisional fair values of the identifiable assets and liabilities of the AirportlinkM7 concession acquired on April 1, 2016. The fair values were provisional at June 30, 2016 due to the complexity of the valuation process. Subsequent to June 30, 2016, management has made revisions to the business combination accounting which have been reflected in the financial statements as if they had been made on the date of acquisition.

(4) We adopted AASB 16 on July 1, 2019 and have presented right-of-use assets within property, plant and equipment as at June 30, 2020; the same line item that the corresponding underlying asset would be presented were it owned. We have presented lease liabilities within other liabilities as at June 30, 2020.

Selected statement of cash flows data of THL

	For the year ended June 30					
	2020(1)	2020(2)	2019(3)(4)	2018(5)	2017	2016(6)
	(U.S.$ millions)	*(A$ millions)*				
Cash flows from operating activities						
Receipts from customers	1,904	2,762	2,873	2,453	2,266	2,055
Payments to suppliers and employees	(582)	(844)	(851)	(769)	(679)	(624)
Payments for maintenance of intangible assets	(93)	(135)	(117)	(95)	(69)	(52)
Transaction and integration costs related to acquisitions	(5)	(7)	(25)	(20)	(113)	(23)
Other cash receipts	87	126	112	66	57	66
Interest received	24	35	36	33	27	31
Interest paid	(530)	(769)	(771)	(615)	(652)	(543)
Income taxes paid	(26)	(37)	(60)	-	-	-
Net cash inflow from operating activities	**779**	**1,131**	**1,197**	**1,053**	**837**	**910**
Cash flows from investing activities						
Payments for held-to-maturity investments, net of fees	—	—	—	(219)	(344)	(187)
Payments for financial assets at amortised cost	(160)	(232)	(865)	—	—	—
Repayment of financial assets at amortised cost	52	75	330	—	—	—
Payments for equity accounted investments	—	—	(3,420)	—	—	—
Capital contribution to equity accounted investment	(33)	(48)	(68)	(5)	—	—
Payments for intangible assets	(959)	(1,391)	(1,741)	(1,129)	(647)	(437)
Payments for property, plant and equipment	(123)	(178)	(133)	(131)	(131)	(78)
Distributions received from equity accounted investments	118	171	190	219	350	127
Payments for acquisition of subsidiaries and term loan notes, net of cash acquired	(1)	(1)	(65)	(846)	—	(1,869)
Net cash outflow from investing activities	**(1,106)**	**(1,604)**	**(5,772)**	**(2,111)**	**(772)**	**(2,444)**
Cash flows from financing activities						

	For the year ended June 30					
	2020[1]	2020[2]	2019[3][4]	2018[5]	2017	2016[6]
	(U.S.$ millions)	*(A$ millions)*				
Proceeds from equity issued to non-controlling interests	—	—	—	—	—	356
Proceeds from equity issues of stapled securities (net of costs)	554	804	4,743	1,867	—	1,006
Acquisition of non-controlling interest in subsidiary and term loan notes	(339)	(492)	(106)	—	—	—
Proceeds from borrowings (net of costs)	3,087	4,478	4,193	4,064	2,703	3,896
Proceeds/(Payments) made in the provision of loan facilities	22	32	215	(246)	—	—
Proceeds from loan facilities	5	7	—	—	—	—
Principal repayments of leases	(7)	(10)	—	—	—	—
Repayment of borrowings	(1,354)	(1,965)	(2,445)	(3,346)	(1,718)	(3,401)
Dividends and distributions paid to the Group's security holders	(1,099)	(1,595)	(1,357)	(1,064)	(801)	(689)
Distributions paid to non-controlling interests	(60)	(87)	(192)	(82)	(90)	(55)
Net cash inflow from financing activities	**809**	**1,172**	**5,051**	**1,193**	**94**	**1,113**
Net increase/(decrease) in cash and cash equivalents	**482**	**699**	**476**	**135**	**159**	**(421)**
Cash and cash equivalents at the beginning of the year	1,124	1,630	1,130	988	834	1,249
Effects of exchange rate changes on cash and cash equivalents	13	20	24	7	(5)	6
Cash and cash equivalents at end of the year	**1,619**	**2,349**	**1,630**	**1,130**	**988**	**834**

Notes:

(1) Australian dollars have been translated into U.S. dollars for the purposes of this presentation at the exchange rate of U.S.$0.6893 per A$1.00, the noon buying rate on June 30, 2020.

(2) Reflects the acquisition of the remaining non-controlling interest in M5 West Motorway Concessionaire, which takes Transurban Group's interest to 100%.

(3) Reflects the investment in WestConnex through the Sydney Transport Partners joint venture, which was included in our FY2019 financial statements as an equity accounted investment from September 27, 2018. Please see "*Financial information presentation—Changes in the composition of the Transurban Group—Investment in WestConnex through the Sydney Transport Partners joint venture*".

(4) Reflects the step up acquisition of the M5 West Motorway Concessionaire, which changed from being equity accounted to being consolidated in our FY2019 financial statements from September 18, 2018. Please see "*Financial information presentation—Changes in the composition of the Transurban Group—Acquisition of additional equity interest in M5 West Motorway Concessionaire*".

(5) Reflects the acquisition of the A25, which was consolidated in our FY2018 financial statements from June 5, 2018. Please see "*Financial information presentation—Changes in the composition of the Transurban Group—Acquisition of the A25*".

(6) Reflects the acquisition of AirportlinkM7, which was consolidated in our FY2016 financial statements from April 1, 2016. Please see "*Financial information presentation—Changes in the composition of the Transurban Group—Acquisition of AirportlinkM7*".

Proportional income statements

Set out below is a summary of our proportional financial information for the financial years ended June 30, 2020, 2019, 2018, 2017 and 2016. We use proportional financial information, which reflects the contribution of individual assets in proportion to our equity interest in the asset, to assess the performance of our business. This method of presentation differs from the presentation of our statutory financial statements and is reconciled to the statutory financial statements in the audited consolidated financial statements of THL. See Note B4 "*Segment information—Proportional income statement*" to the audited consolidated financial statements of THL as at and for the financial years ended June 30, 2020, 2019, 2018, 2017 and 2016. The summary proportional financial information presented below for the financial years ended June 30, 2020, 2019, 2018, 2017 and 2016 has been derived from the audited consolidated financial statements of THL.

The following table shows our ownership interest in our toll road assets (each of which is described in further detail in "*Business*") in operation during the financial years ended June 30, 2020, 2019, 2018, 2017 and 2016. Our proportional results are based on the percentage of our ownership, as set out in the table below, for the respective period.

	Year ended June 30,				
	2020	2019	2018	2017	2016
CityLink	100%	100%	100%	100%	100%
Hills M2	100%	100%	100%	100%	100%
Lane Cove Tunnel	100%	100%	100%	100%	100%
Eastern Distributor	75.1%	75.1%	75.1%	75.1%	75.1%
M5 West Motorway	100% (65.38% up to October 30, 2019)	65.38% (50% to September 17, 2018 and 58.24% up to December 2, 2018)	50%	50%	50%
Westlink M7	50%	50%	50%	50%	50%
Cross City Tunnel	100%	100%	100%	100%	100%
M4 Motorway	25.5%	25.5% (from September 27, 2018)	—	—	—
WestConnex M5	25.5%	25.5% (from September 27, 2018)	—	—	—
Logan Motorway	62.5%	62.5%	62.5%	62.5%	62.5%
Gateway Motorway	62.5%	62.5%	62.5%	62.5%	62.5%
Clem7	62.5%	62.5%	62.5%	62.5%	62.5%
Go Between Bridge	62.5%	62.5%	62.5%	62.5%	62.5%
Legacy Way	62.5%	62.5%	62.5%	62.5%	62.5%

	Year ended June 30,				
	2020	2019	2018	2017	2016
AirportlinkM7	62.5%	62.5%	62.5%	62.5%	62.5% from April 1, 2016
495 Express Lanes	100%	100%	100%	100%	100%
95 Express Lanes	100%	100%	100%	100%	100%
A25	100%	100%	100% from June 5, 2018	—	—

Proportional EBITDA is one of the primary measures that we use to assess the operating performance of our business. Our Proportional EBITDA reflects the contribution from individual assets to our operating performance and we believe that Proportional EBITDA permits a meaningful analysis of the underlying performance of our assets. Proportional EBITDA is the aggregation of EBITDA from each of our toll road assets multiplied by our percentage ownership of each toll road asset, and also includes EBITDA from our corporate function. The EBITDA calculation derived from our statutory financial statements would not include the operating performance of the non-controlled assets (being the Westlink M7, the M5 West Motorway for periods before September 18, 2018 and the M4 Motorway from September 27, 2018) as they are equity accounted in our statutory results.

We exclude specific significant items to reach an Underlying Proportional EBITDA that, we consider, provides a more appropriate and meaningful analysis of performance on a comparative basis. These items reflect one-off, non-recurring items, both revenue and expenses, that will not contribute to our performance in future periods.

Proportional income statements of THL[1]

	Year ended June 30				
	2020	2019	2018	2017[1]	2016[1]
			(A$$ millions)		
Revenue					
Proportional toll revenue[2]	2,492	2,581	2,340	2,153	1,946
Other revenue	117	93	56	51	60
Total proportional revenue	**2,609**	**2,674**	**2,396**	**2,204**	**2,006**
Underlying Proportional EBITDA[2]	1,888	2,016	1,796	1,629	1,480
Significant items	(14)[3]	(320)[4]	(21)[5]	—	(82)[6]
Proportional EBITDA	**1,874**	**1,696**	**1,775**	**1,629**	**1,398**

Notes:

(1) This table includes an intercompany elimination adjustment between the other revenue and expenses of Sydney segment and the costs of Sydney segment for FY2017 and FY2016 made in comparison to FY2018 presentation.

(2) Proportional toll revenue, Underlying Proportional EBITDA, significant items and Proportional EBITDA are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

(3) Transaction and integration costs of A$14 million in FY2020 were attributable to the acquisition of WestConnex (including share by the Sydney Transport Partners joint venture, M5 Motorway and the A25). Please see "*Operating and financial review—Results of operations—Comparison of the year ended June 30, 2018 to the year ended June 30, 2017—Expenses—Transaction and integration costs*".

(4) Transaction and integration costs of A$320 million in FY2019 were attributable to the investment in WestConnex through the Sydney Transport Partners joint venture, the step up acquisition of the M5 West Motorway Concessionaire and the continued integration of the A25. Please see "*Operating and financial review—Results of operations—Comparison of the year ended June 30, 2019 to the year ended June 30, 2018—Expenses—Transaction and integration costs*".

(5) Transaction and integration costs of A$21 million in FY2018 were attributable to the acquisition of the A25. Please see "*Operating and financial review—Results of operations—Comparison of the year ended June 30, 2018 to the year ended June 30, 2017—Expenses—Transaction and integration costs*".

(6) Transaction and integration costs were attributable to the Transurban Queensland acquisition of AirportlinkM7 and the continued integration of Transurban Queensland and in FY2016, on a proportional basis consisted of A$67 million of stamp duty, A$6 million of other transaction fees and A$9 million of integration costs.

A reconciliation of our proportional revenue and Proportional EBITDA to our revenue and EBITDA is provided below:

Reconciliation of proportional revenue and Proportional EBITDA to revenue and EBITDA

	Year ended June 30				
	2020	2019	2018	2017	2016
			(A$ millions)		
Total proportional revenue	**2,609**	**2,674**	**2,396**	**2,204**	**2,000**
Add:					
Revenue attributable to non-controlling interests	312	374	274	267	224
Construction revenue from road development activities	1,003	1,435	989	592	282
Intragroup elimination[(1)]	16	14	13	11	6
Less:					
Proportional revenue of non-100% owned equity accounted assets	(296)	(305)	(372)	(342)	(302)
Toll revenue receipts on A25 relating to concession financial asset[(2)]	(13)	(12)	(1)	—	—
Other revenue receipts on A25 relating to concession financial asset[(2)]	(15)	(14)	(1)	—	—
Revenue	**3,616**	**4,166**	**3,298**	**2,732**	**2,210**
Proportional EBITDA	**1,874**	**1,696**	**1,775**	**1,629**	**1,398**
Add:					
EBITDA attributable to non-controlling interests	230	284	193	186	106
Intragroup elimination[(1)]	3	—	—	—	—
Less:					
Proportional EBITDA (excluding significant items) of non-100% owned equity accounted assets	(245)	(253)	(317)	(289)	(256)

	Year ended June 30				
	2020	**2019**	**2018**	**2017**	**2016**
			(A$ millions)		
Significant items incurred by equity accounted assets[(3)]	7	295	—	—	—
Toll and other revenue on A25 concessional financial asset relating to repayments received from Ministry of Transport Quebec (**MTQ**)[(2)]	(28)	(26)	(2)	—	—
EBITDA	**1,841**	**1,996**	**1,649**	**1,526**	**1,248**

Notes:

(1) Statutory revenue recognised in relation to arrangements with the equity accounted investments that are eliminated for segment purposes. For statutory purposes an offsetting adjustment is recognised within the share of loss from equity accounted investments, inclusive of impairment.

(2) The Executive Committee assesses the performance of the Group using proportional results that include the A25 income streams relating to availability payments and guaranteed toll income which are classified as revenue within the proportional results. These revenues form part of the ordinary activities of the A25 asset and are reflective of its underlying performance. For statutory accounting purposes, a portion of these income streams are included in finance income with the remainder recognised as a receipt of a receivable balance.

(3) Significant items are items where their nature is sufficiently significant to the financial statements and not in the ordinary course of business. These costs are included within Proportional EBITDA for segment reporting.

THE ISSUER

Transurban Finance Company Pty Ltd (ABN 65 098 539 452), a company incorporated in Australia, is the Issuer of the Notes.

The Issuer, a wholly owned subsidiary of THL, is the Transurban Group's corporate funding vehicle. The only activities undertaken by the Issuer are the incurrence of external finance debt, the on-lending of that debt to other members of the Transurban Group and activities incidental to the foregoing.

The Issuer does not have any subsidiaries. The Issuer's Directors are Adam Watson and Henry Byrne. The Issuer's officers are its company secretaries, Fiona Last and Rebecca Liatis.

The Issuer's registered office is at Level 31, Tower Five, Collins Square, 727 Collins Street, Docklands, Victoria 3008, Australia, and the telephone number is +61 3 8656 8900.

BUSINESS

Overview

Transurban is a manager, developer and operator of urban toll road networks in Australia and North America.

We have ownership interests in the concessions for fifteen operational toll roads in the three largest cities in Australia: Sydney, Melbourne and Brisbane. We also own the concessions for two toll road assets in the Greater Washington Area in the United States, and one in Montreal, Quebec in Canada. All of our toll roads are located in urban areas catering for diverse travel needs including logistics, commuting, trade, recreation and shopping. Our Australian operations consist of wholly owned concessions for five operational toll roads (CityLink in Melbourne, Victoria, and Hills M2, Lane Cove Tunnel, Cross City Tunnel and M5 West Motorway in Sydney, New South Wales) and partly-owned concessions for ten operational toll roads (Eastern Distributor, Westlink M7, Westconnex M5 and M4 Motorway in Sydney, New South Wales, and Gateway Motorway, Logan Motorway, Clem7, Go Between Bridge, Legacy Way and AirportlinkM7 in Brisbane, Queensland). Our United States operations consist of wholly owned concessions for two operational toll roads in the Washington, D.C. area: the 495 Express Lanes, which operate adjacent to a section of I-495, the major route circling Washington, D.C., and the 95 Express Lanes, which operate adjacent to a section of I-95 and were extended in November 2019 to include the 395 Express Lanes. I-95 intersects with and connects to I-495 and is a major thoroughfare into Washington, D.C. Our Canadian operations consist of a wholly owned concession for one operational toll road in Quebec: the A25 in Montreal.

In addition to our currently operational toll roads, we have five major projects in delivery, including the West Gate Tunnel project in Melbourne, two projects comprising the WestConnex project (including the Rozelle Interchange which is being funded and delivered by Transport for NSW but will be handed over to us upon completion), as well as the NorthConnex project in Sydney, and the Fredericksburg Extension project in the Greater Washington Area. We have also commenced the process to appoint a design-build team for the 495 Northern Extension project in the Greater Washington Area and are actively pursuing a number of other expansion opportunities. See "*Business—Toll roads—North American assets—North American development opportunities*", *"Business—Toll roads—Australian assets—Sydney Network—Sydney Network development opportunities"* and *"Business—Toll roads—Australian assets—Brisbane Network—Brisbane Network development opportunities*" for more information.

Our diversified portfolio consists of high-quality toll roads with long-dated concession lives that are integral pieces of transport infrastructure within the urban areas that they service. Prior to the COVID-19 pandemic, our established assets had a history of strong cash flows and revenue growth and attractive EBITDA margins. Our Australian toll roads connect with either other toll roads in our portfolio of assets or major public roads to form the main integrated traffic network for that urban and surrounding area.

We operate each of our toll roads under a Concession Agreement with a government entity. The Concession Agreement is the principal contract governing the terms under which we construct (as applicable), manage, operate, maintain and collect tolls on the relevant toll road during the concession term. Our Concession Agreements are long-dated with a weighted average concession life (based on Proportional toll revenue which is calculated as the sum of the Proportional toll revenue of each asset as a percentage of total Proportional toll revenue multiplied by the number of years remaining in the relevant concession) across our portfolio of assets of 28.8 years at June 30, 2020. For our Australian concession assets, other than for the M5 West Motorway (the Concession Agreement for which expires in 6.4 years as at June 30, 2020, at which time it becomes part of the M5 WestConnex Concession in which we will have a 25.5% interest), the remaining terms range between 15.5 and 45.0 years as at June 30, 2020. The remaining term for each of our United States Concession Agreements is 67.5 years as at June 30, 2020. The remaining term for our Concession Agreement for the A25 in Montreal is 22.2 years as at June 30, 2020.

All of our Australian Concession Agreements have in-built toll price uplift mechanisms. These price increase mechanisms are generally linked to a specified consumer price index and provide guaranteed pricing floors for the majority of our Australian toll roads. There are no pricing restrictions on the 95 Express Lanes or the 495 Express Lanes, where the toll prices are changed dynamically to manage traffic demand and flow on our tolled lanes. Our Canadian asset, the A25 in Montreal, has inflation linked pricing that escalates annually in relation to the Canadian consumer price index. In addition, the A25 tolls can also increase incrementally as traffic volumes exceed peak and off-peak thresholds. Upon the expiry of each Concession Agreement, we are required to transfer the toll road assets and infrastructure of the toll road to the relevant government entity in a good state of repair.

In FY2020, our Proportional toll revenue was A$2,492 million, Proportional EBITDA was A$1,874 million and Underlying Proportional EBITDA was A$1,888 million.

The following tables list the concessions for the operational toll roads in which we hold an interest as of June 30, 2020:

Australian Toll Road Concessions

Melbourne

Asset	**Opening Date**	**Years to Expiry (as of June 30, 2020)**	**Length**	**Group Interest**	**% of FY2020 Proportional toll revenue[1] [2]**	**FY2020 Proportional toll revenue**
						(A$ million)[1]
CityLink..	August 1999[3]	24.5[4]	14 miles (22 km)	100%	30.0%	747

Notes:

(1) Proportional toll revenue is a non-GAAP financial measure. See "*Financial information presentation—Non-GAAP measures*" for further information.

(2) FY2020 Group Proportional toll revenue includes A$4 million of toll revenue from our retail tolling business in Sydney.

(3) The Western Link section of CityLink opened to traffic in 1999. Tolling commenced and the tunnels opened in 2000.

(4) As part of the West Gate Tunnel project, we and the Victorian Government agreed to a ten-year extension to the CityLink concession and certain other amendments to the CityLink Concession Agreement. See "R*isk factors—Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme—We may be affected by the existence and development of, or changes to, competing roads, feeder roads and other means of transportation*" and "*Risk factors—Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme—The loss of a toll road asset for non-performance or default under a Concession Agreement, or as a result of government action, could materially affect us*".

Sydney

Asset	Opening Date	Years to Expiry (as of June 30, 2020)	Length	Group Interest	% of FY2020 Proportional toll revenue[(1)] [(2)]	FY2020 Proportional toll revenue
						(A$ million)[(1)]
Hills M2	May 1997	28.0	13 miles (21 km)	100%	11.2%	280
Lane Cove Tunnel	March 2007	28.0	2.4 miles (3.8 km)	100%	3.5%	88
Cross City Tunnel	August 2005	15.5	1.3 miles (2.1 km)	100%	2.6%	66
Eastern Distributor	December 1999	28.1	4 miles (6 km)	75.1%	4.2%	104
Westlink M7	December 2005	28.0[(3)]	25 miles (40 km)	50%	8.2%	205
M5 West Motorway	August 1992	40.5[(4)]	14 miles (22 km)	100%[(5)]	10.2%	254
M4 Motorway[(6)]	July 2019[(7)]	40.5	8.7 miles (14 km)	25.5%	2.8%	71
WestConnex M5[(8)]	July 2020[(9)]	40.5	13 miles (21 km)	25.5%	—	—

Notes:

(1) Proportional toll revenue is a non-GAAP financial measure. See "*Financial information presentation—Non-GAAP measures*" for further information.

(2) FY2020 Group Proportional toll revenue includes A$4 million of toll revenue from our retail tolling business in Sydney.

(3) Years to expiry includes any extension of the term subject to the successful completion of the relevant toll road project and/or other conditions set forth in the Concession Agreement.

(4) The M5 West Motorway forms part of the M5 WestConnex Concession from December 2026 when the existing M5 West Motorway Concession expires, through to December 2060.

(5) We acquired the remaining minority interests in the M5 West Motorway on October 30, 2019. When the existing M5 West Motorway Concession expires and the M5 West Motorway forms part of the M5 WestConnex Concession from December 2026, the Group interest will revert to 25.5%.

(6) Includes both the M4 West Motorway and the New M4 Tunnels following the completion of Stages 1A and 1B of the WestConnex project with both the M4 West Motorway and the New M4 Tunnels comprising the M4 WestConnex Concession.

(7) Date when the New M4 Tunnels opened to traffic following the completion of Stage 1B of the WestConnex project, resulting in the completion of the construction of the M4 Motorway.

(8) Includes both the M8 Motorway (formerly known as the New M5) and the M5 East Motorway, which together form the M5 WestConnex Concession.

(9) Date when the M8 Motorway opened to traffic and tolling commenced on the M5 East Motorway.

Brisbane

Asset	Opening Date	Years to Expiry (as of June 30, 2020)	Length	Group Interest	% of FY2020 Proportional toll revenue[(1)(2)]	FY2020 Proportional toll revenue
						(A$ million)[(1)]
Gateway Motorway	December 1986	31.5	14.4 miles (23.1 km)	62.5%	5.6%	139
Logan Motorway	December 1988	31.5	24.5 miles (39.5 km)	62.5%	4.9%	123
AirportlinkM7	July 2012	33.1	4.2 miles (6.7 km)	62.5%	2.8%	69
Clem7	March 2010	31.1	4.2 miles (6.8 km)	62.5%	1.2%	31
Legacy Way	June 2015	45.0	3.5 miles (5.7 km)	62.5%	1.0%	25
Go Between Bridge	July 2010	43.5	0.2 miles (0.3 km)	62.5%	0.3%	7

Notes:

(1) Proportional toll revenue is a non-GAAP financial measure. See "*Financial information presentation—Non-GAAP measures*" for further information.

(2) FY2020 Group Proportional toll revenue includes A$4 million of toll revenue from our retail tolling business in Sydney.

Greater Washington Area Toll Road Concessions

Greater Washington Area

Asset	Opening Date	Years to Expiry (as of June 30, 2020)	Length	Group Interest	% of FY2020 Proportional toll revenue[(1)(2)]	FY2020 Proportional toll revenue
						(A$ million)[(1)]
495 Express Lanes	November 2012	67.5	13.7 miles (22 km)	100%	3.6%	89
95 Express Lanes	December 2014	67.5	39 miles (62.7 km)[(3)]	100%	5.1%	126

Notes:

(1) Proportional toll revenue is a non-GAAP financial measure. See "*Financial information presentation—Non-GAAP measures*" for further information.

(2) FY2020 Group Proportional toll revenue includes A$4 million of toll revenue from our retail tolling business in Sydney.

(3) 95 Express Lanes concession includes the 395 Express Lanes project (construction was completed in November 2019), which extended the length of the 95 Express Lanes by approximately 8 miles (12.9 km) and will include the Fredericksburg Extension (currently under construction). Data relates to operational lanes only.

Montreal Toll Road Concession

Montreal

Asset	Opening Date	Years to Expiry (as of June 30, 2020)	Length	Group Interest	% of FY2020 Proportional toll revenue(1)(2)	FY2020 Proportional toll revenue
						(A$ million)(1)
A25	May 2011	22.2	4.5 miles (7.2 km)(3)	100%	2.6%	64

Notes:

(1) Proportional toll revenue is a non-GAAP financial measure. See "*Financial information presentation—Non-GAAP measures*" for further information.

(2) FY2020 Group Proportional toll revenue includes A$4 million of toll revenue from our retail tolling business in Sydney.

(3) The A25 consists of a 1.2km, 6-lane bridge over the Rivière des Prairies, and a total of 6.0km of 4-lane roadway on either side of the bridge.

We provide management and business support services to all of the toll roads in which we have an equity interest, other than Westlink M7. Westlink M7 has a separate management team (which is governed by a board of directors in which we have a 50% voting interest as at June 30, 2020). We provide management and business support services to WestConnex, at the direction of the WestConnex Board of Directors, under a Master Services Agreement.

All of our assets utilise full electronic tolling. We provide tolling services for all of our Australian assets. Our retail tolling brand Linkt is now active across all three of our Australian markets. In the United States, we provide certain tolling services in conjunction with VDOT under the brand E-ZPass. Customers who travel on the A25 can pay tolls using a transponder issued by the A25 Concessionaire or by video tolling, with tolls either debited automatically from customer accounts or paid for by customers after receipt of a statement within 30 days after travel.

We have arrangements with other toll road operators and government agencies that enable their customers to use that road operator's or government agency's electronic tolling device, such as an electronic tag or a transponder, on our toll roads.

We are listed on the ASX under the trading symbol "TCL.AX". As at August 31, 2020, we had a market capitalisation of approximately A$36.8 billion (U.S.$27.0 billion based on the noon buying rate at August 28, 2020 which was A$1.00 = U.S.$0.7352), making us the 12th largest company of the ASX. Our senior secured debt is rated Baa1 by Moody's with a stable outlook and BBB+ by S&P and A- by Fitch, each with a negative outlook. See also "*Risk factors—Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme—We are exposed to risks associated with our financing arrangements and financial transactions, including sourcing new financing and credit exposures on transactions with financial counterparties*" for more information on recent adverse changes in our ratings outlook.

Recent Developments

Opening of the WestConnex M5 in Sydney

On July 5, 2020 the M5 East Motorway and the M8 Motorway were opened and tolling commenced.

The M5 East Motorway and the M8 Motorway together comprise the M5 WestConnex Concession in which we own a 25.5% interest. The M5 East Motorway is a 6.2 mile (10 km) motorway with two lanes in each direction between King Georges Road and General Holmes Drive. This includes 2.8 miles (4.5 km) of tunnel from the M5 West at Kingsgrove, connecting to the M1 on the southern side of Sydney Airport and 3.4 miles (5.5 km) of associated surface road. The M5 East Motorway opened in December 2001 and was not initially subject to tolling. Tolling in both directions commenced on July 5, 2020 upon the opening of the M8 Motorway.

The M8 Motorway is a 6.8 mile (11 km) motorway between Kingsgrove and the new St Peters Interchange, which was constructed as part of Stage 2 of the WestConnex project. The motorway includes a 5.6 mile (9 km) tunnel and is currently marked as two lanes in each direction but built to accommodate three lanes in each direction from Kingsgrove to Arncliffe and five lanes in each direction from Arncliffe to St Peters Interchange when required. Construction commenced in July 2016 and the motorway opened to traffic in July 2020. The M8 Motorway includes connections to M4-M5 Link (Stage 3A of WestConnex) and the proposed Sydney Gateway which will connect to Sydney Airport and the proposed M6 Extension connecting to southern Sydney.

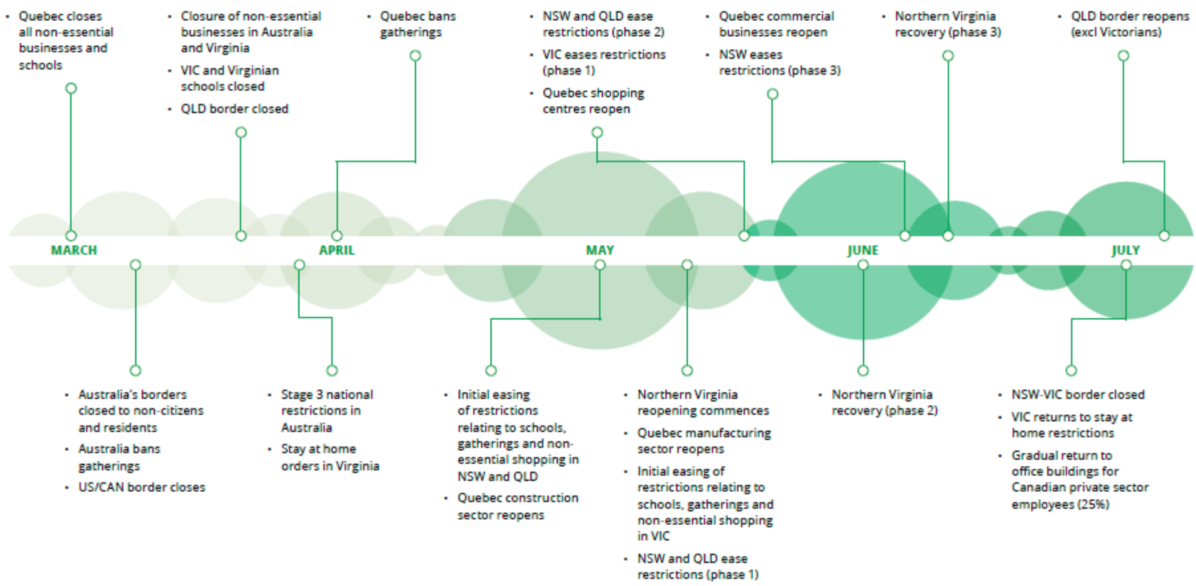
Together the M5 East Motorway and the M8 Motorway serve as the major freight route between Port Botany and key distribution areas along the M5 corridor.

COVID-19

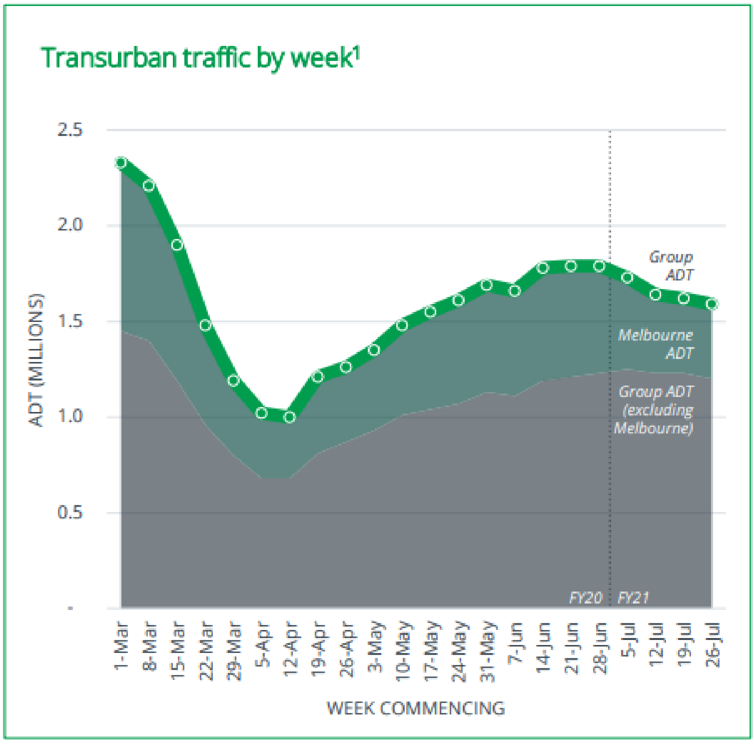
Our business and operations, and those of our suppliers and contractors, as well as our customers, have been and will continue to be adversely affected by the COVID-19 pandemic. See "*Risk factors—Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme—Our business and operations, and those of our suppliers and contractors, have been, and will likely continue to be, adversely affected by the COVID-19 pandemic*".

The impacts of COVID-19 have been felt across our operations. The outbreak of COVID-19 in Australia and North America has resulted in relevant federal, state and local governments implementing a number of measures and recommendations, including significant restrictions on movement and activity to slow or stop its spread. These have included restrictions on travel and transportation and prolonged closures of workplaces, businesses and schools which have had an adverse effect on our toll revenues since March 2020.

The following chart sets forth a timeline of government restrictions in the markets in which we operate from March to July 2020.



The government restrictions resulted in a decrease in our ADT from early March 2020 as illustrated in the chart below. Our traffic volumes subsequently improved from mid-April 2020 as restrictions eased. Peak adverse impacts across our Australian markets were relatively short in duration. However, renewed government restrictions in Victoria, and particularly Melbourne, are contributing to decreased traffic. Recovery in traffic volumes on our assets in the Greater Washington Area continues at a slower rate than our Australian assets, reflecting the prolonged government travel restrictions in the area and the nature of these assets. In addition, tolls on the A25 were suspended from March 25, 2020 to May 24, 2020, with compensation agreed with the Ministry of Transport Quebec.



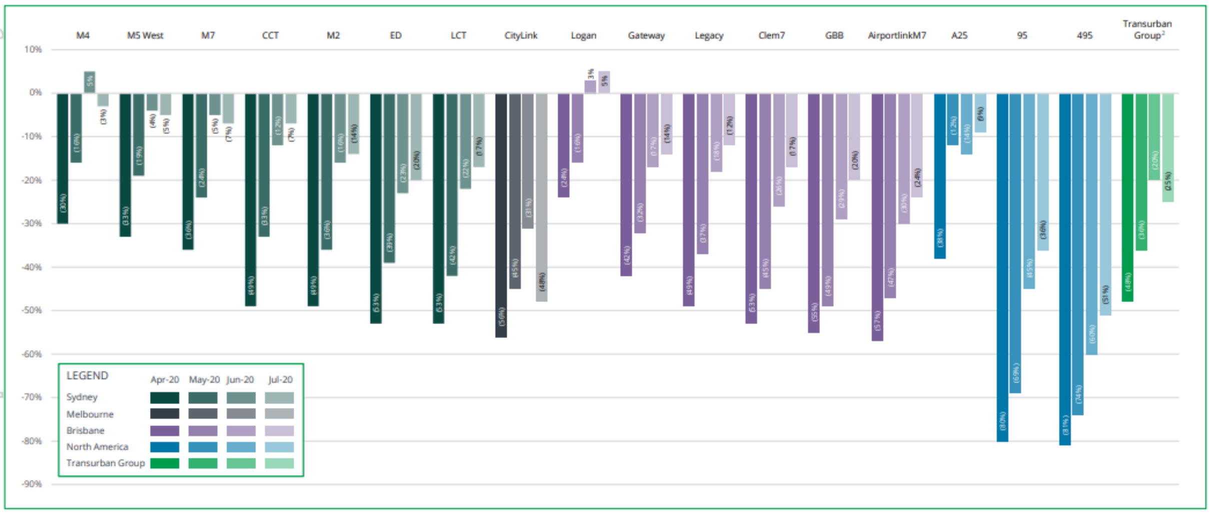
Note:

(1) Data from July 1, 2020 is provisional management data that is subject to change. The data excludes the WestConnex M5 which opened/commenced tolling on July 5, 2020.

We expect that traffic volumes will remain sensitive to future government responses to the COVID-19 pandemic and overall economic conditions in Australia and North America. ADT across the Group decreased by 48% for the month of April 2020 (relative to April 2019) before recovering to a 20% decrease in June 2020 (relative to June 2019) as some restrictions were eased across our markets. Provisional management data indicates that ADT in July 2020 decreased 25% relative to ADT in July 2019 (excluding the recently opened WestConnex M5) following renewed government restrictions in Victoria imposed in July 2020. Since that time, further restrictions have been introduced in Victoria, including an evening curfew and further limitations on movement which have had a material adverse impact on our August 2020 traffic volumes. The following chart illustrates our relative monthly traffic performance by asset from April to July 2020 compared to the corresponding period in 2019.

MONTHLY TRAFFIC PERFORMANCE BY ASSET[1]

Transurban



1. July 2020 data is provisional management data that is subject to change. Average daily traffic (ADT) % change is to prior corresponding period in 2019.
2. Excludes M8/M5 East which opened/commenced tolling on 5 July 2020.

As at the date of this Offering Circular, governments in a number of the locations in which our assets are located continue to impose restrictions on local and/or interstate and international travel and/or encourage citizens to remain at home where possible. As a result, we expect that our traffic volumes will continue to be adversely affected. The course of the COVID-19 pandemic is unpredictable, and while we expect restrictions to ease as the spread of the virus is contained, there may be further outbreaks that lead to the re-imposition of restrictions in any of the places we operate our assets. In addition, we cannot assure you that the pandemic will not result in longer term changes to traffic patterns and volumes that are unfavourable to our business compared to pre-pandemic conditions.

We are closely monitoring customer views on transport and mobility given COVID-19, and our ongoing strategic planning and traffic modelling incorporates our research and insights into long-term mobility and technology trends. In further response to COVID-19, we have expanded customer support and community initiatives such as the extension of our toll credit programme and other hardship programmes, including Linkt Assist in Australia and First Time Forgiveness in North America. We have also continued to engage with industry and governments on a pipeline of potential infrastructure projects to support the economy and drive growth, and maintained our workforce and our people's wellbeing and productivity, including by providing operational support and flexibility.

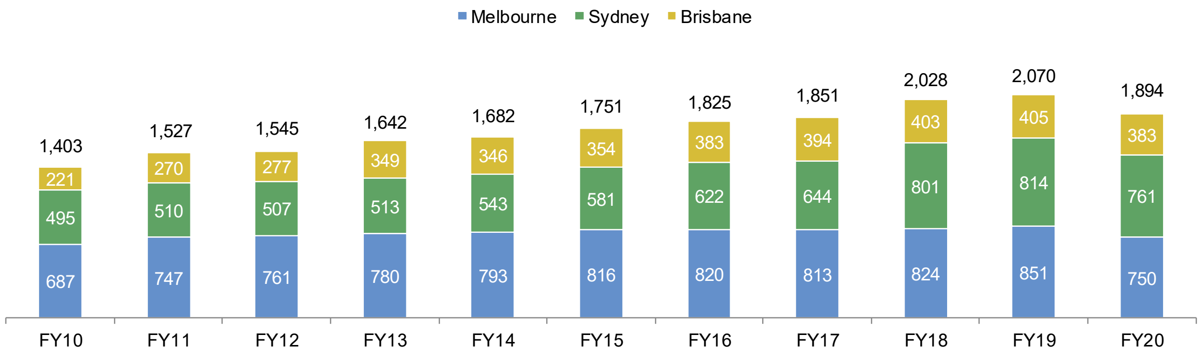
Traffic performance

Traffic volume (together with toll prices) is a key driver of our earnings from our operating assets. Traffic volume increases occur organically (as traffic volumes are partially correlated with population and local GDP, among other factors) and as a result of area-specific growth and development. Traffic volumes on our roads have also increased following the completion of asset enhancement projects, such as road widening projects, that have increased capacity. Traffic volumes on the toll roads in our portfolio of assets have generally demonstrated strong resilience since they have opened, reflecting their strategic positioning. However, the COVID-19 pandemic has significantly affected traffic volumes across our network, resulting in lower toll revenue. See "*—COVID-19*" and "*Risk factors—Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme—Our business and operations, and those of our suppliers and contractors, have been, and will likely continue to be, adversely affected by the COVID-19 pandemic*".

In Australia, ADT on our toll roads was 1.89 million in FY2020, representing a decrease of 8.5% from 2.07 million in FY2019. In FY2020, our Melbourne Network ADT declined 11.9%, while our Sydney Network ADT declined 6.5% and our Brisbane Network ADT declined 5.3%, in each case as compared to ADT in FY2019.

The charts below include ADT for each of the assets we currently own, including, in the case of assets that we acquired since June 30, 2009 that were already operating, traffic data for the period prior to our ownership.

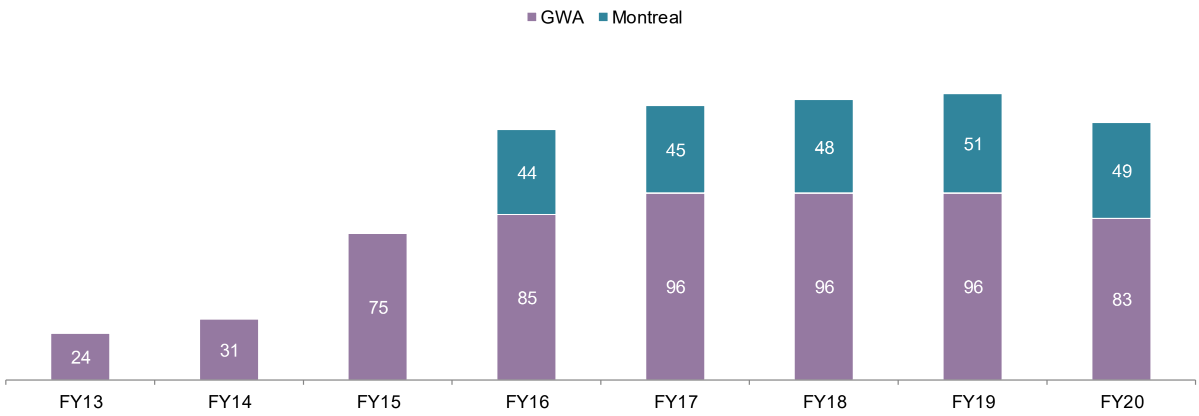
Average daily traffic of Melbourne Network, Sydney Network and Brisbane Network (000's)



In the United States, our Greater Washington Area Network ADT was 83,049 in FY2020, representing a decrease of 13.8% from 96,345 in FY2019.

In Montreal, the A25 ADT was 49,081 in FY2020, representing a decrease of 3.5% from 50,886 in FY2019.

Average daily traffic of Greater Washington Area Network and Montreal Network (000's)



History of Transurban

We have a 21-year operational track record, dating back to the opening of CityLink in Melbourne in 1999. We established operations in Sydney in 2003 and in the Greater Washington Area in the United States in 2006. We have been expanding our networks in each of these markets through a combination of development projects to expand the capacity of existing toll roads and acquisitions of new toll roads. In 2014, we entered the Brisbane market with the acquisition of an established network of toll roads through our acquisition of Queensland Motorways Group. We entered the Canadian market in 2018 with the acquisition of the A25 in Montreal.

Competitive strengths

Diversified portfolio of high-quality toll road networks

We are the largest publicly listed toll road operator in Australia, with ownership interests in fifteen operational urban toll road assets in the three largest Australian cities: Sydney, Melbourne and Brisbane. We also own two toll road assets in the Greater Washington Area in the United States, and one toll road asset in Montreal, Canada. Since the opening of CityLink in Melbourne in 1999, we have sought to expand our business footprint to create toll road networks in the cities where we operate.

Our Australian toll roads are located in urban areas servicing high-density population centers that exhibit attractive demographic characteristics relating to income, employment and population growth. These assets provide key commuter and freight transportation links in each of the urban areas in which they are located. Our toll roads in the Greater Washington Area are located in one of the most congested road networks in the United States and attract traffic from high-income catchment areas around Washington, D.C. Our Canadian toll road, the A25, is located in the Montreal metropolitan area which has experienced stable and consistent population growth, is part of a developed economy with a skilled workforce and steadily increasing employment boosted by the technology sector, and has a relatively low cost of living. We believe that the location and nature of our toll roads have led to their history of traffic and revenue growth.

Our network position in each of the cities in which we operate provides us with the scope to enhance our portfolio of assets by allowing us to consider development and upgrade initiatives involving multiple assets in areas, including technology deployment, operations and maintenance activities and in developing proposals for new projects. We actively manage our toll road networks so that they operate safely, effectively and efficiently. To support this, we have a dedicated in-house team of transport network planners and traffic modelling experts responsible for developing network models for each of the cities in which we operate. This capability also enables us to assess how improvements to a specific road or surrounding road network would affect traffic and revenue, and therefore, to better plan for the network and its operation and to identify development opportunities. Our assets provide us flexibility in negotiating with governments. This enables us to agree to undertake new developments in return for toll increases and concession extensions on other roads in the network.

The scale of our operations and our toll road network also allow us to efficiently deliver new tolling technology, maintenance activities and customer management activities. We employ teams of engineers to oversee the operation and maintenance of our roads, with a focus on the safe and efficient performance of these assets over their lifetime. We undertake a wide range of activities, from maintenance of all aspects of the road infrastructure and technology systems, to incident management and traffic operations in the operations centers that monitor each of the toll roads.

Long-term Concession Agreements with embedded inflation protection

Our toll road concessions in Australia and North America are long-dated, with a weighted average concession life (based on Proportional toll revenue) across our portfolio of assets of 28.8 years as at June 30, 2020. Adjustments to extend the concession life and increase the toll price under our Concession Agreements have been central to our negotiations with our government partners to undertake further developments on our networks. For example, in addition to delivering increased capacity, our CityLink-Tulla widening project resulted in CityLink's Concession Agreement being extended by one year, as well as amended to include one year of additional toll escalation and to increase truck tolls to be consistent with other Australian motorway networks.

Our Australian Concession Agreements, which generated 88.8% of our Proportional toll revenue in FY2020, have toll price mechanisms that are subject to inflation-based escalation clauses. These escalation mechanisms provide inflation protection for tolling revenues for the terms of the Concession Agreements and do not require government approval. In many instances, the Concession Agreements also set out a minimum amount by which the relevant toll prices can periodically escalate. In the United States, there are no pricing restrictions on the 95 Express Lanes or the 495 Express Lanes, where the toll prices are uncapped and changed dynamically to manage traffic demand and speed on our tolled lanes. Our Canadian asset, the A25 in Montreal, has inflation linked pricing that escalates annually in relation to the Canadian consumer price index. In addition, the A25 tolls can also increase incrementally as traffic volumes exceed peak and off-peak thresholds.

Experienced and trusted government partner

We have significant experience in working closely with various branches of governments to provide effective transport solutions that support the growth and development of the cities in which we operate. Since our establishment in 1995, we have delivered many successful projects under a Public Private Partnership model, including CityLink in Melbourne, Westlink M7 in Sydney, and 495 Express Lanes and 95 Express Lanes in the Greater Washington Area. We believe that our active engagement with our government partners, whereby we focus on safe and efficient operations and development opportunities to support the provision of a functional road network for local communities, positions us as a partner of choice for governments.

This has also enabled us to initiate and negotiate a number of projects with governments directly. For example:

- on January 29, 2019, we announced that we had agreed with VDOT to pursue an approximately 2 mile (3.2 km) extension to the 495 Express Lanes from its current northern terminus to the George Washington Memorial Parkway near the Maryland border at the Potomac River crossing. We have worked collaboratively with VDOT to advance the design and environmental processes for the project and we launched a design-build procurement process in FY2020. We expect to reach financial close during calendar year 2021. Construction activities are expected to commence in calendar year 2021 with an anticipated service commencement in 2024/2025;

- we reached an agreement in December 2017 with the Victorian Government to build, toll and operate the West Gate Tunnel project, which comprises two additional traffic lanes in each direction on the West Gate Freeway from the M80 Interchange to Williamstown Road, a tunnel and elevated motorway to connect the West Gate Freeway with the Port of Melbourne, CityLink and the Melbourne CBD, providing an alternate river crossing and easing pressure on the West Gate Bridge. See "*Business—Toll roads—Australian assets—Melbourne Network—Melbourne Network developments—West Gate Tunnel project*" for more information;

- on April 3, 2017, we entered into an agreement with Brisbane City Council under the government's innovative proposal regime for the delivery of a road upgrade and for the operation and routine maintenance of the Inner City Bypass. See "*Business—Toll roads—Australian assets—Brisbane Network—Brisbane Network developments—Inner City Bypass upgrade project*" for more information;

- in November 2015, we announced an agreement with VDOT on a development framework to progress the 395 Express Lanes project, an extension to the 95 Express Lanes. On June 8, 2017, we entered into an amendment to the existing Concession Agreement between 95 Express Lanes LLC and VDOT to allow for the design, development, construction, finance, and operation of the project. This project was completed in November 2019. See "*Business—Toll Roads—North American assets*" for more information; and

- on October 28, 2015, the Queensland Government announced that it would progress our proposal to deliver upgrades on the Logan Motorway and Gateway Motorway. On November 23, 2016, we announced that the Queensland Government had approved our proposal to deliver the A$512 million project. The detailed design was completed in 2017 and construction was completed in August 2019. See "*Business—Toll roads—Australian assets—Brisbane Network—Brisbane Network developments—Logan Enhancement project*" for more information.

Proven technology platform

We believe that we provide leading tolling and operational technology to optimise our customers' experience, ensure appropriate customer management and revenue capture, maintain an efficient operation of our toll road networks and maximise our customers' safety.

We continue to develop our technology and data analytics capability to advance our transport network management and road user interfaces. We also evaluate the application of emerging technology where it may be able to enhance our transport network and customer experience and help to minimise disruption on our networks.

Track record of successfully completing development projects

In line with our strategy, we actively seek to develop projects that establish and enhance our network, including opportunities to relieve existing traffic congestion through greenfield development and/or enhancement of our toll road networks. Our in-house team of transport network planners and traffic modelling experts is a key part of our ability to identify such development opportunities. We are then able to progress these proposals with the relevant government entities. For example, we have utilised this strategy and process on the M5 West Motorway widening project, the NorthConnex project, the CityLink-Tulla widening project, the Logan Enhancement project and the West Gate Tunnel project.

We have successfully undertaken a number of major projects in recent years, including the CityLink-Tulla widening project, the Inner City Bypass project, the Logan Enhancement project, the Gateway Upgrade North project, the 395 Express Lanes project and the completion of the M4 and M8 Motorways as part of the WestConnex project. We outsource construction to experienced and reputable contractors on such projects and seek to ensure that project risks sit with the party most appropriate to bear that risk. We also have our own in-house project delivery personnel that we supplement with external specialists to manage and provide oversight of each phase of project development and delivery and ensure that appropriate construction management systems and controls are in place.

Strong financial management with a highly experienced management team

We believe we conduct our operations within a strong financial framework underpinned by prudent financial risk management. We have undertaken a number of financing initiatives to assist us in achieving our business goals while maintaining a prudent approach to our financial position, including our strong investment grade credit metrics. In financing our operations and growth opportunities, we have taken a balanced approach to debt and equity in our funding mix. For example, in January 2018, we completed a A$1.9 billion entitlement offer to contribute to funding our share of the West Gate Tunnel project, and for general corporate purposes. In September 2018, we completed a A$4.8 billion placement and entitlement offer to fund our equity contribution to the Sydney Transport Partners joint venture's 51% acquisition of WestConnex, and for general corporate purposes. In addition, in August 2019 and September 2019, respectively, we completed a A$500 million placement and a A$312 million security purchase plan issuance to fund the acquisition of the remaining 34.62% interest in the M5 West Motorway, and for general corporate purposes. We have also used equity to support our balance sheet for the acquisition of Transurban Queensland, AirportlinkM7 and Lane Cove Tunnel, as well as broader capital funding requirements for growth projects, including the upgrades of the Hills M2 and M5 West Motorways. We also currently utilise a non-underwritten dividend reinvestment program.

To manage our refinancing risk profile, we have extended our debt maturities at the corporate level from a weighted average of 3.9 years as at June 30, 2014 to 6.7 years as at June 30, 2020. We continue to diversify our debt funding sources across the Group, particularly in the debt capital markets, and have accessed the Australian, Euro, United States, Asian, Canadian, Norwegian and Swiss debt capital markets. Our senior secured debt is rated Baa1 by Moody's with a stable outlook and BBB+ by S&P and A- by Fitch, each with a negative outlook.

We have a highly experienced leadership team and we have structured our operations to ensure the business is appropriately resourced and supported by our senior executive team. The business is supported by approximately 1,616 employees, as at June 30, 2020.

Business strategy

Our purpose is to strengthen communities through transport

Our target markets are urban areas in the Eastern seaboard of Australia and North America. Our value proposition is to be the market leader in the sector, owning high-quality toll roads that can be integrated or developed into essential road networks that support urban infrastructure. We achieve this through our focus on being a trusted partner to our government clients, communities, customers, suppliers, investors and people. We are attracted to toll road networks with long-dated Concession Agreements that deliver consistent and predictable cash flows over their lifetimes. Our organic growth is derived from traffic growth and toll escalation, with our strong EBITDA margins underpinned by our ability to provide efficient services at scale across our portfolio of assets.

Stakeholder engagement

We are committed to being the trusted road infrastructure partner for communities, customers, governments, investors and people. To achieve this, we seek to provide effective transportation and funding solutions to support the growth, development and funding of new road developments that are complementary to our existing toll road networks. We do this through active management of our existing toll road networks, by engaging in the transportation policy debate in each jurisdiction in which we operate, and by seeking to provide communities, customers and governments with solutions that relieve traffic congestion while providing an attractive and safe employment environment for top talent.

Active engagement with our community stakeholders

Our business strategy is centered upon the provision of effective transport solutions that strengthen the communities that we serve. We interact with and survey the local community with respect to potential new projects and utilise our websites as portals for stakeholder engagement.

Optimal networks

Our focus is to provide road infrastructure in major urban areas that is essential to commuting and freight traffic. We believe that urban networks deliver resilient traffic volumes over time. We also believe that the major urban areas in which we operate will continue to require expanded road infrastructure over time, which as an existing provider of toll roads, we are well-positioned to develop. We actively seek to establish and enhance our road networks by relieving existing traffic congestion through effective network planning and forecasting, selective brownfield development and enhancement of our toll road networks. We continuously seek to unlock additional value through the ongoing development of our portfolio of toll roads through further investment in our assets and network development in our focus markets.

Pursue brownfield development and enhancements of our existing toll roads

We focus on developing our existing toll road assets and have a successful track record of expanding our portfolio of assets through brownfield developments. In the past, we have been able to negotiate extensions to the expiration date of our toll road Concession Agreements and, in some instances, modifications to the tolling regimes in return for the investment we have made in greenfield and brownfield developments. We seek to balance near term value (such as toll increases) with long-term value sources (such as concession extensions).

Operations

Focus on safety

Safety is our top priority and we have a range of measures in place to support the safety of motorists on our toll road networks and employees and contractors in our offices and sites.

We measure our safety performance in our workplaces and on our toll road networks. In FY2020, FY2019 and FY2018, we achieved a lost-time injury frequency rate of our employees in our workplaces of 0.00, 0.00 and 0.00, respectively. In FY2020, we recorded a contractor RIFR of 3.6 recordable injuries per million work hours. This was below our contractor RIFR target of 4.2.

Maintain our focus on technological innovation

We are committed to being a leader in toll road technology and maintain a strong focus on delivering ongoing improvements for our toll road users. We continue to develop and implement enhanced tolling technology, such as the technology that is deployed on our North American assets and our GLIDe tolling system, which supports all of our Australian assets. In recent years, we have made significant technology-driven operational improvements to enhance customer safety on our roads and to allow us to respond to incidents quickly. These include innovations such as electronic speed and lane control, specialist tunnel safety systems and vehicle height, pedestrian and incidents detection systems.

In FY2018, we introduced an app to customers in Australia who were increasingly wanting to manage their toll road travel through digital channels by launching the world's first GPS tolling app. LinktGO allows drivers to see their toll travel in real time and pay trip-by-trip using their smartphones with no ongoing commitment. In 2019, we launched GoToll in the United States. GoToll is a new app that allows drivers to pay-as-they-go for tolls and manage their payments using their smartphones. As a first step to preparing our roads for an automated future, we are running a series of trials on motorways in Melbourne, Sydney, Brisbane and the Greater Washington Area to investigate how connected and autonomous vehicles respond to road infrastructure such as signs, lines, signals and ramps.

Operational and customer management

Operational efficiency is an important part of our overall strategy and leverages our network strategy. We seek to achieve operational efficiency across our networks in the way we operate our assets. Cost savings based on economies of scale through national contracts, for instance in our procurement of e-tags (which are electronic devices within a vehicle that enable a customer's toll to be calculated), have helped drive cost savings across our networks. We continue to enhance the customer experience by increasing convenience and accessibility through expanding our customer offering, which can be accessed from a variety of digital self-serve channels, supported by our customer service team.

Disciplined investment through selective acquisitions of complementary toll road assets

We continue to evaluate acquisition opportunities where they meet our return hurdles and are aligned with our strategic focus on the provision of road networks in urban areas. All acquisitions must meet our strict investment criteria and are evaluated on this basis. Our experienced traffic modelling team forecasts traffic in extensive detail as part of any acquisition assessment and our teams of subject matter experts focus on appropriate due diligence. We consider a variety of metrics around discounted cash flows and distribution impacts, as well as the impact on our credit metrics, strategic fit and risk profile. We have a track record of successfully integrating acquired assets and achieving synergies.

Markets we serve

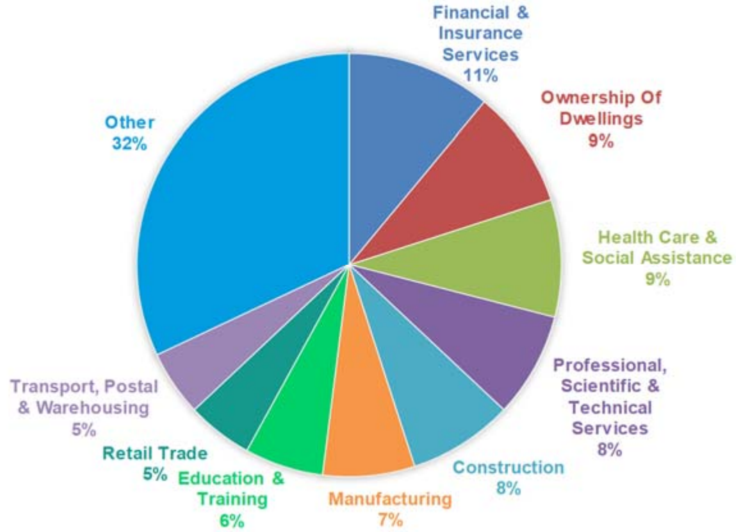
Our toll road networks are located in the three largest cities in Australia: Melbourne (Victoria), Sydney (New South Wales) and Brisbane (Queensland), in the Greater Washington Area in the United States and in Montreal, Canada.

Victoria overview

Victoria is the second largest state in Australia by population and by Gross State Product (**GSP**) for FY2019. The State of Victoria is rated "AAA" by S&P and "Aaa" by Moody's. Victoria experienced GSP growth of 2.6% per annum from FY2009 to FY2019 and population growth of 2.1% per annum for the same period. Total population in Victoria was 6.7 million as at December 31, 2019. Melbourne is the capital city of Victoria and is Australia's second largest city by population (5.1 million as at June 30, 2019). The chart below illustrates the diversity of sectors contributing to Victoria's GSP for FY2019.

As at January 31, 2020, there were approximately 5.1 million registered motor vehicles in Victoria.

Victoria GSP by Sector (FY2019)[(1)]



Note:

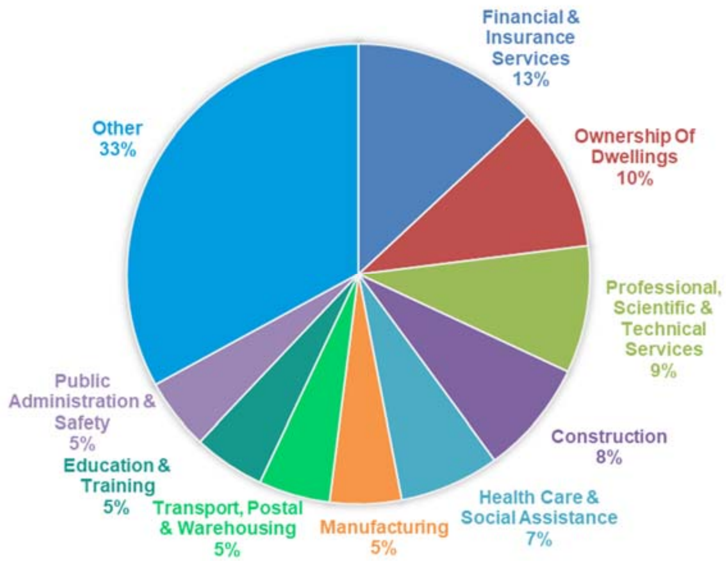
(1) Top 10 sectors shown, Australian Bureau of Statistics, catalogue 5220.0 National Accounts: State Accounts, 2018-2019.

New South Wales overview

New South Wales is the largest state in Australia by population and by GSP for FY2019. The State of New South Wales is rated "AAA" by S&P and "Aaa" by Moody's. New South Wales experienced GSP growth of 2.4% per annum from FY2009 to FY2019 and population growth of 1.4% per annum for the same period. Total population in New South Wales was 8.1 million as at June 30, 2019. Sydney is the capital city of New South Wales and is Australia's largest city by population (5.3 million as at June 30, 2019). The chart below illustrates the diversity of sectors contributing to New South Wales' GSP for FY2019.

As at January 31, 2020, there were approximately 5.8 million registered motor vehicles in New South Wales.

New South Wales GSP by Sector (FY2019)[(1)]



Note:

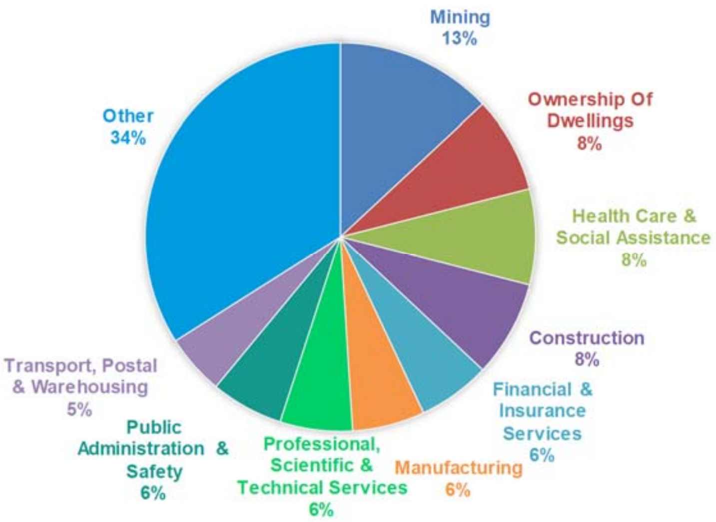
(1) Top 10 sectors shown, Australian Bureau of Statistics, catalogue 5220.0 National Accounts: State Accounts, 2018-2019.

Queensland overview

Queensland is the third largest state in Australia by population and by GSP for FY2019. The State of Queensland is rated "AA+" by S&P, "Aa1" by Moody's and "AA" by Fitch. Queensland experienced GSP growth of 2.3% per annum from FY2009 to FY2019 and population growth of 1.6% per annum for the same period. Total population in Queensland was 5.1 million as at June 30, 2019. Brisbane is the capital city of Queensland and is Australia's third largest city by population (2.5 million as at June 30, 2019). The chart below illustrates the diversity of sectors contributing to Queensland's GSP by sector for FY2019.

As at January 31, 2020, there were approximately 4.2 million registered motor vehicles in Queensland.

Queensland GSP by Sector (FY2019)[(1)]



Note:

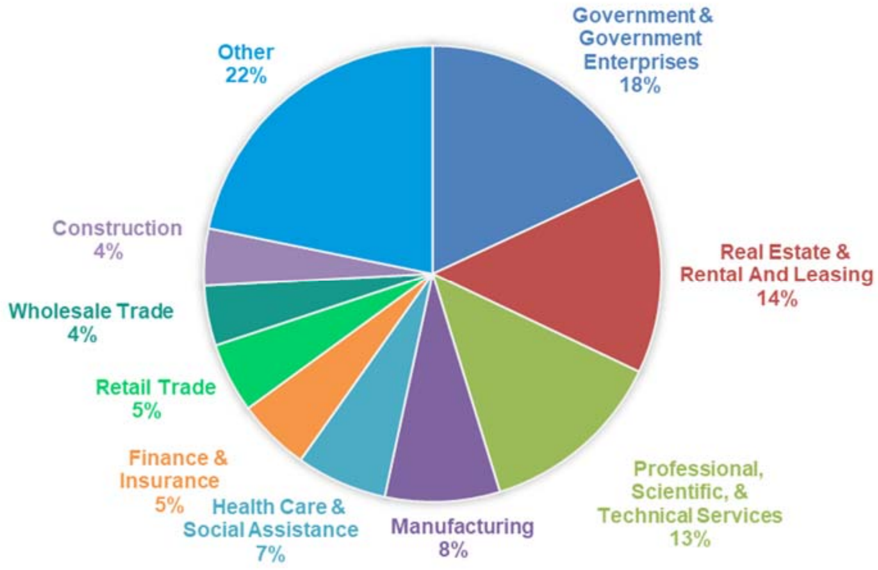
(1) Top 10 sectors shown, Australian Bureau of Statistics, catalogue 5220.0 National Accounts: State Accounts, 2018-2019.

Virginia overview

Virginia is the twelfth largest state in the United States by population and the thirteenth largest state by GDP for the year ended June 30, 2019. The State of Virginia is rated "AAA" by S&P, "Aaa" by Moody's and "AAA" by Fitch. Virginia experienced GDP growth of 3.1% per annum from the year ended June 30, 2009 to the year ended June 30, 2019, and population growth of 0.74% per annum for the period from December 31, 2009 to December 31, 2019. Total population in Virginia was estimated by the United States Census Bureau at 8.5 million as at July 1, 2019. The Washington Metro Area population was estimated by the United States Census Bureau at 6.3 million as at July 1, 2019. The chart below sets out Virginia's GDP by sector for the year ended June 30, 2019.

As at December 31, 2019, there were approximately 8.4 million registered motor vehicles in Virginia.

Virginia GDP by Sector (Q2 2019)[(1)]



Note:

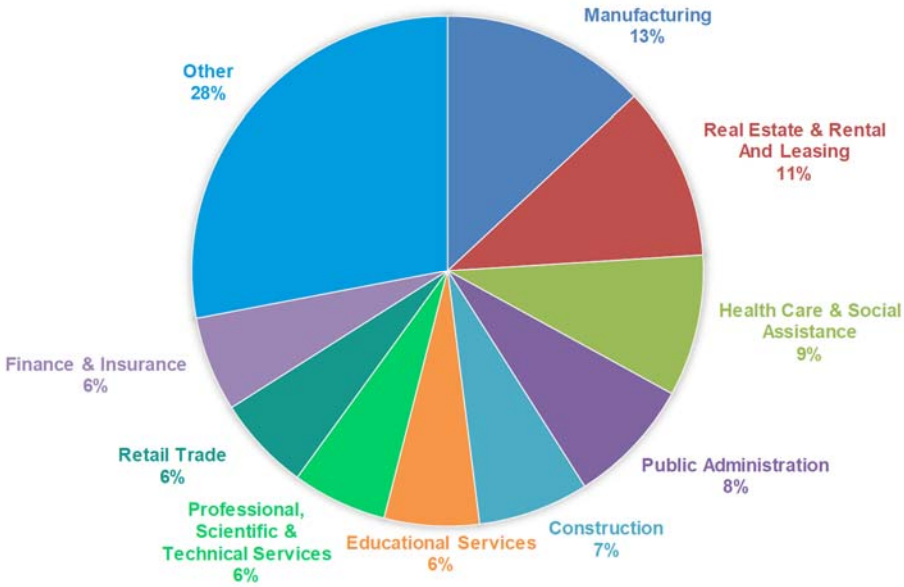
(1) Top 10 sectors shown, U.S. Department of Commerce Bureau of Economic Analysis.

Quebec overview

Quebec is the second largest province in Canada by population and GDP for the year ended December 31, 2019. The Province of Quebec is rated "AA-" by S&P, "Aa2" by Moody's and "AA-" by Fitch. Quebec experienced GDP growth of 1.9% per annum from the year ended December 31, 2009 to the year ended December 31, 2019, and population growth of 0.8% per annum for the period from January 1, 2010 to January 1, 2020. The total population in Quebec was estimated by Statistics Canada at 8.5 million as at January 1, 2020. The metropolitan area of Montreal's population was estimated by Statistics Canada at 4.3 million as at July 1, 2019. The chart below sets out Quebec's GDP by sector for the year ended December 31, 2019.

As at December 31, 2018, there were approximately 8.7 million registered motor vehicles in Quebec.

Quebec GDP by Sector (CY2019)[(1)]



Note:

(1) Top 10 sectors shown, Statistics Canada. Table 36-10-0400-01 Gross domestic product (GDP) at basic prices, by industry, provinces and territories, percentage share. Data for year ended December 31, 2019.

Toll roads

Australian assets

Melbourne Network

Our Melbourne Network comprises CityLink, our largest single asset by revenue, representing 30.0% of Proportional toll revenue in FY2020.

The table below sets out certain key operating and financial measures for our Melbourne Network[(1)]:

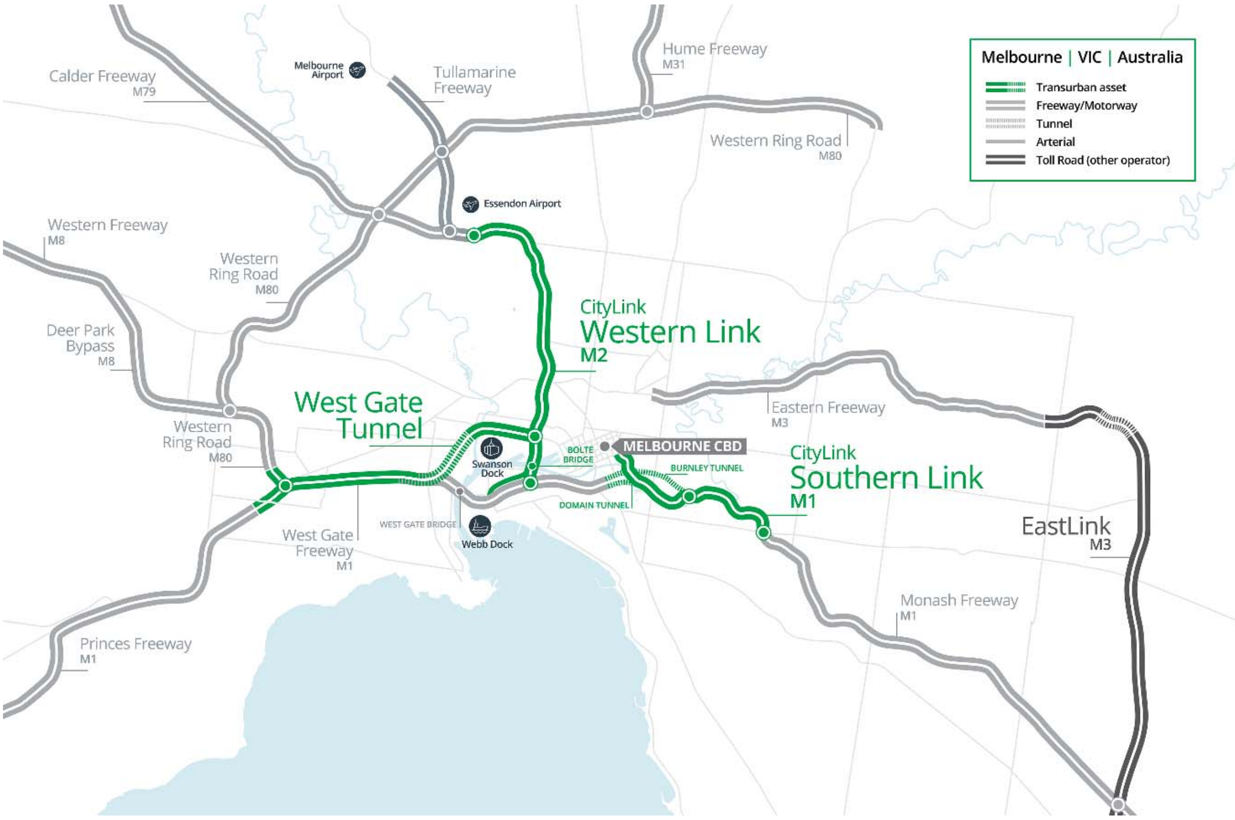
Historical	**FY2020**	**FY2019**	**FY2018**	**CAGR (%)**
Traffic (ADT)[(2)] (‘000)	750	851	824	(4.6)%
Proportional toll revenue (A$ millions)	747	813	780	(2.1)%
Proportional EBITDA (A$ millions)	634	716	688	(4.0)%
Proportional EBITDA margin (%)..................	84.9	88.1	88.2	(1.9)%

Notes:

(1) Proportional toll revenue, Proportional EBITDA and Proportional EBITDA margin are non-GAAP financial measures. See “*Financial information presentation—Non-GAAP measures*” for further information.

(2) Average Daily Transactions. See “*Certain Definitions*” for definition.

The map below illustrates the location of our Melbourne Network:



CityLink

CityLink overview

CityLink was our first toll road, opening to traffic in August 1999. It is wholly owned by us and is a 14 mile (22 km) toll road that connects three major urban motorways in Melbourne – the West Gate Freeway, the Tullamarine Freeway and the Monash Freeway, making it an essential component of Melbourne's transport infrastructure. CityLink connects Melbourne's manufacturing hubs and residential areas to the Melbourne CBD, Port of Melbourne (Australia's largest container port for the year ended June 30, 2019 as measured by throughput of TEU) and Melbourne Airport (Australia's second largest domestic and international airport as measured by passenger movements for the year ended December 31, 2019).

CityLink is made up of two links: (i) the Western Link, connecting Melbourne airport and northern suburbs to the Port of Melbourne and the Melbourne CBD and (ii) the Southern Link, connecting the Melbourne CBD and the western suburbs to the south eastern suburbs. Together with the government-owned connecting roads, CityLink is part of Melbourne's most important freight and commuter corridor.

CityLink contributed A$747 million of Proportional toll revenue and A$634 million of Proportional EBITDA for FY2020.

CityLink Concession

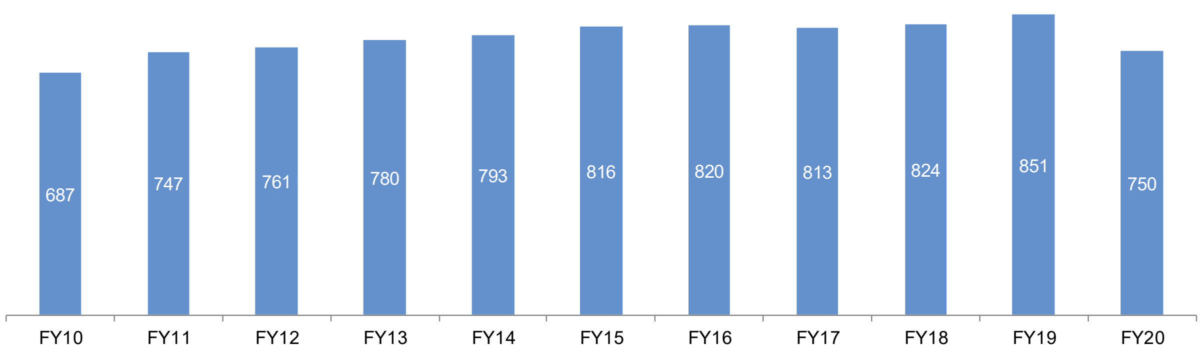
The CityLink Concessionaires are CityLink Melbourne Limited and the CityLink Trust (through its trustee, Transurban Infrastructure Management Limited) (together, the **CityLink Concessionaires**). We wholly own the CityLink Concessionaires. The CityLink Concession Agreement had a remaining concession term of 24.5 years (calculated as at June 30, 2020), expiring in January 2045.

We provide management and tolling services to the CityLink Concessionaires. Under the CityLink Concession Agreement, CityLink tolls escalated quarterly by CPI subject to a cap of annual CPI plus 2.5% until June 30, 2019 and escalate quarterly by an equivalent of 4.25% per annum on and from July 1, 2019 to June 30, 2029. Thereafter, CityLink tolls will escalate quarterly by CPI, subject to a cap of annual CPI plus 2.5%. Truck tolls multipliers for heavy commercial vehicles and light commercial vehicles increased after April 2017 to become consistent with pricing for trucks on other Australian motorway networks. See "—*Summary of Concession Agreements*" below for additional information on the CityLink Concession Agreement.

CityLink traffic volumes

Since CityLink opened to traffic in August 1999, its traffic volumes have demonstrated long-term growth. During the period from FY2007 to FY2010, traffic was affected by the works on the Southern Link and associated feeder roads. After the completion of these works, between FY2010 and FY2016, traffic grew at a CAGR of 3.0%. During FY2017, traffic was affected by the works on the CityLink-Tulla widening project however traffic subsequently reverted in FY2019, resulting in an increase in ADT from 824,230 in FY2018 to 850,989 in FY2019, representing an increase of 3.2%. ADT fell to 749,621 in FY2020, representing a decrease of 11.9%, predominantly due to the impacts of the COVID-19 pandemic.

The following chart sets forth ADT for CityLink from FY2010 to FY2020 (in '000s):



Melbourne Network developments

CityLink-Tulla widening project

We have undertaken a major upgrade to the Western Link section of CityLink to relieve congestion, increase capacity and improve safety along the Tullamarine Freeway, CityLink and the West Gate Freeway. The project added additional traffic lanes, modifying certain interchanges and introducing an electronic freeway management system. CityLink was widened by at least one additional traffic lane in each direction on Western Link from around Bulla Road through to the West Gate Freeway, together with adding one additional traffic lane to the West Gate Freeway eastbound between the Bolte Bridge and Power Street. Concurrently with our works, the Victorian Government was also carrying out works on the Tullamarine Freeway that connects to CityLink, adding an additional traffic lane in each direction from the Melbourne Airport to CityLink and extending the electronic freeway management system. Together, the projects make upgrades across 24 km of freeway from Melbourne Airport to Power Street. The total project cost was approximately A$1.3 billion.

Construction on the CityLink section of the project commenced in October 2015. All new lanes opened on CityLink ahead of schedule and works were completed in late 2017. All new lanes on the section of works being completed by the State opened in September 2018, with the majority of construction works, including final asphalt works, completed in early 2019. Our contribution to the project cost was approximately A$1 billion, which includes a contribution to works to be undertaken by the Victorian Government to widen the Tullamarine Freeway to Melbourne Airport.

The project resulted in:

- the CityLink Concession Agreement being extended by twelve months to January 2035;
- the existing minimum toll escalation regime being extended for one year to December 2016; and
- an increase in truck tolls that took effect in April 2017 to be consistent with the pricing for trucks on other Australian motorway networks.

West Gate Tunnel project

West Gate Tunnel overview

In December 2017, we announced the contractual close of the West Gate Tunnel project and entered into a Concession Agreement to build, toll and operate the West Gate Tunnel project, which comprises two additional traffic lanes in each direction on the West Gate Freeway from the M80 Interchange to Williamstown Road, a tunnel and elevated motorway to connect the West Gate Freeway with the Port of Melbourne, CityLink and the Melbourne CBD, providing an alternate river crossing and easing pressure on the West Gate Bridge.

As part of an integrated transport solution, we also delivered the following projects within the funding framework for the West Gate Tunnel project:

- Monash Freeway Upgrade—one additional traffic lane in each direction from EastLink to Clyde Road, and smart technologies to improve traffic flow from Warrigal Road to Koo Wee Rup Road. Together with VicRoads, we managed the construction of the project. Construction commenced in September 2016, with new lanes opened between EastLink and Clyde Road two months ahead of schedule, and construction completed in June 2018; and
- Webb Dock Access Improvements—upgrading Cook Street and the West Gate Freeway-to-Bolte Bridge ramp. These works have improved safety and access from Webb Dock and were delivered as part of the CityLink-Tulla widening project.

To support the financing, delivery and operation of the West Gate Tunnel project, we will be using the following funding sources:

West Gate Tunnel:

- the right to toll, operate and maintain the West Gate Tunnel project from tolling completion to January 13, 2045. Legislation is required to provide a consistent toll enforcement regime between the West Gate Tunnel project and CityLink and was passed by the Victorian Parliament in March 2019.

CityLink:

- toll revenue from a 10 year extension to the existing CityLink concession from January 14, 2035 to January 13, 2045;
- toll revenue from a fixed toll escalation consistent with the West Gate Tunnel project of 4.25% from July 1, 2019 to June 30, 2029 and thereafter a toll escalation at CPI; and
- introduction of a new High Productivity Freight Vehicle truck toll class (large truck and trailer combinations) from the commencement of tolling on the West Gate Tunnel project.

The CityLink Concession Agreement was amended to implement agreed funding sources for the West Gate Tunnel project (including a 10 year concession extension) and to make other agreed changes. See "*Risk Factors*" and "*Business—Toll roads—Australian assets—Melbourne Network—Melbourne Network developments—West Gate Tunnel project*" for further information.

West Gate Tunnel concession

We established Transurban WGT Co Pty Ltd, West Gate Tunnel Leasehold Co Pty Ltd and Transurban Vic OpCo Pty Ltd for the purpose of entering into arrangements in relation to a concession agreement entered into on December 11, 2017 with the Victorian Government to build, toll and operate the West Gate Tunnel project. This project comprises two additional traffic lanes in each direction on the West Gate Freeway from the M80 Interchange to Williamstown Road, a tunnel and elevated motorway to connect the West Gate Freeway with the Port of Melbourne, CityLink and the Melbourne CBD, providing an alternate river crossing and easing pressure on the West Gate Bridge. Major construction on the West Gate Tunnel project commenced in early 2018.

During the course of construction, the construction subcontractor has made a number of claims including claims relating to the presence, classification and disposal of per and polyfluorinated alkyl substances (**PFAS**), which the subcontractor claims to have had an impact on its ability to complete the project within the contractual sum and project schedule. PFAS is a group of potentially harmful chemicals, low levels of which are predicted by the subcontractor to be found in some of the soil excavated to build the tunnels.

To date, pursuant to the project contracts, we have assessed most of these claims as forming part of the "Linked Claims" and "Linked Disputes" framework and have passed them on to the State of Victoria for assessment in accordance with the relevant contracts. The nature of the "Linked Claims" mechanism within the relevant contracts means that liability for increased time and costs from circumstances such as these should rest with the State of Victoria or the construction subcontractor and not with us. However, the State of Victoria and the construction subcontractor disagree on the responsibility for increased time and costs.

Furthermore, in the period from January to August 2020, the construction subcontractor purported to terminate the construction subcontract with Transurban WGT Co Pty Ltd on four separate occasions. The purported terminations relate to issues in respect of the presence, classification and disposal of PFAS. We do not consider the subcontract to have been validly terminated and, as such, we believe the subcontract remains valid and that the construction subcontractor remains contractually obliged to perform its obligations under the subcontract. The subcontractor has noted that it intends to continue works on site, and works have continued on the site. However, commencement of tunneling requires the resolution of a range of matters, such as in relation to confirmation of disposal sites, preparatory works, obtaining relevant approvals and resolving outstanding commercial matters, including claims with the construction subcontractor and the State of Victoria.

In response to the commercial matters and claims that have arisen on the West Gate Tunnel project, dispute resolution processes are underway and are being progressed. We are working with the State of Victoria and the construction subcontractor to resolve the claims and disputes that have arisen in relation to the project, to mitigate delays to the construction schedule and to reduce the risk of cost overruns. The tender process for the spoil disposal sites, being run by the construction subcontractor, is also ongoing and planning and environmental approval processes are underway.

The West Gate Tunnel project's opening is now expected in 2023 (previously 2022) and there are a number of technical and commercial challenges to work through in order to commence tunneling on the project. We are assessing a number of options to resolve these challenges and facilitate the progression of the project.

The West Gate Tunnel Concession Agreement provides that tolls on the West Gate Tunnel will be escalated quarterly by an equivalent of 4.25% per annum from the commencement of tolling to June 30, 2029, thereafter quarterly at CPI. See "*—Summary of Concession Agreements*" below for additional information on the West Gate Tunnel Concession Agreement.

Sydney Network

Our Sydney Network comprises our ownership interest in the concessions for eight operational toll roads: Hills M2, Lane Cove Tunnel, Cross City Tunnel, Eastern Distributor, Westlink M7, M5 West Motorway, WestConnex

M5 and M4 Motorway. We also have interests in the concessions for the NorthConnex project, which is currently under construction, and in the WestConnex Stage 3 project, which is split across two project stages, both of which are currently under construction. Our Sydney Network forms part of the Sydney Orbital Network, the major ring road connecting the Sydney CBD to suburbs in the north, east, south and west of Sydney.

The table below sets out certain key operating and financial measures for our Sydney Network(1):

Historical	FY2020	FY2019	FY2018	CAGR (%)
Traffic (ADT)(2) ('000)	761	814	801	(2.5)%
Proportional toll revenue (A$ millions)	1,072	1,042	944	6.6%
Underlying Proportional EBITDA (A$ millions)(3)	879	856	763	7.3%
Underlying Proportional EBITDA margin (%)(4)	82.0	82.1	80.8	0.7%

Notes:

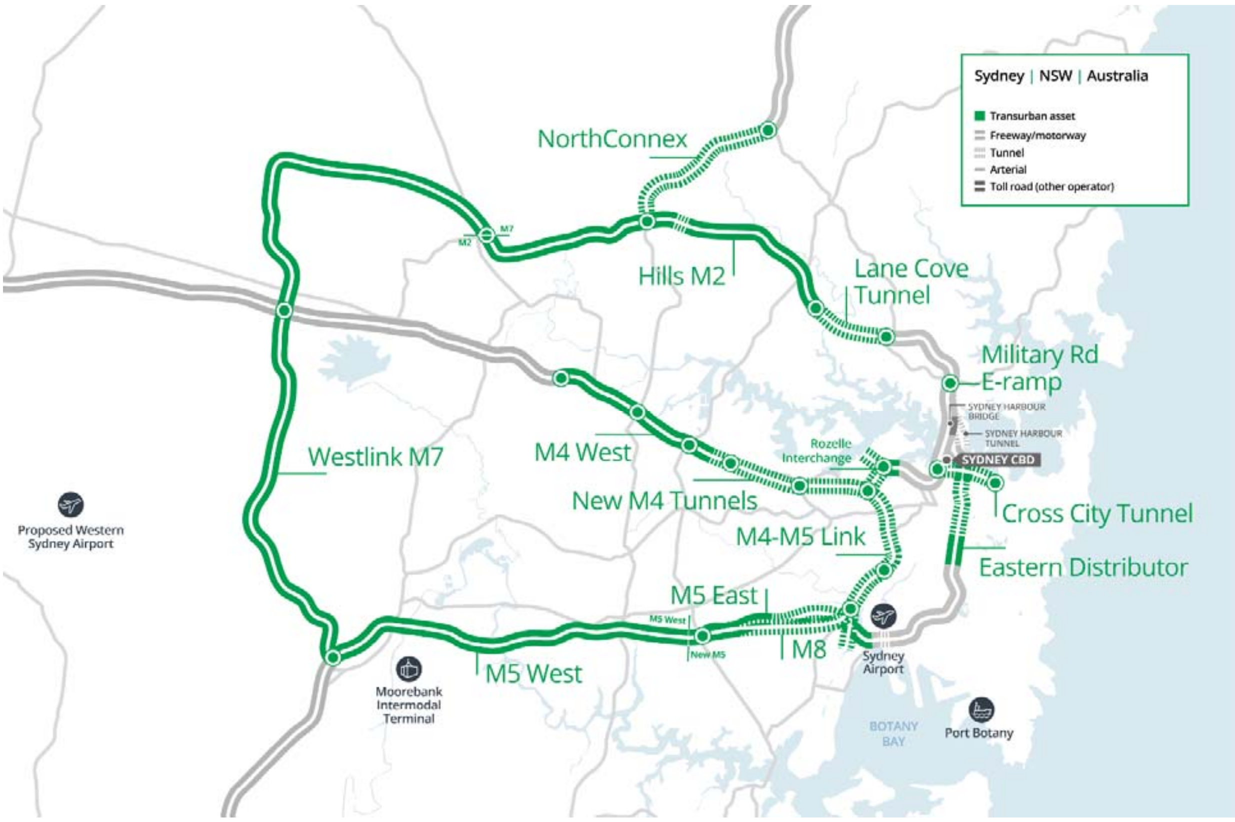
(1) Proportional toll revenue, Proportional EBITDA and Proportional EBITDA margin are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

(2) Average Daily Transactions. See "*Certain Definitions*" for definition.

(3) Excludes significant items which include A$13 million of transaction and integration costs associated with the M5 West Motorway and the investment in WestConnex through the Sydney Transport Partners joint venture for FY2020 (FY2019: A$309 million).

(4) Underlying Proportional EBITDA margins are calculated as Proportional EBITDA excluding significant items over Proportional toll revenue. Significant items for our Sydney network were A$13 million for the FY2020 period and A$309 million for FY2019.

The map below illustrates the location of our Sydney Network:



Hills M2

Hills M2 overview

Hills M2 is a 13 mile (21 km) toll road that forms part of the corridor that links the lower north shore of Sydney and the Sydney CBD with the northwest regions of Sydney. It runs between the Lane Cove Tunnel and Westlink M7, two other toll roads that form part of our Sydney Network. Hills M2 opened to traffic in May 1997 and we acquired it in June 2005.

Hills M2 contributed A$280 million of Proportional toll revenue and A$229 million of Proportional EBITDA in FY2020.

Hills M2 Concession

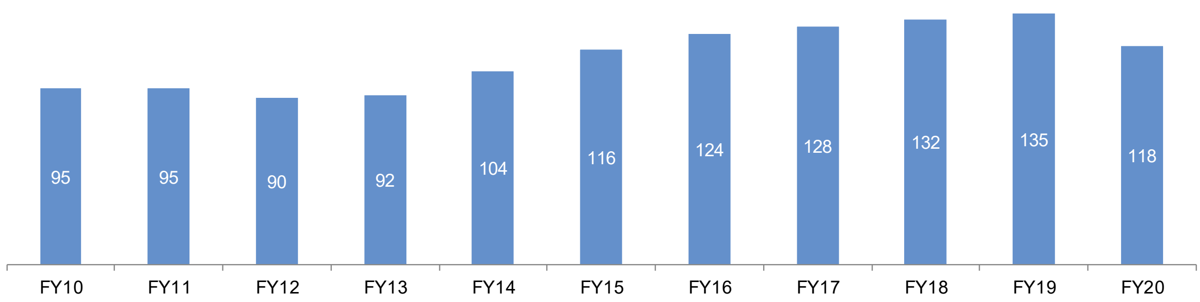
The Hills M2 Concessionaires are The Hills Motorway Limited and Hills Motorway Trust (through its trustee, Hills Motorway Management Limited) (together, the **Hills M2 Concessionaires**). We wholly own the Hills M2 Concessionaires. As of June 30, 2020, the Hills M2 Concession Agreement had a remaining concession term of 28.0 years, expiring in June 2048.

We provide management and tolling services to the Hills M2 Concessionaires. The Hills M2 Concession Agreement provides for the increase of tolls quarterly by the greater of the quarterly CPI or 1.0%. See "—*Summary of Concession Agreements*" below for additional information on the Hills M2 Concession Agreement.

Hills M2 traffic volumes

Hills M2 opened to traffic in May 1997 and we acquired it in June 2005. After completion of the Hills M2 upgrade project, between FY2013 and FY2020, traffic grew at a CAGR of 3.6%. ADT increased 2.3% from 132,125 in FY2018 to 135,151 in FY2019 and decreased 12.8% to 117,883 in FY2020. Recent traffic performance has been negatively impacted by the network effects of the opening of the new Sydney Metro Rail and the New M4 Tunnels as well as the impacts of the COVID-19 pandemic.

The following chart sets forth ADT for Hills M2 from FY2010 to FY2020 (in '000s):



Hills M2 developments

In August 2013, the Hills M2 Concessionaires achieved practical completion of a major upgrade to the Hills M2. The upgrade included widening the motorway and the provision of a third lane along certain sections, adding a number of new tolled entry and exit ramps on the motorway and an upgrade of the motorway's operations management control system. The Lane Cove Road eastbound on-ramp was also developed as part of the Hills M2 upgrade and opened in July 2014. During the upgrade project, it was identified that certain remediation works were required to one of the Hills M2's embankments. These works were completed in April 2015. The term of the Hills M2 Concession Agreement was extended by four years and toll increases were agreed as a result of that upgrade project.

Further work was required to upgrade the Hills M2 in order to integrate it to the NorthConnex project. The project was successfully delivered in May 2018, one month ahead of schedule. In return for that investment by the Hills M2 Concessionaires, the Hills M2 Concession Agreement was extended by approximately two years, to June 2048, subject to completion of the work.

Lane Cove Tunnel and Military Road E-Ramps (collectively "Lane Cove Tunnel")

Lane Cove Tunnel overview

Lane Cove Tunnel is a 2.4 mile (3.8 km) twin-tunnel toll road. It links the northwest of Sydney with the Sydney CBD. It runs between the end of our Hills M2 motorway and the Gore Hill and Warringah Freeways, which carry traffic into the Sydney CBD. The Lane Cove Tunnel Concession Agreement also covers the Military Road E-Ramps, two tolled ramps onto Military Road north of the Sydney CBD. The Lane Cove Tunnel opened to traffic in March 2007 and we acquired it in August 2010.

The Lane Cove Tunnel contributed A$88 million of Proportional toll revenue and A$52 million of Proportional EBITDA in FY2020.

Lane Cove Tunnel Concession

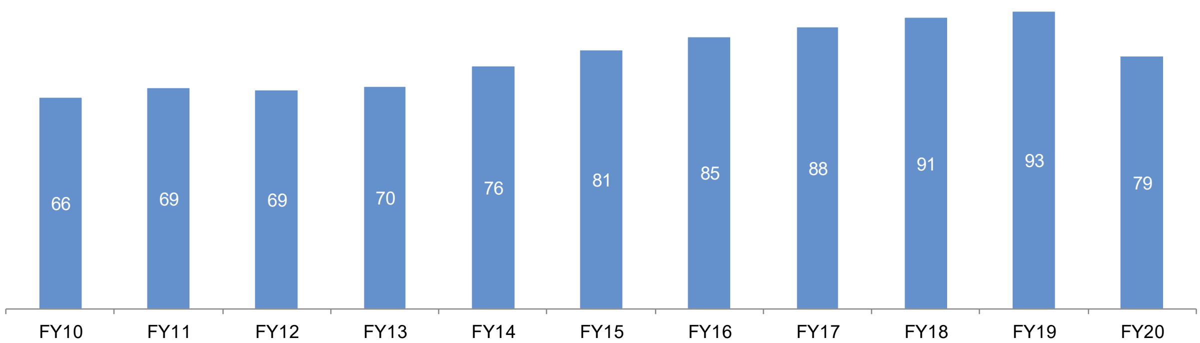
The Lane Cove Tunnel Concessionaires are LCT-MRE Pty Limited and LCT-MRE Trust (through its trustee, LCT-MRE Nominees Pty Limited) (together, the **LCT Concessionaires**). We wholly own the LCT Concessionaires. As of June 30, 2020, the Concession Agreement had a remaining concession term of 28.0 years, expiring in June 2048.

We provide management and tolling services to the LCT Concessionaires. The Lane Cove Tunnel Concession Agreement provides for the increase of tolls quarterly by the quarterly CPI. The toll cannot be lowered as a result of deflation; however, it cannot be increased until inflation counteracts the deflation. See "—*Summary of Concession Agreements*" below for additional information on the Lane Cove Tunnel Concession Agreement.

Lane Cove Tunnel traffic volumes

The Lane Cove Tunnel opened to traffic in March 2007 and we acquired it in August 2010. After the initial ramp-up and prior to the COVID-19 pandemic, traffic volumes grew steadily. After completion of the nearby Hills M2 upgrade project, traffic grew at a CAGR of 1.7% between FY2013 and FY2020. ADT on the Lane Cove Tunnel increased 2.2% from 91,176 in FY2018 to 93,171 in FY2019 and decreased 15.1% to 79,116 in FY2020. Recent traffic performance has been impacted by the network effects of the opening of the Sydney Metro Rail and the New M4 Tunnels as well as the impacts of the COVID-19 pandemic.

The following chart sets forth ADT for Lane Cove Tunnel from FY2010 to FY2020 (in '000s)[(1)]:



Note:

(1) This includes data that predates our ownership of the asset.

Lane Cove Tunnel developments

In January 2015, in connection with the agreement to build NorthConnex, the LCT Concessionaires agreed to make concession and rental payments totaling A$200 million to the New South Wales Government in return for:

- an extension to the Lane Cove Tunnel Concession Agreement of 11.5 years to June 2048;
- an increase in the truck toll multiplier on Lane Cove Tunnel to three times the toll for cars (previously twice the car toll). The truck toll multiplier increase commenced in early February 2015 and was phased in over a 2 year period in nine equal increments; and
- quarterly escalation rate for Lane Cove Tunnel trucks moved to the greater of CPI or one percent per quarter, after the higher truck toll multiplier has been phased in.

Cross City Tunnel

Cross City Tunnel overview

Cross City Tunnel is a 1.3 mile (2.1 km) twin-tunnel toll road running east-west under the Sydney CBD. In addition to the two core east-west tunnels, there is a tunnel connecting from the eastern suburbs of Sydney to Sir John Young Crescent and the Cahill Expressway, a tunnel connecting from the west to the Eastern Distributor, which is part of our Sydney Network, and entry to the Cross City Tunnel westbound from the Eastern Distributor. The Cross City Tunnel was opened to traffic in August 2005 and we acquired it in June 2014.

Cross City Tunnel contributed A$66 million of Proportional toll revenue and A$42 million of Proportional EBITDA in FY2020.

Cross City Tunnel Concession

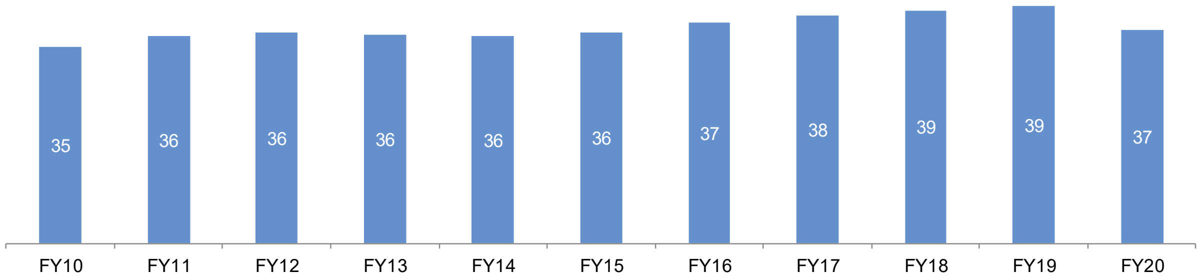
The Cross City Tunnel Concessionaires are Transurban CCT Pty Ltd and Transurban CCT Trust (through its trustee Transurban Nominees No. 2 Pty Ltd) (together, the **Cross City Tunnel Concessionaires**). We wholly own the Cross City Tunnel Concessionaires. As of June 30, 2020, the Cross City Tunnel Concession Agreement had a remaining concession term of 15.5 years, expiring in December 2035.

We provide management and tolling services to the Cross City Tunnel Concessionaires. The Cross City Tunnel Concession Agreement provided for the increase of tolls quarterly at the greater of CPI or 0.7417% per quarter until June 2018 (equivalent to 3% per annum). After June 2018, tolls escalate quarterly at CPI. The toll cannot be lowered as a result of deflation; however, until inflation counteracts the deflation, the toll cannot be increased. See "—*Summary of Concession Agreements*" below for additional information on the Cross City Tunnel Concession Agreement.

Cross City Tunnel traffic volumes

The Cross City Tunnel opened to traffic in August 2005 and we acquired it in June 2014. Cross City Tunnel traffic was largely constant between our acquisition and the onset of the COVID-19 pandemic. ADT increased 1.0% from 38,702 in FY2018 to 39,093 in FY2019 and decreased 6.0% to 36,740 in FY2020.

The following chart sets forth ADT for the Cross City Tunnel from FY2010 to FY2020 (in '000s)[(1)]:



Note:

(1) This includes data that predates our ownership of the asset.

Eastern Distributor

Eastern Distributor overview

Eastern Distributor, in which we own a 75.1% interest, is a 4 mile (6 km) toll road that links the Sydney CBD, Harbour Tunnel and Harbour Bridge with Southern Cross Drive, which carries traffic to and from the southern suburbs. It forms part of the road connections between Sydney Airport (Australia's largest domestic and international airport as measured by passenger movements for the year ended December 31, 2019), Port Botany (Sydney's largest port), the Sydney CBD and areas north of the Sydney CBD. IFM Investors and UniSuper own the remaining 24.9% of the Eastern Distributor through funds and custodians. Eastern Distributor opened to traffic in December 1999 and we first acquired an ownership interest in it in April 2007. Tolls on the Eastern Distributor only apply to northbound traffic.

Eastern Distributor contributed A$104 million of Proportional toll revenue and A$78 million of Proportional EBITDA in FY2020.

Eastern Distributor Concession

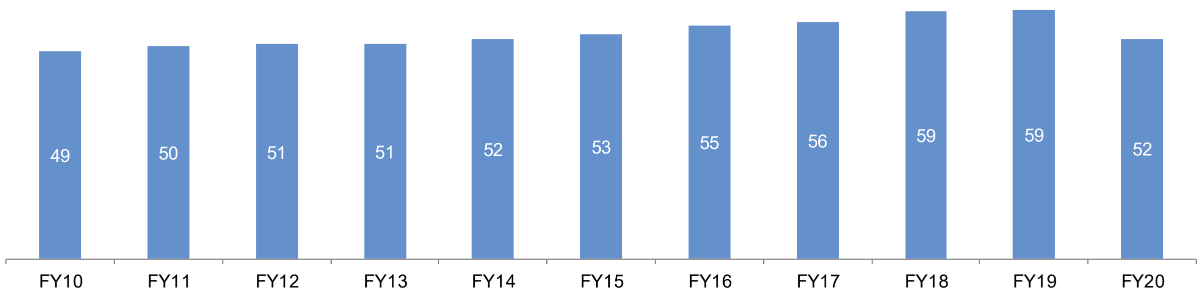
The Eastern Distributor's Concessionaires are Airport Motorway Limited and Airport Motorway Trust (through its trustee, AMT Management Limited) (together, the **Eastern Distributor Concessionaires**). We have a 75.1% interest in the Eastern Distributor Concessionaires. We have appointed two of the three directors to the Airport Motorway Limited board and these directors can vote our 75.1% voting interest. As of June 30, 2020, the Eastern Distributor's Concession Agreement had a remaining concession term of 28.1 years, expiring in July 2048.

We provide management and tolling services to the Eastern Distributor Concessionaires. The Eastern Distributor Concession Agreement provides for the increase of tolls quarterly by the greater of a weighted sum of quarterly Average Weekly Earnings and the quarterly CPI or 1%. See "—*Summary of Concession Agreements*" below for additional information on the Eastern Distributor Concession Agreement.

Eastern Distributor traffic volumes

The Eastern Distributor opened to traffic in 1999 and we acquired it in April 2007. The Eastern Distributor's traffic volumes grew since its opening. Since we acquired the asset, traffic has grown at a CAGR of 0.9%. ADT for the Eastern Distributor increased 0.5% from 58,608 in FY2018 to 58,909 for FY2019 and decreased 11.4% to 52,179 in FY2020, predominantly due to the impacts of the COVID-19 pandemic.

The following chart sets forth ADT for the Eastern Distributor from FY2010 to FY2020 (in '000s):



Westlink M7

Westlink M7 overview

Westlink M7, in which we own a 50% interest, is a 25 mile (40 km) toll road that runs north-south through Sydney's Western suburbs, linking major residential growth centers, distribution centers and areas of industrial development in Sydney's west and feeding traffic onto our Hills M2 and M5 West Motorways. QIC Global Infrastructure and CCPIB each own 25% of Westlink M7. Westlink M7 opened to traffic in December 2005.

Westlink M7 contributed A$205 million of Proportional toll revenue and A$174 million of Proportional EBITDA in FY2020.

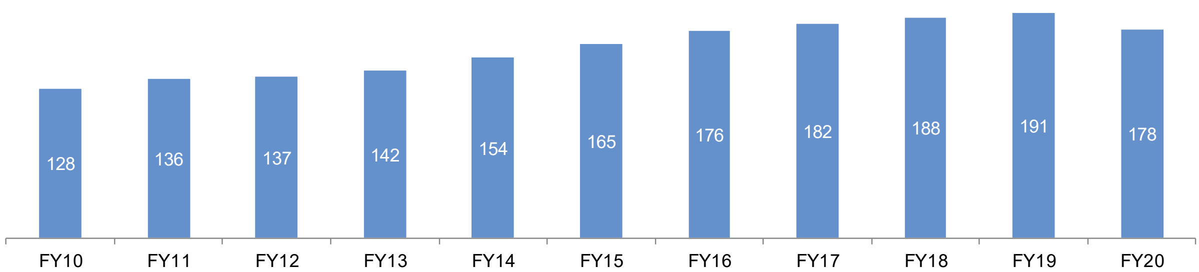
Westlink M7 Concession

The Westlink M7 Concessionaires are Westlink Motorway Limited and WSO Co Pty Limited (together, the **Westlink M7 Concessionaires**). The Westlink M7 Concession Agreement provides for the escalation or de-escalation of tolls quarterly by the quarterly CPI. As of June 30, 2020, the Westlink M7 Concession Agreement had a remaining contract term of 28.0 years, expiring in June 2048. The Westlink M7 Concessionaires have their own independent management teams. We have appointed two of the seven directors to the Westlink M7 Concessionaires' boards and these directors can vote our 50% voting interest. See "*—Summary of Concession Agreements*" below for additional information on the Westlink M7 Concession Agreement.

Westlink M7 traffic volumes

Westlink M7 opened to traffic in December 2005, and its traffic volumes steadily increased since its opening. After the completion of the Hills M2 upgrade project, between FY2013 and FY2020, traffic grew at a CAGR of 3.3%. ADT increased 1.6% from 187,874 in FY2018 to 190,971 for FY2019 and decreased 7.0% to 177,580 in FY2020, predominantly due to the impacts of the COVID-19 pandemic.

The following chart sets forth ADT for the Westlink M7 from FY2010 to FY2020 (in '000s):



Westlink M7 developments

In connection with the NorthConnex project, the concession term for Westlink M7 was extended by 11.4 years to June 2048 and truck tolls increased from one times to three times the car tolls, subject to completion of the project. The increase to the truck toll multiplier commenced in early February 2015 and was phased in over a two year period in nine equal increments.

M5 West Motorway

M5 West Motorway overview

M5 West Motorway, which we wholly own, is a 14 mile (22 km) toll road between Prestons and Beverly Hills to the southwest of Sydney. It is part of a key freight and commuting route between the Sydney CBD, Sydney Airport and the south western suburbs of Sydney. The M5 West Motorway also connects with Westlink M7. Tolls are charged in both directions. We acquired our initial 50% equity interest in the M5 West Motorway in April 2007 and in 2018 we acquired an additional 15.38% equity interest across two transactions, taking our total equity interest to 65.38%. We acquired the remaining minority interests in the M5 West Motorway on October 30, 2019. The M5 West Motorway Concession Agreement will expire in December 2026 at which time it will become part of the M5 WestConnex Concession, in which our interest will be 25.5%.

M5 West Motorway contributed A$254 million of Proportional toll revenue, A$221 million of Proportional EBITDA and A$227 million of Underlying Proportional EBITDA, excluding significant items of A$6 million, in FY2020.

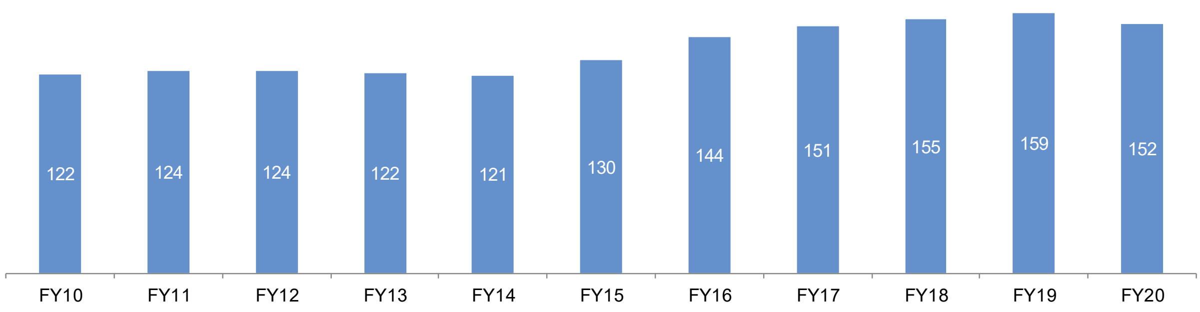
M5 West Motorway Concession

The M5 West Motorway Concessionaire is Interlink Roads Pty Ltd. The M5 West Motorway Concession Agreement provides for the increase of tolls quarterly by the quarterly Sydney CPI. The toll cannot be lowered as a result of deflation; however, it cannot be increased until inflation counteracts the deflation. As of June 30, 2020, the M5 West Motorway Concession Agreement had a remaining contract term of 6.4 years (expiring in December 2026, at which time it becomes part of the M5 WestConnex Concession in which we will have a 25.5% interest). See "*—Summary of Concession Agreements*" for additional information on the M5 West Motorway Concession Agreement.

M5 West Motorway traffic volumes

The M5 West Motorway opened to traffic in August 1992 and we acquired our interest in April 2007. ADT increased 2.4% from 154,976 in FY2018 to 158,744 for FY2019 and decreased 4.2% to 152,010 in FY2020, predominantly due to the impacts of the COVID-19 pandemic.

The following chart sets forth ADT for the M5 West Motorway from FY2010 to FY2020 (in '000s):



M5 West Motorway developments

The M5 West Motorway (South West) widening project added an additional lane in each direction of the M5 West Motorway (South West) from Camden Valley Way at the western end through to King George's Road in the east. The project included a new operations management control system, variable messaging signs on the toll road and surrounding arterial roads and approximately 11.2 miles (18 km) of noise walls. The project reached completion on time and on budget on December 15, 2014. Upon completion of the project, the term of the M5 West Motorway Concession Agreement was extended by 3.3 years (up to December 2026 from August 2023) and the truck toll multiplier was incrementally increased to three times the car toll from its previous level of approximately 2.2 times. In 2018, construction of new east facing tolled ramps commenced to provide access from Belmore Road. These ramps were opened to traffic in February 2019.

WestConnex

WestConnex overview

On August 31, 2018, Transurban (50%), AustralianSuper Pty Limited (20.5%), CPPIB (20.5%) and Tawreed Investments Limited (9%), as members of the Sydney Transport Partners joint venture, executed an agreement to acquire a 51% stake in WestConnex from the New South Wales Government for A$9.3 billion (including transaction costs). Once construction is completed, WestConnex will comprise 20.5 miles (33 km) of new or improved motorways, linking Sydney's west and south-west with the CBD and the corridor to Sydney Airport and Port Botany. Financial close of the transaction occurred on September 27, 2018.

The M4 West Motorway and the New M4 Tunnels, as completed in Stages 1A and 1B of the WestConnex project, together comprise the M4 Motorway, in which we own a 25.5% interest.

The existing M4 West Motorway was widened to four lanes in each direction from Parramatta to Homebush comprising 4.7 miles (7.5 km) of road (Stage 1A of the WestConnex project). Construction commenced in March 2015 prior to our acquisition of the WestConnex project. This stage was operational as at July 2017 and we acquired the asset and the right to the toll revenue from the M4 West Motorway on September 27, 2018.

The New M4 Tunnels comprise a new 4.0 mile (6.5 km) motorway section of three lanes in each direction, from Homebush Bay Drive, Homebush to Parramatta Rd and City West Link (Wattle St) at Haberfield. This includes 3.4 miles (5.5 km) of new twin tunnels and associated surface works. Construction commenced in March 2016 prior to our acquisition of the WestConnex project. This stage was operational as at July 13, 2019 and we commenced the collection of toll revenue from the New M4 Tunnels from that date.

The M4 Motorway contributed A$71 million of Proportional toll revenue, A$50 million of Proportional EBITDA and A$55 million of Underlying Proportional EBITDA, excluding significant items of A$5 million, in FY2020.

WestConnex Concession

The WestConnex concessions are split across the three project stages:

- M4 WestConnex Concession: WCX M4 AT Pty Ltd, in its personal capacity and in its capacity as trustee of the WCX M4 Asset Trust, and WCX M4 PT Pty Ltd, in its personal capacity and in its capacity as trustee of the WCX M4 Project Trust, together are the M4 Trustees and are the concessionaires for Stage 1 (which is complete as at July 2019).
- M5 WestConnex Concession: WCX M5 AT Pty Ltd, in its personal capacity and in its capacity as trustee of the WCX M5 Asset Trust, and WCX M5 PT Pty Ltd, in its personal capacity and in its capacity as trustee of the WCX M5 Project Trust, together are the M5 Trustees and are the concessionaires for Stage 2.

- M4-M5 Link WestConnex Concession: WCX M4-M5 Link AT Pty Ltd, in its personal capacity and in its capacity as trustee of the WCX M4-M5 Link Project Trust, and WCX M4-M5 Link PT Pty Ltd, in its personal capacity and in its capacity as trustee of the WCX M4-M5 Link Asset Trust, together are the M4 – M5 Link Trustees and are the concessionaires for Stage 3.

As at June 30, 2020, the Concession Agreements for all of the M4 WestConnex Concession, the M5 WestConnex Concession and the M4-M5 Link WestConnex Concession have a remaining term of 40.5 years, expiring in 2060. This does not presently include the concession M5 West Motorway, which forms part of the M5 WestConnex Concession from December 2026. See "*—Summary of Concession Agreements*" below for additional information on the Concession Agreements for the M4 WestConnex Concession, the M5 WestConnex Concession and M4-M5 Link WestConnex Concession.

The Sydney Transport Partners joint venture has nominated five directors to the WestConnex board, who sit alongside the NSW Government's director nominees. An independent chairperson has also been appointed. The five Sydney Transport Partners joint venture directors can vote the 51% interest of the joint venture.

We provide management services to the WestConnex Concessionaires.

For the WestConnex concession (excluding the M5 West Motorway until it forms part of the M5 WestConnex Concession in December 2026), tolls escalate by the greater of CPI or 4% per annum until 2040, and greater of CPI or 0% per annum post-2040 through to the end of the concessions in 2060.

WestConnex developments

At the time we acquired our interest in WestConnex, four WestConnex projects were underway.

We have successfully delivered two of these projects as outlined below.

WestConnex Stage 1B under the M4 WestConnex Concession (completed July 2019)

- Stage 1B is a new 4.0 mile (6.5 km) motorway section of three lanes in each direction, from Homebush Bay Drive, Homebush to Parramatta Road and City West Link (Wattle Street) at Haberfield; and
- includes 3.4 miles (5.5 km) of new twin tunnels and associated surface works.

WestConnex Stage 2 (completed July 2020) under the M5 WestConnex Concession

- surface widening of existing M5 East Motorway from King Georges Road to a tunnel portal;
- 6.8 mile (11 km) twin tunnels and associated surface work forming the M8 Motorway, marked for two lanes (built to accommodate three lanes from Kingsgrove to Arncliffe and five lanes from Arncliffe to St Peters);
- provision for connection to a possible future M6 Extension; and
- tolling of the existing M5 East Motorway between King Georges Road and General Holmes Drive (see "*Business—Toll roads—Australian assets—Sydney Network—WestConnex*" for more information).

See "*Business—Recent developments—Opening of the WestConnex M5 in Sydney*" for more information.

The WestConnex toll roads have two continuing development projects to be completed over the coming years, as outlined below.

Stage 3 (Stage 3A expected completion calendar year 2023 and Stage 3B expected completion early FY2025) under the M4-M5 Link WestConnex Concession

- Stage 3A—M4-M5 Link: new 4.7 mile (7.5 km) twin tunnels of four lanes connecting the New M4 Tunnels at Haberfield to the M8 Motorway at St Peters, and stub connections for the future Rozelle Interchange and Iron Cove Link; and

- Stage 3B—Rozelle Interchange and Iron Cove Link: a new interchange connecting the M4-M5 Link Tunnels to the surface and the Anzac Bridge, including provision for future connectivity to the proposed Western Harbour Tunnel. Transport for NSW is responsible for the funding and delivery of Stage 3B.

NorthConnex

NorthConnex overview

In 2012, we approached the New South Wales Government under its unsolicited proposal regime to design, build, operate and finance the NorthConnex project in Sydney. NorthConnex is being developed by the NWRG, which is 50% owned by us, 25% owned by QIC Global Infrastructure and 25% owned by CPPIB. The NWRG reached financial close on NorthConnex on January 31, 2015 and has entered into a Concession Agreement for the NorthConnex toll road that expires in 2048. Upon completion, the NorthConnex project will be a 5.6 mile (9 km) tunnelled tolled link from the southern end of the M1 Pacific Motorway in Wahroonga to the Hills M2 Motorway at Pennant Hills Road, West Pennant Hills. Expected project and community benefits include reduced traffic congestion by diverting trucks off Pennant Hills Road, which will reduce heavy vehicle traffic and noise in local communities. Further, motorists may experience travel time savings by avoiding arterial roads and bypassing traffic lights.

After detailed design commenced in February 2015, the project construction environmental management plan was approved and major construction commenced in June 2015. NorthConnex is expected to open in the coming months. The total project cost is estimated to be approximately A$2.9 billion, a portion of which is being funded by contributions from the New South Wales Government and the Federal Government. Our contribution to the cost of construction is approximately A$1.0 billion, which we have funded, and expect to continue to fund, from available capacity from our corporate balance sheet over the construction period. Separately, we agreed to contribute A$105 million to support additional upgrade works to the M2 to integrate the NorthConnex project, and provide a A$200 million payment to the New South Wales Government which it has reinvested in the project, bringing the total project cost for us to A$1.3 billion.

NorthConnex Concession

The NorthConnex Concessionaire is NorthConnex Company Pty Ltd. We own 50% of NorthConnex Company Pty Ltd through our interest in the NWRG. The NorthConnex Concession Agreement provides for the increase of tolls quarterly by the greater of the quarterly CPI or 1.0%. As of June 30, 2020, the NorthConnex Concession Agreement had a remaining concession term of 28.0 years, expiring in June 2048. See "*—Summary of Concession Agreements*" for additional information on the NCX Concession Agreement.

Sydney Network development opportunities

Western Harbour Tunnel

We expect the New South Wales Government to pursue the engagement of a development partner to facilitate procurement and delivery of a future Western Harbour Tunnel. We are aligned with the New South Wales Government on the need for the project, evidenced by the traffic volumes on existing harbour crossings, namely the Sydney Harbour Bridge and Sydney Harbour Tunnel, as well as Sydney central business district distributor corridors such as the Anzac Bridge. With many of these corridors nearing or at capacity, the impact of an incident on any one of them could be felt across the city. The New South Wales Government's indicative programme contained in planning documentation is for major construction to commence in late 2021.

Acquisition of 49% minority interest in WestConnex

A scoping study is underway by the New South Wales Government for the sale of its retained interest in WestConnex. A recommendation to the Cabinet of the New South Wales Government is expected before the end of calendar year 2020.

Westlink M7 widening and Westlink M7/M12 Motorway interchange

We, and our Westlink M7 co-investors (QIC Limited and Canada Pension Plan Investment Board), have progressed to the second stage of the New South Wales Government's unsolicited proposals process for the widening of the Westlink M7 and delivery of the interchange linking it to the new planned un-tolled M12 Motorway. This proposed project will ease congestion on the Westlink M7 as well as support the growth of western Sydney. The second stage of the process will determine the potential size, scope and funding sources of the proposed project.

M5 West Motorway upgrade

We are also monitoring other asset enhancement opportunities including an M5 West Motorway upgrade (westbound from Moorebank Avenue to the Hume Highway) for which planning and design are currently underway by the New South Wales Government.

Brisbane Network

We acquired Queensland Motorways Group on July 2, 2014 for A$6,419 million (plus stamp duty and transaction costs of A$416 million). On January 30, 2015, Queensland Motorways Group changed its name to Transurban Queensland.

We own a 62.5% interest in Transurban Queensland, AustralianSuper owns a 25% interest and Tawreed Investments Limited, a wholly owned subsidiary of the Abu Dhabi Investment Authority, owns a 12.5% interest.

Transurban Queensland wholly owns the interest in the concessions to operate the six toll road assets in Brisbane: the Gateway and Logan Motorways, Clem7, Go Between Bridge, Legacy Way and AirportlinkM7. These assets are situated in a strategic position within the main Brisbane and south east Queensland commuting and freight corridors. The only competing routes for the Gateway and Logan Motorways are arterial roads. Transurban Queensland also provides operations and routine maintenance services on the Inner City Bypass following the completion of a development project that Transurban Queensland delivered under an agreement with the Brisbane City Council, and provides end-to-end tolling services for the Toowoomba Bypass (a government constructed and owned toll road). The Transurban Queensland board comprises shareholder representatives and includes an independent chairman. We are responsible for all aspects of management and operations of Transurban Queensland. We operate and maintain all of the toll road assets that form Transurban Queensland. The tolling retailer in Queensland is our retail tolling brand Linkt.

The table below sets out certain key operating and financial metrics for our Brisbane Network[1]:

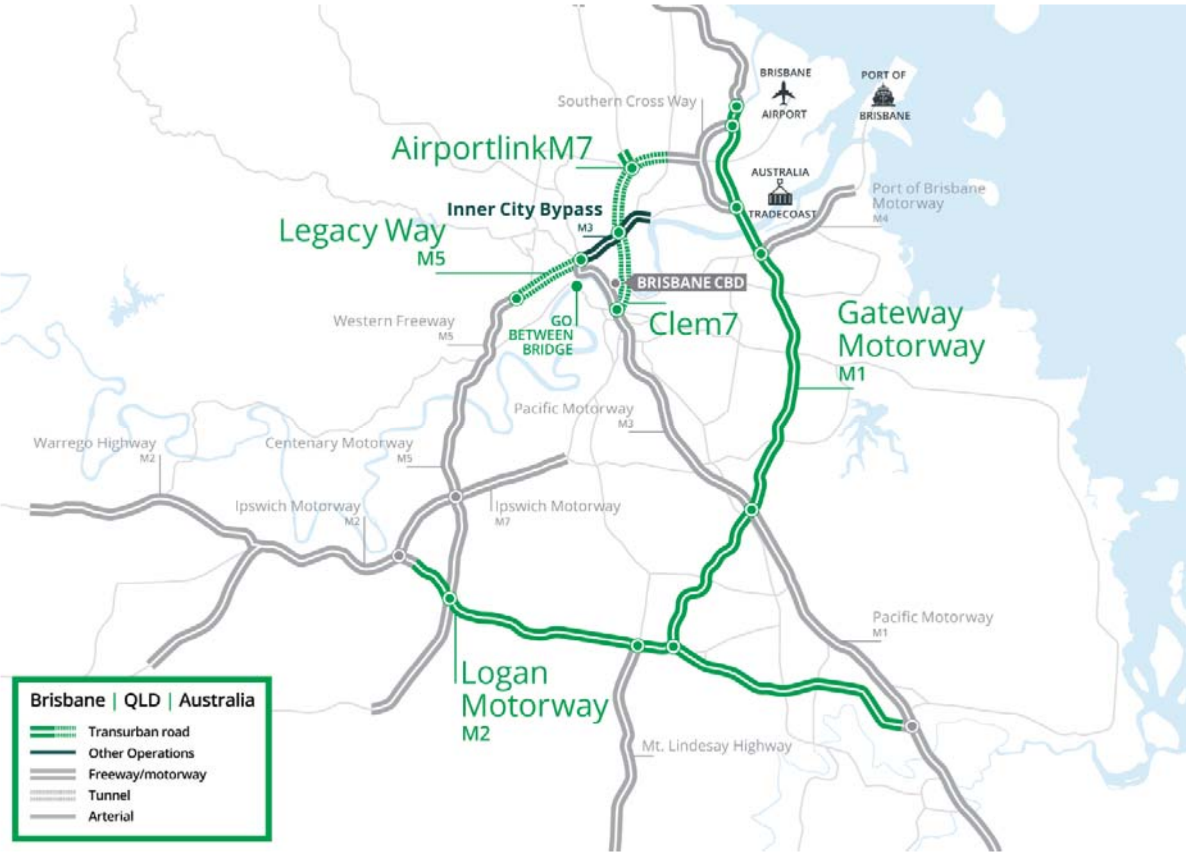
Historical	FY2020	FY2019	FY2018	CAGR (%)
Traffic (ADT)[2] ('000)	383	405	403	(2.5)%
Proportional toll revenue (A$ millions)	394	402	393	0.1%
Proportional EBITDA (A$ millions)	286	293	279	1.2%
Proportional EBITDA margin (%)	72.6	72.9	71.0	1.1%

Notes:

(1) Proportional toll revenue, Proportional EBITDA and Proportional EBITDA margin are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

(2) Average Daily Trips. See "*Certain Definitions*" for definition.

The map below illustrates the location of our Brisbane Network:



Gateway Motorway

Gateway Motorway overview

The Gateway Motorway, a 14.4 mile (23.1 km) toll road, serves as a critical north-south link in south east Queensland. The Gateway Bridge is the primary river crossing road to access Brisbane Airport, Port of Brisbane and the area known as the Australia TradeCoast, the largest employment zone in Queensland after the Brisbane CBD and a growing trade and industrial region in Australia. It is the only road crossing of the Brisbane River east of the Brisbane CBD.

The first bridge of the Gateway Motorway (formerly known as the Gateway Bridge) was constructed in 1986 as an additional crossing for the Brisbane River. The duplicate bridge was constructed as part of the A$2.12 billion Gateway Upgrade project, completed in 2011. Transurban Queensland operates the Gateway Motorway from the Sir Leo Hielscher Bridges in the north to the Logan Motorway in the south.

The Gateway Motorway connects with Pacific Motorway, Port of Brisbane Motorway, Bruce Highway, East-West Arterial Road, Airport Drive, Southern Cross Way and Logan Motorway.

Gateway Motorway contributed A$139 million of Proportional toll revenue and A$108 million of Proportional EBITDA in FY2020.

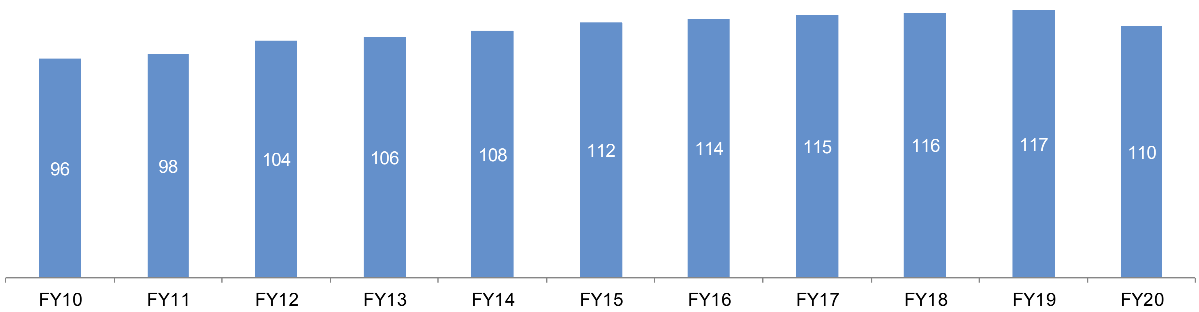
Gateway Motorway Concession

The Gateway Motorway is subject to a Concession Agreement between Queensland Motorways Pty Limited, Gateway Motorway Pty Limited, Logan Motorways Pty Limited (together, the **Queensland Franchisees**) and the State of Queensland. The Queensland Franchisees are wholly owned by Transurban Queensland. The Concession Agreement provides for annual increase of tolls by Brisbane CPI. As of June 30, 2020, the Concession Agreement had a remaining contract term of 31.5 years, expiring in December 2051. See "—*Summary of Concession Agreements*" below for additional information on the Gateway Motorway Concession Agreement.

Gateway Motorway traffic volumes

The Gateway Motorway opened to traffic in December 1986 and we acquired it in July 2014. Traffic volumes have increased since the road opened. ADT on the Gateway Motorway increased 0.8% from 116,395 in FY2018 to 117,212 for FY2019, and decreased 5.8% to 110,389 in FY2020, predominantly due to the impacts of the COVID-19 pandemic.

The following chart sets forth ADT for the Gateway Motorway from FY2010 to FY2020 (in '000s)[(1)]:



Note:

(1) This includes data that predates our ownership of the asset.

Logan Motorway

Logan Motorway overview

The Logan Motorway, a 24.5 mile (39.5 km) toll road, is an east-west link across the southern suburbs of Brisbane, supporting the commercial and industrial areas and outer regions of Ipswich City and Logan City, and providing access to the Gold Coast. The Logan Motorway, which was completed in 1988, connects with the Pacific Motorway, the Gateway Motorway, the Centenary Highway and the Ipswich Motorway.

Logan Motorway contributed A$123 million of Proportional toll revenue and A$102 million of Proportional EBITDA in FY2020.

Logan Motorway Concession

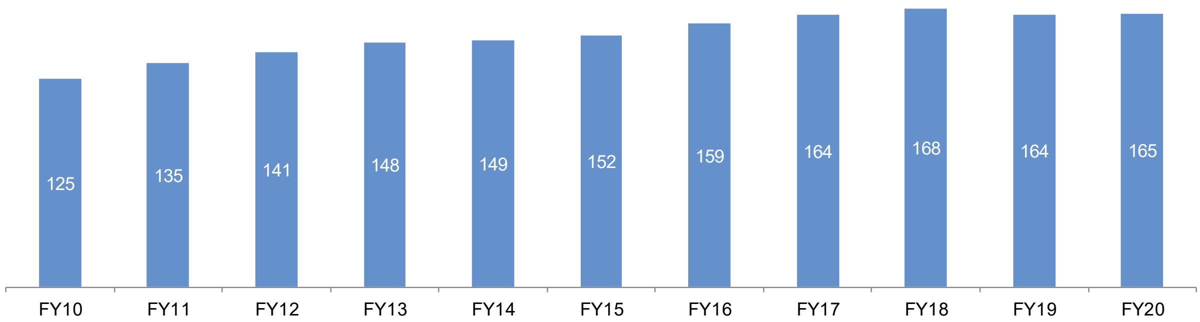
The Logan Motorway is subject to a Concession Agreement between the Queensland Franchisees and the State of Queensland. The Queensland Franchisees are wholly owned by Transurban Queensland. The Concession Agreement provides for annual increase of tolls by Brisbane CPI. As of June 30, 2020, the Concession

Agreement had a remaining contract term of 31.5 years, expiring in December 2051. See "—*Summary of Concession Agreements*" below for additional information on the Logan Motorway Concession Agreement.

Logan Motorway traffic volumes

The Logan Motorway opened to traffic in December 1988 and we acquired it in July 2014. ADT on the Logan Motorway decreased 2.0% from 167,759 in FY2018 to 164,344 for FY2019, but increased 0.4% to 164,991 in FY2020. Traffic performance was adversely impacted by works on the Logan Enhancement project which commenced in 2017 and construction completion was achieved in August 2019. The traffic volume remained largely consistent with an increase in traffic of 0.4% in FY2020 with declines from COVID-19 offset by the benefit of the completion of network enhancement projects in Brisbane.

The following chart sets forth ADT for the Logan Motorway from FY2010 to FY2020 (in '000s)[(1)]:



Note:

(1) This includes data that predates our ownership of the asset.

AirportlinkM7

AirportlinkM7 overview

AirportlinkM7 is a 4.2 mile (6.7 km) multi-lane toll road in Brisbane. Primarily a tunnel, AirportlinkM7 connects to our Clem7 and Legacy Way toll roads (via the Inner City Bypass) and provides access to the Brisbane Airport, the Australia TradeCoast precinct and the northern suburbs of Brisbane.

In November 2015, Transurban Queensland reached an agreement to acquire AirportlinkM7 for A$1.87 billion, plus stamp duty of A$108 million and transaction, and integration costs of A$23 million. We subsequently acquired AirportlinkM7 on April 1, 2016. To fund our equity contribution to Transurban Queensland's acquisition of AirportlinkM7, we undertook a A$1.025 billion entitlement offer. The acquisition was also funded by a A$950 million non-recourse bank debt facility at AirportlinkM7, subsequently consolidated at the Transurban Queensland level.

AirportlinkM7 contributed A$69 million of Proportional toll revenue and A$41 million of Proportional EBITDA in FY2020.

AirportlinkM7 Concession

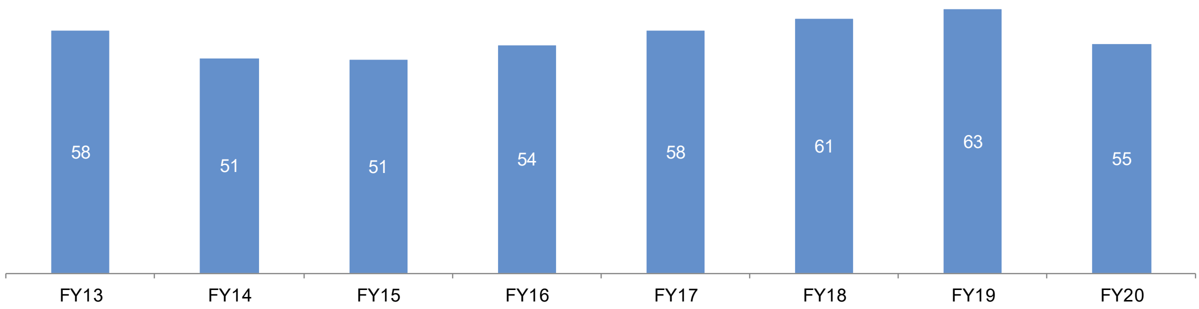
The AirportlinkM7 Concession Agreement is between APL Co Pty Limited and TQ APL Asset Trust (through its trustee, TQ APL Asset Co Pty Limited) (together, the **AirportlinkM7 Concessionaires**) and the State of Queensland. The AirportlinkM7 Concessionaires are wholly owned by Transurban Queensland.

AirportlinkM7 tolls are escalated annually by Brisbane CPI. As of June 30, 2020, the AirportlinkM7 Concession Agreement had a remaining contract term of 33.1 years, expiring in July 2053. See "—*Summary of Concession Agreements*" for additional information on the AirportlinkM7 Concession Agreement.

AirportlinkM7 traffic volumes

AirportlinkM7 opened to traffic in July 2012. As a result of the toll free period and toll discounting in FY2013, ADT on AirportlinkM7 declined by 11.2% in FY2014. ADT on AirportlinkM7 increased 3.6% from 60,635 in FY2018 to 62,813 for FY2019 and decreased 12.9% to 54,721 in FY2020, predominantly due to the impacts of the COVID-19 pandemic.

The following chart sets forth ADT for AirportlinkM7 from FY2013 to FY2020 (in '000s)(1):



Note:

(1) This includes data that predates our ownership of the asset.

Clem7

Clem7 overview

Clem7 is a 4.2 mile (6.8 km) toll road and city bypass linking arterial roads north and south of the Brisbane CBD, passing under the Brisbane River and connecting directly into AirportlinkM7 Motorway. Construction of the tollway commenced in September 2006 and was completed in March 2010.

Clem7 links the following Brisbane roads: the Pacific Motorway, Ipswich Road, Lutwyche Road, the Inner City Bypass, AirportlinkM7 and Shafston Avenue.

Clem7 contributed A$31 million of Proportional toll revenue and A$17 million of Proportional EBITDA in FY2020.

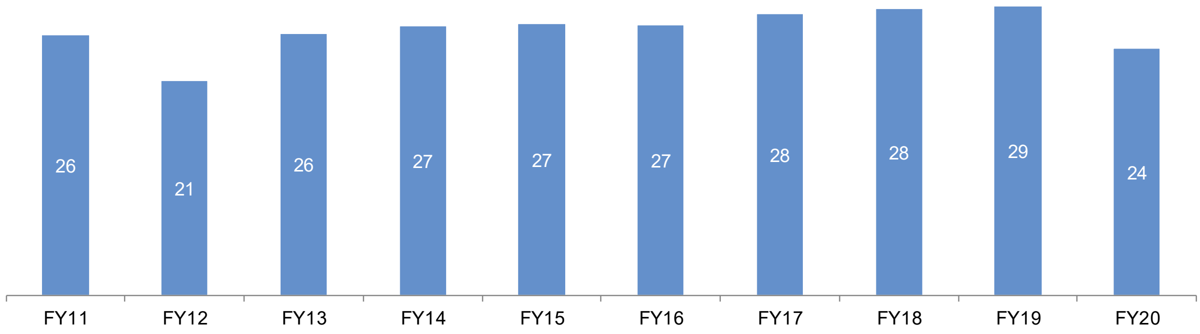
Clem7 Concession

Clem7 is subject to a Concession Agreement between Project T Partnership, comprising Project T Partner Co 1 Pty Limited and Project T Partner Co 2 Pty Limited (the **Project T Partners**), and the Brisbane City Council. The Project T Partners are wholly owned by Transurban Queensland. Clem7 tolls are escalated annually by Brisbane CPI. As of June 30, 2020, the Clem7 concession had a remaining contract term of 31.1 years, expiring in August 2051. See "—*Summary of Concession Agreements*" below for additional information on the Clem7 Concession Agreement.

Clem7 traffic volumes

Clem7 opened to traffic in March 2010 and we acquired it in July 2014. Traffic remained steady since the road opened. ADT on Clem7 increased 0.8% from 28,286 in FY2018 to 28,508 for FY2019 and decreased 14.6% to 24,351 in FY2020, predominantly due to the impacts of the COVID-19 pandemic.

The following chart sets forth ADT for Clem7 from FY2011 to FY2020 (in '000s)[(1)]:



Note:

(1) This includes data that predates our ownership of the asset.

Legacy Way

Legacy Way overview

Legacy Way is a 3.5 mile (5.7 km) two-lane tunnel. It connects the Western Freeway at Toowong with the Inner City Bypass at Kelvin Grove and also provides a connection from Ipswich and the Western suburbs to Brisbane Airport, Royal Brisbane Hospital and the Royal National Agricultural Showgrounds, the Pacific Motorway (via the Clem7) and the northern arterials of Gympie Road and Sandgate Road.

Legacy Way contributed A$25 million of Proportional toll revenue and A$11 million of Proportional EBITDA in FY2020.

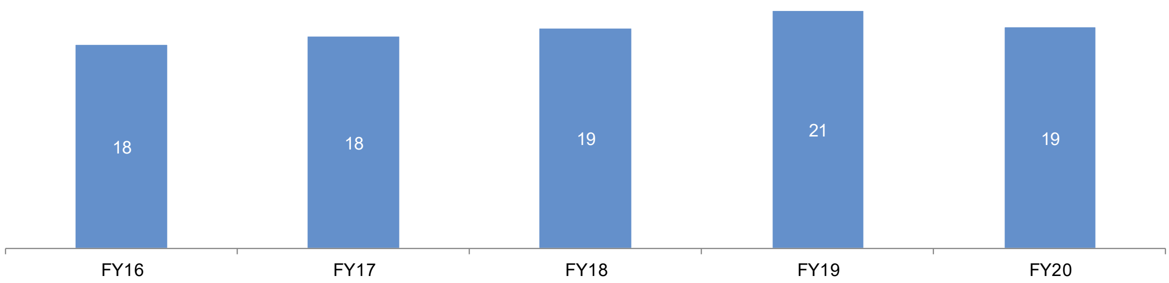
Legacy Way Concession

The Legacy Way Concession Agreement is between LW Operations Pty Limited and the Brisbane City Council. LW Operations Pty Limited is wholly owned by Transurban Queensland. Legacy Way. Legacy Way tolls are escalated annually by Brisbane CPI. As of June 30, 2020, the Legacy Way concession had a remaining contract term of 45.0 years, expiring in June 2065. See "—*Summary of Concession Agreements*" below for additional information on the Legacy Way Concession Agreement.

Legacy Way traffic volumes

Legacy Way opened to traffic in June 2015. Traffic volumes grew between the road's opening and the onset of the COVID-19 pandemic. ADT on Legacy Way increased 7.6% from 19,169 in FY2018 to 20,632 for FY2019 and decreased 6.9% to 19,199 in FY2020, predominantly due to the impacts of the COVID-19 pandemic.

The following chart sets forth ADT for Legacy Way from FY2016 to FY2020 (in '000s):



Go Between Bridge

Go Between Bridge overview

Go Between Bridge is a 0.2 mile (0.3 km) cross-river link providing access to the expanding residential and commercial precincts at West End and South Brisbane and to the Inner City Bypass. It connects Merivale and Cordelia Streets in West End to Hale Street and the Inner City Bypass and provides a link between Brisbane's northern, western and southern suburbs, as well as access to South Bank and the Cultural Precinct, West End, Suncorp Stadium, Caxton Street and Paddington and Park Road, Milton.

Go Between Bridge contributed A$7 million of Proportional toll revenue and A$4 million of Proportional EBITDA in FY2020.

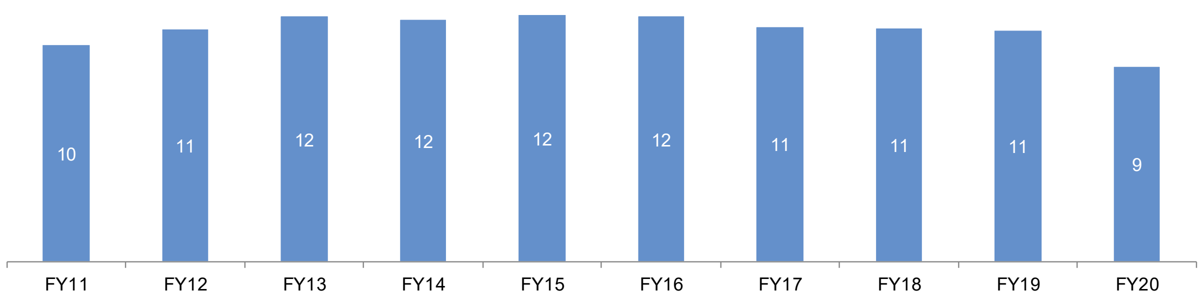
Go Between Bridge Concession

Go Between Bridge Concession Agreement is between GBB Operations Pty Limited and the Brisbane City Council. GBB Operations Pty Limited is wholly owned by Transurban Queensland. Go Between Bridge tolls are escalated annually by Brisbane CPI. As of June 30, 2020, the Go Between Bridge Concession Agreement had a remaining contract term of 43.5 years, expiring in December 2063. See "—*Summary of Concession Agreements*" below for additional information on the Go Between Bridge Concession Agreement.

Go Between Bridge traffic volumes

Go Between Bridge opened to traffic in July 2010 and we acquired it in July 2014. Traffic volumes grew between opening and FY2015, but have since declined in years preceding FY2020 due to increased congestion on surrounding roads. ADT on Go Between Bridge decreased 1.0% from 11,136 in FY2018 to 11,027 for FY2019 and further decreased 15.6% to 9,310 in FY2020, predominantly due to the impacts of the COVID-19 pandemic.

The following chart sets forth ADT for Go Between Bridge from FY2011 to FY2020 (in '000s)[(1)]:



Note:

(1) This includes data that predates our ownership of the asset.

Brisbane Network developments

Gateway Upgrade North project

Transurban Queensland managed a major upgrade to the northern end of the Gateway Motorway on behalf of the Queensland Department of Transport and Main Roads. The project was funded by the Federal and Queensland Governments.

Through a fee for service arrangement, Transurban Queensland acted as the Queensland Government's agent to deliver the project. The section of the road that was upgraded is not being tolled. Construction commenced in January 2016 and all motorway lanes on the Gateway Motorway opened in January 2019. Construction was completed in March 2019. The Gateway Upgrade North project was the first major road project in Queensland to be awarded an 'As Built IS Excellent Rating' by the Infrastructure Sustainability Council of Australia.

Logan Enhancement project

On November 23, 2016, we announced that the Queensland Government had approved our proposal to deliver upgrades on the Logan Motorway and Gateway Motorway. The A$512 million project involved upgrading parts of the Logan and Gateway motorways, including improving key congestion hot spots and constructing new south-facing ramps on the Gateway Motorway at Compton Road. Construction commenced in June 2017 and was completed in August 2019. The Logan Enhancement project was the first Queensland project to be awarded an 'As Built IS Leading Rating' by the Infrastructure Sustainability Council of Australia.

Inner City Bypass upgrade project

On April 3, 2017, we entered into an agreement with Brisbane City Council for the delivery of a road upgrade and for the operation and routine maintenance of the Inner City Bypass. The project involved widening the Inner City Bypass to four lanes in each direction between Legacy Way and the RNA tunnel, along with the inclusion of a new westbound on-ramp from Bowen Bridge Road and the Inner Northern Busway onto the Inner City Bypass to increase capacity and allow for future growth along this corridor. Under the A$60 million agreement, we financed and project managed the delivery of the design and construction phases and provided operations, including routine maintenance and incident response services, throughout the corridor to improve traffic flows.

The upgrade project was funded through toll increases on Legacy Way, Go Between Bridge and Clem7. Construction commenced in July 2017 and was completed in August 2018. Transurban Queensland now operates and maintains the Inner City Bypass.

Toowoomba Bypass (formerly Toowoomba Second Range Crossing)

In October 2017, Transurban Queensland was selected to supply a roadside system and provide tolling services for Toowoomba Bypass (formerly Toowoomba Second Range Crossing, a government constructed and owned toll road. Toowoomba Bypass is a single gantry toll road to divert heavy vehicles from Toowoomba and it opened to traffic on September 8, 2019. Transurban Queensland is responsible for establishing the tolling capability and provides end-to-end tolling services for an initial period of five years, with the option to extend for another five years.

Brisbane Network development opportunities

We are monitoring various asset enhancement opportunities in Brisbane including potential Logan Motorway and Gateway Motorway widening projects.

North American assets

We wholly own the concessions for two toll road assets in the Greater Washington Area in the United States: 495 Express Lanes and 95 Express Lanes, and one toll road asset in Montreal, Canada: the A25.

Greater Washington Area Network

The table below sets out certain key operating and financial measures for our Greater Washington Area Network:(1)

Historical	FY2020	FY2019	FY2018	CAGR (%)
Traffic (ADT)(2) ('000)	83	96	96	(7.0)%
Proportional toll revenue (A$ millions)	215	260	218	(0.7)%

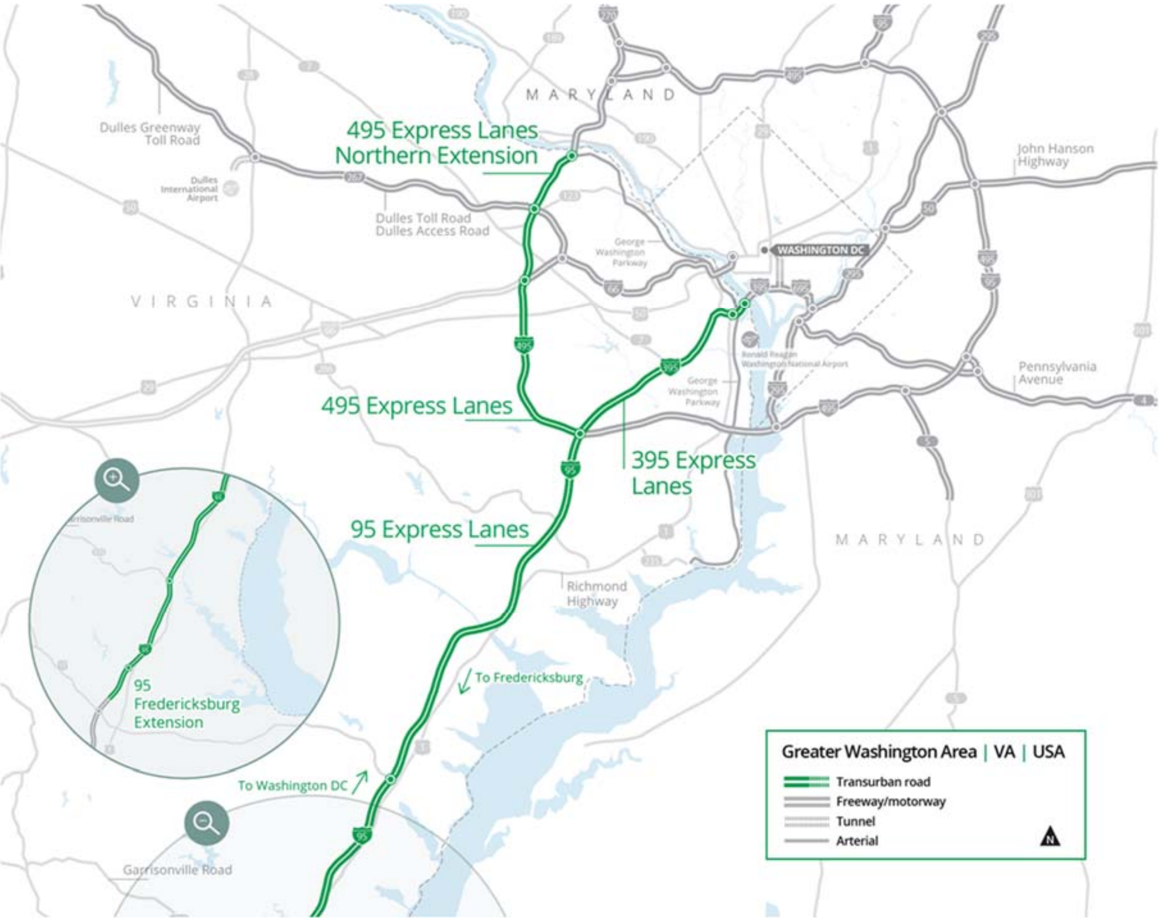
Historical	FY2020	FY2019	FY2018	CAGR (%)
Proportional EBITDA (A$ millions)	99	155	125	(11.0)%
Proportional EBITDA Margin (%)	46.0	59.6	57.3	(10.4)%

Notes:

(1) Proportional toll revenue, Proportional EBITDA and Proportional EBITDA margin are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

(2) Average Daily Trips. See "*Certain Definitions*" for definition.

The map below illustrates the location of our Greater Washington Area Network:



495 Express Lanes

495 Express Lanes overview

The 495 Express Lanes comprise 13.7 miles (22 km) of electronically tolled HOT lanes adjacent to a section of I-495, the major route circling Washington, D.C. Vehicles travelling on this section of I-495 have the choice of travelling toll-free in the general purpose lanes or in the parallel variable rate tolled lanes. The 495 Express Lanes opened in November 2012.

The 495 Express Lanes contributed A$89 million of Proportional toll revenue and A$42 million of Proportional EBITDA in FY2020.

495 Express Lanes Concession

The 495 Express Lanes Concession Agreement is between Capital Beltway Express LLC (the **495 Express Lanes Concessionaire**) and VDOT. The 495 Express Lanes Concessionaire has no contractual limits in setting toll prices but may instead adjust toll prices to manage the flow of traffic to ensure minimum travel speeds are achieved as set out in the 495 Express Lanes Concession Agreement. Toll prices are generally updated every 10 minutes. The 495 Express Lanes Concession Agreements provide for free access to the Express Lanes for high occupancy vehicles fitted with a specialised transponder, public transport vehicles and other excluded vehicles.

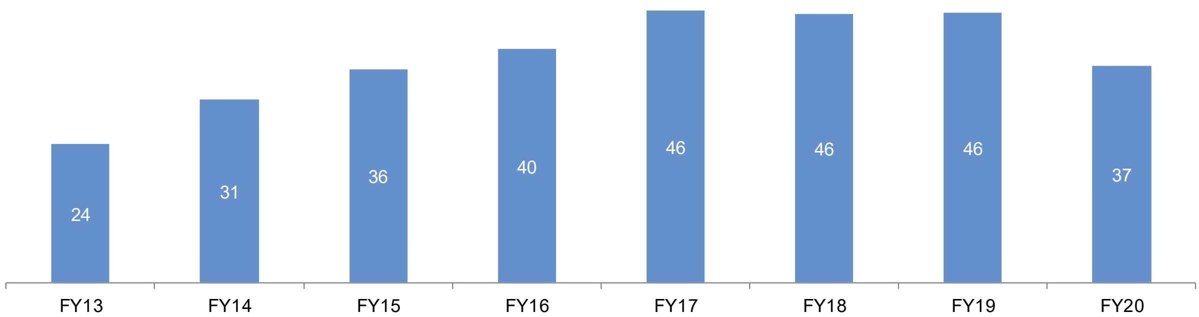
We provide management and operational services to the 495 Express Lanes Concessionaire. As of June 30, 2020, the 495 Express Lanes Concession Agreement had a remaining contract term of 67.5 years, expiring in December 2087. See "—*Summary of Concession Agreements*" below for additional information on the 495 Express Lanes Concession Agreement.

The average dynamic toll price was U.S.$5.27 for the year ended June 30, 2020.

495 Express Lanes traffic volumes

Following the opening of the 95 Express Lanes in December 2014, traffic on the 495 Express Lanes grew strongly until the onset of the COVID-19 pandemic. ADT increased 0.4% from 45,774 in FY2018 to 45,911 in FY2019 and decreased 19.6% to 36,918 in FY2020, predominantly due to the impacts of the COVID-19 pandemic.

The following chart sets forth ADT for the 495 Express Lanes from FY2013 to FY2020 (in '000s):



495 Express Lanes developments

On January 29, 2019, we announced that we had agreed with VDOT to pursue an approximately 2 mile (3.2 km) extension to the 495 Express Lanes from its current northern terminus to the George Washington Memorial Parkway near the Maryland border at the Potomac River crossing. We have worked collaboratively with VDOT to advance the design and environmental processes for the project and launched a design-build procurement process in FY2020. We expect to reach financial close during calendar year 2021. Construction activities are expected to commence in calendar year 2021 with an anticipated service commencement in calendar year 2024/2025.

On November 12, 2019 we announced that, in partnership with the Virginia Government, we are progressing a project to extend the 495 Express Lanes by approximately 2.6 miles (4.2 km) north across the Potomac River and into Maryland. The project involves upgrading four general purpose lanes in both directions and replacing and upgrading the aging American Legion Bridge to add two express lanes, alleviating traffic on the Capital Beltway. We will work to deliver Virginia's project components as part of the bi-state effort. The project will advance as part of phase one of Maryland's Traffic Relief Plan currently in procurement that will see HOT lanes added on I-495 from the George Washington Memorial Parkway in Virginia to I-270 (including the Capital Beltway Accord) and I-270 from I-495 to I-70 in Maryland.

95 Express Lanes

95 Express Lanes overview

The 95 Express Lanes comprise 39 miles (62.7 km) of electronically tolled HOT lanes that operate adjacent to I-95 in the Greater Washington Area, after including the 8 miles (12.9 km) added by the 395 Express Lanes project completed in November 2019. I-95 intersects with and connects to I-495 and is a major thoroughfare into Washington, D.C. The 95 Express Lanes vary from two to three lanes. Depending on the direction of traffic flow on the 95 Express Lanes, vehicles travelling on this section of I-95 have the choice of travelling toll-free in the general purpose lanes or in the parallel variable rate tolled lanes. The 95 Express Lanes opened in December 2014.

The 95 Express Lanes contributed A$126 million of Proportional toll revenue and A$61 million of Proportional EBITDA in FY2020.

Toll revenue for FY2020 is recognised net of revenue share of A$14 million ($nil in FY2019) to the grantor of 395 Express Lanes, the Virginia Department of Transportation.

95 Express Lanes Concession

The 95 Express Lanes Concession Agreement is between 95 Express Lanes, LLC (the **95 Express Lanes Concessionaire**) and VDOT. The 95 Express Lanes Concessionaire has no contractual limits in setting toll prices but may instead adjust tolls to ensure traffic on the tolled lanes meets the minimum travel speeds as set out in the 95 Express Lanes Concession Agreement. Toll prices are generally updated every 10 minutes. The 95 Express Lanes Concession Agreement provides for free access to the Express Lanes for high occupancy vehicles fitted with a transponder, public transport vehicles and other excluded vehicles. As of June 30, 2020, the 95 Express Lanes Concession Agreement had a remaining contract term of 67.5 years, expiring in December 2087.

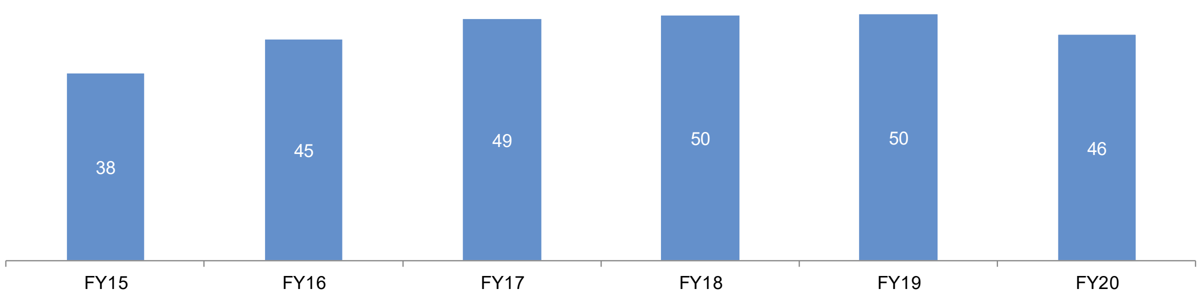
Toll system delivery and operations for the 95 Express Lanes are managed by us and co-located with the 495 Express Lanes. The 95 Express Lanes utilise technology developed for the 495 Express Lanes. See "*—Summary of Concession Agreements*" below for additional information on the 95 Express Lanes Concession Agreement.

The average dynamic toll price was U.S.$8.63 for the year ended June 30, 2020.

95 Express Lanes traffic volumes

From the opening of the 95 Express Lanes in December 2014 until the onset of the COVID-19 pandemic, traffic performed well relative to expectations. ADT increased 0.7% from 50,084 in FY2018 to 50,434 in FY2019 and decreased 8.5% to 46,131 in FY2020, predominantly due to the impacts of the COVID-19 pandemic.

The following chart sets forth ADT for the 95 Express Lanes from FY2015 to FY2020 (in '000s):



95 Express Lanes developments

395 Express Lanes

On June 8, 2017, we entered into an amendment to the existing Concession Agreement between 95 Express Lanes, LLC and VDOT to allow for the design, development, construction, finance, and operation of the 395 Express Lanes project as a "Concessionaire Project Enhancement" (as originally contemplated by the Concession Agreement). The 395 Express Lanes constitute an approximate 8 mile (12.9 km) extension to the 95 Express Lanes north to the border of Washington, D.C. The project increases capacity by converting two high-occupancy vehicle lanes to three high-occupancy toll lanes. Financial close occurred on July 25, 2017. Construction on the U.S.$475 million project began in the second half of 2017. Construction was completed with the new road opening to traffic and tolling commencing in November 2019.

95 Express Lanes Southern Extension

In November 2015, we announced an agreement with VDOT to extend the 95 Express Lanes by approximately 2.2 miles (3.5 km) south of the existing southern terminus. VDOT assumed all delivery and cost risk. We agreed to contribute a fixed amount of U.S.$25 million to the project. Construction was completed in October 2017.

Fredericksburg Extension project

In January 2018, we announced that VDOT had accepted our offer to extend the I-95 Express Lanes south to the vicinity of Route 17 near Fredericksburg, Virginia under the existing 95 Express Lanes Concession Agreement. The Fredericksburg Extension project will extend the existing reversible 95 Express Lanes south by 10 miles (16.1 km) in the I-95 median. The design-build procurement process successfully concluded in October 2018. The related design-build contract, along with an amendment to the Concession Agreement, were executed in April 2019, followed by financial close for the project, in July 2019. The U.S.$553 million project is currently under construction. Opening of the new segment to traffic is expected to occur in FY2023.

Montreal Network

The table below sets out certain key operating and financial measures for Montreal[(1)(2)]:

Historical	FY2020	FY2019	FY2018[(3)]	CAGR (%)
Traffic (ADT)[(4)] ('000)	49	51	48	1.04%
Proportional toll revenue (A$ millions)	64	64	5	n/a%
Underlying Proportional EBITDA[(5)] (A$ millions)	55	55	5	n/a%
Underlying Proportional EBITDA margin (%)[(6)]	85.9	85.9	100.0	n/a%

Notes:

(1) Proportional toll revenue, Underlying Proportional EBITDA and Underlying Proportional EBITDA margin are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

(2) Includes data that predates our ownership of the asset.

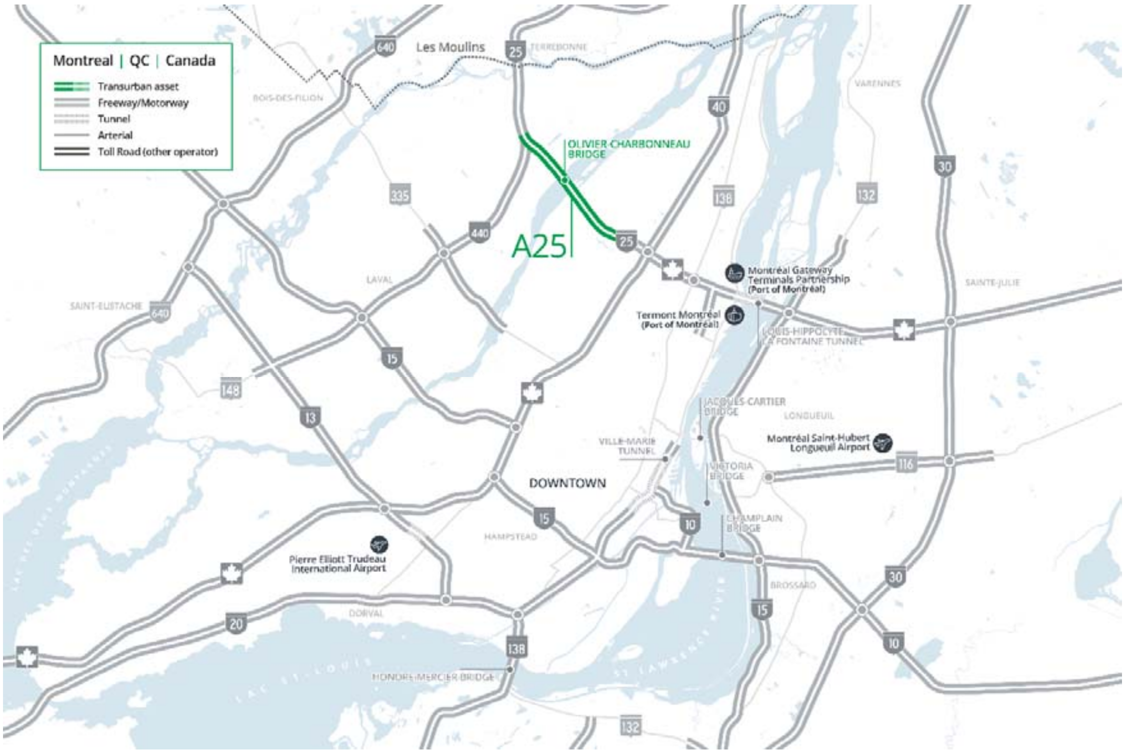
(3) Financial results from asset since financial close on June 5, 2018.

(4) Average Daily Trips. See "*Certain Definitions*" for definition.

(5) Excludes significant items which include A$1 million, A$11 million and A$21 million of transaction and integration costs associated with the acquisition of the A25 for FY2020, FY2019 and FY2018, respectively.

(6) Underlying Proportional EBITDA margins are calculated as Proportional EBITDA excluding significant items over Proportional toll revenue. Significant items for our Montreal network were A$1 million, A$11 million and A$21 million for FY2020, FY2019 and FY2018, respectively.

The map below illustrates the location of our Montreal Network:



The A25

The A25 overview

The A25 is a 4.5 mile (7.2 km) toll road, consisting of a 0.8 mile (1.2 km), 6-lane bridge over the Rivière des Prairies, and a 3.7 mile (6.0 km) 4-lane roadway on either side of the bridge. It opened in May 2011 with a concession to September 2042.

On June 5, 2018, we acquired 100% of the entities that hold the A25 concession in Montreal for C$867 million including transaction costs and settlement adjustments.

The A25 contributed A$64 million of Proportional toll revenue, A$54 million of Proportional EBITDA and A$55 million of Underlying Proportional EBITDA, excluding significant items of A$1 million, in FY2020. Over a two month period commencing March 25, 2020, tolling was suspended on the A25 as part of a regional response to the COVID-19 pandemic. Tolling was later re-applied on May 25, 2020 and compensation agreed with the Ministry of Transport Quebec.

Toll revenue for FY2020 is recognised net of revenue share of A$28 million (A$23 million in FY2019) to the grantor of A25, the Ministry of Transport Quebec.

The A25 Concession

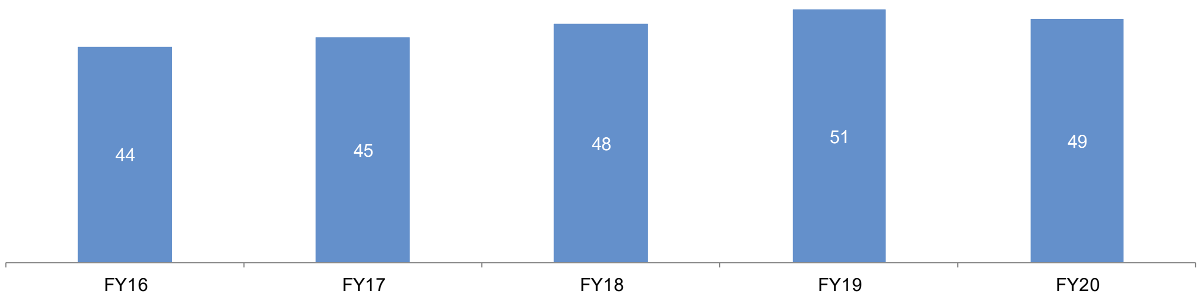
The A25 is subject to a Concession Agreement between the A25 Concessionaire and the Ministre des transport du Quebec. The A25 tolls are escalated annually by Canadian CPI. We wholly own the A25 Concessionaires. As of June 30, 2020, the A25 Concession Agreement had a remaining concession term of 22.2 years, expiring in September 2042.

We provide management and operational services to the A25 Concessionaire. See "—*Summary of Concession Agreements*" below for additional information on the A25 Concession Agreement.

The A25 traffic volumes

The A25 opened to traffic in 2011 and has since exceeded original traffic projections. ADT increased 6.0% from 48,010 in FY2018 to 50,886 in FY2019 and decreased 3.5% to 49,081 in FY2020, predominantly due to the impacts of the COVID-19 pandemic.

The following chart sets forth ADT for the A25 from FY2016 to FY2020 (in '000s)[(1)]:



Note:

(1) This includes data that predates our ownership of the asset.

North American development opportunities

Maryland Express Lanes

In July 2020, we were shortlisted by the Maryland Department of Transportation to prepare and submit to them a proposal for the development of the first phase of the Maryland Express Lanes in Virginia. This project is expected to see HOT lanes added on I-495 from the George Washington Memorial Parkway to I-270 (including a replacement of the American Legion Bridge) and on I-270 from I-495 to I-70. The preferred developer is expected to be announced in early calendar year 2021.

Elizabeth River Crossings

We are also monitoring an opportunity associated with the potential sale of the Elizabeth River Crossings in the Hampton Roads region of Virginia. The asset is well aligned to our strategy with a stable traffic profile and long-dated concession. The Elizabeth River Crossings also present an opportunity for us to expand and diversify our Virginia network to include the Hamptons Road region which is the second largest economy in Virginia and is anchored by defence, port activity and tourism.

Capital Beltway Accord

On November 12, 2019 we announced that, in partnership with the Virginia Government, we are progressing a project to extend the 495 Express Lanes by approximately 2.6 miles (4.2 km) north across the Potomac River and into Maryland. The project involves upgrading four general purpose lanes in both directions and replacing and upgrading the ageing American Legion Bridge to add two express lanes, alleviating traffic on the Capital Beltway. We will work to deliver Virginia's project components as part of the bi-state effort. The project will advance as part of phase one of Maryland's Traffic Relief Plan currently in procurement that will see HOT lanes added on I-495 from the George Washington Memorial Parkway in Virginia to I-270 (including the Capital Beltway Accord) and I-270 from I-495 to I-70 in Maryland. See also "*—Toll roads—North American assets—Greater Washington Area Network—495 Express Lanes—495 Express Lanes developments*".

Summary of Concession Agreements

The following table sets out a summary of our Concession Agreements:

Concessionaire	Government Counterparty	Governing Law	Date of Concession Agreement	Opening Date	Term[1]	Tolling	Additional Payments to Government
CityLink	The State of Victoria	Victoria	October 20, 1995	August 1999[2]	44 years and six months from July 14, 2000	Pursuant to the recent changes to the CityLink Concession Agreement (effected after the relevant amendments passed through the Victorian Parliament), escalation will be quarterly by CPI subject to a cap of annual CPI plus 2.5% until June 30, 2019. Pursuant to the recent changes to the CityLink Concession Agreement (effected after the relevant amendments passed through the Victorian Parliament), escalation will be quarterly by an equivalent of 4.25% per annum on and from July 1, 2019 to June 30, 2029. Thereafter, escalation will be quarterly by CPI, subject to a cap of annual CPI plus 2.5%.	Concession notes originally in favour of the State have been subsequently acquired by us. Additional concession fees can be payable as a tiered percentage of revenue if a specified threshold equity return and revenue level are exceeded. Pursuant to the recent changes to the CityLink Concession Agreement (effected after the relevant amendments passed through the Victorian Parliament), a new revenue sharing regime will apply during the additional concession period, whereby a percentage of revenue will be payable where revenue exceeds the agreed baseline revenue pursuant to an agreed matrix.

Concessionaire	Government Counterparty	Governing Law	Date of Concession Agreement	Opening Date	Term(1)	Tolling	Additional Payments to Government
West Gate Tunnel	The State of Victoria	Victoria	December 11, 2017	n/a	22 years from expected date for completion	Escalated quarterly by an equivalent of 4.25% per annum from commencement of tolling to June 30, 2029, thereafter quarterly at CPI.	A percentage of revenue where revenue exceeds the agreed baseline revenue pursuant to an agreed matrix.
Hills M2	Transport for NSW (formerly known as RMS) and Minister for Roads and Freight on behalf of the State of New South Wales	New South Wales	August 26, 1994	May 1997	51 years from opening date	Escalated quarterly by the greater of quarterly CPI or 1%.	Annual base rent of A$7 million (CPI indexed). Until a specified threshold equity return is reached, payments are satisfied by the issue of non-interest bearing concession notes. If the threshold is reached, a percentage of available cash flow is dedicated to servicing the concession notes. If these concession notes are fully redeemed, Incentive Rent representing 20% of available cash flow becomes payable.
Lane Cove Tunnel	Transport for NSW	New South Wales	December 4, 2003	March 2007	41 years from opening date	Escalated quarterly by quarterly CPI. Truck tolls escalated at the greater of 1% per quarter or quarterly CPI.	A tiered percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 10%.
Cross City Tunnel	Transport for NSW	New South Wales	December 18, 2002	August 2005	30 years and two months	Tolls were escalated quarterly at the	A tiered percentage of revenue

Concessionaire	Government Counterparty	Governing Law	Date of Concession Agreement	Opening Date	Term[1]	Tolling	Additional Payments to Government
					from opening date	greater of CPI or 0.7417% per quarter until June 2018 (equivalent to 3% per annum). After June 2018 tolls are escalated quarterly at quarterly CPI. Tolls cannot be lowered as a result of deflation.	where revenue exceeds the agreed baseline revenue by greater than 10%.
Eastern Distributor	Transport for NSW (formerly known as RMS) and Minister for Roads and Freight on behalf of the State of New South Wales	New South Wales	June 27, 1997	December 1999	48 years and six months from opening date	Escalated quarterly by the greater of a weighted sum of quarterly Average Weekly Earnings and quarterly CPI or 1%.	Annual concession fees of A$15 million occur during the construction phase and for 24 years thereafter. Until a specified threshold equity return is achieved, payments of these fees are satisfied by the issue of non-interest bearing concession notes.
Westlink M7	Transport for NSW (formerly known as RMS)	New South Wales	February 13, 2003	December 2005	42 years and six months from opening date	Escalated or de-escalated quarterly by quarterly CPI.	A$358 million nominal payments to Transport for NSW between 2016 and 2037 and a tiered percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 5%.
M5 West Motorway	Transport for NSW (formerly known as RMS) and	New South Wales	February 22, 1991	August 1992	34 years and four months from	Escalated quarterly by quarterly Sydney CPI. The toll cannot	A percentage of revenue where revenue exceeds the

Concessionaire	Government Counterparty	Governing Law	Date of Concession Agreement	Opening Date	Term[(1)]	Tolling	Additional Payments to Government
	Minister for Transport and Roads on behalf of the State of New South Wales				opening date[(3)]	be lowered as a result of deflation.	agreed baseline revenue by greater than 104%, but only in the circumstance where the New South Wales Government carries out a major widening of the government-owned road which feeds into the eastern end of the M5 West Motorway.
WestConnex Stage 1: M4 West and New M4 Tunnels (M4 WestConnex Concession)	Transport for NSW (formerly known as RMS)	New South Wales	December 4, 2014	July 2017	40.5 years as at June 30, 2020[(4)]	Escalated on January 1 each year by the greater of CPI or 4% per annum until December 31, 2040. After December 31, 2040, escalation at greater of CPI or 0% per annum.	Revenue sharing is triggered when revenue exceeds a baseline revenue threshold by greater than 10%.
WestConnex Stage 2: M8 Motorway and M5 East Motorway (M5 WestConnex Concession)	Transport for NSW (formerly known as RMS)	New South Wales	November 20, 2015	July 5, 2020	40.5 years as at June 30, 2020	Escalated on January 1 each year by the greater of CPI or 4% per annum until December 31, 2040. After December 31, 2040, escalation at greater of CPI or 0% per annum.	Revenue sharing is triggered when revenue exceeds a baseline revenue threshold by greater than 10%.
WestConnex Stage 3: M4-M5 Link and Rozelle Interchange (M4-M5 Link WestConnex Concession)	Transport for NSW (formerly known as RMS)	New South Wales	June 12, 2018	n/a	41 years as at June 30, 2020	Escalated on January 1 each year by the greater of CPI or 4% per annum until December 31, 2040. After December 31, 2040, escalation at greater of CPI	Revenue sharing is triggered when revenue exceeds a baseline revenue threshold by greater than 10%.

Concessionaire	Government Counterparty	Governing Law	Date of Concession Agreement	Opening Date	Term[1]	Tolling	Additional Payments to Government
						or 0% per annum.	
NorthConnex	Transport for NSW (formerly known as RMS) and Minister for Transport and Roads on behalf of the State of New South Wales	New South Wales	January 31, 2015	n/a	28 years as at June 30, 2020[5]	Escalated quarterly by the greater of quarterly CPI or 1%.	A tiered percentage of revenue where revenue exceeds the agreed revenue baseline by greater than 10%.
Gateway Motorway	State of Queensland	Queensland	March 23, 2011	December 1986	40 years and eight months from date of Concession Agreement	Escalated annually at All Groups CPI, Brisbane. The toll cannot be lowered as a result of deflation.	A tiered percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 10%.
Logan Motorway	State of Queensland	Queensland	March 23, 2011	December 1988	40 years and eight months from date of Concession Agreement	Escalated annually at All Groups CPI, Brisbane. The toll cannot be lowered as a result of deflation.	A tiered percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 10%.
Clem7	Brisbane City Council	Queensland	May 24, 2006	March 2010	41 years and five months from opening date	Escalated annually at All Groups CPI, Brisbane. The toll cannot be lowered as a result of deflation.	A tiered percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 25%. If revenues exceed the agreed baseline revenue by greater than 25% in the last 10 years of the concession term, higher amounts become payable.
Go Between Bridge	Brisbane City Council	Queensland	December 19, 2013	July 2010	50 years from date of	Escalated annually at All Groups CPI,	A tiered percentage of revenue

Concessionaire	Government Counterparty	Governing Law	Date of Concession Agreement	Opening Date	Term[(1)]	Tolling	Additional Payments to Government
					Concession Agreement	Brisbane. The toll cannot be lowered as a result of deflation.	where revenue exceeds the agreed baseline revenue by greater than 15%.
Legacy Way	Brisbane City Council	Queensland	June 26, 2015	June 2015	50 years from date of Concession Agreement	Escalated annually at All Groups CPI, Brisbane. The toll cannot be lowered as a result of deflation.	A tiered percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 15%.
AirportlinkM7	Brisbane City Council	Queensland	June 2, 2008	July 2012	45 years from date of Concession Agreement	Escalated annually at All Groups CPI, Brisbane. The toll cannot be lowered as a result of deflation.	A tiered percentage of revenue where revenue exceeds the agreed baseline revenue by greater than 10% commencing in July 2025. A tiered percentage of revenue is also payable from July 2015 where revenue exceeds the agreed baseline revenue by greater than 20%.
495 Express Lanes	Virginia Department of Transportation	Virginia	December 19, 2007	November 2012	80 years from date of Concession Agreement	Variable, uncapped.	A tiered percentage of revenue once a specified equity investor rate of return has been met.
95 Express Lanes[(6)]	Virginia Department of Transportation	Virginia	July 31, 2012	December 2014	73 years from opening date	Variable, uncapped.	A tiered percentage of revenue once a specified return on investment has been met.

Concessionaire	Government Counterparty	Governing Law	Date of Concession Agreement	Opening Date	Term(1)	Tolling	Additional Payments to Government
							Following the opening of the 395 Express Lanes segment to traffic in November 2019, an annual transit investment payment of U.S.$15 million (increased annually by 2.5%) is also payable.
A25	Ministère des Transports	Quebec	September 13, 2007	May 2011	31 years and four months from opening date	Escalated annually at CPI and incrementally as traffic volumes exceed peak and off-peak thresholds.	Revenue sharing of 50% (including fees) will be triggered for revenue above a contractual threshold.

Notes:

(1) As specified in the relevant Concession Agreement, Term includes any extension of the term set forth in such Concession Agreement as agreed with the relevant government entity.

(2) The Western Link section of CityLink opened to traffic in 1999. Tolling commenced and the tunnels opened in 2000.

(3) The M5 West Motorway forms part of the M5 WestConnex Concession from December 2026 when the existing M5 West Motorway Concession expires, through to December 2060.

(4) The New M4 Tunnels (Stage 1B) were completed in July 2019. The M8 Motorway (Stage 2) was completed and commenced tolling on July 5, 2020 (see "*Business—Recent developments— Opening of the WestConnex M5 in Sydney*" for more information). The remaining projects are currently under construction. Expected completion dates are: CY2023 for the M4-M5 Link (Stage 3A) and early FY2025 for the Rozelle Interchange and Iron Cove Link (Stage 3B, to be delivered by Transport for NSW).

(5) Currently under construction and expected to open in the coming months.

(6) 95 Express Lanes concession includes the 395 Express Lanes (construction was completed in November 2019) and includes the Fredericksburg Extension (currently under construction).

Obligations

Each Concessionaire's primary obligation is to operate, maintain and repair the relevant assets in accordance with the technical criteria specified in the relevant Concession Agreement. In most instances, a Concessionaire will be required to finance and construct the asset prior to having an obligation to operate and maintain the asset.

Asset enhancement

Asset enhancement projects are usually governed by amending deeds to the underlying Concession Agreement for the relevant toll road asset.

Material adverse event regime

In some of our Australian Concession Agreements, there are varying levels of protection that provide mechanisms for the Concessionaire to claim compensation in certain scenarios where government actions, in some cases including the development of competing transport measures, have a material adverse effect on a particular toll road or Concessionaire.

Our United States Concession Agreements do not have protection against competing transport measures but have protection against certain government actions, such as a discriminatory change in law.

Default and termination

The Concession Agreements typically require the relevant Concessionaire to comply with certain obligations and performance measures during both the construction and operational phases. During the construction phase this would typically require constructing the asset to specified standards, and during the operational phase, this would typically require operating, maintaining and repairing the asset to specified standards. If a Concessionaire breaches a material obligation under a Concession Agreement and fails to remedy the breach within a set cure period, our Concession Agreements generally allow the relevant government entity to terminate the Concession Agreement.

If a Concessionaire is prevented from exercising certain material rights (such as operating and tolling the relevant toll road) under a Concession Agreement as a result of government action, such Concessionaire may be entitled to terminate the Concession Agreement and receive compensation from the relevant government entity. Generally, such compensation would be to repay any debt secured by the asset and a formulated equity return to the Concessionaire.

Hand over

All of our Concession Agreements contain undertakings in relation to hand over of the underlying assets upon expiry of the concession period. While the specific conditions vary in each Concession Agreement, generally, for the Australian assets, we are required to transfer the toll road assets and infrastructure of the toll road to the relevant government entity in a good state of repair and in accordance with technical criteria specified in the relevant Concession Agreement.

For our United States assets, the requirement, generally, is that on hand over, the asset condition is such that it has a remaining life of the greater of: (a) five years; or (b) life within its normal lifecycle as set out in the technical requirements to the applicable Concession Agreement. If requested by VDOT, the Concessionaire must dismantle the tolling system at its own cost to convert the HOT lanes back to general purpose traffic lanes, provided that VDOT is obligated to notify the Concessionaire at least one year prior to expiration of the applicable term if the HOT lanes are to be converted to general purpose traffic lanes.

To ensure that the assets and infrastructure are transferred back to the relevant government entity in the specified condition at the end of the applicable Concession Agreement, we periodically review the condition of the asset and infrastructure against the maintenance lifecycle requirements specified in each Concession Agreement and we build a lifecycle major maintenance provision into our operating expenses. This item is built up over time by recognising an expense in the income statement for the present value of the forecast maintenance expenditure, based on the wear and tear on our toll roads and related infrastructure to date. The actual major maintenance spend each year reduces the maintenance provision, and depending on where in the maintenance cycle a road may be, the cash maintenance spend could vary materially from the maintenance expense recognised during a given period.

Traffic forecasting

As at June 30, 2020, our in-house traffic team comprised approximately 40 traffic engineers, transport planners and modelling experts. Our traffic team is responsible for developing network models for each of the urban areas in which we operate, providing ongoing support for our existing assets and assisting with identifying and assessing network development opportunities.

In support of our existing assets, our traffic team helps identify opportunities for operational improvements to a specific road and/or the surrounding road network, while assessing how the opportunities would affect traffic and revenue.

For project development and delivery, our traffic team helps identify and elevate potential enhancements to our assets and/or the broader network, as well as assisting with traffic and network planning to effectively manage the impact of project delivery activities on traffic and the transport network.

Our traffic team utilises a range of methodologies and knowledge sources to forecast traffic and assess operational opportunities. We have comprehensive historical data with which to calibrate our traffic models. Due to the breadth of experience of our traffic experts, we have a strong track record of traffic forecasting, which is a competitive advantage in identifying development opportunities and delivering projects on time and on budget.

Project development and delivery

In line with our strategy, we actively seek to develop projects that establish and enhance our network, including opportunities to relieve existing traffic congestion through greenfield development and/or enhancement of our toll road networks. Our in-house team of transport network planners and traffic modelling experts is a key part of being able to identify such development opportunities. We are then able to progress these proposals with the relevant government entities. For example, we have utilised this strategy and process on the M5 West Motorway widening project, the NorthConnex project, the CityLink-Tulla widening project, the West Gate Tunnel project and the Logan Enhancement project.

We have successfully undertaken a number of major projects in recent years, including the CityLink-Tulla widening project, the Inner City Bypass project, the Logan Enhancement project, the Gateway Upgrade North project, the 395 Express Lanes project and the completion of the M4 and M8 Motorways as part of the WestConnex project. We outsource construction to experienced and reputable contractors on such projects and seek to ensure that project risks sit with the party most appropriate to bear that risk. We also have our own in-house project delivery personnel that we supplement with external specialists to manage and provide oversight of each phase of project development and delivery and ensure that appropriate construction management systems and controls are in place.

Public Private Partnerships

We generally contract with governments using Public Private Partnerships (**PPPs**). The contracting model for PPPs involves private sector financing and are long-term contracts under which the private sector designs, constructs, operates and maintains projects (activities that were traditionally undertaken by the public sector), while the public sector retains responsibility for strategic planning, regulation and community service obligations.

The PPP model we have traditionally entered into with government entities involves the grant of a concession in respect of toll road assets, in return for which we agree to construct, finance and operate the relevant asset over the period of the concession before transferring it back at the end of the concession period at no cost to the government, maintained and operated in accordance with the provisions of the relevant Concession Agreements.

Our return on investment in respect of each asset depends on the duration of the concession, the amount of toll revenues collected, debt service costs and other factors.

Technology

We have advanced systems and technologies that we have developed in conjunction with leading external technology providers over a number of years to effectively manage our toll road networks, including tolling and roadside operations and tunnel systems technology.

We developed our GLIDe technology along with our external technology providers, which is a tolling and customer management system for the calculation and collection of tolls, charges and fees, including the processing of data to support the management of customer accounts, transaction processing and billing. The GLIDe system operates across our entire Australian road network. We have also developed our variable pricing tolling system on the 495 Express Lanes and the 95 Express Lanes with external technology partners, based on a sophisticated algorithm that changes the toll price dynamically to manage demand in these lanes. We have projects underway that continue to update our tolling back-office systems to next-generation technologies. The first new component of this update has been deployed on the 495 Express Lanes and the 95 Express Lanes, and was recently deployed on the Cross City Tunnel.

We have invested in significant technological improvements in recent years to enhance customer safety and traffic efficiency, including electronic speed and lane control, over-height vehicle detection, weigh-in-motion sensors, specialist tunnel safety systems and automatic detection of incidents to ensure rapid response.

We have arrangements with other toll road operators and government agencies that enable the customers of other toll road operators or government agencies to use that road operator's or government agency's electronic tolling device, such as an electronic tag or a transponder, on our toll roads.

We continue to develop our technology and data analytics to advance our transport network management and road user interfaces. We also evaluate the application of emerging technology where it may be able to enhance our toll road networks, customer experience and help to avoid disruption on our networks. These initiatives include our participation in industry trials and the development and adoption of connected and automated vehicles, along with other relevant technology, social and policy trends, in order to prepare for their potential impact on motorway capacity and demand.

Safety

Safety is our top priority and we have a range of measures in place to support the safety of motorists on our toll road networks and employees and contractors in our offices and sites.

We measure our safety performance in our workplaces and on our toll road networks.

The table below illustrates lost time and recordable injuries for our employees across our networks:

Transurban employee recordable frequency rate	**FY2020**	**FY2019**	**FY2018**	**FY2017**	**FY2016**
All Transurban (Australia and North America)					
Lost-time injury[1] frequency rate	0.00	0.00	0.00	0.47	0.00
Recordable injury[2] frequency rate	0.74[3]	0.81[4]	0.00	0.95[5]	1.14

Notes:

(1) While we do not record lost-time injuries as a standalone statistic, the above information has been included for purposes of providing a year-on-year comparison.

(2) Recordable injury count consists of total number of fatalities, lost-time injuries and medical treatment injuries. A restricted work injury is classified under medical treatment injury.

(3) The Transurban employee RIFR for FY2020 resulted from two medical treatment cases relating to wellbeing and ergonomic-related factors in the corporate environment within Australia.

(4) The Transurban employee RIFR in FY2019 resulted from two medical treatment cases relating to wellbeing and ergonomic-related factors in the corporate environment within Australia.

(5) The Transurban employee RIFR for FY2017 resulted from one lost-time injury and one medical treatment case within Australia.

In FY2020, we recorded a contractor RIFR of 3.6 recordable injuries per million work hours. This was below our contractor RIFR target of 4.2. In FY2020, the number of serious injury road crashes (where an individual is transported from or received medical treatment at the scene) per 100 million vehicle kilometres travelled on our roads was 3.7. Together, these results in FY2020 are our best recorded safety results relative to previous years.

Competition

We face competition from the existence and development of or changes to competing roads, feeder roads and other means of transportation. When there are competitive processes for the award of new Concessions or the sale of existing assets, we may face competition from other toll road owners or operators and institutional investors if we are involved in the bidding process.

Employees

We had approximately 1,616 employees located in Australia and North America, as at June 30, 2020.

We currently have two Australian Enterprise Agreements that apply to approximately 7.45% of all Australian employees on a Group-wide basis, as at June 30, 2020. These include the following:

- Transurban Customer Service EBA 2019, which commenced on October 18, 2019 and has a nominal expiry date of June 30, 2022; and
- Transurban Queensland Enterprise Agreement 2017, which commenced on December 18, 2017 and has a nominal expiry date of December 17, 2020. Renegotiation of this agreement commenced in July 2020.

Legal, regulatory and administrative proceedings

In the ordinary course of our business, we may be party to legal, regulatory and administrative proceedings. We currently believe that none of these proceedings, individually or taken together, will have a material adverse effect on our business, financial condition or results of operations.

Sustainability

Our approach to sustainability

We have a long-standing commitment to sustainability which is consistent with our purpose of strengthening communities through transport. We design our roads for the long-term, striving to ensure they deliver real and lasting benefits to cities and communities. We set high standards for our performance on social and environmental issues, and we invest in both in order to contribute to social inclusion and manage our environmental impacts.

We are a signatory to the United Nations' Global Compact, a voluntary framework that encourages companies to align their operation to 10 universal principles on human rights, labour practices, the environment and anti-corruption. To further enhance our sustainability performance, and to further address pressing global social and environmental challenges, we recently changed our sustainability strategy to better align with the nine United Nations' Sustainable Development Goals most relevant to us and our stakeholders.

We have had a climate change strategy in place since 2012 and recently set targets to reduce our direct and indirect greenhouse gas emissions which have been validated by the Science Based Targets initiative. We address all Task Force on Climate-related Financial Disclosures recommendations in our annual climate change disclosure which includes assessing transition and physical risks across multiple climate scenarios. In relation to energy efficiency, we have committed to enhance our energy efficiency by 10% by 2023 (compared to 2013) and, to limit our emissions, we have adopted new scope one, two and three greenhouse gas emission reduction targets, which are externally validated through the Science Based Targets initiative. To meet these targets, we are required to reduce our greenhouse gas emissions in relation to our fuel and electricity use and in our supply chain. We have established Power Purchase Agreements (**PPAs**) to supply up to 80% of the future electricity needs for Brisbane and Sydney operations from renewable sources from calendar years 2021 and 2022. Opportunities will be explored to implement further PPAs across the Group's portfolio.

See "—*Our sustainability strategy*" below for further details about our sustainable strategy.

Sustainability performance

We believe in transparency and comprehensive disclosure of our performance and approach in accordance with accepted industry standards. Accordingly, we report and benchmark our sustainability performance annually using the following frameworks:

We have used the **Global Reporting Initiative** for sustainability reporting since 2006

In 2019: We were placed in the **DJSI World Index** of the top 10% rated listed companies, among approximately 3,500 globally. Rated 4th globally in the Transport and Transportation Infrastructure Sector

In 2019, we received a 5 Star Rating from the **Global Real Estate Sustainability Benchmark for Infrastructure (GRESB)**, awarded to the top 20% rated infrastructure globally. We were the 11th-highest rated infrastructure group out of 393 listed and unlisted infrastructure participants globally and were rated 2nd amongst motorway participants globally

Other sustainability ratings, accreditations and supported global initiatives, as at June 30, 2020, include:

FTSE4Good
Member of Global Index since 2004

Ethibel Socially Responsible Investment Register
Excellence label in the Ethibel Investment Register since 2017

MSCI
AAA ESG rating since 2015

Workplace Gender Equality Agency (Australia)
Employer of Choice citation since 2015

Equileap
In Top 20 organisations globally for gender equality in 2019

Task Force on Climate-related Financial Disclosures
Addressing all recommendations in corporate reporting disclosures in FY2020

We Support the Global Goals
Awarded top rating for our work to advance the UN's Sustainable Development Goals

Envision sustainability rating scheme
Mandate sustainability ratings for major projects in North America

Infrastructure Sustainability Council of Australia
Mandate sustainability ratings for major projects in Australia.
We require a minimum rating of 'Excellent' on all Australian projects

Carbon Disclosure Project
Participant in 2019

Sustainability Accounting Standards Board
Implementing reporting recommendations

Science Based Targets initiative
Validated greenhouse gas emission reduction targets

Our sustainability strategy

Our sustainability strategy has four pillars: People, Planet, Places and Partnerships, and is supported by a set of objectives as illustrated below:

Goals	Subject areas	Objectives
People Make life better	• Health and safety • Road safety • Diversity and inclusion • Modern Slavery • Social investment • Customer satisfaction • Customer hardship	• Provide a healthy and safe environment for our employees, contactors, customers and the community • Enhance belonging and wellbeing within Transurban and encourage the same for our suppliers • Ensure human rights are protected in Transurban and across our extended supply chain • Partner with not-for-profits to pursue opportunities that help address key transport-related social or environmental issues • Make it easy for customers to use and understand our toll roads, offering choices to meet their individual needs and show we care by listening, being transparent and flexible • Make it easy for customers facing social and financial hardship to reduce tolling debt
Planet Use resources wisely	• Carbon and energy • Climate change • Natural resources and waste • Pollution • Flora, fauna and ecosystems	• Work towards becoming a carbon-neutral organization and meet energy needs predominantly through renewable energy • Identify, respond to, disclose and regularly review climate change-related risks for assets and Transurban as a whole • Examine and challenge the way we plan, design, construct and operate assets to reduce their whole-of-life impact while maintaining or improving their economic performance • Minimize environmental impacts while also meeting or exceeding our statutory requirements and environmental targets • Avoid, where possible, clearing of valued natural areas and offset where impacts are realized
Places Build better transport	• Economic growth and productivity • Integrated transport • Participatory planning • Urban design and vitality • Future-ready and connected infrastructure • Resilient and sustainable infrastructure	• Improve productivity and support growth through contributing to efficient and effective transport networks • Advocate for integrated and multi-modal transport solutions to ensure efficient transportation networks • Ensure community engagement is open, honest, genuine and inclusive • Design and optimize assets to enhance the vitality and liveability of cities • Proactively design and modify infrastructure to cater for anticipated changes in vehicles and transport network use • Ensure assets are planned, designed, built and operated sustainably and function effectively in event of adverse events
Partnerships Lead and unite	• Partnerships • Sector leadership • Governance and benchmarking • Reporting	• Establish partnerships to enhance effectiveness and delivery of initiatives aligned with Strategy's objectives • Leverage sustainability outcomes and initiatives to advocate and promote the adoption of SDGs in the road sector • Maintain the highest standards of governance and benchmark asset and organizational sustainability performance • Report holistically and effectively on our overall performance to provide a clear view on how we create and maintain value

DIRECTORS AND MANAGEMENT

Directors

The following table sets forth certain information regarding our Directors as of June 30, 2020:

Name	Age	Title
Lindsay Maxsted	66	Chair and Independent Non-Executive Director
Mark Birrell	62	Independent Non-Executive Director
Terence Bowen	53	Independent Non-Executive Director
Scott Charlton	56	Chief Executive Officer and Executive Director
Neil Chatfield	66	Independent Non-Executive Director
Samantha Mostyn	54	Independent Non-Executive Director
Christine O'Reilly	59	Independent Non-Executive Director(1)
Peter Scott	66	Independent Non-Executive Director
Jane Wilson	62	Independent Non-Executive Director

Note:

(1) On September 4, 2020, we announced that Ms. O'Reilly will retire on October 8, 2020.

Lindsay Maxsted, Chair and Independent Non-Executive Director

Mr. Maxsted was appointed Director on March 1, 2008 and Chair on August 12, 2010. He is Chair of the board and the Nomination Committee.

Mr. Maxsted is a Non-executive Director of BHP Group Limited and BHP Group plc (since 2011). He is also the Managing Director of Align Capital Pty Limited and Honorary Treasurer of Baker Heart and Diabetes Institute. Mr. Maxsted was previously Chair (2011 – 2020) and a Non-executive Director of Westpac Banking Corporation (2008 – 2020) and a partner of KPMG Australia and was the CEO of that firm from 2001 to 2007. His principal area of practice prior to this was in the corporate recovery field, managing a number of Australia's largest insolvency, workout and turnaround engagements.

Mr. Maxsted holds a Diploma of Business from The Gordon Institute of Technology.

Mark Birrell, Independent Non-Executive Director

Mr. Birrell was appointed Director on May 1, 2018. He is a member of the Audit and Risk Committee and Nomination Committee.

Mr. Birrell is an experienced Director with credentials spanning the private and public sectors. He has deep industry knowledge in the fields of transport, infrastructure and logistics. Mr. Birrell is Chair of Post Super Pty Ltd (since 2013) and past President of the Victorian Chamber of Commerce and Industry. His previous roles include Chair of Regis Healthcare Limited (2014 – 2018), Infrastructure Australia, the Port of Melbourne Corporation, Evans & Peck Limited, and Deputy Chair of Australia Post. He brings extensive legal experience and was National Leader of the Infrastructure Group at Minter Ellison. Mr. Birrell was the founding Chair of Infrastructure Partnerships Australia, the nation's peak infrastructure sector body, and has a significant public policy background through his earlier service as a Cabinet Minister in Victoria.

Mr. Birrell holds a Bachelor of Laws and a Bachelor of Economics from Monash University.

Terence Bowen, Independent Non-Executive Director

Mr. Bowen was appointed Director on February 1, 2020. He is a member of the Nomination Committee and Audit and Risk Committee. Mr. Bowen will Chair the Audit and Risk Committee following Ms. O'Reilly's retirement on October 8, 2020.

Mr. Bowen has over 25 years' of extensive financial, strategic and operational experience across a range of sectors within some of Australia's leading companies. Mr. Bowen is currently Chair of the Operations Group at BGH Capital and a Non-executive Director of BHP Group Limited and BHP Group plc (since 2017), Navitas and the West Coast Eagles Football Club. He previously served as a Managing Partner and Head of the Operations Group at BGH Capital and prior to this served as an Executive Director and Finance Director of Wesfarmers Limited (2009 – 2017), Finance Director of Coles and Managing Director of Wesfarmers Industrial and Safety. Mr. Bowen was formerly the CFO of Jetstar Airways, and before this held senior finance roles with Tubemakers of Australia Limited. He is a former Chair of the West Australian Opera Company Incorporated and a former Non-Executive Director of the Western Australian Institute of Medical Research Pty Ltd, Gresham Partners Holding Limited and Gresham Partners Group Limited.

Mr. Bowen holds a Bachelor of Accountancy from the University of South Australia.

Scott Charlton, Chief Executive Officer and Executive Director

Mr. Charlton was appointed Director and Chief Executive Officer on July 16, 2012.

Mr. Charlton joined us from Lendlease, where he held positions as Group COO and Group Director of Operations. Previously he held several senior appointments across a range of infrastructure entities and financial institutions, including as CFO of Leighton Holdings Limited and as Managing Director of Deutsche Bank in Australia and Hong Kong. Mr. Charlton is currently Deputy Chair of Infrastructure Partnerships Australia and is a member of the Monash Industry Council of Advisors, the Business Council of Australia and Roads Australia.

Mr. Charlton holds a Bachelor of Science from the Texas A&M University and a Master of Business Administration from Southern Methodist University.

Neil Chatfield, Independent Non-Executive Director

Mr. Chatfield was appointed Director on February 18, 2009. He is a member of each of the Audit and Risk Committee, the Nomination Committee and the Remuneration, People and Culture Committee.

Mr. Chatfield is an established Executive and Non-executive Director with extensive experience across all facets of company management, and with specific expertise in financial management, capital markets, mergers and acquisitions, and risk management. He is the Chair (since 2015) and a Non-executive Director of Costa Group Holdings Limited (since 2011) and Chair (since 2019) and a Non-executive Director of Aristocrat Leisure Limited (since 2018). Mr. Chatfield is also Chair of Launch Housing, a not-for-profit organisation. He was previously Chair (2012-2018) and a Non-executive Director of Seek Limited (2005 – 2018), a Non-executive Director of Atomos Limited (2018 – 2019) and a Non-executive Director of Iron Mountain Incorporated (2016 – 2017). He also previously served as Executive Director and the CFO of Toll Holdings.

Mr. Chatfield holds a Master of Business from the University of Technology, Sydney.

Samantha Mostyn, Independent Non-Executive Director

Ms. Mostyn was appointed Director on December 8, 2010. She is Chair of the Remuneration, People and Culture Committee, and a member of the Nomination Committee.

Ms. Mostyn has significant experience in the Australian corporate sector, both in executive and non-executive capacities, in particular in the areas of human resources, corporate and government affairs, sustainability management, and diversity. She is currently Chair and a Non-executive Director of Citigroup Pty Limited and a Non-executive Director of Mirvac Group Limited (since 2015). Ms. Mostyn is also a Director of the Sydney Swans Football Club. She was previously a Non-executive Director of Virgin Australia Holdings Limited (2010 - 2019) and Cover-More Group Limited (2013 – 2017). Ms. Mostyn is a member of the NSW Climate Change Council, the advisory boards of ClimateWorks Australia, a board member of the GO Foundation and of the Centre for Policy Development, and Chair of the Australian National Research Organisation for Women's Safety. She was previously Chair of Carriageworks.

Ms. Mostyn holds a Bachelor of Arts and a Bachelor of Laws from the Australian National University.

Christine O'Reilly, Independent Non-Executive Director

Ms. O'Reilly was appointed Director on April 12, 2012. She is Chair of the Audit and Risk Committee, and a member of the Nomination Committee.

Ms. O'Reilly has over 30 years' experience in the finance and infrastructure sectors in various roles, including as Co-Head of Unlisted Infrastructure at Colonial First State Global Asset Management and as CEO of the GasNet Australia Group. Ms. O'Reilly's early work history includes eight years with investment bank, Centaurus Corporate Advisory Services, and audit experience with PricewaterhouseCoopers where she qualified as a chartered accountant. She is a Non-executive Director of CSL Limited (since 2011), Medibank Private Limited (since 2014) and Stockland Corporation Limited (since 2018). Ms. O'Reilly is also a Non-executive Director of Baker Heart and Diabetes Institute. She was previously a Non-executive Director of Energy Australia Holdings Limited.

Ms. O'Reilly holds a Bachelor of Business from Curtin University.

On September 4, 2020, we announced that Ms. O'Reilly will retire on October 8, 2020. Mr. Bowen was appointed to the Audit and Risk Committee on September 1, 2020 and will Chair the Audit and Risk Committee following Ms. O'Reilly's retirement.

Peter Scott, Independent Non-Executive Director

Mr. Scott was appointed Director on March 1, 2016. He is a member of the Audit and Risk Committee and the Nomination Committee.

Mr. Scott has over 20 years' senior business experience in publicly listed companies and a breadth of expertise in the engineering and finance sectors. Mr. Scott was formerly the CEO of MLC and head of National Australia Bank's Wealth Management Division and held a number of senior management positions with Lendlease. Mr. Scott is a Non-executive Director of Centuria Heathley Limited. His pro bono activities include being Chair of Igniting Change Limited, a not-for-profit organisation, a member of the Prime Minister's Community Business Partnership, and a Fellow of the Senate of the University of Sydney. He was previously Chair and a Non-executive Director of Perpetual Equity Investment Company Limited (2014 - 2017), Chair (2010 – 2017) and a Non-executive Director of Perpetual Limited (2005 - 2017) and a Non-executive Director of Stockland Corporation Limited (2005 - 2016).

Mr. Scott holds a Bachelor of Engineering with Honours from Monash University and a Masters of Engineering Science from the University of New South Wales.

Jane Wilson, Independent Non-Executive Director

Dr. Wilson was appointed Director on January 1, 2017. She is a member of the Remuneration, People and Culture Committee and the Nomination Committee.

Dr. Wilson has over 20 years' experience as a Director of companies, government-owned corporations and non-profit organisations. She has considerable experience in finance, banking and medicine. Dr. Wilson is a

Guardian of the Future Fund, Australia's Sovereign Wealth Fund, and a Non-executive Director of Sonic Healthcare Limited (since 2010) and Costa Group Holdings Limited (since 2019). She was previously the Deputy Chancellor of the University of Queensland, and previously a Non-executive Director of the General Sir John Monash Foundation, Opal Aged Care Limited and the Winston Churchill Memorial Trust.

Dr. Wilson holds a medical degree from The University of Queensland and a Masters of Business Administration from Harvard Business School.

Senior management

The following table sets forth certain information regarding our senior management as of June 30, 2020. At this date, a global search was underway for the Chief Financial Officer. See "—*Directors*" for information in relation to our Chief Executive Officer and Executive Director, Scott Charlton.

The Company Secretary, Group General Counsel and certain of the senior executives listed below are not considered key management personnel.

Name	Age	Title
Scott Charlton	56	Chief Executive Officer
Other senior executives		
Adam Watson(1)	46	Chief Financial Officer
Jennifer Aument	43	President, North America
Andrew Head	45	Chief Executive Officer – WestConnex
Sue Johnson	50	Group Executive, Queensland
Michele Huey	44	Group Executive, New South Wales
Henry Byrne	42	Group Executive, Victoria, Strategy and Corporate Affairs
Suzette Corr	59	Group Executive, People and Culture
Simon Moorfield	46	Group Executive, Customer and Technology(2)
Hugh Wehby	37	Group Executive, Partners, Delivery and Risk(3)
Company Secretary and Group General Counsel		
Fiona Last	48	Company Secretary
Julie Galligan	42	Group General Counsel

Notes:

(1) On August 12, 2020 we announced that Mr. Watson has resigned, effective from mid-November 2020. A global search for Mr. Watson's replacement has been commenced.

(2) Mr. Moorfield is expected to join Transurban Group in October 2020.

(3) Mr. Wehby is expected to join Transurban Group in October 2020.

Adam Watson, Chief Financial Officer

Mr. Watson joined us as Chief Financial Officer in December 2014. Prior to joining us, he was Chief Financial Officer and Group Executive Strategy of Australian Pacific Airports Corporation Limited. Mr. Watson previously was with BlueScope Steel Limited, where he held a number of senior executive roles, both in Australia and overseas, including Chief Financial Officer of BlueScope Global Building Solutions, Chief

Financial Officer of BlueScope North America and Vice President Commercial and Corporate Finance. Mr. Watson also represented BlueScope Steel in various joint ventures, including North Star BlueScope Steel in the United States and Tata BlueScope Steel in India. Prior to joining BlueScope, he held various senior roles at Spotless Group Limited, including General Manager Corporate Development and Chief Financial Officer of Spotless' international operations. Mr. Watson has also served as a non-executive member of the Advisory Board of FM Global, based in the United States.

Mr. Watson holds a Bachelor of Business (Accountancy) and a Bachelor of Business (Business Administration) from RMIT University. He has completed the Columbia University Advanced Management Program, is a Fellow of CPA Australia and is a graduate member of the Australian Institute of Company Directors.

On August 12, 2020 we announced that Mr. Watson has resigned, effective from mid-November 2020, to accept another opportunity. A global search for Mr. Watson's replacement has commenced.

Jennifer Aument, President, North America

Ms. Aument joined us in 2006 and was appointed President, North America in February 2018. Prior to that appointment, she was our Group General Manager and Vice President Public Affairs, with responsibility for the United States market. Ms. Aument, who came to us from Bechtel Infrastructure, is also a commissioner for the Virginia Port Authority, which oversees one of the largest shipping enterprises in the United States.

Ms. Aument holds a Masters of Business Administration from George Washington University and a Bachelor in journalism and political science from West Virginia University and currently sits on advisory boards for a variety of industry and academic organisations, such as the American Road and Transportation Builders Association, Eno Centre for Transportation, University of Maryland and George Mason University.

Andrew Head, Chief Executive Officer - WestConnex

Mr. Head joined us in 2003 and was appointed Chief Executive Officer - WestConnex in September 2018. Prior to his current role, Mr. Head was appointed Group General Manager, Development, New South Wales in July 2017. In previous roles with us, he was responsible for both Group Strategy & Development and Investor Relations. Mr. Head is also Treasurer and a Director of Roads Australia. Before joining us, Mr. Head was at PricewaterhouseCoopers in their Resources, Services and Government practice and prior to that, he was with Burson-Marsteller in their Public Affairs, Corporate and Financial practice. Mr. Head has also worked in the New South Wales government.

Mr. Head has completed the INSEAD Advanced Management Program, a Graduate Certificate in Applied Finance and investment from the Securities Institute of Australia, a Bachelor of Arts (Communication/Politics) from Charles Sturt University and is a member of the Australian Institute of Company Directors.

Sue Johnson, Group Executive, Queensland

Ms. Johnson started with us in 2001 and moved into her current position of Group Executive, Queensland in early 2018. She oversees the development, financing, construction and operations of South East Queensland's toll road network. Prior to her current role she was the Executive responsible for Customers and Human Resources, and is credited with transforming the business' global customer service approach. Ms. Johnson also sits on the Committee for Brisbane Advisory Panel and the Queensland Government's Land Restoration Fund Advisory Panel.

Ms. Johnson has completed the Stanford Graduate School of Business Executive Education Program, a Bachelor of Business and a Bachelor of Science and is a member of the Australian Institute of Company Directors.

Michele Huey, Group Executive, New South Wales

Ms. Huey joined us in January 2015 as Group General Manager, Strategy and was appointed Group Executive, New South Wales Business Operations in July 2017. Ms. Huey also serves as Deputy Chair of the Roads Australia Transport Reform Network Chapter, and is a member of the Transport Research Board (USA), Congestion Pricing Committee. Prior to joining us, she was Group Head of Procurement and Group Head of Transformation at LendLease. In these roles, she led a global business transformation program to support the organisation's global strategy and established the group's procurement function. Prior to LendLease, Ms. Huey was a Principal at Booz & Company (now Strategy& as part of PricewaterhouseCoopers) where she worked with international and national organisations across the oil and gas, resources, industrial and financial services sectors on strategy development, operational improvement programs, and organisation transformations.

Ms. Huey holds a Bachelor of Commerce from the University of New South Wales and a Master of Business Administration from Harvard Business School.

Henry Byrne, Group Executive, Victoria, Strategy and Corporate Affairs

Mr. Byrne was appointed Group Executive, Corporate Affairs in July 2017 and Group Executive, Victoria, Strategy and Corporate Affairs in February 2020. Prior to that appointment, he was General Manager of Corporate Affairs and Investor Relations. Mr. Byrne started with us in 2007 and has previously held management roles in investor relations and operations within the business. Prior to joining us, Mr. Byrne had held positions as a lawyer and financial journalist.

Mr. Byrne holds a Bachelor of Commerce and a Bachelor of Laws from Monash University.

Suzette Corr, Group Executive, People and Culture

Ms. Corr joined us in February 2018 as Group Executive, People and Culture. Most recently, she was General Manager Human Resources for ANZ's Institutional and International Division across Australia, New Zealand, Asia, Europe and the United States. Previously she was ANZ's General Manager Human Resources Australia and Group General Manager Talent and Culture. Ms. Corr's career has spanned the consulting, banking and infrastructure sectors. She has also held non-executive and advisory positions including as Director of publicly listed AMMB Holdings Ltd Malaysia and the Australian Government's New Colombo Plan Reference Group.

Ms. Corr holds a Bachelor of Commerce from the University of Western Australia and Master of Business Administration from the University of Queensland and is a member of the Australian Institute of Company Directors.

Simon Moorfield, Group Executive, Customer and Technology

Mr. Moorfield is expected to join us as Group Executive, Customer and Technology in October 2020. Before joining us, Mr. Moorfield was the Executive General Manager, Future Business & Technology and Chief Information Officer at AGL. Prior to commencing his roles at AGL, he held several chief information officer and executive roles in corporate enterprises including at Commonwealth Bank of Australia and General Electric, and he has over 25 years' experience in technology, innovation and transformation across Australia, the United States, Europe and Asia Pacific. Mr. Moorfield was on the Board of Directors at Sunverge Energy Inc, and is currently on the board of Powering Australian Renewable Fund.

Simon holds a Bachelor of Computer Science from RMIT University.

Hugh Wehby, Group Executive, Partners, Delivery and Risk

Mr. Wehby will join us as Group Executive, Partners, Delivery and Risk in October 2020. Before joining us, Mr. Wehby was the Chief Operating Officer at Sydney Airport for three years. Prior to this, he held various roles at Sydney Airport and its predecessor companies, including as Chief Financial Officer, Head of Strategic and Capital Projects and Head of Investor Relations. Mr. Wehby's employment with both MAp Airports and

Macquarie Group prior to this saw him work in both Sydney and London. He comes to us with an extensive international background in finance, operations, investor relations, service delivery, asset management and complex commercial negotiations.

Mr. Wehby holds a Bachelor of Economics (Hons) from University of Sydney and Diploma of Investor Relations from the Australasian Investor Relations Association.

Fiona Last, Company Secretary

Ms. Last was appointed Company Secretary in January 2020. Prior to joining us, Ms. Last was Company Secretary at Treasury Wine Estates, and a Senior Corporate Lawyer at National Australia Bank. Prior to her in-house work, Ms. Last worked as a corporate lawyer for legal firms in Australia, Asia and the United Kingdom. She has over 20 years' legal, company secretariat and governance experience working in Australian listed companies.

Ms. Last holds a Bachelor of Laws (Hons) and Bachelor of Commerce from the University of Melbourne.

Julie Galligan, Group General Counsel

Ms. Galligan joined us in November 2008 and was appointed as Group General Counsel in February 2012. Ms. Galligan was also appointed as a Company Secretary in February 2012. Before joining us, she was a senior lawyer at Associated British Ports in the United Kingdom. Ms. Galligan has over 19 years of experience in private practice and in-house roles in both Australia and the United Kingdom. Prior to her in-house work, she was a solicitor specialising in private equity work at SJ Berwin LLP in London and M&A work with Australian law firm MinterEllison.

Ms. Galligan holds a Bachelor of Laws and Bachelor of Arts from Deakin University.

Board practices

Role and responsibilities

The board is accountable to security holders for our performance. The board's primary roles are to demonstrate leadership and provide us with overall strategic guidance and effective oversight of management in implementing our strategic objectives and instilling our values.

To achieve these roles, the board has reserved for itself specific responsibilities set out in the Transurban Board Charter including the following: leadership; strategy; governance; oversight; remuneration and performance of the CEO and senior executives; financial matters; people and culture; and risk management, compliance and workplace matters.

Board access to information and independent advice

Our Directors receive various management and financial information concerning us. In addition, each Director is entitled to inspect and copy our board papers and other records for any proper purpose concerning the exercise of powers and discharge of duties as a Director and has the right to seek independent professional advice at our expense, subject to prior consultation and consent.

Conflicts of interest

All Directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interests. Under the constitutions and at law, Directors must disclose any conflicts of interest and abstain from participating in any discussion or voting on matters in which they have a material personal interest.

Board committees, membership and charters

To assist the board in meeting its responsibilities, we currently have the following board committees:

- the Audit and Risk Committee;
- the Nomination Committee; and
- the Remuneration, People and Culture Committee.

The board may establish other committees from time to time to deal with specific matters.

Audit and Risk Committee

The Audit and Risk Committee assists the board in fulfilling its corporate governance and oversight responsibilities relating to:

- the integrity of our financial reporting;
- the effectiveness of our systems of financial risk management and internal control;
- the internal and external audit functions;
- our risk profile and risk policy; and
- the effectiveness of our risk management framework and supporting risk management systems.

The current members of the Audit and Risk Committee are Christine O'Reilly (Chair), Mark Birrell, Neil Chatfield, Peter Scott and Terence Bowen. The Audit and Risk Committee meets as often as the members deem necessary in order to fulfill their role, although it is intended that the Committee meet no less than once each calendar quarter. The Audit and Risk Committee is comprised entirely of Non-executive Directors, all of whom the board considers to be independent.

Nomination Committee

The Nomination Committee assists the board in fulfilling its responsibilities relating to the composition and performance of the board, Board appointments and succession planning. The current members of the Nomination Committee are Lindsay Maxsted (Chair), Neil Chatfield, Samantha Mostyn, Christine O'Reilly, Peter Scott, Jane Wilson, Mark Birrell and Terence Bowen. The Nomination Committee meets at least two times each year.

Remuneration, People and Culture Committee

The Remuneration, People and Culture Committee assists the board in fulfilling its responsibilities relating to the remuneration of the Chair of the board and the other Non-executive Directors, the performance and remuneration of, and incentives for, the CEO and Senior Executives, our remuneration framework including strategies, practices and disclosures generally; and management programs to optimise the contributions of our people to support and further corporate objectives, including Senior Executive and other senior leader succession and development planning, diversity, organisational culture and employee engagement. The current members of the Remuneration, People and Culture Committee are Samantha Mostyn (Chair), Neil Chatfield and Jane Wilson. The Remuneration, People and Culture Committee will meet as often as the members deem necessary in order to fulfil their role, although it is intended that the Committee meet no less than three times each year.

OPERATING AND FINANCIAL REVIEW

The following discussion should be read in conjunction with our "Selected historical financial data" and consolidated financial statements, including the notes thereto. This section contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set out in "Risk factors" and the "Forward-looking statements" disclaimer.

Overview

This operating and financial review is divided into the following sections:

- *Description of our Group*—a general description of our corporate and business structure, the basis of presentation of our financial statements, our business activities, the key drivers of our financial results, and economic factors affecting our business and results of operations.
- *Results of operations*—a discussion and analysis of our consolidated results of operations for the year ended June 30, 2020 compared to the year ended June 30, 2019 and for the year ended June 30, 2019 compared to the year ended June 30, 2018.
- *Liquidity and capital resources*—an analysis of our cash flows and sources and uses of cash.
- *Contractual and commercial commitments and off-balance sheet arrangements*—disclosure regarding off-balance sheet arrangements and contractual and commercial commitments.
- Quantitative and qualitative disclosures about financial market risk—disclosures regarding our financial market risks.
- *Critical accounting policies*—a discussion of our accounting policies that require critical judgments and estimates.

Description of our Group

Transurban is a manager, developer and operator of urban toll road networks in Australia and North America.

We have ownership interests in the concessions for fifteen operational toll roads in the three largest cities in Australia: Sydney, Melbourne and Brisbane. We also own the concessions for two toll road assets in the Greater Washington Area in the United States, and one in Montreal, Quebec in Canada. All of our toll roads are located in urban areas catering for diverse travel needs including logistics, commuting, trade, recreation and shopping. Our Australian operations consist of wholly owned concessions for five operational toll roads (CityLink in Melbourne, Victoria, and Hills M2, Lane Cove Tunnel, Cross City Tunnel and M5 West Motorway in Sydney, New South Wales) and partly-owned concessions for ten operational toll roads (Eastern Distributor, Westlink M7, Westconnex M5 and M4 Motorway in Sydney, New South Wales, and Gateway Motorway, Logan Motorway, Clem7, Go Between Bridge, Legacy Way and AirportlinkM7 in Brisbane, Queensland). Our United States operations consist of wholly owned concessions for two operational toll roads in the Washington, D.C. area: the 495 Express Lanes, which operate adjacent to a section of I-495, the major route circling Washington, D.C., and the 95 Express Lanes, which operate adjacent to a section of I-95 and were extended in November 2019 to include the 395 Express Lanes. I-95 intersects with and connects to I-495 and is a major thoroughfare into Washington, D.C. Our Canadian operations consist of a wholly owned concession for one operational toll road in Quebec: the A25 in Montreal.

In addition to our currently operational toll roads, we have five major projects in delivery, including the West Gate Tunnel project in Melbourne, two projects comprising the WestConnex project (including the Rozelle Interchange, which is being funded and delivered by Transport for NSW, but will be handed over to us upon completion), as well as the NorthConnex project in Sydney, and the Fredericksburg Extension project in the Greater Washington Area. We have also commenced the process to appoint a design-build team for the 495 Northern Extension project in the Greater Washington Area and are actively pursuing a number of other expansion opportunities. See "*Business—Toll roads—North American assets—North American development opportunities*", *"Business—Toll roads—Australian assets—Sydney Network—Sydney Network development opportunities"* and *"Business—Toll roads—Australian assets—Brisbane Network—Brisbane Network development opportunities*" for more information.

Our diversified portfolio consists of high-quality toll roads with long-dated concession lives that are integral pieces of transport infrastructure within the urban areas that they service. Prior to the COVID-19 pandemic, our established assets had a history of strong cash flows and revenue growth and attractive EBITDA margins. Our Australian toll roads connect with either other toll roads in our portfolio of assets or major public roads to form the main integrated traffic network for that urban and surrounding area.

We operate each of our toll roads under a Concession Agreement with a government entity. The Concession Agreement is the principal contract governing the terms under which we construct (as applicable), manage, operate, maintain and collect tolls on the relevant toll road during the concession term. Our Concession Agreements are long-dated with a weighted average concession life (based on Proportional toll revenue) across our portfolio of assets of 28.8 years as at June 30, 2020. For our Australian concession assets, other than for the M5 West Motorway (the Concession Agreement for which expires in 6.4 years as at June 30, 2020, at which time it becomes part of the M5 WestConnex Concession in which we will have a 25.5%. interest), the remaining terms range between 15.5 and 45.0 years as at June 30, 2020. The remaining term for each of our United States Concession Agreements is 67.5 years as at June 30, 2020. The remaining term for our Concession Agreement for the A25 in Montreal is 22.2 years as at June 30, 2020.

All of our Australian Concession Agreements have in-built toll price uplift mechanisms. These price increase mechanisms are generally linked to a specified consumer price index and provide guaranteed pricing floors for the majority of our Australian toll roads. There are no pricing restrictions on the 95 Express Lanes or the 495 Express Lanes, where the toll prices are changed dynamically to manage traffic demand and flow on our tolled lanes. Our Canadian asset, the A25 in Montreal, has inflation linked pricing that escalates annually in relation to the Canadian consumer price index. In addition, the A25 tolls can also increase incrementally as traffic volumes exceed peak and off-peak thresholds. Upon the expiry of each Concession Agreement, we are required to transfer the toll road assets and infrastructure of the toll road to the relevant government entity in a good state of repair.

Components of our financial results and their drivers

The key components of our revenue and expenses and the internal and external factors that affect our results are described below. See "*Risk Factors*" for further discussion of certain risks associated with the key factors discussed below and other factors that may affect our business, cash flow, financial condition and results of operations.

Traffic

We generate most of our earnings from the tolls paid by users of our toll roads. Therefore, our revenues are dependent on traffic volumes, which drive the amount of toll revenue for any particular period.

Traffic volumes across our networks are driven by the benefit that potential road users perceive in using the road and their willingness to pay for that benefit. The perception of benefit is influenced by the availability and utility of alternative infrastructure such as toll-free roads or public transport. A potential road user's willingness to pay is influenced by the cost of tolls as well as general and regional economic and demographic conditions.

Economic factors affecting traffic volume on our roads include taxation on road use and motor vehicle use, other costs associated with owning and operating a vehicle, inflation, interest rates and levels of employment in areas served by our networks. We believe that urban toll roads like ours benefit from a significant proportion of non-discretionary travel, such as commuting to and from work, making traffic volumes less sensitive to overall economic conditions compared to travel on non-urban roads. The impact of inflation is specifically addressed in our Concession Agreements and discussed below under "Inflation".

Demographic factors affecting traffic volumes include levels of population and employment growth, migration, land development programs, changes in residential and commercial land use, general development in areas served by our toll roads, levels of carpooling and other types of ride sharing arrangements, changing travel patterns and other habits of private and commercial users of our toll roads.

Additional factors that affect our traffic volumes include the quality and state of repair of our toll roads, including any upgrades and any disruption as a result thereof, the quality, proximity and convenience of alternative roads, such as toll roads that we do not operate and toll-free roads, as well as the existence of public transport infrastructure, the nature and extent of the connections of our toll roads to other urban roads and regional highway networks.

Governmental and regulatory policies may also impact our earnings and include transport and environmental regulation, including the impact of carbon reduction programs, congestion taxes on urban travel, other measures to restrict motor vehicle use and government transport and urban management policies and strategies.

A summary of traffic volumes on our toll roads from FY2018 to FY2020 is provided below. This includes data for certain assets that predates our ownership of the asset.

Each of our assets demonstrated traffic growth in FY2019 compared to FY2018, excluding the following:

- Logan Motorway – ADT declined by 2.0% in the financial year ended June 30, 2019 compared to the prior year due to disruption from the Logan Enhancement project; and
- Go Between Bridge – ADT declined by 1.0% in the financial year ended June 30, 2019 compared to the prior year.

With the exception of the M4 Motorway and the Logan Motorway, we have seen a decline in traffic volumes across our assets in FY2020, compared to FY2019, predominantly due to the impact of the COVID-19 pandemic.

	Average Daily Trips[1]			**Growth Rate**	
	Year ended June 30			**Year ended June 30**	
	2020	**2019**	**2018**	**2020**	**2019**
Melbourne					
CityLink..................................	749,621	850,989	824,230	(11.9)%	3.2%
Sydney					
Cross City Tunnel.....................	36,740	39,093	38,702	(6.0)%	1.0%

	Average Daily Trips[1]			Growth Rate	
	Year ended June 30			Year ended June 30	
	2020	2019	2018	2020	2019
Hills M2	117,883	135,151	132,125	(12.8)%	2.3%
Lane Cove Tunnel	79,116	93,171	91,176	(15.1)%	2.2%
Eastern Distributor	52,179	58,909	58,608	(11.4)%	0.5%
M5 West Motorway	152,010	158,744	154,976	(4.2)%	2.4%
Westlink M7	177,580	190,971	187,874	(7.0)%	1.6%
M4 Motorway[2]	145,720	138,158	137,781	5.5%	0.3%
Brisbane					
Clem7	24,351	28,508	28,286	(14.6)%	0.8%
Go Between Bridge	9,310	11,027	11,136	(15.6)%	(1.0)%
Gateway Motorway	110,389	117,212	116,395	(5.8)%	0.7%
Logan Motorway	164,991	164,344	167,759	0.4%	(2.0)%
Legacy Way	19,199	20,632	19,169	(6.9)%	7.6%
AirportlinkM7	54,721	62,813	60,635	(12.9)%	3.6%
North America					
495 Express Lanes	36,918	45,911	45,744	(19.6)%	0.4%
95 Express Lanes	46,131	50,434	50,084	(8.5)%	0.7%
A25[3]	49,081	50,886	48,010	(3.5)%	6.0%

Notes:

(1) Traffic data for each asset represents Average Daily Trips, with the exception of CityLink, for which traffic data represents Average Daily Transactions. See "*Certain Definitions*" for the definitions of Average Daily Trips and Average Daily Transactions.

(2) We acquired the M4 Motorway on September 27, 2018 as part of the WestConnex acquisition. Average Daily Trips contain data that predates our ownership and has been included for comparative purposes.

(3) We acquired the A25 on June 5, 2018. Average Daily Trips contain data that predates our ownership but has been included for comparative purposes.

In addition to traffic volumes, the traffic mix across our toll roads is a key driver of toll revenue due to the differences in toll prices charged for different vehicle classes. On our Brisbane and Melbourne assets, we charge traffic across four vehicle classes:

- cars;
- motorbikes;
- light commercial vehicles; and
- heavy commercial vehicles.

As part of the amendments to the CityLink Concession Agreement, which were effected after the relevant amendments passed through the Victorian Parliament, a higher toll will be charged for high productivity freight vehicles using CityLink from West Gate Tunnel project tolling completion.

Across our Sydney and Montreal networks, two toll classes are separately charged, essentially light vehicles and commercial vehicles. Toll prices for commercial vehicles are typically based on a multiple of the car toll price. In Montreal, the toll price also differs by time of day with peak period tolls set at a higher rate to off peak tolls. Tolls in Montreal also depend on the number of axles on a vehicle.

In the United States, a different tolling structure is applied, where toll prices are changed dynamically to manage traffic demand and speed on our tolled lanes. There is no multiplier applied for different vehicle classes. High occupancy vehicles fitted with a transponder are not charged tolls on our toll roads in the Greater Washington Area.

COVID-19 Traffic Impacts

The government restrictions above resulted in a decrease in our ADT from early March 2020. Our traffic volumes improved from mid-April 2020, as restrictions eased, with market-specific factors impacting portfolio performance including:

- peak impacts across our Australian markets being relatively short in duration, however renewed government restrictions in Victoria, and particularly Melbourne, continue to contribute to decreased traffic;
- improvement in our Greater Washington Area Network continues, although at a slower rate than our Australian assets, reflecting the prolonged government restrictions in the region; and
- tolls on the A25 being suspended from March 25, 2020 to May 24, 2020, with compensation agreed with the Ministry of Transport Quebec.

At the Group level, our traffic for July 2020 was down 25% compared to July 2019. Commercial traffic has shown greater resilience to government measures through the COVID-19 pandemic, due to the critical role large vehicles and road infrastructure play in national supply chains. We expect traffic to remain sensitive to government responses in the event of subsequent outbreaks in Australia and North America.

Inflation

All of the Concession Agreements governing our Australian and Canadian toll roads contain mechanisms that regulate the tolls that we can charge. The mechanism used generally provides for increases in tolls on a quarterly or annual basis, based on changes in the quarterly or annual CPI. Under certain Concession Agreements, including the CityLink Concession Agreement, we have the right to increase tolls above inflation. While increases in inflation typically cause our revenues to increase, our expenses are also subject to inflation.

Most of our Australian Concession Agreements do not require a reduction in tolls when the CPI decreases. However, the Concession Agreement relating to the Westlink M7 toll road does require a reduction in tolls based on deflation. Under the Concession Agreements for the Lane Cove Tunnel and the M5 West Motorway, we are not required to lower tolls as a result of deflation, however, we cannot raise tolls until inflation offsets the previous deflation.

The tolls relating to the 495 Express Lanes and 95 Express Lanes in the United States are not contractually tied to inflation, but inflation may still have an indirect impact on the toll prices charged if it affects customers' discretionary spending. These roads have variable tolls that can be raised at our discretion. These roads compete directly with adjacent non-tolled roads, and tolls are changed dynamically to manage traffic demand and flow on our tolled lanes.

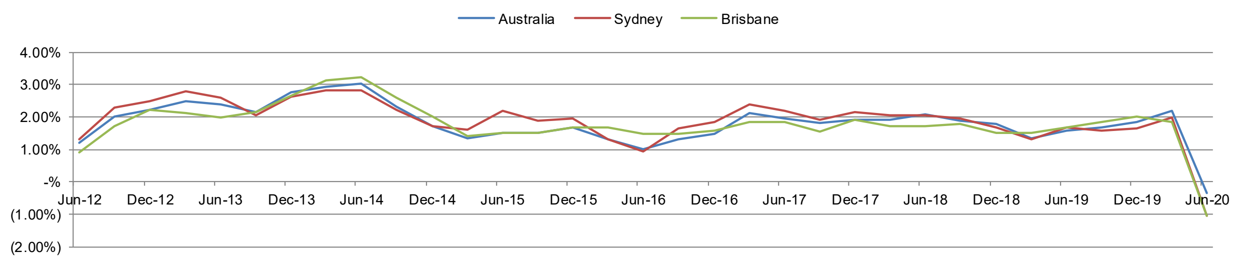
A summary of the toll price escalation and applicable CPI across each asset as at June 30, 2020 is provided below.

Asset	Escalation	Applicable Index
CityLink	Escalated quarterly by the greater of quarterly CPI or 1.011065% per quarter for the first 16 years (until December 31, 2016), then quarterly by CPI subject to a cap of annual CPI plus 2.5%, until June 30, 2019. Pursuant to the recent changes to the CityLink Concession Agreement (effected after the relevant amendments passed through the Victorian Parliament), escalation will be quarterly by an equivalent of 4.25% per annum on and from July 1, 2019 to June 30, 2029. Thereafter, escalation will be quarterly by CPI, subject to a cap of annual CPI plus 2.5%.	CPI
Hills M2	Escalated quarterly by the greater of quarterly CPI or 1%.	CPI
Lane Cove Tunnel	Escalated quarterly by quarterly CPI. The toll cannot be lowered as a result of deflation, however, until inflation counteracts the deflation the toll cannot be increased. Truck tolls escalated at the greater of 1% and quarterly CPI. Truck tolls reached three times the tolls imposed on cars on March 31, 2017.	CPI
Cross City Tunnel	Escalated quarterly by the greater of quarterly CPI or 0.7417% (equivalent to 3% per annum) to June 2018; quarterly CPI to concession end.	CPI
Eastern Distributor	Escalated quarterly by the greater of a weighted sum of quarterly Average Weekly Earnings and quarterly CPI or 1%.	Weighted sum of CPI and Average Weekly Earnings, Australia, seasonally adjusted
Westlink M7	Escalated or de-escalated quarterly by quarterly CPI.	CPI
M5 West Motorway	Escalated quarterly by quarterly CPI. The toll cannot be lowered as a result of deflation, however, until inflation counteracts the deflation the toll cannot be increased.	All Groups CPI, Sydney
WestConnex Stage 1: M4 West and New M4 Tunnels (M4 WestConnex Concession)	Escalated annually by the greater of CPI or 4% per annum until December 31, 2040. After December 31, 2040, escalation at greater of CPI or 0% per annum.	CPI
WestConnex Stage 2: M8 Motorway and M5 East Motorway (M5 WestConnex Concession)	Escalated annually by the greater of CPI or 4% per annum until December 31, 2040. After December 31, 2040, escalation at greater of CPI or 0% per annum.	CPI

Asset	Escalation	Applicable Index
WestConnex Stage 3: M4-M5 Link and Rozelle Interchange (M4-M5 Link WestConnex Concession)	Escalated annually by the greater of CPI or 4% per annum until December 31, 2040. After December 31, 2040, escalation at greater of CPI or 0% per annum.	CPI
Gateway Motorway	Escalated annually at CPI. The toll cannot be lowered as a result of deflation.	All Groups CPI, Brisbane
Logan Motorway	Escalated annually at CPI. The toll cannot be lowered as a result of deflation.	All Groups CPI, Brisbane
Clem7	Escalated annually at CPI. The toll cannot be lowered as a result of deflation.	All Groups CPI, Brisbane
Go Between Bridge	Escalated annually at CPI. The toll cannot be lowered as a result of deflation.	All Groups CPI, Brisbane
Legacy Way	Escalated annually at CPI. The toll cannot be lowered as a result of deflation.	All Groups CPI, Brisbane
AirportlinkM7	Escalated annually at CPI. The toll cannot be lowered as a result of deflation.	All Groups CPI, Brisbane
495 Express Lanes	Variable, uncapped.	n/a
95 Express Lanes	Variable, uncapped.	n/a
A25	Escalated annually at CPI and incrementally as traffic volumes exceed peak and off-peak thresholds.	CPI All-Items, Canada

The historic performance of inflation (All Groups CPI) across Australia, Sydney and Brisbane from June 2012 to June 2020 is provided below.

Historical CPI Performance (Annual, Rolling Quarterly), June 30, 2012 to June 30, 2020



Source: Australian Bureau of Statistics

Tolling systems

We collect revenue using a variety of tolling systems, and we are dependent on the reliable and efficient operation and maintenance of our tolling systems. For example, we are dependent on our information technology systems to accurately and effectively collect and process toll revenue information, and to do so in a manner that protects our customer data and is in compliance with privacy laws.

To effectively manage our toll road networks, we have advanced systems and technologies that our partners have developed, with our help, over many years. For example, the 3D video systems mounted on our tolling gantries detect, track and classify vehicles in real time. In the United States, along with our technology partners, we have developed a tolling system that incorporates dynamic toll price changes to manage demand in these lanes.

We have arrangements with other toll road operators and government agencies that enable their customers to use that road operator's or government agency's electronic tolling device, such as an electronic tag or a transponder, on our toll roads.

Across most assets, a small portion of the toll revenue to which we are entitled is not paid or collected, resulting in a loss of revenue to us. For example, a toll notice cannot be issued if image processing cannot detect a valid vehicle license plate, or when valid contact details are not available from transport authorities. Non-collection of tolls, or leakage, varies across each asset but has typically been minimal.

Maintenance and capital expenditure

In addition to the day-to-day costs associated with operating our business, we are required under our Concession Agreements to undertake maintenance and capital expenditure projects from time to time on our toll roads. Our maintenance work also restores and maintains the amenity of our toll road networks to support ongoing traffic volumes.

Upon the expiry of each Concession Agreement, we are required to transfer the motorway assets and infrastructure of the toll road to the relevant government entity in a good state of repair and in accordance with agreed hand over requirements.

In addition to the costs associated with maintenance and capital expenditures, undertaking maintenance or capital works can impact revenue if such works result in traffic delays that cause fewer motorists to use the affected road.

Acquisitions and development projects

We have in the past expanded our portfolio of assets through acquisitions or bids for new projects. In the future, we may seek to acquire additional assets or businesses, or develop new brownfield or greenfield toll roads.

We have delivered a number of projects under a Public Private Partnership model, including CityLink in Melbourne, Westlink M7 in Sydney and 495 Express Lanes and 95 Express Lanes in the Greater Washington Area in the United States. See "*Business—Public Private Partnerships*" for further information. We have also been able to create additional capacity and reduce inefficiencies on certain toll roads through a number of asset enhancements.

More recently, we have been involved in several major projects and proposals in Australia, including the following:

- we reached contractual close in December 2017 with the Victorian Government to build, toll and operate the West Gate Tunnel project, which comprises two additional traffic lanes in each direction on the West Gate Freeway from the M80 Interchange to Williamstown Road, a tunnel and elevated motorway to connect the West Gate Freeway with the Port of Melbourne, CityLink and the Melbourne CBD, providing an alternate river crossing and easing pressure on the West Gate Bridge. Major construction commenced in early 2018. We currently expect completion of the project to occur in 2023. However, commencement of tunneling requires the resolution of a range of matters, such as in relation to confirmation of disposal sites, preparatory works, obtaining relevant approvals and resolving outstanding commercial matters, including claims with our subcontractor and the State of Victoria. See "*Business—Toll roads—Australian assets—Melbourne Network—Melbourne Network developments—*

West Gate Tunnel project" for further information. Within the funding framework for the West Gate Tunnel project, we delivered the Webb Dock Access Improvement works which were completed as part of the CityLink-Tulla Widening project and managed the upgrade of the Monash Freeway in partnership with VicRoads, which was completed in mid-2018;

- on April 3, 2017, we entered into an agreement with Brisbane City Council for the delivery of a road upgrade and for the operation and routine maintenance of the Inner City Bypass. The upgrade was completed in August 2018;
- on November 23, 2016, we announced that the Queensland Government had approved our proposal to deliver upgrades on the Logan Motorway and Gateway Motorway (**Logan Enhancement project**). Construction commenced in June 2017 and was completed in August 2019;
- in Melbourne, we partnered with the Victorian Government to widen CityLink and the Tullamarine Freeway from the West Gate Freeway to Melbourne Airport (known as the CityLink-Tulla widening project). Work commenced in October 2015 and all new lanes opened on CityLink ahead of schedule with works completed in late 2017. All new lanes on the section of works being completed by the State of Victoria opened in September 2018; and
- we and the other NWRG shareholders commenced construction on the NorthConnex project in February 2015, which involves building a 5.6 mile (9 km) tolled link between the M1 Pacific Motorway and Hills M2 in northern Sydney. Final commissioning activities are underway with opening expected in the coming months.

A summary of our recent acquisition and development activity for FY2019 and FY2020 is provided below:

Network	**Description**
Melbourne	Ongoing West Gate Tunnel project. We expect completion of the West Gate Tunnel project to occur in 2023.
Sydney	Ongoing NorthConnex construction, with final commissioning activities underway and completion expected in the coming months.
	New M4 Tunnels opened in July 2019, resulting in the opening of the complete M4 Motorway.
	Ongoing M8 Motorway construction. See "*Business—Recent developments—Opening of the WestConnex M5 in Sydney*" for more information.
	Ongoing construction on the M4-M5 Link and the Rozelle Interchange and Iron Cove Link (Stages 3A and 3B of the WestConnex project).
Brisbane	Logan Enhancement project completed in August 2019.
	All motorway lanes Gateway Upgrade North opened in January 2019. Construction was completed in March 2019.
North America	Financial close of Fredericksburg Extension project in July 2019, ongoing construction with completion expected in FY2023.
	395 Express Lanes project completed and tolling commenced in November 2019. Development framework agreed on 495 Northern Extension project.

The completion of brownfield acquisitions or greenfield toll roads can have a material impact on our toll revenue. Development projects on existing assets typically impact our revenue over two phases as follows:

reduction in traffic during construction as a result of disruption, followed by increased traffic post-construction and ramp-up.

Finance costs

Finance costs are the largest individual component of our expenses. As at June 30, 2020, we had proportional drawn Australian dollar-denominated debt of A$15.7 billion, drawn U.S. dollar-denominated debt of U.S.$3.1 billion and drawn Canadian dollar-denominated debt of CAD$1.2 billion, primarily consisting of bank debt, government debt (in the form of TIFIA loans and Commonwealth Loans) and senior corporate bonds, comprising United States private placement notes (**USPP Notes**), domestic Australian dollar notes (**AMTN**), 144A notes, Canadian medium term notes (**CMTN**), European medium term notes (**EMTN**), Norwegian Krone medium term notes (**NKMTN**) and Swiss Franc medium term notes.

The weighted average interest rate of our proportional debt as at June 30, 2020 for:

- Australian dollar-denominated debt, was 4.4% (4.6% as at June 30, 2019);
- U.S. dollar-denominated debt, was 4.4% (4.4% as at June 30, 2019); and
- Canadian dollar-denominated debt, was 5.0% (4.9% as at June 30, 2019).

We manage interest rate risk by entering into fixed rate debt facilities or by using interest rate swaps to convert floating rate debt to fixed interest rates. Our policy is to hedge interest rate exposure to between 80% and 100% of drawn debt while complying with the covenant requirements of our funding facilities. As at June 30, 2020, 98.9% of our proportional debt was hedged (100% as at June 30, 2019).

Foreign exchange risk

We operate internationally and are exposed to foreign exchange risk when future transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

Foreign currency exposures are viewed as either investment exposures or operating exposures. Exposures from investments in foreign assets are generally managed using foreign currency debt. Our policy is to ensure that, at any time, all known material operating exposures for the following 12 months are hedged using hedging instruments, or offset by drawing on foreign currency funds.

We use hedging instruments such as cross-currency swaps, forward exchange contracts as well as natural hedges such as foreign currency-denominated operating exposures and foreign currency borrowings, to manage these exposures.

General economic conditions

Despite significant impacts to traffic as a result of the COVID-19 pandemic and an uncertain near term outlook, the core fundamentals of our business remain unchanged. We believe portfolio-wide organic growth will continue to be supported over time because:

- our roads are located in urbanised markets with large, growing populations and existing congestion issues requiring continued infrastructure investment;
- trips on our roads arise from diverse sources including logistics, commuting, trade, recreation and shopping;
- our assets have embedded toll escalation through to the end of each concession; and
- our assets have a weighted average concession life of almost 29 years across the portfolio.

These core business fundamentals are supplemented by a large pipeline of emerging expansion opportunities.

Key income statement items

Toll revenue

We generate most of our revenue from the tolls paid by users of our toll roads. Total tolls paid is largely driven by trip volume and vehicle class mix. Tolls that are charged differ based on classes of motor vehicles using our toll roads. In Canada, our toll prices are higher for peak period trips relative to off-peak trips and also differ based on the number of axels on a vehicle.

We also earn revenue from fees paid by users of our toll roads who do not have a valid account, pass or arrangement with us or another tolling operator. Fees include late toll fees, infringement charges and video and image processing fees.

Other revenue

Other revenue includes management fee revenue, roaming fees, advertising revenue, business development revenue, construction performance fees and other road revenue.

Construction revenue and costs

If a Concession Agreement includes a design and construction element, we recognise revenue equal to the costs incurred for the construction of the asset. Construction services are accounted for as one performance obligation and revenue is recognised in line with the progress of construction services provided over time. The progress of construction is measured by reference to costs incurred to date. There is no margin recognised on construction contracts, except for instances where we provide construction-related services to a third party. As a result, our construction revenue and construction costs are generally consistent.

Expenses

We classify our operating expenses as:

- employee benefits expense, which includes all employee-related costs such as salaries and on-costs, superannuation and share based payment expenses;
- road operating costs, which include tolling expenses, maintenance activities and asset management costs, such as road repairs and road system expenses; and
- corporate and other expenses, which include concession fees, information technology, professional services, marketing and other general overhead costs.

We undertake two types of maintenance expense activities (included within road operating costs above):

- annual recurring maintenance activities are undertaken on a day-to-day basis, such as minor pavement repairs and line marking. These activities are expensed in the income statement as incurred; and
- lifecycle major maintenance, which represents our contractual obligation to maintain toll roads and related infrastructure to a specified level of serviceability and/or to restore the infrastructure to a specified condition before handing it back to the relevant government entity pursuant to our Concession Agreements. The maintenance provision for lifecycle major maintenance is built up over time by recognising an expense in the income statement for the present value of the forecast maintenance expenditure, based on the wear and tear on our toll roads and related infrastructure to date. The actual major maintenance spend each year reduces the maintenance provision, and depending on where in the maintenance cycle a road may be, the cash maintenance spend could vary materially from the maintenance expense recognised during a given period.

Depreciation and amortisation

The majority of our depreciation and amortisation expense relates to the amortisation of concession assets. Concession assets represent our rights to operate roads under Concession Agreements for finite terms. All of our concession assets are classified as intangible assets and are amortised on a straight line basis over the term of the right to operate the asset.

Net finance costs

Finance income comprises interest income on financial assets at amortised cost, bank deposits, unwind of the financial asset associated with future receipt of the A25 availability payments and guaranteed toll revenue and net foreign exchange gains.

Finance costs relate to interest and finance charges paid on external debt borrowings, unwind of discounts on liabilities (in relation to construction obligation payments, maintenance provisions, promissory notes and concession notes) and net foreign exchange losses.

Net finance costs only includes the costs incurred by our controlled entities. Net finance costs from our equity accounted investments (the NWRG and Sydney Transport Partners) are included in our share of net profits of equity accounted investments.

Changes to the estimated timing of forecast payments and receipts for the above assets and liabilities will cause changes to the discount recognised in finance income or finance expense.

Share of net profits of equity accounted investments

Our share of profits or losses from joint ventures represents our share of earnings after tax from these entities. The Interlink M5 (which holds the ownership interest in the Concession Agreements for the M5 West Motorway) was equity accounted for the period from July 1, 2018 to September 18, 2018. We acquired an additional 15.38% equity interest in M5 West Motorway in 2018 across two transactions, taking our total equity interest to 65.38%. As a result of the step up acquisition, M5 West Motorway is no longer accounted for under the equity method and has been consolidated in our results for the periods from September 18, 2018 to June 30, 2019 and FY2020. We acquired the remaining minority interests in the M5 West Motorway on October 30, 2019.

The NWRG (which holds the ownership interest in the Concession Agreements for Westlink M7 and NorthConnex) was equity accounted for the year ended June 30, 2020. The Sydney Transport Partners joint venture (which holds the controlling 51% ownership interest in the Concession Agreements for WestConnex) was equity accounted for the period from September 27, 2018 to the year ended June 30, 2019 and the year ended June 30, 2020.

Income tax expense/benefit

We operate as a stapled group comprising two corporate entities, THL and TIL and a trust, THT. THT operates as a flow-through trust, and is not liable to pay tax itself. Instead, security holders are subject to tax on the income that is reasonably attributed to them by THT at their individual marginal tax rates. We are structured this way because the initial heavy capital investment and associated debt funding required for infrastructure investments results in accounting losses being generated in the initial years that prevent a corporate entity from paying dividends. Our stapled structure allows THT to make distributions to security holders throughout the life of our assets.

The income tax expense/benefit for the period is the tax payable or benefit, calculated on an estimate of the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current and deferred income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Australia, the United States and Canada, where we operate our toll roads. In evaluating positions taken in tax returns, we take into account situations for which the applicable tax legislation is subject to interpretation. We establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities in the future.

Results of operations

Comparison of the year ended June 30, 2020 to the year ended June 30, 2019

	For the year ended June 30	
	2020	**2019**
	(A$ millions)	
Revenue		
Toll revenue	2,510	2,643
Construction revenue	1,003	1,435
Other revenue	103	88
Total revenue	**3,616**	**4,166**
Expenses		
Employee benefit expense	(250)	(230)
Road operating costs	(388)	(373)
Construction costs	(1,003)	(1,435)
Transaction and integration costs	(7)	(25)
Corporate and other expenses	(127)	(107)
Total expenses before depreciation, amortisation and finance costs	**(1,775)**	**(2,170)**
Earnings before depreciation and amortisation, net finance costs, equity accounted investments and income taxes	**1,841**	**1,996**
Depreciation and amortisation expense	(1,185)	(995)
Finance income	102	118
Finance costs	(1,016)	(983)
Net finance costs	**(914)**	**(865)**
Share of net profits/(losses) of equity accounted investments, inclusive of impairments	(62)	(334)
Gain on revaluation of equity accounted investment	–	228
(Loss)/profit before income tax	**(320)**	**30**
Income tax benefit	167	140

	For the year ended June 30	
	2020	2019
	(A$ millions)	
(Loss)/profit for the year	(153)	170
(Loss)/profit is attributable to:		
Ordinary equity holders of the stapled group	(111)	171
Non-controlling interests	(42)	(1)

Key Activities

Year ended June 30, 2020	Year ended June 30, 2019
Construction continued on West Gate Tunnel project	Construction continued on West Gate Tunnel project
Completion of Logan Enhancement project in August 2019	Financial close of step up acquisition of additional equity interest in the M5 West Motorway
Completion of and commencement of tolling on 395 Express Lanes in November 2019	Financial close of investment in WestConnex through the Sydney Transport Partners joint venture
Financial close of and ongoing construction works on the Fredericksburg Extension project	First full year performance of the A25 is included within our results after the acquisition of the A25 on June 5, 2018
Financial close on the acquisition of the remaining 34.62% interest in the M5 West Motorway	In April 2019, contractual close was reached on the Fredericksburg Extension project
Opening of the New M4 Tunnels (Stage 1B of the WestConnex project) occurred in July 2019	

Revenue

Toll revenue

Toll revenue decreased A$133 million, or 5.0%, to A$2,510 million for the year ended June 30, 2020 from A$2,643 million for the year ended June 30, 2019. This decrease was primarily driven by lower traffic volumes resulting from restrictions on movement mandated by governments in response to COVID-19, partially offset by toll price escalations and the contribution of new or enhanced assets for the period, including the 395 Express Lanes and the Logan Enhancement project together with a full year contribution from the M5 West Motorway from October 30, 2019.

Construction revenue

Construction revenue decreased A$432 million, or 30.1%, to A$1,003 million for the year ended June 30, 2020 from A$1,435 million for the year ended June 30, 2019. This decrease was primarily driven by decreased construction activity on projects currently under construction and completion of the 395 Express Lanes and the Logan Enhancement projects during the current period.

Other revenue

Other revenue increased A$15 million, or 17.0%, to A$103 million for the year ended June 30, 2020 from A$88 million for the year ended June 30, 2019. This increase was primarily driven by the full year contribution of WestConnex fees under the management services agreement and other revenue generated by the M5 West Motorway.

Expenses

Employee benefits expense

Employee benefits expense increased A$20 million, or 8.7%, to A$250 million for the year ended June 30, 2020 from A$230 million for the year ended June 30, 2019. This increase was primarily driven by additional full time employees to support growth and annual salary increases.

Road operating costs

Road operating costs increased A$15 million, or 4.0%, to A$388 million for the year ended June 30, 2020 from A$373 million for the year ended June 30, 2019. This increase was primarily driven by an increase in major maintenance expense following the opening of the 395 Express Lanes and additional maintenance provision expense due to the 10-year CityLink concession extension (in connection with the West Gate Tunnel project). This was partially offset by lower tolling expenses due to the reduced traffic volumes.

Construction costs

Construction costs decreased A$432 million, or 30.1%, to A$1,003 million for the year ended June 30, 2020 from A$1,435 million for the year ended June 30, 2019. This decrease was primarily driven by decreased construction activity on projects currently under construction and completion of the 395 Express Lanes and the Logan Enhancement projects during the current period.

Transaction and integration costs

Transaction and integration costs decreased A$18 million, or 72.0%, to A$7 million for the year ended June 30, 2020 from A$25 million for the year ended June 30, 2019. This decrease primarily reflected a reduction in activity from the continued integration of the M5 West Motorway and WestConnex in FY2020.

Corporate and other expenses

Corporate and other expenses increased A$20 million, or 18.7%, to A$127 million for the year ended June 30, 2020 from A$107 million for the year ended June 30, 2019. This increase was primarily driven by higher professional service fees incurred to support strategic growth and development projects as well as higher insurance costs. This was partially offset by decreased lease expenses following the adoption of AASB 16 from July 1, 2019 (these expenses are now recognised in depreciation and finance costs).

Earnings before depreciation and amortisation, net finance costs, equity accounted investments and income taxes (EBITDA)

EBITDA decreased A$155 million, or 7.8%, to A$1,841 million for the year ended June 30, 2020 from A$1,996 million for the year ended June 30, 2019. This decrease was primarily driven by reduced toll revenue following the restrictions on movement mandated by governments in response to COVID-19, as well as higher employee and corporate expenses to support growth activities and the increase in road operating costs from the major maintenance provision expense.

Depreciation and amortisation

Depreciation and amortisation increased A$190 million, or 19.1%, to A$1,185 million for the year ended June 30, 2020 from A$995 million for the year ended June 30, 2019. This increase was primarily driven by the start of amortisation on the uplift in the concession value of CityLink following the concession extension, the additional amortisation from the step-up acquisition of the M5 West Motorway concession in the prior period and recently completed projects including 395 Express Lanes and Logan Enhancement as well as the depreciation of right-of-use lease assets recognised upon adoption of AASB 16.

Net finance costs

Net finance costs increased A$49 million, or 5.7%, to A$914 million for the year ended June 30, 2020 from A$865 million for the year ended June 30, 2019. This increase was primarily driven by higher external interest, as interest capitalisation ceased subsequent to the completion of 395 Express Lanes and the Logan Enhancement projects, and a net increase in corporate borrowings.

Share of net profits/losses of equity accounted investments

This represents our share of net profits or losses primarily in relation to our equity accounted investments in the NWRG (Westlink M7), the M5 West Motorway (before September 18, 2018), and the Sydney Transport Partners joint venture (from September 27, 2018). The NWRG has unrecognised losses of A$297 million as at June 30, 2020 and therefore current period profits are not recognised until the unrecognised losses are reduced to nil.

Share of net loss from equity accounted investments amounted to A$62 million for the year ended June 30, 2020 compared to A$334 million for the year ended June 30, 2019. The movement was primarily driven by transaction costs (including stamp duty) recognised by the Sydney Transport Partners joint venture in the prior period, in connection with the acquisition of WestConnex.

Gain on revaluation of equity accounted investment in M5 West Motorway

In the year ended June 30, 2019, we recognised a gain on revaluation of our equity accounted investment in the M5 West Motorway of A$228 million, representing the difference between the carrying amount of our equity accounted investment and its fair value at the date control was obtained in September 2018.

Income tax benefit

Income tax benefit increased A$27 million, or 19.3%, to A$167 million for the year ended June 30, 2020 from A$140 million for the year ended June 30, 2019. This increase was primarily driven by the reduction to profit before tax as a result of decreased traffic volumes from the impact of COVID-19 across our Australian and North American networks. This was partially offset by a one-off increase in the tax deductible value of the Legacy Way asset following confirmation of the period of the availability of certain deductions that existed at the acquisition date of Transurban Queensland in 2014.

Proportional Results by geographical region for the years ended June 30, 2020 and June 30, 2019

	Proportional Results by Geographical Region[1]					
	Melbourne	Sydney	Brisbane	North America	Corporate and other	Total
	Year ended June 30, 2020 (A$ millions)					
Proportional toll revenue	**747**	**1,072**	**394**	**279**	**—**	**2,492**
Other revenue	23	48	5	15	26	117
Total proportional revenue	**770**	**1,120**	**399**	**294**	**26**	**2,609**
Underlying Proportional EBITDA	**634**	**879**	**286**	**154**	**(65)**	**1,888**
Significant items	—	(13)	—	(1)	—	(14)
Proportional EBITDA	**634**	**866**	**286**	**153**	**(65)**	**1,874**

Note:

(1) Proportional toll revenue, Underlying Proportional EBITDA, significant items and Proportional EBITDA are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

	Proportional Results by Geographical Region[1]					
	Melbourne	Sydney	Brisbane	North America	Corporate and other	Total
	Year ended June 30, 2019 (A$ millions)					
Proportional toll revenue	**813**	**1,042**	**402**	**324**	**—**	**2,581**
Other revenue	24	38	6	14	11	93
Total proportional revenue	**837**	**1,080**	**408**	**338**	**11**	**2,674**
Underlying Proportional EBITDA	**716**	**856**	**293**	**210**	**(59)**	**2,016**
Significant items	—	(309)	—	(11)	—	(320)
Proportional EBITDA	**716**	**547**	**293**	**199**	**(59)**	**1,696**

Note:

(1) Proportional toll revenue, Underlying Proportional EBITDA, significant items and Proportional EBITDA are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

We operate in one business sector only: the development, operation and maintenance of toll roads. In accordance with AASB 8 *Operating Segments*, our segments are determined by geographical regions, being Melbourne, Sydney and Brisbane in Australia, and North America (consisting of the Greater Washington Area and Montreal networks).

We assess the performance of the regions in which we operate on a proportional basis. To arrive at the proportional result, a portion of results representing non-controlling interests in our controlled roads is removed from our statutory results and a portion of results representing our interests in non-controlled (equity accounted) assets is included.

Our corporate function is not a reportable segment under the requirements of AASB 8, as its revenue generating activities are only incidental to our business.

Set forth below is a discussion of our operating segment results for the year ended June 30, 2020 compared to the year ended June 30, 2019.

Melbourne

	Year ended June 30(1)	
	2020	**2019**
	(A$ millions)	
Proportional revenue		
Proportional toll revenue	747	813
Other revenue	23	24
Total proportional revenue	**770**	**837**
Proportional EBITDA	**634**	**716**

Note:

(1) Proportional toll revenue and Proportional EBITDA are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

Proportional revenue

Proportional toll revenue decreased A$66 million, or 8.1%, to A$747 million for the year ended June 30, 2020 from A$813 million for the year ended June 30, 2019. This decrease was primarily driven by lower traffic volumes resulting from restrictions on movement mandated by governments in response to the COVID-19 pandemic. This was partially offset by toll price escalations.

Proportional other revenue decreased A$1 million, or 4.2%, to A$23 million for the year ended June 30, 2020 from A$24 million for the year ended June 30, 2019. This decrease was primarily driven by lower roaming fee revenue as a result of lower traffic volumes.

Proportional EBITDA

Proportional EBITDA decreased A$82 million, or 11.5%, to A$634 million for the year ended June 30, 2020 from A$716 million for the year ended June 30, 2019. This decrease was primarily driven by lower toll revenue and additional maintenance provision expense due to the 10-year CityLink concession extension (in connection with the West Gate Tunnel project).

Proportional EBITDA margin decreased from 88.1% to 84.9% over the same period.

Sydney

	Year ended June 30[1]	
	2020	2019
	(A$ millions)	
Proportional revenue		
Proportional toll revenue	1,072	1,042
Other revenue	48	38
Total Proportional revenue	**1,120**	**1,080**
Underlying Proportional EBITDA	**879**	**856**
Significant items	(13)	(309)
Proportional EBITDA	**866**	**547**

Note:

(1) Proportional toll revenue, Underlying Proportional EBITDA, significant items and Proportional EBITDA are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

Proportional revenue

Proportional toll revenue increased A$30 million, or 2.9%, to A$1,072 million for the year ended June 30, 2020 from A$1,042 million for the year ended June 30, 2019. This decrease was primarily driven by lower traffic volumes resulting from restrictions on movement mandated by governments in response to the COVID-19 pandemic. This was partially offset by toll price escalations and the contribution of new assets, including the additional ownership interest in the M5 West Motorway.

Proportional other revenue increased A$10 million, or 26.3%, to A$48 million for the year ended June 30, 2020 from A$38 million for the year ended June 30, 2019. This increase was primarily driven by liquidated damages received as a result of the delayed opening of the M8 Motorway, which exceeded liquidated damages received in the prior period due to the delayed opening of the New M4 Tunnels.

Proportional EBITDA

Proportional EBITDA increased A$319 million, or 58.3%, to A$866 million for the year ended June 30, 2020 from A$547 million for the year ended June 30, 2019. This increase was primarily the result of prior period significant items comprising of our share of stamp duty, transaction and integration costs, bid costs incurred prior to contractual close and restructuring costs totaling A$309 million triggered by our investment in WestConnex through the Sydney Transport Partners joint venture and the contribution of new assets in the current period.

Underlying Proportional EBITDA, excluding significant items, increased A$23 million, or 2.7%, to A$879 million for the year ended June 30, 2020 from A$856 million for the year ended June 30, 2019 driven by toll price escalations and the contribution of new assets, including the additional ownership interest in the M5 West Motorway.

Underlying Proportional EBITDA margin decreased from 82.1% to 82.0% over the same period.

Brisbane

	Year ended June 30(1)	
	2020	2019
	(A$ millions)	
Proportional revenue		
Proportional toll revenue	394	402
Other revenue	5	6
Total proportional revenue	**399**	**408**
Proportional EBITDA	**286**	**293**

Note:

(1) Proportional toll revenue, Proportional EBITDA and significant items are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

Proportional revenue

Proportional toll revenue decreased A$8 million, or 2.0%, to A$394 million for the year ended June 30, 2020 from A$402 million for the year ended June 30, 2019. This decrease was primarily driven by lower traffic volumes resulting from restrictions on movement mandated by governments in response to the COVID-19 pandemic, partially offset by toll price escalations.

Proportional other revenue decreased A$1 million, or 16.7%, to A$5 million for the year ended June 30, 2020 from A$6 million for the year ended June 30, 2019. This decrease was primarily driven by project completion incentives received in the prior period for the Gateway Upgrade North project, partially offset by liquidated damages received for the delayed completion of the Logan Enhancement project.

Proportional EBITDA

Proportional EBITDA decreased A$7 million, or 2.4%, to A$286 million for the year ended June 30, 2020 from A$293 million for the year ended June 30, 2019. This decrease was primarily driven by lower toll revenue.

Proportional EBITDA margin decreased from 72.9% to 72.6% over the same period.

North America

	Year ended June 30(1)	
	2020	2019
	(A$ millions)	
Proportional revenue		
Proportional toll revenue	279	324
Other revenue	15	14
Total proportional revenue	**294**	**338**
Underlying Proportional EBITDA	**154**	**210**
Significant items	(1)	(11)
Proportional EBITDA	**153**	**199**

Note:

(1) Proportional toll revenue, Underlying Proportional EBITDA and Proportional EBITDA are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

Proportional revenue

Proportional toll revenue decreased A$45 million, or 13.9%, to A$279 million for the year ended June 30, 2020 from A$324 million for the year ended June 30, 2019. This decrease was primarily driven by lower traffic volumes resulting from restrictions on movement mandated by governments in response to the COVID-19 pandemic and lower average toll prices. This was partially offset by favourable foreign exchange rate movements on U.S. dollar revenue earned by the North American assets.

Proportional EBITDA

Proportional EBITDA decreased A$46 million, or 23.1%, to A$153 million for the year ended June 30, 2020 from A$199 million for the year ended June 30, 2019. This decrease was primarily driven by lower toll revenue.

Underlying Proportional EBITDA, excluding significant items such as transaction and integration costs of A$1 million related to the acquisition of the A25, decreased A$56 million, or 26.7%, to A$154 million for the year ended June 30, 2020 from A$210 million for the year ended June 30, 2019 driven by lower traffic volumes resulting from restrictions on movement mandated by governments in response to the COVID-19 pandemic and lower average toll prices.

Underlying Proportional EBITDA margin decreased from 64.8% to 55.2% over the same period.

Comparison of the year ended June 30, 2019 to the year ended June 30, 2018

	For the year ended June 30	
	2019	**2018**
	(A$ millions)	
Revenue		
Toll revenue	2,643	2,249
Construction revenue	1,435	989
Other revenue	88	60
Total revenue	**4,166**	**3,298**
Expenses		
Employee benefit expense	(230)	(200)
Road operating costs	(373)	(326)
Construction costs	(1,435)	(989)
Transaction and integration costs	(25)	(21)
Corporate and other expenses	(107)	(113)
Total expenses before depreciation, amortisation and finance costs	**(2,170)**	**(1,649)**
Earnings before depreciation and amortisation, net finance costs, equity accounted investments and income taxes	**1,996**	**1,649**

	For the year ended June 30	
	2019	2018
	(A$ millions)	
Depreciation and amortisation expense	(995)	(671)
Finance income	118	97
Finance costs	(983)	(819)
Net finance costs	**(865)**	**(722)**
Share of net profits/(losses) of equity accounted investments	(334)	33
Gain on revaluation of equity accounted investment in M5 West Motorway	228	—
Profit before income tax	**30**	**289**
Income tax benefit	140	179
Profit for the year	**170**	**468**
Profit/(loss) is attributable to:		
Ordinary equity holders of the stapled group	171	485
Non-controlling interests	(1)	(17)

Key Activities

Year ended June 30, 2019	Year ended June 30, 2018
Construction continued on West Gate Tunnel project	Financial close of 395 Express Lanes project (July 2017)
Financial close of step up acquisition of additional equity interest in the M5 West Motorway	Contractual close of West Gate Tunnel project (December 2017)
Financial close of investment in WestConnex through the Sydney Transport Partners joint venture	Fredericksburg Extension project approved (January 2018)
First full year performance of the A25 is included within our results after the acquisition of the A25 on June 5, 2018	Completion of Western Link section of CityLink-Tulla widening project (late 2017)
In April 2019, contractual close was reached on the Fredericksburg Extension Project	Financial close of the A25 acquisition (June 2018)

Revenue

Toll revenue

Toll revenue increased A$394 million, or 17.5%, to A$2,643 million for the year ended June 30, 2019 from A$2,249 million for the year ended June 30, 2018. This increase was primarily driven by:

- a A$284 million contribution by new assets for the period including the A25 and M5 West Motorway; and
- a A$110 million increase in toll revenue due to higher traffic and toll price increases across the Australian and North American networks.

Construction revenue

Construction revenue increased A$446 million, or 45.1%, to A$1,435 million for the year ended June 30, 2019 from A$989 million for the year ended June 30, 2018. The increase was primarily driven by the West Gate Tunnel project, which reached contractual close during the first half of FY2018, the Logan Enhancement project and an increase in U.S. construction revenue (including from favourable foreign exchange rates movements) due primarily to the 395 Express Lanes project, which reached financial close in July 2017, the Fredricksburg Extension, which reached contractual close in April 2019.

Other revenue

Other revenue increased A$28 million, or 46.7%, to A$88 million for the year ended June 30, 2019 from A$60 million for the year ended June 30, 2018. The increase was primarily driven by other revenue from new assets including the A25 availability payments and WestConnex management fees as well as recognition of incentive fees received on completion of the Gateway Upgrade North project.

Expenses

Employee benefits expense

Employee benefits expense increased A$30 million, or 15.0%, to A$230 million for the year ended June 30, 2019 from A$200 million for the year ended June 30, 2018. This increase was primarily driven by additional full-time employees to support growth as well as employees absorbed as part of acquisitions and annual salary increases.

Road operating costs

Road operating costs increased A$47 million, or 14.4%, to A$373 million for the year ended June 30, 2019 from A$326 million for the year ended June 30, 2018. This increase was primarily driven by an increase in major maintenance expense.

Construction costs

Construction costs increased A$446 million, or 45.1%, to A$1,435 million for the year ended June 30, 2019 from A$989 million for the year ended June 30, 2018. The increase was primarily driven by the West Gate Tunnel project, which reached contractual close during the first half of FY2018, and an increase in U.S. construction revenue (including from favourable foreign exchange rates movements) due primarily to the 395 Express Lanes project, the Fredricksburg Extension and the Logan Enhancement project.

Transaction and integration costs

Transaction and integration costs increased A$4 million, or 19.1%, to A$25 million for the year ended June 30, 2019 from A$21 million for the year ended June 30, 2018. The increase was primarily driven by the acquisition and integration of the M5 West Motorway and WestConnex.

Corporate and other expenses

Corporate and other expenses decreased A$6 million, or 5.3%, to A$107 million for the year ended June 30, 2019 from A$113 million for the year ended June 30, 2018. This decrease primarily reflected higher professional service fees incurred in the prior year to support strategic growth and development projects, mainly the WestConnex bid.

Earnings before depreciation and amortisation, net finance costs, equity accounted investments and income taxes (EBITDA)

EBITDA increased A$347 million, or 21.0%, to A$1,996 million for the year ended June 30, 2019 from A$1,649 million for the year ended June 30, 2018. This increase was primarily due to the increase in toll revenue from a combination of higher toll prices and increased traffic across our network. This increase in toll revenue was partially offset by the increase in employee benefits expense from additional employees to support growth activities and the increase in road operating costs from the major maintenance provision expense.

Depreciation and amortisation

Depreciation and amortisation increased A$324 million, or 48.3%, to A$995 million for the year ended June 30, 2019 from A$671 million for the year ended June 30, 2018. This increase was primarily driven by the additional amortisation from the acquisition of the A25 and the M5 West Motorway concession assets in addition to the full year amortisation of the CityLink-Tulla widening project, which was completed in December 2017.

Net finance costs

Net finance costs increased A$143 million, or 19.8%, to A$865 million for the year ended June 30, 2019 from A$722 million for the year ended June 30, 2018. This increase was primarily driven by the unwind of the construction obligation of the West Gate Tunnel project, increased interest costs for Transurban Queensland, the new EMTN (Canadian dollar issuance) entered into in November 2018, increased interest as interest capitalisation ceased subsequent to CityLink-Tulla Widening completion as well as increased foreign exchange losses from the ineffectiveness on our hedge of the net assets of our U.S. and Canadian operations.

Share of net profits/losses of equity accounted investments

This represents our share of net profits or losses primarily in relation to our equity accounted investments in the NWRG (Westlink M7), the M5 West Motorway (before September 18, 2018), and the Sydney Transport Partners joint venture (from September 27, 2018). The NWRG has unrecognised losses of A$401 million as at June 30, 2019 and therefore current period profits are not recognised until the unrecognised losses are reduced to nil.

Share of net loss from equity accounted investments amounted to A$334 million for the year ended June 30, 2019 compared to share of net profit of A$33 million for the year ended June 30, 2018. The movement was primarily driven by our share of losses generated from our investment in the Sydney Transport Partners joint venture, A$343 million of which was largely attributable to transaction costs inclusive of stamp duty.

Gain on revaluation of equity accounted investment in M5 West Motorway

Our gain on revaluation of equity accounted investment in M5 West Motorway amounted to A$228 million for the year ended June 30, 2019, representing the difference between the carrying amount of our equity accounted investment and its fair value at the date control was obtained in September 2018.

Income tax benefit

Income tax benefit decreased A$39 million, or 21.8%, to A$140 million for the year ended June 30, 2019 from A$179 million for the year ended June 30, 2018. This decrease was primarily driven by the prior period one-off impact of changes in U.S. tax legislation and recording of U.S. tax losses. This was offset by the increase to the tax deductible value of the Legacy Way asset post settlement of a dispute regarding the original Legacy Way purchase price with the Brisbane City Council.

Proportional Results by geographical region for the years ended June 30, 2019 and June 30, 2018

	Proportional Results by Geographical Region[(1)]					
	Melbourne	Sydney	Brisbane	North America	Corporate and other	Total
	Year ended June 30, 2019					
	(A$ millions)					
Proportional toll revenue	**813**	**1,042**	**402**	**324**	**—**	**2,581**
Other revenue	24	38	6	14	11	93
Total proportional revenue	**837**	**1,080**	**408**	**338**	**11**	**2,674**
Underlying Proportional EBITDA	**716**	**856**	**293**	**210**	**(59)**	**2,016**
Significant items	—	(309)	—	(11)	—	(320)
Proportional EBITDA	**716**	**547**	**293**	**199**	**(59)**	**1,696**

Note:

(1) Proportional toll revenue, Underlying Proportional EBITDA, significant items and Proportional EBITDA are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

	Proportional Results by Geographical Region[(1)]					
	Melbourne	Sydney	Brisbane	North America	Corporate and other	Total
	Year ended June 30, 2018					
	(A$ millions)					
Proportional toll revenue	**780**	**944**	**393**	**223**	**—**	**2,340**
Other revenue	23	28	3	1	1	56
Total proportional revenue	**803**	**972**	**396**	**224**	**1**	**2,396**
Underlying Proportional EBITDA	**688**	**763**	**279**	**130**	**(64)**	**1,796**
Significant items	—	—	—	(21)	—	(21)
Proportional EBITDA	**688**	**763**	**279**	**109**	**(64)**	**1,775**

Note:

(1) Proportional toll revenue, Underlying Proportional EBITDA, significant items and Proportional EBITDA are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

Set forth below is a discussion of our operating segment results for of the year ended June 30, 2019 compared to the year ended June 30, 2018.

Melbourne

	Year ended June 30(1)	
	2019	**2018**
	(A$ millions)	
Proportional revenue		
Proportional toll revenue	813	780
Other revenue	24	23
Total proportional revenue	**837**	**803**
Proportional EBITDA	**716**	**688**

Note:

(1) Proportional toll revenue and Proportional EBITDA are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

Proportional revenue

Proportional toll revenue increased A$33 million, or 4.2%, to A$813 million for the year ended June 30, 2019 from A$780 million for the year ended June 30, 2018. This increase was primarily driven by increased traffic and toll price increases.

Proportional other revenue increased A$1 million, or 4.4%, to A$24 million for the year ended June 30, 2019 from A$23 million for the year ended June 30, 2018. This increase was primarily driven by access fees from a gantry defect on CityLink Melbourne.

Proportional EBITDA

Proportional EBITDA increased A$28 million, or 4.1%, to A$716 million for the year ended June 30, 2019 from A$688 million for the year ended June 30, 2018. This increase was primarily driven by higher toll revenues.

Proportional EBITDA margin decreased from 88.2% to 88.1% over the same period.

Sydney

	Year ended June 30(1)	
	2019	**2018**
	(A$ millions)	
Proportional revenue		
Proportional toll revenue	1,042	944
Other revenue	38	28
Total proportional revenue	**1,080**	**972**
Underlying Proportional EBITDA	**856**	**763**
Significant items	(309)	—
Proportional EBITDA	**547**	**763**

Note:

(1) Proportional toll revenue and Proportional EBITDA are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

Proportional revenue

Proportional toll revenue increased A$98 million, or 10.4%, to A$1,042 million for the year ended June 30, 2019 from A$944 million for the year ended June 30, 2018. This increase was primarily driven by contribution by new assets and increased traffic and toll price increases of existing assets.

Proportional other revenue increased A$10 million, or 35.7%, to A$38 million for the year ended June 30, 2019 from A$28 million for the year ended June 30, 2018. This increase was primarily driven by contribution by new assets and cost reimbursements related to Sydney Light Rail and Sydney Metro Rail.

Proportional EBITDA

Proportional EBITDA decreased A$216 million, or 28.3%, to A$547 million for the year ended June 30, 2019 from A$763 million for the year ended June 30, 2018. This decrease was primarily driven by significant items comprising of our share of stamp duty, transaction and integration costs, bid costs incurred prior to contractual close and restructuring costs totalling A$309 million triggered by our investment in WestConnex through the Sydney Transport Partners joint venture for the year ended June 30, 2019 which more than offset the increase in proportional toll revenue.

Underlying Proportional EBITDA, excluding significant items, increased A$93 million, or 12.2%, to A$856 million for the year ended June 30, 2019 from A$763 million for the year ended June 30, 2018.

Underlying Proportional EBITDA margin improved from 80.8% to 82.1% over the same period.

Brisbane

	Year ended June 30[1]	
	2019	**2018**
	(A$ millions)	
Proportional revenue		
Proportional toll revenue	402	393
Other revenue	6	3
Total proportional revenue	**408**	**396**
Proportional EBITDA	**293**	**279**

Note:

(1) Proportional toll revenue and Proportional EBITDA are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

Proportional revenue

Proportional toll revenue increased A$9 million, or 2.3%, to A$402 million for the year ended June 30, 2019 from A$393 million for the year ended June 30, 2018. This increase was primarily driven by increased traffic and toll price increases.

Proportional other revenue increased A$3 million, or 100.0%, to A$6 million for the year ended June 30, 2019 from A$3 million for the year ended June 30, 2018. This increase was primarily driven by project completion incentives for the Gateway Upgrade North project in Brisbane.

Proportional EBITDA

Proportional EBITDA increased A$14 million, or 5.0%, to A$293 million for the year ended June 30, 2019 from A$279 million for the year ended June 30, 2018. This increase was primarily driven by higher toll revenues.

Proportional EBITDA margin improved from 71.0% to 72.9% over the same period.

North America

	Year ended June 30[1]	
	2019	**2018**
	(A$ millions)	
Proportional revenue		
Proportional toll revenue	324	223
Other revenue	14	1
Total proportional revenue	**338**	**224**
Underlying Proportional EBITDA	**210**	**130**
Significant items	(11)	(21)
Proportional EBITDA	**199**	**109**

Note:

(1) Proportional toll revenue, Underlying Proportional EBITDA and Proportional EBITDA are non-GAAP financial measures. See "*Financial information presentation—Non-GAAP measures*" for further information.

Proportional revenue

Proportional toll revenue increased A$101 million, or 45.3%, to A$324 million for the year ended June 30, 2019 from A$223 million for the year ended June 30, 2018. This increase was primarily driven by contribution by the A25, increased traffic, toll price increases and favourable foreign exchange rates movements on U.S. dollar revenue earned by the North American assets.

Proportional EBITDA

Proportional EBITDA increased A$90 million, or 82.6%, to A$199 million for the year ended June 30, 2019 from A$109 million for the year ended June 30, 2018. This increase was primarily driven by higher toll revenues and favourable foreign exchange rate movements.

Underlying Proportional EBITDA, excluding significant items such as transaction and integration costs of A$11 million related to the acquisition of the A25, increased A$80 million, or 61.5%, to A$210 million for the year ended June 30, 2019 from A$130 million for the year ended June 30, 2018.

Underlying Proportional EBITDA margin improved from 58.3% to 64.8% over the same period.

Liquidity and capital resources

Overview

We finance our business primarily through cash flows from operations, borrowings from banks and proceeds from issuances of debt and equity securities. We regularly review our capital structure and liquidity position to consider market conditions, expected future cash flows, potential funding requirements for debt refinancing and capital expenditures, the cost of capital, sensitivity analysis reflecting downside scenarios, the impact on our financial metrics and credit ratings and the ease of access to funding sources.

As at June 30, 2020, we had total available liquidity of A$4,826 million on a statutory basis consisting of undrawn working capital facilities of A$3,102 million and cash and cash equivalents (excluding restricted cash) of A$1,724 million. As at June 30, 2020, we had total Proportional debt of A$22,118 million (A$19,394 million as at June 30, 2019).

A summary of our facility limits and drawn debt on both a proportional and statutory basis are shown below. Proportional debt represents our share of the drawn debt from each individual asset, along with 100% of our corporate debt, translated to its hedged currency to reflect any cross-currency swaps in place.

The statutory debt reflects 100% of the drawn debt at the corporate level and for each of our consolidated assets. As such, it excludes the debt of our non-controlled assets (being debt attributable to Westlink M7 and the WestConnex Concession related assets) as they are equity accounted in our statutory results as at June 30, 2020. All statutory debt is translated to Australian dollars at the prevailing A$ spot rate as at June 30, 2020.

	As at June 30, 2020[1]		
	Total Facility Limit	**Proportional Debt**	**Statutory Debt[2]**
		(A$ millions)	
Corporate Debt			
Working capital facilities[3]	3,180	100	100
USPP	537	537	563
EMTN	6,001	6,001	6,215
CMTN	693	693	693
NKMTN	117	117	112
144A	1,532	1,532	1,604
Total Corporate Debt	**12,060**	**8,980**	**9,287**
Corporate letters of credit[4]	716	557	—
Total Non-Recourse Debt	22,659	12,566	11,587
Non-Recourse letters of credit[5]	16	15	—
Other[6]	—	—	204
Total Group Debt	**35,451**	**22,118**	**21,078**

Notes:

(1) U.S.$ debt is converted at the spot exchange rate (A$0.6857 at June 30, 2020) where no cross currency swaps are in place. CAD debt is converted at the spot exchange rate (A$0.9380 at June 30, 2020) where no cross currency swaps are in place.

(2) Statutory drawn debt differs to proportional drawn debt due to statutory debt as foreign currency debt issuances are translated at the spot rate rather than the hedged rate. In addition, statutory debt does not adjust for proportional ownerships and reflects consolidated assets. Westlink M7 and WestConnex assets are not consolidated. U.S. statutory asset debt is carried at fair value following the consolidation of the U.S. assets in June 2014.

(3) The working capital facilities may be drawn in A$ and/or U.S.$.

(4) Issued in relation to corporate, CityLink, Eastern Distributor, Hills M2, Cross City Tunnel, Transurban Queensland, 95 Express Lanes, NorthConnex, A25 and WestConnex. Drawn values represent letters of credit issued.

(5) Issued in relation to Transurban Queensland and A25. Drawn values represent letters of credit issued.

(6) Consists of shareholder loans and net capitalised borrowing costs.

We expect our future funding needs to primarily relate to refinancing and servicing our outstanding financial liabilities and financing our capital expenditure, including new developments and potential acquisitions. We intend to continue to fund our business needs through cash flows from operations, borrowings from banks and issuances of debt and equity securities. Our access to funding depends on both our results of operations and on the availability of funding in domestic and international financial markets.

Capital expenditures

We incur capital expenditures for growth, maintenance and other expenses. The table below sets forth our capital expenditures for the years ended June 30, 2020, 2019 and 2018.

	Year ended June 30		
	2020	**2019**	**2018**
		(A$ millions)	
Growth Capital Expenditure[1]	1,391	1,741	1,129
Maintenance Capital Expenditure[2]	135	117	95
Other[3]	178	133	131
Total Capital Expenditures	**1,704**	**1,991**	**1,355**

Notes:

(1) Relates to cash spend on new or upgrade road projects consistent with the selected statement of cash flows of THL.

(2) Represents the cash spend on major maintenance activities during the period consistent with the selected statement of cash flows of THL.

(3) Represents the cash spend on property, plant and equipment consistent with the selected statement of cash flows of THL.

Capital expenditures were A$1,704 million in the year ended June 30, 2020, a decrease of A$287 million, or 14.4%, compared to A$1,991 million in the year ended June 30, 2019. This decrease was primarily due to decreased construction activity on projects currently under construction and completion of the 395 Express Lanes and the Logan Enhancement project during the current period.

Capital expenditures were A$1,991 million in the year ended June 30, 2019, an increase of A$636 million, or 46.9%, compared to A$1,355 million in the year ended June 30, 2018. This increase was primarily due to increased expenses on the West Gate Tunnel, Fredericksburg Extension, 395 Express Lanes and Logan Enhancement projects.

Our capital expenditure commitments as at June 30, 2020 are set forth in the table below.

	As at June 30, 2020
	(A$ millions)
Within one year	231
Later than one year but no later than five years	197
Later than five years	—
Total Capital Commitments	**428**

Our share of capital expenditure commitments of our equity accounted investments as at June 30, 2020 are set forth in the table below.

	As at June 30, 2020
	(A$ millions)
Within one year	270
Later than one year but no later than five years	105
Later than five years	—
Total Capital Commitments	**375**

We currently fund our capital expenditure (both growth and maintenance expenditure) from a combination of operating cash flow, available debt facilities and proceeds from our non-underwritten dividend reinvestment program.

Capital strategy and Treasury policies

We manage our debt and equity capital positions through a capital strategy and treasury policy.

Our capital strategy is designed to:

- maintain strong investment grade credit metrics;
- efficiently fund our development pipeline; and
- provide distributions for security holders.

We aim to achieve cost efficient funding through market cycles by diversifying funding sources, maintaining adequate liquidity, extending the average debt maturity profile where appropriate and minimising refinancing risk by ensuring a spread of debt maturities over time.

Our Treasury policy is designed to ensure that we maintain sufficient cash and undrawn facilities to maintain short-term flexibility and to enable us to meet our financial commitments in a timely manner. We assess liquidity over the short-term (up to 12 months) and medium term (one to five years) by maintaining forecasts of revenue, operating expenses, committed capital expenditure, debt maturities and payments to security holders. We review long-term liquidity requirements as part of our annual strategic planning process.

We manage short-term liquidity by maintaining a strategic liquidity reserve. This reserve is based on our forecast of annual operating costs and certain risk exposure scenarios as maintained by us in our strategic risk register, and is maintained as cash and undrawn facilities. The reserve is maintained on a rolling 12 month basis. Medium term liquidity forecasting is maintained on a rolling five year basis.

Financial risk management

Our activities expose us to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The financial risk management function is carried out centrally under policies approved by the Board. We review operations actively to identify and monitor all financial risks and to mitigate these risks through the use of hedging instruments where appropriate. The Board is kept informed in a timely manner of any material exposures to financial risks.

We continuously monitor risk exposures over time through review of cash flows, market analysis and ongoing communication within the Group. When measuring financial risk, we consider the positive and negative exposures, existing hedges and the ability to offset exposures.

Covenants

A number of our consolidated borrowings include financial covenants, which are listed below. There have been no breaches of any of these covenants during FY2020.

We monitor covenants by applying forecast cash flows to ensure ongoing compliance with our obligations. This enables capital management decisions to be made at the asset level (including distributions) and enables management to consider any actions that can be undertaken should actual cash flows not perform to budget. Refer to Note B3 to our financial statements for FY2020 under the heading "Going concern" for disclosure concerning forecast debt covenants that consider the impact of the COVID-19 pandemic.

Corporate and non-recourse debt covenants are calculated on a trailing 12 month basis, moderating short-term earning impacts. A trailing 12 month metric also enables management action to be taken swiftly to mitigate the risks of any covenant breaches.

Certain covenant thresholds (including event of default and lock-up ratios) with respect to our financing arrangements and our recent performance against these metrics as at June 30, 2020 are set out below:

	Threshold[(1)]		**Ratio[(1)]**
	Event of Default	**Lock-up**	**Year ended June 30, 2020**
Debt			
Corporate Debt			
Senior Interest Coverage Ratio[(2)]	1.25 times	Not applicable	3.82 times
Leverage Ratio (Total Debt to Capitalisation)	60.0%[(3)]	Not applicable	23.6%
CityLink Interest Coverage Ratio	1.10 times	Not applicable	14.96 times
Non-Recourse Debt			
Eastern Distributor Interest Coverage Ratio	1.15 times	1.40 times	4.56 times
Hills M2 Debt Service Coverage Ratio	1.10 times	1.30 times	13.16 times
Lane Cove Tunnel Interest Coverage Ratio	1.15 times	1.30 times	2.14 times
Cross City Tunnel Interest Coverage Ratio	1.15 times	1.30 times	6.67 times
Transurban Queensland Interest Coverage Ratio	1.20 times	1.40 times	1.99 times
WestConnex M5 Debt Service Coverage Ratio	1.10 times	1.30 times	Not applicable[(4)]
M5 West Motorway Debt Service Coverage Ratio	1.10 times	1.30 times	2.28 times
Westlink M7 Debt Service Coverage Ratio	1.10 times	1.30 times	4.51 times

	Threshold[1]		Ratio[1]
	Event of Default	Lock-up	Year ended June 30, 2020
M4 Motorway Debt Service Coverage Ratio	1.10 times	1.30 times	1.49 times
495 Express Lanes Senior Debt Service Coverage Ratio	1.15 times	1.45 times	2.79 times
95 Express Lanes Senior Debt Service Coverage Ratio	Not applicable	1.45 times	2.54 times
Cardinal Hold Co Senior Debt Service Coverage Ratio	Not applicable	1.30 times	1.55 times
A25 Senior Debt Service Coverage Ratio	1.05 times	1.175 times	1.90 times

Notes:

(1) As defined and calculated under the relevant financing documents.

(2) See "*—Senior Interest Coverage Ratio (SICR)*" below for further information.

(3) Total Debt excludes non-recourse debt. Capitalisation is calculated by reference to the market value of Transurban's listed equity securities less the net book value of the project finance vehicles which have incurred non-recourse debt plus Total Debt.

(4) WestConnex M5 opened in July 2020.

As at June 30, 2020 there were no breaches of covenants by the non-recourse borrowers in the Group. However, certain assets are forecast to enter distribution lock-up within the next 12 months as a result of the negative impacts to traffic volumes due to the COVID-19 pandemic. This may impact the level of distributions paid to the Security Providers from these assets. Specifically, our North American assets and the M4 Motorway are forecast to enter distribution lock-up. However, we expect the financial impacts of these assets entering distribution lock-up to be temporary and not material to the overall debt servicing capacity of the Group. See also "*Risk factors—Risks related to the security arrangements—Our operating subsidiaries have incurred and may incur significant amounts of debt that is secured by the assets of those subsidiaries, including the assets and cash flows of our Concessionaires, to which the Notes will be structurally subordinated*".

Distributions

The table below sets out the history of our payments to our security holders during the years ended June 30, 2020, 2019 and 2018.

Comparison of the years ended June 30, 2020, 2019 and 2018

	Year ended June 30,		
	2020	2019	2018
		(A$ millions)	
Final ordinary dividend/distribution[1]	437	802	623
Interim ordinary dividend/distribution[2]	847	775	575
Total distributions declared	**1,284**	**1,577**	**1,198**

Notes:

(1) Final ordinary dividends/distributions were declared in May or June within the corresponding financial year and paid in the period subsequent to the financial year end.

(2) Interim ordinary dividends/distributions were declared in December within the first half of the corresponding financial year and paid in the second half of the corresponding financial year.

Cash flows

The consolidated financial information included below is derived from our historical consolidated financial statements.

Comparison of the year ended June 30, 2020 to the year ended June 30, 2019

	For the year ended June 30	
	2020	**2019**
	(A$ millions)	
Cash flows from operating activities		
Receipts from customers	2,762	2,873
Payments to suppliers and employees	(844)	(851)
Payments for maintenance of intangible assets	(135)	(117)
Transaction and integration costs related to acquisitions	(7)	(25)
Other cash receipts	126	112
Interest received	35	36
Interest paid	(769)	(771)
Income taxes paid	(37)	(60)
Net cash inflow from operating activities	**1,131**	**1,197**
Cash flows from investing activities		
Payments for financial assets at amortised cost	(232)	(865)
Repayments of financial assets at amortised cost	75	330
Payments for equity accounted investments	—	(3,420)
Capital contribution to equity accounted investments	(48)	(68)
Payments for intangible assets	(1,391)	(1,741)
Payments for property, plant and equipment	(178)	(133)
Distributions received from equity accounted investments	171	190
Payments for acquisition of subsidiaries and term loan notes, net of cash acquired	(1)	(65)
Net cash outflow from investing activities	**(1,604)**	**(5,772)**
Cash flows from financing activities		
Proceeds from equity issues of stapled securities (net of costs)	804	4,743
Acquisition of non-controlling interest in subsidiary and term loan notes	(492)	(106)
Proceeds from borrowings (net of costs)	4,478	4,193
Proceeds/(Payments) made in the provision of loan facilities	32	215
Proceeds from loan facilities	7	—
Principal repayment of leases	(10)	—
Repayment of borrowings	(1,965)	(2,445)
Dividends and distributions paid to the Group's security holders	(1,595)	(1,357)
Distributions paid to non-controlling interests	(87)	(192)
Net cash inflow from financing activities	**1,172**	**5,051**
Net increase in cash and cash equivalents	**699**	**476**
Cash and cash equivalents at the beginning of the year	1,630	1,130

	For the year ended June 30	
	2020	2019
	(A$ millions)	
Effects of exchange rate changes on cash and cash equivalents	20	24
Cash and cash equivalents at end of the year	**2,349**	**1,630**

Cash flows from operating activities

Net cash inflows from operating activities decreased A$66 million, or 5.5%, to A$1,131 million for the year ended June 30, 2020 from A$1,197 million for the year ended June 30, 2019. This was primarily due to:

- a decrease in receipts from customers due to lower toll revenues;
- an increase in payments for maintenance of intangible assets;
- an increase in other revenue due to the full year contribution of the WestConnex management fees and other revenue generated by the M5 West Motorway;
- a decrease in transaction and integration costs which in the prior year included the WestConnex acquisition we incurred and costs relating to A25, compared to the current year which includes reduced activity in connection with A25, the remaining interest in the M5 Motorway and WestConnex; and
- a decrease in income tax paid as a result of the M5 West Motorway joining the THL tax consolidated group in October 2019.

Cash flows from investing activities

Net cash outflows from investing activities decreased A$4,168 million, or 72.2%, to A$1,604 million for the year ended June 30, 2020 from A$5,772 million for the year ended June 30, 2019. This was primarily due to the acquisition of our interest in the Sydney Transport Partners joint venture (including the issuance of shareholder loan notes) in the prior period.

Cash flows from financing activities

Net cash inflows from financing activities decreased A$3,879 million, or 76.8%, to A$1,172 million for the year ended June 30, 2020 from A$5,051 million for the year ended June 30, 2019. This was primarily due to:

- a decrease in proceeds from equity issued to stapled security holders following the equity raised in relation to the acquisition of our interest in the Sydney Transport Partners joint venture in the prior period, compared to a smaller amount of equity raised in the current period for the acquisition of the remaining interest in the M5 West Motorway and general corporate purposes; and
- an increase in net proceeds from borrowings.

Net cash movement for the period

Net cash and cash equivalents increased A$719 million for the year ended June 30, 2020, resulting in cash and cash equivalents of A$2,349 million at June 30, 2020 compared to A$1,630 million at June 30, 2019.

Comparison of the year ended June 30, 2019 to the year ended June 30, 2018

	For the year ended June 30	
	2019	2018
	(A$ millions)	
Cash flows from operating activities		
Receipts from customers	2,873	2,453
Payments to suppliers and employees	(851)	(769)
Payments for maintenance of intangible assets	(117)	(95)
Transaction and integration costs related to acquisitions	(25)	(20)
Other cash receipts	112	66
Interest received	36	33
Interest paid	(771)	(615)
Income taxes paid	(60)	—
Net cash inflow from operating activities	**1,197**	**1,053**
Cash flows from investing activities		
Payments for held-to-maturity investments, net of fees	—	(219)
Payments for financial assets at amortised cost	(865)	—
Repayments of financial assets at amortised cost	330	—
Payments for equity accounted investments	(3,420)	—
Capital contribution to equity accounted investment	(68)	(5)
Payments for intangible assets	(1,741)	(1,129)
Payments for property, plant and equipment	(133)	(131)
Distributions received from equity accounted investments	190	219
Payments for acquisition of subsidiaries and term loan notes, net of cash acquired	(65)	(846)
Net cash outflow from investing activities	**(5,772)**	**(2,111)**
Cash flows from financing activities		
Proceeds from equity issues of stapled securities	4,743	1,867
Acquisition of non-controlling interest in subsidiary and term loan notes	(106)	—
Proceeds from borrowings (net of costs)	4,193	4,064
Proceeds/(Payments) made in the provision of loan facilities	215	(246)
Repayment of borrowings	(2,445)	(3,346)
Dividends and distributions paid to the Group's security holders	(1,357)	(1,064)
Distributions paid to non-controlling interests	(192)	(82)
Net cash inflow from financing activities	**5,051**	**1,193**
Net increase in cash and cash equivalents	**476**	**135**
Cash and cash equivalents at the beginning of the year	1,130	988
Effects of exchange rate changes on cash and cash equivalents	24	7
Cash and cash equivalents at end of the year	**1,630**	**1,130**

Cash flows from operating activities

Net cash inflows from operating activities increased A$144 million, or 13.7%, to A$1,197 million for the year ended June 30, 2019 from A$1,053 million for the year ended June 30, 2018. This was primarily due to:

- an increase in receipts from customers due to increased toll revenues;
- an increase in other revenue from new assets including the A25 availability payments and WestConnex management fees;
- an increase in payments to suppliers due to increased employee benefits expense and road operating costs;
- an increase in interest paid from interest no longer being capitalised on completion of the CityLink-Tulla widening project, the capitalised interest period ending on the 495 Express Lanes TIFIA debt and premium received on the Private Activity Bond; and
- an increase in income tax paid from the acquisition of M5 West Motorway.

Cash flows from investing activities

Net cash outflows from investing activities increased A$3,661 million, or 173.4 %, to A$5,772 million for the year ended June 30, 2019 from A$2,111 million for the year ended June 30, 2018. This was primarily due to the acquisition of our interest in the Sydney Transport Partners joint venture which applied our capital contributions for the acquisition of an interest in WestConnex.

Cash flows from financing activities

Net cash inflows from financing activities increased A$3,858 million, or 323.4%, to A$5,051 million for the year ended June 30, 2019 from A$1,193 million for the year ended June 30, 2018. This was primarily due to:

- an increase in proceeds from equity issued to stapled security holders following the equity raise that occurred in the year ended June 30, 2019; and
- an increase in net proceeds from borrowings.

Net cash movement for the period

Net cash and cash equivalents increased A$500 million for the year ended June 30, 2019, resulting in cash and cash equivalents of A$1,630 million at June 30, 2019 compared to A$1,130 million at June 30, 2018.

Debt financing

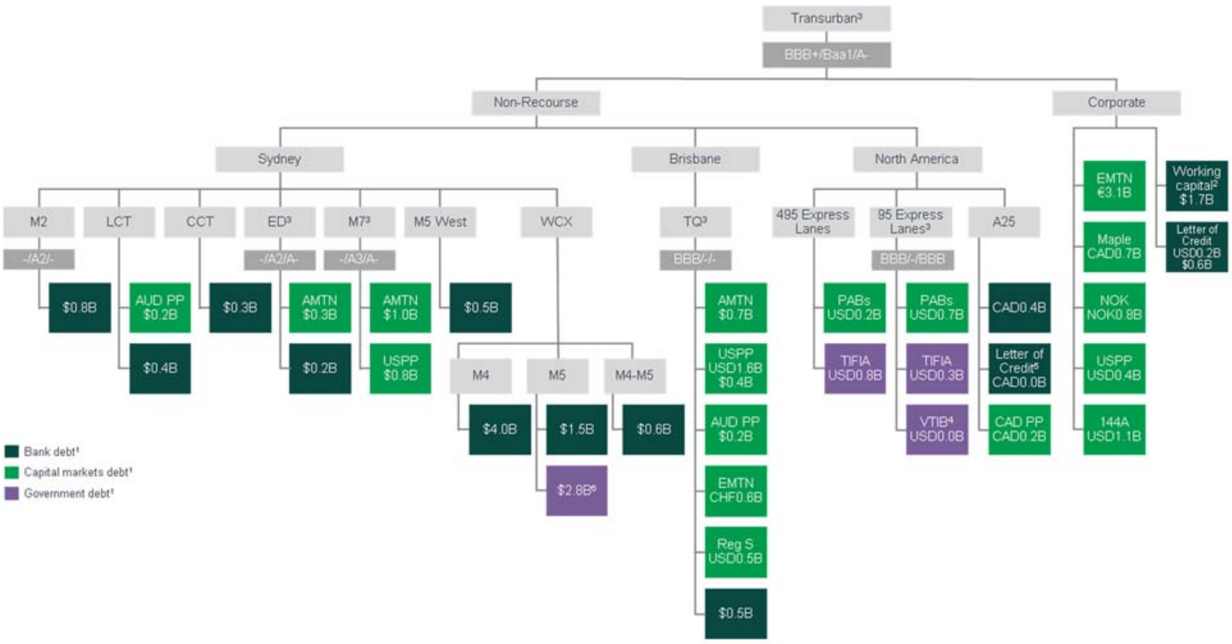
We raise corporate debt on a senior secured basis and non-recourse project debt for certain Concessionaires. Corporate debt is incurred by the Issuer, which is our funding vehicle. This debt is used to fund the CityLink Concessionaires and other corporate entities. Corporate lenders accede to the Security Trust Deed and are secured by a first ranking charge or general security agreement (as applicable) over the assets of corporate security providers, which includes indirect security over the CityLink Concessionaires' assets and security over our share of distributions generated by the other Concessionaires. See "*Description of the Security Arrangements*" for further information. Concessionaires, other than the CityLink Concessionaires, incur project non-recourse debt. This debt is secured by the assets and cash flows of the relevant Concessionaire. For our assets that are funded by non-recourse debt, the maximum amount of debt that may be incurred by a Concessionaire and secured by the assets of a Concessionaire, and any regearing rights, are regulated by the relevant Concession Agreement. Additionally, there may be further limitations under the relevant non-recourse financing documents. Providers of finance under those non-recourse project finance facilities have no recourse to the security that has been granted pursuant to the Security Trust Deed. For details of the non-recourse indebtedness incurred by Concessionaires (other than the CityLink Concessionaires), see "—*Transurban Funding Structure—Facility Limits (Corporate and Non-Recourse Debt) as at June 30, 2020*".

Our committed corporate debt includes revolving credit facilities, letter of credit facilities, USPP Notes, 144A notes and EMTNs (including CMTN and NKMTN).

Our recent debt raising activity has been used to support acquisitions, capital investments and refinancings.

The following diagram shows the non-recourse and corporate debt facility limits of the Group.

Transurban Funding Structure – Facility Limits (Corporate and Non-Recourse Debt) as at June 30, 2020



Notes:

(1) Represents full value of debt facilities, including undrawn available facilities, in the base currency of debt before hedging.

(2) The corporate working capital facilities may be drawn in AUD and/or USD. Includes A$1,650 million of syndicated facilities and A$1,530 million of bilateral facilities.

(3) Ratings are presented as "S&P/Moody's/Fitch". Where debt is not rated by that particular agency, this is denoted as "-". Certain assets have private ratings, which are not disclosed.

(4) U.S.$45 million Virginia Transportation Infrastructure Bank facility.

(5) C$12 million letter of credit facility.

(6) Includes capitalised interest.

Debt maturity profile

The maturity profile, by financial year, of the Group's corporate and non-recourse borrowings, including undrawn working capital and letter of credit facilities as at June 30, 2020, is shown below.

Maturity of Corporate Debt by Financial Year (A$ millions) as at June 30, 2020(1)(2)(3)

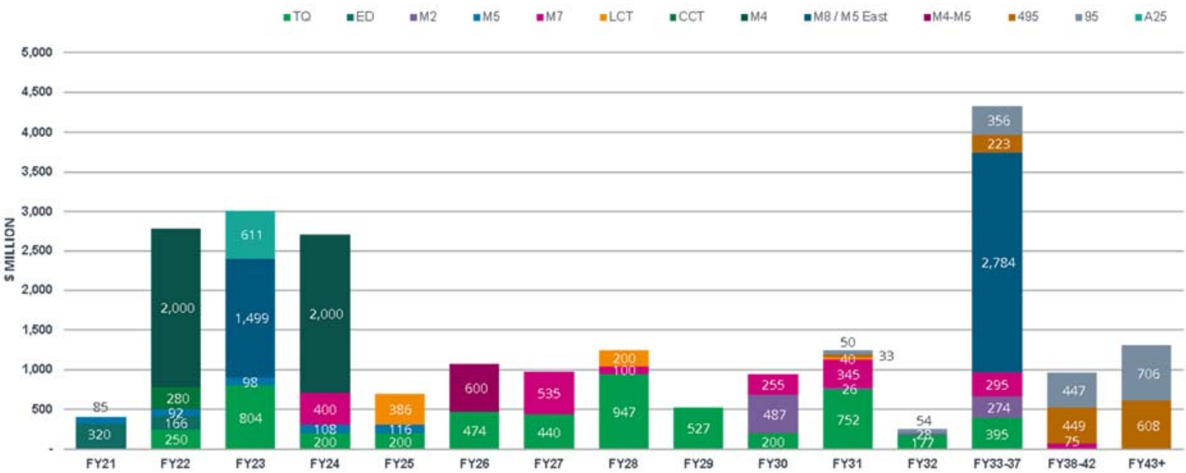
Notes:

(1) The full value of debt facilities is shown. Debt is shown in the financial year in which it matures.

(2) Debt values are shown in AUD as at June 30, 2020. CAD, EUR, NOK and USD debt converted at the hedged rate where cross currency swaps are in place. USD debt is converted at the spot exchange rate (0.6857 at June 30, 2020) where no cross currency swaps are in place. CAD debt is converted at the spot exchange rate (0.9380 at June 30, 2020) where no cross currency swaps are in place.

(3) Subsequent to June 30, 2020, the FY2021 EMTN maturity and FY2021 USPP maturity were repaid with funds raised from the EMTN issuance that settled in April 2020.

Maturity of Non-Recourse Debt by Financial Year (A$ millions) as at June 30, 2020(1)(2)(3)



Notes:

(1) The full value of available debt facilities is shown. Debt is shown in the financial year in which it matures. Annual maturities of less than $25 million are not shown for graph purposes.

(2) Debt values are shown in AUD as at June 30, 2020. CAD, CHF and USD debt is converted at the hedged rate where cross currency swaps are in place. USD debt is converted at the spot exchange rate (0.6857 at June 30, 2020) where no cross currency swaps are in place. CAD debt is converted at the spot exchange rate (0.9380 at June 30, 2020) where no cross currency swaps are in place.

(3) A$328 million tranche of the 495 Express Lanes debt will be refinanced in FY2021, per the financing structure agreed with the sole holder, J.P. Morgan.

The weighted average maturity is calculated on the proportional value of drawn funds at the Australian dollar value of the debt. Canadian dollar, Euro, Norwegian Krone, Swiss Franc and U.S. dollar debt is converted at the hedged rate where cross currency swaps are in place. USD debt is converted at the spot exchange rate (0.6857 at June 30, 2020) where no cross currency swaps are in place. CAD debt is converted at the spot exchange rate (0.9380 at June 30, 2020) where no cross currency swaps are in place. At June 30, 2020, the weighted average term to maturity of our total drawn facilities (including corporate and non-recourse debt) is as follows:

- Transurban Group: 8.4 years (8.3 years as at June 30, 2019);
- Corporate: 6.7 years; and
- Non-recourse debt: 9.7 years.

Financial Ratios

As described above under "*—Liquidity and capital resources—Overview—Covenants*", under certain senior debt documents, we are required to maintain certain financial ratios, including a senior interest coverage ratio. In addition, we monitor our funds from operations to debt ratio, as we use this to measure our credit metrics. The credit rating agencies also calculate this ratio in assessing our credit rating, although their methodology may differ.

Senior Interest Coverage Ratio (SICR)

Our SICR is currently calculated as net group cash flow to group finance costs. Group finance costs include cash interest and other cash financing costs paid, net of cash flows on hedges but does not include proceeds from debt, debt repayments or upfront fees and expenses on new financing. The calculation includes the cash flows of the corporate security providers, which include distributions from entities in which the security provider directly holds marketable securities. The calculation incorporates cash flows in a manner that reflects the cash flows available to service the senior secured lenders in accordance with the provisions of security arrangements. Under our senior debt documents, we are required to maintain a SICR of greater than 1.25 times. The table below sets out the historical SICR for the three financial years ended June 30, 2020, 2019 and 2018.

	Financial year ended June 30,		
	2020	**2019**	**2018**
SICR	3.8	4.1	4.9

Funds from operations (FFO) to debt

Part of our capital strategy is to maintain strong investment grade credit metrics. In FY2015, we announced an expectation to maintain a FFO to debt ratio in the range of 8-12% over the longer term, noting that there may be short periods where the ratio sits below this level, owing to the timing of debt issuances, development projects and cash balances as well as adverse changes in economic conditions or government restrictions on travel. The FFO to debt ratio for FY2020 decreased to 7.0%, principally due to the impact of government restrictions in response to the COVID-19 pandemic.

FFO is calculated as EBITDA (where EBITDA equals revenue minus operating expenses net of maintenance provision) plus dividends from investments; minus interest expense, tax paid, and stock compensation expense. Debt is calculated as drawn debt net of cash, foreign currency hedging and other liquid investments.

This calculation is based on S&P's methodology of FFO/Debt and may be subject to adjustments in future periods and has been subject to amendments in prior periods.

The table below sets out our historical FFO to debt ratio for the three financial years ended June 30, 2020, 2019 and 2018.

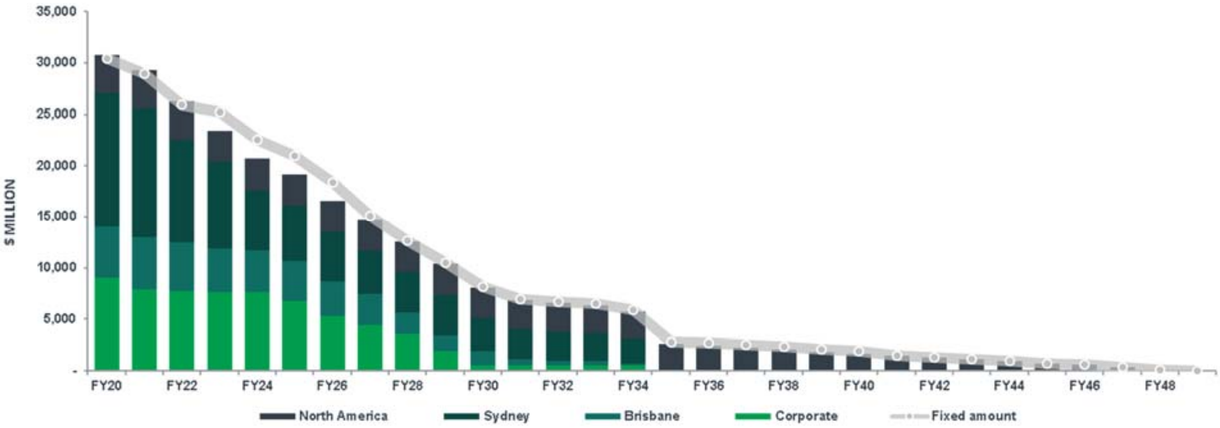
	Financial year ended June 30		
	2020	**2019**	**2018**
FFO to Debt	7.0%	8.7%	8.9%

Hedging

We have entered into hedging arrangements with a number of our financiers to hedge our interest rate exposures in accordance with the terms of our senior financing documentation and our treasury policies. Our foreign currency denominated capital market issuances have been swapped into Australian dollars. Hedging arrangements (including by way of cross currency swaps) may be entered into to hedge any foreign currency exposures in respect of the Notes to be offered under this Offering Circular. These arrangements will be secured on a pari passu basis by the same security package that secures the senior facilities, the senior bonds and the Notes to be offered under this Offering Circular, and are similarly guaranteed by the Guarantors.

The interest rate hedging profile by financial year of our drawn corporate and non-recourse debt, on a 100% basis, as at June 30, 2020, is shown below.

Hedging Profile by Financial Year (A$ millions) as at June 30, 2020[(1)]



Notes:

(1) CAD, CHF, EUR, NOK and USD debt converted at the hedged rate where cross currency swaps are in place. USD debt is converted at the spot exchange rate (0.6857 at June 30, 2020) where no cross currency swaps are in place. CAD debt is converted at the spot exchange rate (0.9380 at June 30, 2020) where no cross currency swaps are in place. A$1,500 million of term debt for WestConnex M5 maturing in FY2023 are hedged to FY2027. A$328 million of Private Activity Bonds for 495 Express Lanes maturing in FY2038 are hedged to FY2028. Hedged percentage comprises fixed rate debt and floating rate debt that has been hedged and is a weighted average of total proportional drawn debt, exclusive of issued letters of credit.

Contractual and commercial commitments

The following sets forth the contractual maturities of our financial liabilities as at June 30, 2020. See Note B15 to our consolidated financial statements for FY2020 for further information.

June 30, 2020 (A$ in millions)								
	1 year or less	**Over 1 to 2 years**	**Over 2 to 3 years**	**Over 3 to 4 years**	**Over 4 to 5 years**	**Over 5 years**	**Total contractual cash flows**	**Carrying amount**
Trade payables.......	485	–	–	–	–	–	485	485
Borrowings..	1,917	1,632	1,907	877	2,291	18,846	27,470	21,078
Interest rate swaps(1)	82	72	62	54	43	153	466	438
Cross-currency swaps(1)	176	177	177	166	167	488	1,351	(296)
Foreign exchange forwards.......	18	–	–	–	–	–	18	18
Concession and promissory notes	–	–	–	–	–	573	573	101
Lease liabilities......	17	17	16	17	18	105	190	152
Other liabilities......	4	4	342	4	4	155	513	355
Total...........	**2,699**	**1,902**	**2,504**	**1,118**	**2,523**	**20,320**	**31,066**	**22,331**

Note:

(1) The carrying value of the interest rate and cross-currency swaps are presented on a net basis.

Contingencies

Contingent assets are possible recoveries whose existence will be confirmed only by uncertain future events not wholly in within our control. Contingent assets are not recognised on the balance sheet unless they are near certain but are disclosed if the inflow of economic resources is probable.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events and present obligations where the transfer of economic resources is not probable or cannot be reliably estimated. Contingent liabilities are not recognised on the balance sheet unless they are probable but are disclosed if the outflow of economic resource is possible.

We have a number of existing claims that have been brought against other parties with respect to our obligations under our service concession arrangements. As at June 30, 2020, these claims are not considered probable and cannot be reliably estimated.

In overseeing construction projects it is possible, from time to time, that payments may be made that are in excess of, or separate to, the relevant design and construction subcontracted amounts to facilitate the continued progression of the project. Contingent assets and liabilities may exist in respect of actual or potential claims and commercial payments and recoveries arising from overseeing construction projects. This may be applicable to the West Gate Tunnel project and other projects being overseen by us. However, any possible payment or possible claim settlement cannot be reliably estimated as at June 30, 2020. Further relevant information on the West Gate Tunnel project is included within Notes B8, B17 and B20 to our consolidated financial statements for FY2020.

Off-balance sheet arrangements

Other than as described above under "—*Contractual and commercial commitments*", we have no material off-balance sheet contractual obligations or other commitments.

Quantitative and qualitative disclosure about market risk

Our activities expose us to a variety of financial and market risks, including interest rate risk and currency risk. Our overall risk management program focuses on the unpredictability of financial markets, and seeks to minimise potential adverse effects on our financial performance. From time to time, we enter into various derivative financial instruments, such as interest rate swaps and foreign exchange contracts to manage these risks. We do not trade in derivative financial instruments for speculative purposes. Our hedging activities are conducted through our treasury department on a centralised basis in accordance with board policies and guidelines through standard operating procedures and delegated authorities.

Foreign exchange risk

We operate internationally and are exposed to foreign exchange risk when future transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

Foreign currency exposures are viewed as either investment exposures or operating exposures. We generally manage exposures from investments in foreign assets using foreign currency debt. Our policy is to ensure that, at any time, all known material operating exposures for the following 12 months are hedged using hedging instruments or are offset by drawing on foreign currency funds.

We use hedging instruments such as cross-currency swaps, forward exchange contracts as well as natural hedges such as foreign currency-denominated operating exposures and foreign currency borrowings, to manage these exposures.

Our exposure to foreign currency risk as at June 30, 2020, denominated in the currency in which the risk arises, was as follows:

	As at June 30, 2020					**As at June 30, 2019**				
	U.S.$M	**CAD$M**	**EUR$M**	**CHF$M**	**NOK$ M**	**U.S.$M**	**CAD$M**	**EUR$M**	**CHF$M**	**NOK$ M**
Net investment in foreign operation...	809	507	—	—	—	818	583	—	—	—
Borrowings...........	(3,629)	(650)	(3,800)	(575)	(750)	(3,738)	(650)	(2,700)	(575)	(750)
FX forwards	304	—	(4)	—	—	—	—	—	—	—
Cross-currency interest rate swap ..	2,662	—	3,800	575	750	2,771	—	2,700	575	750
Net exposure........	**146**	**(143)**	**(4)**	**—**	**—**	**(149)**	**(67)**	**—**	**—**	**—**

Exposure to other foreign exchange movements is not material.

Cash flow interest rate risk

Our main exposures to interest rate risk arises from our borrowings and cash and cash equivalents. We manage our interest rate risk by entering into fixed rate debt facilities or using interest rate swaps to convert floating rate debt to fixed interest rates. Our policy is to hedge interest rate exposure on drawn debt to between 80% and 100% and to ensure compliance with any covenant requirements of our funding facilities. As at June 30, 2020, 91% (100% as at June 30, 2019) of our interest rate exposure on variable rate borrowings was hedged.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss. We have no significant concentrations of credit risk from operating activities, and we have policies in place to ensure that transactions are made with commercial customers with an appropriate credit history. However, as an operator of large infrastructure assets, we are exposed to credit risk with our financial counterparties through entering into financial transactions in the ordinary course of business. These include funds held on deposit, cash investments and the market value of derivative transactions.

We assess the credit strength of potential financial counterparties using objective ratings provided by multiple independent credit rating agencies. Board approved policies ensure that higher limits are granted to higher rated counterparties. We also seek to mitigate our total credit exposure to counterparties by only dealing with credit-worthy entities, limiting the exposure to any one counterparty, minimising the size of the exposure where possible through netting offsetting exposures, diversifying exposures across counterparties, closely monitoring changes in total credit exposures and changes in credit status, and taking mitigating action when necessary.

Since the onset of COVID-19, credit exposures and compliance with internal credit limits continue to be monitored daily. An International Swaps and Derivatives Association agreement must be in place between us and the counterparty prior to executing any derivatives and netting provisions are included.

Liquidity risk

We finance our business primarily through cash flows from operations, borrowings from banks and proceeds from issuances of debt and equity securities.

We maintain sufficient cash and undrawn facilities to maintain short-term flexibility and enable us to meet financial commitments in a timely manner. We assess liquidity over the short-term (up to 12 months) and medium term (one to five years) by maintaining forecasts of operating expenses, committed capital expenditure, debt maturities and payments to security holders. Long-term liquidity requirements are reviewed as part of the annual strategic planning process.

Short-term liquidity is managed by maintaining a strategic level of liquidity at the corporate level of the Group. This reserve is based on our forecast annual operating costs and certain risk exposure scenarios as maintained by our strategic risk register, and is maintained as cash and undrawn facilities. The reserve has historically been maintained on a rolling twelve month basis. In light of the deterioration in revenue and cash flows observed as a consequence of the COVID-19 pandemic, forecasting is being performed more frequently to ensure that the strategic liquidity reserve is being maintained to adequate levels. Medium term liquidity forecasting is maintained on a rolling five year horizon.

All Australian assets are currently forecasting to have sufficient liquidity to withstand the current and potential ongoing deterioration in revenue and cash flow due to COVID-19 restrictions. Existing cash reserves are sufficient to cover periods of negative cash flows. However, some subsidiary assets will need to adopt a conservative position on paying distributions to retain sufficient asset level liquidity.

All North American assets are currently forecast to have sufficient liquidity to meet their debt obligations, primarily based on existing cash reserves and loan structures. Some debt repayments may be capitalised which is a feature of some debt facilities in North America.

Transurban Finance Company Pty Ltd, our corporate borrowing entity and the Issuer, is currently forecast to maintain all required liquidity buffers for the Group as required under our Treasury Policy.

Critical accounting policies and estimates

Our management is required to make judgments, estimates and assumptions in preparing our financial statements that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other facts that management believes to be reasonable under the circumstances, the results of which form the basis of judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results in the future may differ from these estimates. We review these estimates and underlying assumptions on an ongoing basis. See Note B3 to our consolidated financial statements audited in accordance with Australian Auditing Standards for the year ended June 30, 2020 for more information regarding our accounting policies.

Income taxes

We are subject to income taxes in Australia, the United States and Canada. A degree of judgment is required in determining the provision for income taxes. There are transactions and calculations undertaken during the ordinary course of business for which the tax determination may not be certain at the time of the transaction. We recognise tax liabilities, including anticipated tax audit issues, based on our understanding of the tax laws at the time. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax positions recorded in the period in which such determination is made. Transurban Queensland is currently negotiating a settlement with the ATO in relation to a matter. We do not expect the outcome of the settlement to materially impact the Transurban Group.

REGULATION

Set forth below is an overview of some of the key regulatory regimes that apply to us and our operations with regard to privacy matters, anti-corruption matters, health and safety matters and environmental matters. The discussion below is neither a comprehensive summary of these regimes, nor is it a complete list of the legislation and regulation that apply to us.

Regulations relating to Australian toll roads

Privacy Law

As collectors and users of personal information, we are bound by privacy laws in the jurisdictions in which we operate. Australia's *Privacy Act 1988* (Cth) (**Privacy Act**) and the Australian Privacy Principles contained therein, as well as privacy laws in Australia's states and territories and the countries in which we operate, apply to our business. In broad terms, this means we must, where applicable Australian legislation applies:

- manage personal information in an open and transparent way, including adopting and making available a clearly expressed, up-to-date and compliant privacy policy;
- give individuals the option of not identifying themselves, or of using a pseudonym, when they interact with us where practicable;
- comply with applicable legislation as to notification requirements in relation to the collection of personal information (whether directly from the individual or via third parties) and obtain consent from the individuals concerned, when required, including if we collect their "sensitive" information;
- comply with the legislation as to when we may use and disclose personal information that we hold;
- use and disclose personal information for the purpose of direct marketing only in the circumstances permitted by applicable legislation;
- subject to some limited exceptions, take reasonable steps to ensure an overseas recipient of personal information we disclose deals with it consistently with the Australian Privacy Principles although, even if we do so, we generally remain liable for their conduct in relation to such personal information (some similar obligations apply under state-level legislation when transferring personal information out of the state);
- not use or disclose a government related identifier of an individual unless an exception applies;
- take reasonable steps to protect personal information we hold from misuse, interference, loss and unauthorised access, modification or disclosure, including when we disclose personal information to an overseas recipient;
- take reasonable steps to destroy or de-identify personal information when it is no longer needed for any purposes for which we are permitted to use or disclose it (and is not otherwise required to be retained under another applicable law);
- provide individuals with access to their personal information held by us in the circumstances required by applicable legislation; and
- take reasonable steps to correct personal information to ensure that, having regard to the purpose for which it is held, it is accurate, up-to-date, complete, relevant and not misleading (including when requested to do so by an affected individual).

In 2017, the *Privacy Amendment (Notifiable Data Breaches) Act 2017* (Cth) amended the Privacy Act to require government agencies and businesses covered by the Privacy Act to notify any individuals affected by a data breach that are likely to result in "real risk of serious harm". Of note, data breaches are not limited to malicious actions, such as theft or "hacking", but may arise from internal errors or failure to follow information handling policies that cause accidental loss or disclosure.

There are significant consequences to us if we breach these privacy laws, such as: (i) being the subject of investigation, monitoring or enforcement action by a regulator; (ii) being the subject of complaints by individuals to a regulator; and (iii) potentially being subject to prosecution or civil proceedings resulting in significant pecuniary penalties. For example, under the Privacy Act, serious or repeated interferences with privacy (i.e., breaches of the Privacy Act) may attract civil penalties currently of up to A$2.22 million for companies and A$444,000 for individuals. In addition, individuals (whether alone, or as part of a class action) may pursue us for damages in certain cases.

Anti-Bribery & Corruption

We are committed to responsible corporate governance, including ensuring that appropriate processes are in place to promote compliance with anti-bribery and anti-corruption laws in the countries where we operate.

Australian Anti-Bribery & Corruption Regulation

We are committed to ensuring compliance with the relevant laws and regulations in Australia, including:

- the *Criminal Code* (Cth), Schedule to the *Criminal Code Act 1995* (Cth);
- the *Corporations Act 2001* (Cth);
- the *Criminal Code* (Qld), Schedule 1 to the *Criminal Code Act 1899* (Qld);
- the *Crimes Act 1900* (NSW); and
- the *Crimes Act 1958* (Vic).

In broad terms, this means we must:

- not be involved in the giving, offering, soliciting or receiving of inducements, secret commissions, rewards or other benefits that are not legitimately due, to or from employees, agents of companies and individuals, or public officials (foreign or domestic). The conduct will be criminal if the person engaging in such behaviour had the intention of influencing the recipient in the exercise of his or her duties; or where the receipt or expectation of the receipt would tend to influence the person in the exercise of his or her duties;
- keep accurate records of transactions and our financial position; and
- review internal controls and policies and consider whether they sufficiently manage exposure to risk under the Commonwealth and State regimes in light of the nature and reach of our business activities.

A variety of agencies may seek to enforce compliance with relevant laws and regulations in Australia, including:

- the Australian Federal Police;
- the Commonwealth Department of Public Prosecutions;
- the Australian Securities and Investments Commission;
- the Office of the Director of Public Prosecutions (Qld);
- the Office of Public Prosecutions (Vic); and

- the Office of the Director of Public Prosecutions (NSW).

Severe legal penalties may be imposed on us and our officers, employees and agents if any of us are found to be involved in bribery or corrupt conduct, including imprisonment of individuals and substantial fines. For example, the *Criminal Code* (Cth) provides criminal penalties for the bribery of foreign and Commonwealth public officials. The maximum penalties for individuals are a fine of up to A$2.22 million, or up to 10 years imprisonment, or both. For corporations, the maximum penalty is currently the greatest of: (i) A$22.2 million; (ii) three times the value of the benefit obtained directly or indirectly by the corporation and its related entities as a result of conduct constituting the offence; or (iii) 10% of the annual turnover of the corporation and its related entities during the period of 12 months, ending at the end of the month in which the conduct occurred.

In addition to criminal penalties, any benefits obtained by foreign bribery may be forfeited to the Australian government under the *Proceeds of Crime Act 2002* (Cth). This Act allows proceeds of Commonwealth-indictable offenses to be traced and confiscated. It also enables a court to require a person to appear before it to prove that unexplained wealth was lawfully acquired.

The *Crimes Legislation Amendment (Combatting Corporate Crime) Bill 2019* is currently being considered by the Australian Senate. If enacted, this legislation will create a new offence of "failing to prevent bribery of foreign public officials by an associate". An "associate" relevantly includes any officers, employees, agents, contractors, subsidiaries or any other person within the control of a corporation or performing services on behalf of a corporation. The maximum penalties associated with the proposed offence are the same as those set out above for bribery of foreign and Commonwealth public officials.

The Australian states and territories vary as to the specific penalties that may be imposed where an individual or corporation is convicted of the corrupt giving, offering, receiving or soliciting of inducements, secret commissions or rewards. Penalties may include fines and imprisonment including:

- ten years imprisonment or a fine of A$198,264 or both for an individual, and a fine of A$198,264 for corporations in Victoria;
- seven years imprisonment and a fine at the discretion of the court (public officials only) for an individual and a penalty of A$453,730 for corporations in Queensland; and
- seven years imprisonment for an individual and a penalty of A$220,000 for corporations in New South Wales.

The *Criminal Code* (Qld) and the *Crimes Act 1900* (NSW) also make a person convicted of corrupt giving, offering or receiving of inducements, secret commissions or rewards liable to an order of the Court to pay back the benefits received or given.

Environmental Law

In Australia, there are numerous pieces of federal and state legislation relating to environmental management and regulation, and the regulatory landscape is complex. Each of Victoria, New South Wales and Queensland has its own legislative scheme, consisting of a principal statute that is generally applied (being, the *Environment Protection Act 1970* in Victoria, which is to be replaced by the *Environment Protection Act 2017* by July 1, 2021 (or sooner if proclaimed), the *Protection of the Environment Operations Act 1997* in New South Wales, and the *Environment Protection Act 1994* in Queensland). There are also a number of other applicable statutes regulating particular operations or environmental impacts. These include, for example, water, heritage, waste, air quality, noise, town planning, and environmental approvals for use and development of land. Across these jurisdictions there are broad similarities in the nature of the obligations imposed, including:

- it is an offense to pollute air, land or water unless an environmental license is held;

- there is a requirement to hold town planning approvals for use and development of land, and these will include conditions on ongoing use;
- there is a detailed assessment process to be followed in order to seek approvals for new projects and developments. The assessment process for major transport projects may be facilitated by major projects legislation, which can provide some efficiencies and certainty;
- there are requirements to seek permission to works to or in the vicinity of, listed heritage buildings, items or areas;
- there is a requirement to meet air quality standards;
- disposal of waste is regulated so that certain waste can only be taken to certain disposal facilities, depending on the characteristics of the waste;
- there are obligations to manage contaminated soil and groundwater, which will sometimes require clean-up of contaminated areas; and
- licenses are required to take and use groundwater and water in certain circumstances, and can include limits on the volume of water that can be taken.

With the coming into force of the *Environment Protection Act 2017* (Vic) by July 1, 2020, operators in Victoria will soon be subject to a range of new duties, most notably a general environmental duty to minimise risks of harm to human health and the environment from waste and pollution so far as reasonably practicable. Heavier civil and criminal penalties will be introduced for breaches of the new Act. Further, it will be possible for company directors and officers to be held personally liable for the contraventions of their company, or for not being proactive in ensuring the business complies with the new duties. The change signals a shift to a more proactive approach to environmental regulation in Victoria.

Breaches of obligations are treated seriously by the numerous government regulators. Regulators can decide what compliance action is appropriate, and this can include:

- seeking voluntary compliance;
- issuing statutory notices requiring remedial action by a certain date (and potentially closing operations until the action is implemented);
- commencing civil or criminal proceedings (for the more serious breaches); and
- revoking, suspending or cancelling approvals or licenses.

The penalties for breaching environmental legislation vary significantly because the penalties are set in the numerous pieces of State legislation. Courts may decide the penalty after considering the details of the offense including its seriousness, consequences, culpability of the offender and compliance history. Directors and managers can also be held liable for pollution offences. However, certain defences may apply, such as the due diligence defence. The penalties for pollution offences included in environmental legislation in each State currently range from approximately A$788,440 to A$5 million.

The Commonwealth of Australia also federally legislates for environmental matters, including where an action will have a significant impact on a "matter of national environmental significance", which includes matters such as listed threatened species and listed wetlands and heritage items. In those cases, a referral of a proposed action to the Commonwealth is required and additional approvals may need to be sought. The penalties included in Commonwealth legislation under the *Environment Protection and Biodiversity Conservation Act 1999* (**EPBC Act**) are more significant than those imposed by State legislation and can be up to A$10.5 million. In some projects, approval may be required under both state and federal legislation. The EPBC Act is currently under independent review, which is expected to be completed in October 2020.

Further, the Commonwealth has legislated on greenhouse gas emissions and energy reporting. If either a facility or a corporate group meets the threshold set in the *National Greenhouse & Energy Reporting Act 2007*, then it must report annually on its greenhouse gas emissions, energy production and energy consumption.

Health and Safety legislation

As we own and operate motorway assets in Victoria, New South Wales and Queensland, we ensure that each part of the business complies with the relevant Australian health and safety legislation as applicable in each jurisdiction. Where practical, we also seek to harmonise our health, safety and environmental practices nationally.

In Australia, there are numerous pieces of legislation that regulate workplace health and safety. Each state and territory has its own legislative scheme consisting of a principal statute that is generally applied (known as either the Work Health and Safety Act or the Occupation Health and Safety Act), in addition to regulations specific to particular business operations. Other than in Western Australia, the legislation in each state and territory is based on a harmonised model and despite there being different legislative regimes, there are broadly similar and consistent obligations imposed across each legislative scheme. These include:

- a requirement for business operators to ensure, so far as is reasonably practicable, the health and safety of "workers" (a group broader than employees that can also include contractors and their employees) whose activities in carrying out work are influenced, or directed by, them during the course of business. This requires (among other things) that employers provide a safe work environment, safe systems of work, training and supervision; and

- imposing specific duties for particular individuals working for a business, including specific obligations on company directors and officers (for example, to exercise due diligence to ensure the business meets health and safety obligations), and specific obligations on employees (for example, to take reasonable care to ensure the health and safety of themselves and others).

Breaches of the workplace safety legislation can result in state government safety regulators:

- giving advice on compliance and seeking voluntary compliance;

- issuing statutory notices requiring remedial action by a certain date (and preventing operations until the action is implemented);

- commencing prosecution proceedings; and

- revoking, suspending or cancelling authorisations.

Court prosecutions are commonly commenced for serious breaches (particularly those resulting in serious injury or death).

The penalty imposed for breaching health and safety obligations varies across the states. A court will usually decide the penalty after considering the particular circumstances, which can include the seriousness of the offence, the consequences of the offence, the degree of culpability of the alleged offender, and any relevant compliance history. For example, the maximum penalties for breaching the New South Wales Work Health and Safety Act are currently as follows:

- corporation: up to A$3.8 million; and

- officer of a corporation: up to approximately A$760,000 or five years imprisonment.

An offence of industrial manslaughter has recently been introduced in Queensland, Victoria and the Northern Territory under the applicable work health and safety legislation. The offence applies to negligent conduct by employers or other duty holders, or an officer of an organisation, which breaches a duty owed under the applicable legislation and causes the death of another person who was owed the duty.

The maximum penalties for breaching the Victorian Occupational Health and Safety Act are, for an individual, up to 25 years imprisonment and, for a corporation, a fine up to A$16.5 million.

Similarly, the maximum penalties for breaching the Queensland Work Health and Safety Act are for an individual, up to 20 years imprisonment and, for a corporation, a fine up to A$13.3 million.

While New South Wales does not have a specific industrial manslaughter offence, the death of a person at work may constitute manslaughter under the NSW Crimes Act. An individual is liable for up to 25 years imprisonment for the offence of manslaughter.

The consequences of breaching applicable health and safety legislation and/or committing an industrial manslaughter offence may include: (i) investigation, prosecutions and financial penalties; (ii) notices prohibiting unsafe activities or requiring improvements; (iii) increased operating and compliance costs; and (iv) increased workers' compensation insurance premiums.

Labour relations legislation

We are subject to the national *Fair Work Act 2009* of Australia (**FW Act**), which is Australia's primary piece of legislation governing the relationship between employers and employees.

The FW Act provides that employees in Australia are subject to ten "National Employment Standards". These National Employment Standards cover subject matter such as maximum weekly hours, annual leave, personal leave, parental leave, requests for flexible work arrangements, notice of termination and redundancy pay and public holidays.

In addition to the National Employment Standards, there is also a comprehensive system of Modern Awards that apply to non-managerial employees in a range of industries. These Modern Awards prescribe minimum terms and conditions of employment for employees who fall within the applicable occupational categories within the Modern Awards. Modern Awards can address issues such as classes of employment, termination of employment, hours of work, shift work, overtime and penalty pay arrangements.

Employers and groups of employees (often through a union representative on their behalf) also have an opportunity to negotiate collective agreements known as Enterprise Agreements. These Enterprise Agreements enable the parties to agree to collective workplace conditions tailored to a business to depart from the underlying award provided that employees are better off overall. See "*Business—Employees*" for a description of the Enterprise Agreements that apply to a portion of our workforce.

Employers may be subject to penalties if they contravene the conditions of the National Employment Standards or an applicable Enterprise Agreement and Award.

The FW Act regulates the ability of employees to take industrial action. Industrial action is only "lawful" where an Enterprise Agreement (or agreements under the predecessor legislation to the FW Act) have expired and the employer and employees are negotiating a new agreement. Enterprise Agreements can have a term up to four years. Further, such "protected" industrial action requires a secret ballot among the employees endorsing such action and various notification requirements need to have been satisfied. Where industrial action is not "protected" it is considered to be unlawful, and the independent body established under the FW Act, known as the Fair Work Commission, is able to order those employees back to work.

The Fair Work Commission is able to hear disputes between us and our employees in relation to our Enterprise Agreements under the FW Act. A dispute resolution provision is common in agreements between employers and groups of employees which are predominantly "blue collar" and where union membership is at relatively high levels.

Anti-discrimination and equal opportunity legislation

Federal and state and territory legislation requires us to provide equal opportunity in employment and the provision of services, and prohibits discrimination against employees, independent contractors and consumers (among others). Discrimination is prohibited on a wide range of specified grounds including age, disability, race, sex, sexual orientation, parental status, impairment, religious belief and political belief. A number of these characteristics are also protected by the FW Act, which prohibits employers and principals from taking adverse action against an employee or prospective employee because of a personal, protected characteristic. Employers who are found to be in breach of federal or state and territory legislation (including vicariously via the conduct of their employees) may be liable to pay compensation to an aggrieved party or take other action to remedy the discriminatory conduct.

Wage theft legislation

In June 2020, the *Wage Theft Act 2020* (Vic) was introduced in Victoria. The legislation is the first of its kind in Australia and creates three primary criminal offences in relation to employee entitlements. These offences apply where an employer dishonestly withholds employee entitlements; falsifies employee entitlement records to dishonestly obtain a financial advantage or to prevent exposure of a financial advantage having been obtained; or fails to keep an employee entitlement record to dishonestly obtain a financial advantage or to prevent exposure of a financial advantage having been obtained. Each offence attracts penalties of up to A$991,320 for a body corporate or up to 10 years' imprisonment for an individual. A state-based Wage Inspectorate has also been established who will enforce the legislation through various investigative powers. Other states in Australia, including Queensland and Western Australia, have signaled an intention to introduce similar legislation criminalising wage theft.

Modern Slavery

The *Modern Slavery Act 2018* (Cth) establishes Australia's national modern slavery reporting requirements and was enacted in response to the risk of modern slavery within supply chains. The legislation imposes mandatory reporting obligations on "reporting entities" in the form of having to submit a modern slavery statement annually to the Australian Border Force. A "reporting entity" is an Australian entity, or an entity carrying on business in Australia, with a consolidated revenue of at least A$100 million for the reporting period. Accordingly, we are a reporting entity and are required to prepare an annual modern slavery statement. This statement must describe our structure, operations and supply chains; risks of modern slavery practices in our operations and supply chains and those of any entities that we own or control; actions taken by us, and any entity we own or control, to assess and address risks, including due diligence and remediation processes; how we assess the effectiveness of such actions; the process of consultations with any entities that we own or control; and any other relevant information. There are no civil penalty or offence provisions under the legislation for non-compliance. However, the Minister of Home Affairs has powers of investigation, can request an explanation from an organisation who fails to comply and may publicly name a non-complying entity in certain circumstances. Similar legislation has also recently been assented to in New South Wales (*Modern Slavery Act 2018* (NSW)) but is unlikely to come into force until January 2021.

COVID-19

The COVID-19 pandemic in year 2020 has posed unique challenges to employers and employees across Australia. The federal, state and territory governments have implemented health emergency response plans to contain the spread of COVID-19, many of which have included restrictions on movement and gathering. In particular, in most states and territories employers have been required to allow employees to work from home where this is practicable. From an employment conditions perspective, the Fair Work Commission has varied a range of modern awards to allow for more flexible working practices and improve accessibility to employee entitlements on a temporary basis. The Federal Government has also introduced a wage subsidy scheme, JobKeeper, for businesses that have suffered a threshold decline in turnover as a consequence of COVID-19. In those States and Territories where employees have commenced returning to the workplace, federal, state and territory governments have released directives and guidelines to ensure a safe 'return to work', and require businesses to have a COVID-Safe plan in place which sets out how to prepare their workplace to protect employees from COVID-19, their response if there is a COVID-19 case and how the business will recover. Employers who do not have a COVID-Safe plan in place or fail to comply with relevant government directives in relation to COVID-19 may be liable to fines.

Regulations relating to United States toll roads

Privacy Law

As part of the operation of our United States toll roads, we monitor such roads with 24 hours seven days a week video monitoring to ensure compliance with high occupancy vehicle lane rules. Certain information we receive from such monitoring is shared with VDOT and law enforcement agencies. Since our United States toll roads are entirely located within the Commonwealth of Virginia, they are subject to U.S. and Virginia laws relating to drivers' privacy protection and restrictions on the release of personal information, as well as fair information principles or business practices, including the collection, storage and sharing of private data. We have put in place procedures to ensure compliance with such requirements.

Anti-Bribery & Corruption legislation

As our toll roads are located in the Commonwealth of Virginia, we are subject to relevant U.S. and Virginia laws, including applicable anti-bribery and anti-corruption laws and regulations. In addition to prohibiting commercial bribery, Virginia law makes it a felony to offer or promise a gift or gratuity to a government officer, law enforcement officer, or candidates for such positions in order to influence their official conduct. Accordingly, our associates, are not permitted to authorise or make any payments, offers, promises, or otherwise provide, accept, receive, or request, things of value on our behalf that are, or could be interpreted as being, illegal, unethical, or a form of bribery. Similarly, our associates may not travel or use the mail or other means of communication to commit, further, or distribute the proceeds of, among other things, a bribe.

Violations of the relevant laws could result in fines, criminal penalties, imprisonment of individual officers or employees, and/or other sanctions against us, our officers or our employees, requirements to impose more stringent compliance programmes, and prohibitions on the conduct of our business and our ability to participate in public biddings for contracts.

Health and Safety legislation

In the United States, most private sector employers are subject to the requirements set forth under the federal Occupational Safety and Health Act (**OSHA**) or comparable state-level programmes, including Virginia's Occupational Safety and Health laws, standards and regulations (**VOSH**). Since our United States toll roads are entirely located within the Commonwealth of Virginia, they are subject to VOSH, which imposes substantially similar obligations as OSHA. OSHA generally imposes a duty to provide a safe workplace and requires covered employers to comply with all applicable OSHA safety and health standards. Examples of such safety and health standards include a requirement to inform workers of chemical hazards specific to their workplace, to provide relevant safety training and to maintain accurate records of work-related injuries and illnesses. The Virginia Department of Labor and Industry enforces VOSH and carries out inspections and levies fines for VOSH violations. Recently, VOSH enacted an emergency temporary standard to protect employees from COVID-19 exposure. The standard mandates employers to require their employees to wear face coverings, maintain social distance, and sanitise frequently. The standard also requires employers to provide hand sanitisers to their employees, clean high touch areas frequently, and report positive COVID-19 cases.

Federal Communications Commission

We are required under the rules and regulations of the Federal Communications Commission (**FCC**) to obtain a wireless license for each toll transmission gate entry with respect to our United States toll roads. This requirement stems from the need to utilise radio frequencies for the equipment to operate at such gate entries. We have established procedures to ensure such licenses remain in place and that we comply with all applicable FCC regulations.

Labour relations legislation

We are subject to various United States, Washington, D.C., and state of Virginia employment and labour laws. These laws include (i) preserving our employees' right to choose or not to choose to join an union and collectively bargain with their employer, (ii) prohibitions regarding discriminating against employees on the basis of age, sex, race, colour, national origin, religion, disability unrelated to their ability to perform the job, pregnancy, childbirth, marital status, personal appearance, sexual orientation, gender identity or expression, family responsibilities, genetic information, matriculation, and political affiliation, (iii) prohibitions against unequal pay on the basis of sex for performing the same job, (iv) payment of minimum wage and overtime wages to employees in non-exempt job classifications, (iv) paid sick and family leave, and (v) employee protections for whistleblower activities under certain laws. These laws can be enforced through the federal or state courts by governmental agencies or by the employees themselves. Typical remedies for violation of these laws include employee reinstatement, back pay, front pay (in lieu of reinstatement), punitive or exemplary damages, and payment of the employees' attorneys' fees.

Regulations relating to Canadian toll roads

Canadian Privacy Legislation

We are subject to an *Act respecting the protection of personal information in the private sector* (Quebec), which regulates the collection, storage, and communication of personal information about individuals by private enterprises operating in the province of Quebec. The rules established by the *Act respecting the protection of personal information in the private sector* serve to supplement the privacy provisions contained in Quebec's *Civil Code* and also address issues respecting the transfer of personal information outside of the province. We are also subject to an *Act respecting Access to documents held by public bodies and the Protection of personal information* (Quebec) with respect to personal information transmitted by us to the Government of Quebec.

At the federal level, the *Personal Information Protection and Electronic Documents Act* (**PIPEDA**) also applies to the protection of personal information. Where the collection, use or disclosure of personal information occurs across Quebec's borders, we could conceivably be subject to PIPEDA in addition to provincial privacy legislation.

If we were found to be in violation of the applicable privacy statutes or other laws protecting the confidentiality of user information, we could be subject to sanctions and civil or criminal penalties, which in turn could materially adversely affect our business, results of operations or financial condition.

Canadian Anti-Bribery & Corruption Legislation

We are committed to ensuring compliance with the relevant laws and regulations in Canada, including the Criminal Code (Canada) which prohibits corrupt payments to governmental officials. Violations of these laws and regulations could result in fines, criminal penalties and/or other sanctions against us, our officers or our employees, requirements to impose more stringent compliance programs and prohibitions on the conduct of our business and our ability to participate in public biddings for contracts.

In Quebec, *An Act Respecting Contracting by Public Bodies* (Quebec) (the **Public Contracting Act**) establishes a process to verify if an enterprise wishing to enter into a contract or subcontract with a Québec public body (a **Public Contract**) satisfies the required high standards of integrity that the public is entitled to expect from a party to such a Public Contract. As a result, enterprises that wish to enter into a Public Contract must obtain an authorisation to do so (an **Authorisation**) from the *Autorité des marchés financiers* (the **AMF**) in accordance with the Public Contracting Act.

Under the Public Contracting Act, the AMF is obliged to revoke an Authorisation in certain circumstances, notably where a majority shareholder of an enterprise holding an Authorisation, or one of its directors or officers when acting on behalf of the enterprise (an **Associate**), is found guilty of one of the Offences listed from time to time in Schedule I of the Public Contracting Act (each, an **Offence**). As such, if one of our Associates were convicted of an Offence by final judgment, we could lose the ability to enter into and perform certain Québec Public Contracts for a period not exceeding five years and be subject to fines or other penalties in certain situations. Effective April 1, 2015, *An Act to ensure mainly the recovery of amounts improperly paid as a result of fraud or fraudulent tactics in connection with public contracts* has amended the Public Contracting Act to provide that the AMF is under no obligation to refuse to grant or renew, or to revoke, an Authorisation pursuant to the Public Contracting Act if the enterprise applying to obtain or holding such Authorisation is convicted of an Offence by final judgment. If we were so convicted, the fact that we have been found guilty of an Offence would be a factor that the AMF may consider to determine whether or not the renewal of its Authorisation should be refused or if its Authorisation should be revoked based on the finding that we fail to meet the high standards of integrity promoted by the Public Contracting Act.

In all cases where we would become ineligible to enter into and perform Public Contracts as a result of an Associate being convicted of an Offence or of losing our Authorisation as a result of being ourselves convicted of an Offence, we could suffer damage to our reputation resulting from such a conviction, as we would be publicly listed as an ineligible company on the *Register of Enterprises Ineligible for Public Contracts* maintained by the Chair of the *Québec Conseil du trésor*.

Amendments in public procurement laws and regulations could require us to further implement certain changes to our business practices and, as a result, impose additional costs on us, which in turn could materially adversely affect our business, results of operations or financial condition.

Canadian Environmental Legislation

Our operations are subject to regulation in Canada under federal and provincial environmental laws and regulations as well as municipal bylaws.

Canadian environmental protection legislation includes the regulation of air, soil and water pollution, transportation and storage of dangerous goods and hazardous wastes, underground storage tanks, pesticides, migration of contaminants, and radioactive substances. The statutes dealing with such matters are generally enforced by any or all of the following: criminal sanctions, abatement, remediation and restraining orders. Environmental protection legislation also provides courts with the power to strip profits, order licence suspensions and issue fines.

The federal government's regulatory regime comprises environmental assessment and review procedures, prohibitions on releases into the environment, licence and permit requirements, spill reporting and clean-up requirements, environmental emergency preparedness, ministerial powers to issue orders, and statutory offences. The principal federal environmental statutes are the *Canadian Environmental Protection Act, 1999*, which regulates, among other things, the manufacture, import, export, use, handling, release and disposal of toxic substances, the *Fisheries Act*, which regulates discharges into waters under federal jurisdiction, and the *Canadian Environmental Assessment Act*. The provinces also have a share of the authority in this area in virtue of their general right to legislate over real property matters and other matters that lack interprovincial or national significance. The principal provincial environmental statute in Quebec is the *Environmental Quality Act* (Quebec), which includes environmental assessment and environmental protection legislation. In addition to provincial regulation, we must also comply with applicable municipal by-laws which regulate matters such as zoning, land use, noise and air emissions and wastewater discharge.

Canadian Health and Safety Legislation

Occupational health and safety laws combine an "external" system of legislated minimum standards and duties, enforced by inspections and penalties, with an "internal" system whereby employer and employees co-operate in assuming certain responsibilities for safety in the workplace.

Under the external system, an employer must take the necessary measures to protect the health and ensure the safety and physical well-being of its workers. The employer's duties include ensuring that the working procedures and techniques do not adversely affect the safety or health of workers, supplying safety equipment in good condition, providing workers with adequate information as to the risks connected with their work, as well as providing the appropriate training and supervision to ensure that workers possess the skills and knowledge required to safely perform their work. For their part, employees are required to take all reasonable and necessary precautions to ensure their health, safety and physical well-being as well as to see that they do not endanger the health, safety or physical well-being of their co-workers. Under the internal system, health and safety legislation allows employers to establish "joint workplace safety committees" made up of workers and managers. These committees keep records of work accidents and oversee workplace safety programs.

Central to the occupational health and safety system is an employee's right to refuse work that he or she reasonably believes to be unsafe. Occupational health and safety statutes in most jurisdictions prohibit an employer from dismissing or disciplining an employee for exercising this right.

Failure to comply with occupational health and safety legislation can result in significant fines against the employer including if an employee is injured as a result of such a violation. Under the regimes in Quebec, health and safety inspectors have broad investigative powers, may enter a workplace unannounced and can issue remedial orders requiring the employer to comply with health & safety requirements.

Canadian Labour Relations Legislation

The federal and provincial governments regulate certain basic terms and conditions of employment. The legislation is generally of broad application, applying in most workplaces and to most kinds of employment.

Generally, employees are guaranteed certain minimum rights with respect to the terms and conditions of their employment. Terms and conditions established by legislation include, but are not limited to: minimum wages, hours of work, overtime pay, daily and weekly rest periods, vacations and vacation pay, statutory holidays, pregnancy and parental leave, equal pay for work of equal value, minimum periods of notice of termination and/or severance pay, and terms that govern the treatment of employees on the sale of a business (or part of a business). *The Act respecting Labour Standards* (Quebec) has specific unjust dismissal provisions that can result in the reinstatement of an employee who was wrongfully dismissed.

Labour laws also grant employees the right to form or join a trade union for the purpose of bargaining collectively with employers. Labour legislation obliges employers to recognise a trade union's exclusive bargaining rights with respect to the "bargaining unit" that it represents and to bargain in good faith with the union. It also endeavours to protect employees and employers against unfair labour practices on the part of employers and trade unions, respectively.

Canadian labour legislation also provides for government intervention by way of a conciliation process in situations where the parties have been unable to conclude a collective agreement and for the right of employees to strike and the right of employers to lock out. Strikes and lockouts are illegal during the life of a collective agreement.

Legislation Relating to Toll Roads in the Province of Quebec

The Act respecting transport infrastructure partnerships (Quebec) (the **Infrastructure Partnership Act**) sets standards for the construction, rehabilitation or operation of transportation infrastructure projects in partnership with the private sector and provides specific powers to the Minister of Transport and the Government of Quebec. More specifically, it governs the construction and operation of road infrastructure under a partnership agreement and provides for the application of the Highway Safety Code (Quebec) (the **Highway Safety Code**) to such infrastructure as well as certain rules concerning the imposition of tolls and their recovery.

We are subject to the Infrastructure Partnership Act in connection with the partnership agreement between ourselves and the Minister of Transport for the design, construction, financing, operation and maintenance of a section to complete Highway A-25 in the Montreal metropolitan area (the **Partnership Agreement**). The Infrastructure Partnership Act provides namely that:

- road infrastructure operated under a partnership agreement is a public road within the meaning of Article 4 of the Highway Safety Code and the Highway Safety Code shall apply in the same manner as if it were maintained by the Minister of Transport, as well as any other applicable law on such a road;
- the partner operating a road infrastructure (the **Partner**) is deemed, for the purposes of the Highway Safety Code, to be the person responsible for maintaining the public road that constitutes this infrastructure;
- the Minister of Transport may delegate its powers to the Partner, but the Partner is not an agent of the Crown;
- the Government of Quebec may fix the amount of tolls, fees and interest by regulation;
- the Partner may, subject to regulations, fix, collect and recover tolls, administration fees and interest rates;
- the toll, as well as the fees and interest payable under the Infrastructure Partnership Act for driving a road vehicle on a designated infrastructure, must be paid to the Partner by the person designated in Article 13. There is a list of persons responsible for paying the toll;
- a toll becomes payable as soon as the road vehicle travels on a designated infrastructure;
- tolls, fees and interest collected by or on behalf of a Partner belong to the Partner, unless the partnership agreement provides that part of the money collected belongs to the Crown;
- the Partner holds in trust the portion of the money collected that belongs to the State; and
- the persons referred to in paragraphs 1, 3, 4 and 6 of Article 13 are obliged to pay the toll.

The *Ministerial Order respecting the designation of toll road infrastructure operated under a public private partnership agreement* designates the P-15020 Bridge of Highway 25 (the **A-25 Bridge**) that crosses the Des Prairies River, which we operate, as a "toll road infrastructure". The *Regulation respecting toll road infrastructure operated under a public-private partnership agreement* provides, for the A-25 Bridge, *inter alia*:

- the Partner's obligation to publish in the *Gazette officielle du Québec* its rate schedule which specifies, *inter alia*, the schedule of expected peak periods, the amount of the toll per axle, the amount of the administration fees; and the applicable interest rate; and
- certain guidelines for setting tolls, administration fees and interest.

The Highway Safety Code governs road signs and provides namely that:

- standards for the manufacture and installation of road signs, intended for installation on a public road or on a road vehicle, are established by the Minister of Transport and set out in a road sign manual (the **Manual**);
- the person responsible for the management or maintenance of a public roadway is required to comply with the Standards set out in the Manual when an obligation to do so is indicated; and
- the Minister of Transport may, at the expense of the person responsible for the management of the road, remove any signage that does not comply with the Manual.

As the person responsible for the management and maintenance of a portion of Highway A-25, we are required to comply with the requirements of the Highway Safety Code, the *Regulation respecting road signs* (Quebec) and the *Standards Series – Road Works (Normes – Ouvrages routiers)* regarding traffic signs prescription, danger, indication and work signs.

PRINCIPAL SHAREHOLDERS

Description of ownership structure

Overview

The Transurban Group is a triple-stapled security comprised of shares in THL and TIL and units in THT. None of the components of the stapled security can be traded separately. We are listed on the Australian Securities Exchange and, as at August 31, 2020, we had a market capitalisation of approximately A$36.8 billion (U.S.$27.0 billion based on the noon buying rate at August 28, 2020 which was A$1.00 = U.S.$0.7352). See "*Selected historical financial data*" for more information.

Principal shareholders

Based on publicly available information, as at June 30, 2020, we have determined that the following persons had notifiable "substantial holdings" under the Corporations Act of our stapled securities (a person's notifiable "substantial holding" is the aggregate of the "relevant interests" (broadly defined) in voting securities held by the person and by its "associates" (also broadly defined)):

	Number of securities	Percentage of securities (%)
Unisuper Limited[1]	333,423,165	12.48
BlackRock Group (BlackRock Inc and its subsidiaries)[2]	193,550,348	7.07
The Vanguard Group Inc.[3]	164,200,454	6.00

Notes:

(1) Sourced from notice of change in substantial holder dated February 19, 2019. Percentage of securities based on securities on issue as at February 14, 2019.

(2) Sourced from notice of change in substantial holder dated March 27, 2020. Percentage of securities based on securities on issue as at March 25, 2020.

(3) Sourced from notice of change in substantial holder dated February 25, 2020. Percentage of securities based on securities on issue as at February 21, 2020.

"Substantial holdings" does not equate with beneficial holdings (beneficial holdings are generally not notifiable under Australian law). The "substantial holding" notification requirements are based on "relevant interests" (generally a broader concept than beneficial interests) as outlined above.

DESCRIPTION OF OTHER INDEBTEDNESS

Below is a summary of our other material corporate-level indebtedness and financing arrangements that will remain outstanding as at the date of this Offering Circular. The indebtedness described in this section is secured by the same security that will secure the Notes. In addition to our corporate-level debt, we have outstanding certain non-recourse indebtedness and financing arrangements with respect to our consolidated assets, including debt incurred by our Concessionaires (other than the CityLink Concessionaires) that is secured by the assets and cash flow of the relevant Concessionaire. See "*Operating and financial review—Liquidity and capital resources*" for further information. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

Rule 144A Notes

We have outstanding (i) U.S.$550 million aggregate principal amount of 4.125% Guaranteed Senior Secured notes maturing in February 2026 (the **2015 Rule 144A Notes**) and (ii) U.S.$550 million aggregate principal amount of 3.375% Guaranteed Senior Secured notes maturing in March 2027 (the **2016 Rule 144A Notes**), in each case issued pursuant to the Indenture dated as of November 2, 2015 (the **2015 Indenture**).

Certain covenants

The 2015 Rule 144A Notes and the 2016 Rule 144A Notes were issued under the 2015 Indenture, which includes certain customary affirmative and negative covenants that place various restrictions on us.

Events of default

The 2015 Indenture contains certain customary events of default.

Guarantees and Security

The obligations of the Issuer under the 2015 Rule 144A Notes and the 2016 Rule 144A Notes are supported by guarantees and security arrangements, substantially as described in "*Description of the Security Arrangements*" below.

United States Private Placements

We have United States debt private placements (the **Private Placements**) pursuant to a note purchase agreement dated as of November 14, 2006 as amended on July 31, 2017, under which we issued four series of U.S. dollar deferred interest notes. The current outstanding notes under the Private Placements are U.S.$162,219,619 (including accreted interest) of our 6.10% notes maturing in November 2021 and U.S.$67,391,792 (including accreted interest) of our 6.21% notes maturing in November 2026.

The obligors under the Private Placements are the Issuer and Finance Trust.

Certain covenants

The Private Placements include certain customary affirmative and negative covenants that place various restrictions on us, including without limitation on our ability to:

- engage in non-arm's-length transactions with third parties;
- create or permit to exist security interests;
- incur additional debt;
- make loans or provide other financial assistance;

- dispose of our assets;
- engage in the sale and leaseback of our assets;
- engage in a line of business other than our existing core businesses; and
- declare or make distributions.

We are also subject to certain financial covenants, including:

- a total leverage ratio of not more than 60%;
- a CityLink interest coverage ratio of not less than 1.10 times; and
- a senior Transurban Group interest coverage ratio of not less than 1.25 times.

Events of Default

The Private Placements contain customary events of default. Subject to compliance with the terms of the Security Trust Deed described below, the noteholders under the Private Placements are entitled to take various actions, including acceleration of all amounts due under the notes and the note purchase agreement in connection with any event of default.

Guarantees and Security

The obligations of the Issuer and Finance Trust under the Private Placements are supported by the guarantee and security arrangements described in "*Description of the Security Arrangements*" below.

Bilateral and syndicated loan facilities

We have a number of bilateral and syndicated loan facilities agreements (each, a **Facility Agreement**) which includes those set out in the table below.

Facility Amount	Maturity	Type	Date
A$825,000,000 (Facility A)	November 2022	Syndicated facility agreement	July 4, 2017, as supplemented by the accordion agreement dated December 8, 2017 and as amended on November 1, 2019
A$825,000,000 (Facility B)	November 2024		
A$75,000,000	December 2022	Bilateral facility agreement	July 2017 (as amended)
A$75,000,000	December 2022	Bilateral facility agreement	July 2017 (as amended)
U.S.$150,000,000	April 2022	Bilateral facility agreement	July 2017 (as amended)
A$5,000,000	January 2021	Bilateral facility agreement	January 2015 (as amended
A$31,750,000	January 2021	Bilateral facility agreement	January 2015 (as amended)
A$5,000,000	January 2021	Bilateral facility agreement	January 2015 (as amended)
A$55,000,000	November 2022	Bilateral facility agreement	November 2016 (as amended)
A$139,458,358	December 2021	Bilateral facility agreement	August 2018 (as amended)
A$91,807,590	December 2023	Bilateral facility agreement	August 2018
A$250,000,000	September 2021	Bilateral facility agreement	March 2020
A$250,000,000	March 2022	Bilateral facility agreement	March 2020

Facility Amount	Maturity	Type	Date
A$250,000,000	March 2022	Bilateral facility agreement	March 2020
A$200,000,000	September 2021	Bilateral facility agreement	March 2020
A$80,000,000	March 2021	Bilateral facility agreement	March 2020
A$200,000,000	April 2022	Bilateral facility agreement	April 2020
A$200,000,000	April 2021	Bilateral facility agreement	April 2020
A$100,000,000	October 2021	Bilateral facility agreement	April 2020

These facilities are denominated in, and can only be drawn in, Australian dollars, United States dollars or Canadian dollars. The interest rate is variable and is set according to the sum of a margin and the applicable benchmark rate for the requested duration on the date of the drawing. Amounts outstanding under these facilities are guaranteed by each entity that is a Guarantor in respect of the Notes.

Certain covenants

The Facility Agreements also contain customary financial and other covenants that place various restrictions on us, including without limitation on our ability to:

- create or permit to exist security interests;
- dispose of our assets; and
- make loans.

The Facility Agreements also contain a positive covenant to ensure that the senior Transurban Group interest coverage ratio does not fall below 1.25 to 1.00.

Events of default

The Facility Agreements contain customary events of default.

Guarantees and Security

The obligations of the Issuer under the Facility Agreements are supported by the guarantees and security arrangements as described in "*Description of the Security Arrangements*" below.

Euro medium term note programme

Pursuant to the Programme, we have issued (i) EUR600,000,000 of 1.875% fixed rate notes due in September 2024, (ii) EUR500,000,000 of 2.00% fixed rate notes due in August 2025, (iii) NOK750,000,000 of 3.00% fixed rate notes due in July 2027, (iv) EUR500,000,000 of 1.75% fixed rate notes due in March 2028, (v) CAD650,000,000 of 4.555% fixed rate notes due in November 2028, (vi) EUR350,000,000 of 1.701% fixed rate notes due in July 2034, (vii) EUR600,000,000 of 1.450% fixed rate notes due in May 2029 and (viii) EUR750,000,000 of 3.00% fixed rate notes due in April 2030.

The Programme Agreement and the Trust Deed include certain customary affirmative and negative covenants which apply to the notes issued under the Programme, including without limitation, a requirement to maintain a credit rating. These documents also include customary events of default.

Guarantees and Security

The obligations of the Issuer and Finance Trust under the Euro medium term notes, the CAD medium term notes and the NOK medium term notes are supported by the guarantees and security arrangements as described in "*Description of the Security Arrangements*" below.

Hedging

In addition to the above, we have in place hedging arrangements with various hedge counterparties. The hedging arrangements are supported by the guarantees and security arrangements as described in "*Description of the Security Arrangements*".

RELATED PARTY TRANSACTIONS

We engage in transactions with related parties in the ordinary course of business. Our related party transactions are made under normal commercial terms and conditions. Our related party transactions are set forth in detail below. Further information relevant to related party transactions is set out in Note B31 (**Related Party Transactions**) to our consolidated financial statements for the year ended June 30, 2020.

Transactions within our Group

	Joint Ventures		
	FY2020	FY2019	FY2018
		A$'000	
Transactions with Related Parties			
Revenue from services	47,277	37,199	28,523
Interest income	40,872	68,402	59,955
	88,149	**105,601**	**88,478**
Outstanding Balances with Related Parties			
Financial assets at amortised costs			
NorthConnex shareholder loan notes	705,583	550,185	—
Sydney Transport Partners joint venture shareholder loans	646,497	642,805	—
Held-to-maturity investments			
M5 West Motorway debt notes	—	—	70,000
NorthConnex shareholder loan notes	—	—	735,501
Other liabilities			
NWRG payable for acquisition of customer base	(50,204)	(49,428)	—
Other assets			
NWRG shareholder loan note interest receivable	8	24	6,460
Sydney Transport Partners joint venture shareholder loan interest receivable	4,425	11,861	596
NWRG other receivables	6,313	4,420	363
Sydney Transport Partners joint venture other receivables	7,244	10,350	10

M5 West Motorway debt notes

The M5 West Motorway debt notes are our debt funding contribution to the M5 West Motorway widening project. The fixed maturity date of the notes is 10 years after financial close of the project. The interest rate charged on these notes is fixed at 5%. After obtaining controlling equity interest in the M5 West Motorway on September 18, 2018, we ceased equity accounting over our investment in the M5 West Motorway and started consolidating the M5 West Motorway into our consolidated financial results. As such, our portion of M5 West Motorway debt notes have been eliminated through the consolidation of the M5 West Motorway. On consolidation a liability owing to the non-controlling interest is recorded.

The assets and liabilities of the M5 West Motorway were recorded within our consolidated financial statements as at and from the acquisition date of September 18, 2018 with their fair values determined on a provisional basis. The total provisional fair value is allocated to the M5 West Motorway concession asset and no goodwill has been recognised.

NorthConnex shareholder loan notes

During the year ended June 30, 2019, the NWRG and its shareholders modified the existing SLNs on issue.

Before the modification, the SLNs earned interest at a fixed rate of 9.0% until the final day of the NorthConnex concession period. Any unpaid interest was capitalised and deemed to subscribe for further loan notes with an aggregate principal equal to that unpaid interest.

During the year ended June 30, 2019, the modification to the existing SLNs on issue was to include an at call facility (maturity date is greater than 12 months). The at call loan has been recorded at fair value on initial recognition and will be subsequently measured at amortised cost using the effective interest method. The difference between the nominal value of the at call loan and the fair value has been treated as a contribution to the equity accounted investment in NWRG.

During the year ended June 30, 2020, a non-interest bearing facility with NWRG was drawn on for the first time. The interest free loan has been recorded at fair value on initial recognition and will be subsequently measured at amortised cost using the effective interest method. The difference between the nominal value of the interest free loan and the fair value has been treated as a contribution to the equity accounted investment in NWRG.

The interest-bearing SLN facility has a fixed rate of 5.9% and a maturity date of June 2048 and two non-interest bearing facilities with maturity dates of June 2024 and June 2048 respectively.

Sydney Transport Partners joint venture shareholder loan notes

To fund the Sydney Transport Partners joint venture's acquisition of WestConnex, we contributed A$3,411 million equity into the joint venture and also issued SLNs with a face value of A$700 million. The SLNs earn interest at a rate equivalent to the weighted average of the interest rate applicable to WestConnex's senior secured debt plus a margin. The agreement includes a mechanism to capitalise interest should funds not be available to settle accrued interest. The SLNs are repayable 10 years after their respective issuance date. The SLNs are presented within non-current financial assets at amortised cost in the consolidated balance sheet. We have measured the SLNs at fair value on initial recognition and the SLNs will be subsequently measured at amortised cost using the effective interest method. The difference between the nominal value of the SLNs and the fair value has been treated as a contribution to the equity accounted investment in the Sydney Transport Partners joint venture.

DESCRIPTION OF THE SECURITY ARRANGEMENTS

This section contains a summary of the Securities and the Security Trust Deed. It does not describe every aspect of them. This summary is qualified in its entirety by reference to the provisions of the Notes, the Securities, the Security Trust Deed and the other underlying documents described below. Copies of these documents are available upon request from the Issuer. In this section, all references to "our Group", "we", "us" and "our" and similar expressions refer to, collectively, the Issuer and each Security Provider.

Capitalised terms used in this section have the meaning given to them in the Security Trust Deed, unless otherwise defined. The Security Trust Deed was last amended on July 28, 2017. Please note that, in this section, the term ***Victorian Guarantor*** *means each of THL, THT, TIL and TL, being the guarantors under the existing Victorian law-governed guarantees described below.*

Overview

The obligations of the Issuer under the Notes will be secured by all the present and future assets and undertaking of the Issuer.

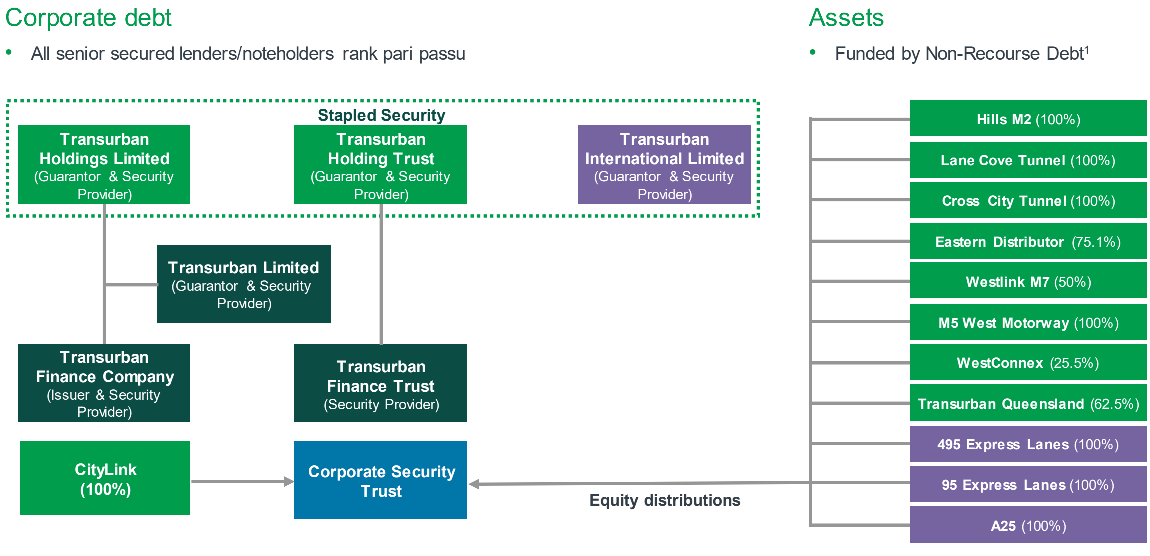
In addition, the obligations of the Issuer under the Notes will be guaranteed by each Victorian Guarantor. Each Victorian Guarantor has granted the security interests described below to secure its obligations under its guarantee.

Finance Trust has covenanted in the Security Trust Deed and its Security to pay the Secured Money, which includes amounts owing under the Notes. Finance Trust's covenants to pay represent primary monetary obligations of Finance Trust and will be secured by all present and future assets and undertakings of Finance Trust.

The security structure operates to secure rateably certain outstanding indebtedness owed by the Issuer (and each Security Provider under its guarantee or covenant to pay) to the defined Secured Creditors of the Issuer. Under this security structure, the Noteholders will be beneficiaries of the Security Trust as Senior Secured Creditors. The Security Trust Deed contains definitions of **Secured Creditors, Senior Secured Creditors** and **Subordinated Secured Creditors** and these are described further below in the section entitled "*Other Secured Creditors*".

Security

The following chart summarises the security arrangements that apply to our senior secured debt and the Notes.



1. Percentages represent Transurban's ownership interest as at 30 June 2020.

Note:

* Transurban Limited has provided a Victorian (Australian) law governed guarantee in favour of the Security Trustee, which will guarantee amounts owing under the Notes.

Each of the Issuer and Finance Trust have granted a fixed and floating charge over their present and future assets and undertaking, which assets (in the case of Finance Trust) include the benefit of security interests held by Finance Trust over the assets of the entities that own and operate CityLink, as well as contractual rights to receive cash flows from debt that Finance Trust has lent to other Transurban subsidiaries including CityLink. These fixed and floating charges secure amounts owing by the Issuer to its Secured Creditors.

Each Victorian Guarantor has granted security interests as follows, to secure amounts owing under its guarantee:

(a) each of THL, THT and TIL has granted a general security agreement over its present and after-acquired property, including all shares and units held directly by it in all of its subsidiaries from time to time, other than any shares or units held directly by it in any CityLink Concessionaire (**New GSA**);

(b) THL has also granted a number of additional securities which, although a duplicate of the New GSA, remain on foot. These include a fixed and floating charge over its present and future assets and undertaking, other than shares and units held by it in certain subsidiaries, and mortgages over shares held by it in TL, Transurban (USA) Holdings No. 1 Pty Ltd, Transurban (USA) Holdings No. 2 Pty Ltd and Sydney Roads Limited, and share security deeds over shares held by it in Translink Operations Pty Ltd, Transurban Funding Pty Limited and Transurban WD Co Pty Limited (each a **Share Security Deed**);

(c) THT has also granted a number of additional securities which, although a duplicate of the New GSA, remain on foot. These include a fixed and floating charge over its present and future assets and undertaking, other than shares and units held by it in certain subsidiaries, a fixed charge over equity distributions from CityLink (which secures amounts owing by the Issuer to its Secured Creditors) and a mortgage over units held by it in Sydney Roads Trust;

(d) TIL has also granted a number of additional securities which, although a duplicate of the New GSA, remain on foot. These include a fixed and floating charge over its present and future assets and undertaking, other than shares and units held by it in certain subsidiaries, following its re-domiciling (as described in the section entitled "*Redomiciling of TIL and TIHL*" below), a security interest over its assets, rights and undertaking, a mortgage over shares held by it in Transurban International Holdings Pty Ltd (formerly Transurban International Holdings Ltd) (**TIHL**) and, also following its re-domiciling (as described in the section entitled "*Redomiciling of TIL and TIHL*" below), a security interest over shares held by it in TIHL; and

(e) TL has granted a fixed and floating charge over its present and future assets and undertaking, other than shares and units held by it in certain subsidiaries.

Each of the security interests and other arrangements described above has been granted in favour of the Security Trustee. Pursuant to the Security Trust Deed, the Security Trustee holds the benefit of these security interests for the Secured Creditors, which, following the Trustee's accession to the Security Trust Deed, will include the AMTN Trustee and the holders of the AMTNs.

Each of the security interests described above is governed by the laws of the State of Victoria, Australia (other than the share mortgage granted by TIL, which is governed by the laws of Bermuda) and each is registered on the Register in accordance with (and as defined in) the *Personal Property Securities Act 2009* (Cth) of Australia.

The New GSA (as defined in paragraph (a) above), each historical fixed and floating charge, each Share Security Deed and the new guarantee granted by TIL in favour of the Security Trustee on July 4, 2017 (**New TIL Guarantee**) does not contain a provision which limits the principal amount recoverable under that document. However, each of the historical share and unit mortgages described above and the historical guarantee granted by TIL only, contains a provision stating that the principal amount recoverable under it in relation to the relevant secured property located wholly within Australia is a definite and limited amount of A$7,500,000,000, unless the Security Trustee increases such amount by written notice (such increased amount not to exceed the moneys secured or guaranteed (as applicable) at such time). Irrespective of this (and as noted above), the New GSA, each historical fixed and floating charge, the Share Security Deeds and the New TIL Guarantee do not contain this limit. Accordingly, if this limit is exceeded in the future, this will not limit the effectiveness of the security structure to secure the Notes.

How will Noteholders get the benefit of the existing Securities?

The Trustee has executed and delivered to the Security Trustee the Accession Certificate, and has thereby acceded to the Security Trust Deed, on its own behalf, and on behalf of the Noteholders (other than holders of AMTNs) from time to time. The AMTN Trustee has executed and delivered to the Security Trustee the AMTN Accession Certificate, and has thereby acceded to the Security Trust Deed, on its own behalf, and on behalf of the holders of AMTNs from time to time. As a result, the Noteholders, the Trustee and the AMTN Trustee will share the benefit of the Securities ratably with the existing Senior Secured Creditors.

Other Secured Creditors

There are two classes of Secured Creditors which have the benefit of the Securities granted to the Security Trustee under the Security Trust Deed. These are the Senior Secured Creditors and the Subordinated Secured Creditors. The Noteholders will be Senior Secured Creditors and will rank *pari passu* with the existing Senior Secured Creditors.

Other Senior Secured Creditors include those described in the section entitled "*Description of other indebtedness*".

The Security Trust Deed includes intercreditor and subordination principles with respect to the two classes of Secured Creditors. While the Securities contemplate both Senior and Subordinated Creditors, there are currently no Subordinated Secured Creditors in the Transurban Group's financing structure. To the extent that there are any Subordinated Secured Creditors, those Subordinated Secured Creditors will not obtain the benefit of any enforcement action with respect to the Securities, and will not be counted in relation to any voting, until the Senior Secured Creditors have been fully and finally repaid (as described below under the section entitled "*Majority Secured Creditors*").

The Security Trust Deed does not place restrictions on the incurrence of financial indebtedness by the Issuer, Finance Trust or the Victorian Guarantors.

Majority Secured Creditors determined by Exposures

Under the Security Trust Deed, the Security Trustee is entitled to exercise all powers under the Securities. Except in respect of amounts due to it in its personal capacity, in exercising its powers it must act in accordance with the instructions (if any) of the Majority Secured Creditors (subject to the matters set out in the section entitled "*Unanimous requirements*" below). In the absence of such instructions, it may (but is not obliged to) act as it thinks fit in the best interests of the Secured Creditors. The Majority Secured Creditors are determined with reference to Exposures, which are generally as follows for Senior Secured Creditors:

(a) for a senior bank debt financier, its undrawn commitment (unless it is cancelled or no longer permitted to be drawn) plus all amounts which would be payable if all amounts outstanding were immediately repayable and amounts contingently owing under bank guarantees and other similar instruments;

(b) for a US private placement noteholder, the amount payable to such noteholders if the notes were redeemed, or if they have been redeemed, any amount due to such noteholders but unpaid;

(c) for a hedge counterparty, the Realised Swap Loss and Potential Close Out Amount (each as defined in the Security Trust Deed); and

(d) for a Debt Instrument Holder (as defined in the Security Trust Deed) (other than those specifically described above), the amount payable to such Debt Instrument Holder if the notes were redeemed, or if they have been redeemed, any amount due to such Debt Instrument Holder but unpaid.

As described below under the section entitled "*Majority Secured Creditors*", the Exposures of Subordinated Secured Creditors are not counted for the purposes of determining the "Majority Secured Creditors" unless all amounts owing under the senior finance documents (which would include any amounts owing to Noteholders) have been finally paid in full.

Unanimous requirements

There are certain circumstances in which the Security Trustee must act on the instructions of all Secured Creditors. These include:

(a) the release of Security (as described in the section entitled "*Release of Security*" below);

(b) amendments to the agreed distribution of proceeds and certain calculations of moneys available for distribution (as described in the section entitled "*Distribution of proceeds*" below); and

(c) certain amendments to the Security Trust Deed and the Securities (as described in the section entitled "*Waivers and amendments*" below).

By purchasing a Note, each Noteholder consents to certain amendments to the Security Trust Deed that would (if the Security Trustee receives unanimous instructions from all Secured Creditors to make these amendments to the Security Trust Deed) mean that the Secured Creditors under each finance document will vote as a block in respect of a decision under the Security Trust Deed (other than in respect of acceleration). See "*Risk Factors—Risks related to the security arrangements—Once agreed by all Secured Creditors, consent to amend certain voting provisions in the Security Trust Deed will result in the Noteholders voting as a block in respect of decisions under the Security Trust Deed and result in any votes cast by such Noteholders not being counted* *as part of the Exposures calculated under the Security Trust Deed if such votes are not cast within a specified time period*".

Procedures for seeking instructions

When seeking instructions from the Secured Creditors, the Security Trustee may specify a "reasonable period" (of at least 10 business days from the date of the request for instructions) in which instructions are to be provided. If a Secured Creditor does not provide instructions in response to a request within the specified period, any instructions received thereafter will be disregarded.

In determining what constitutes a "reasonable period", the Security Trustee must take into account the time required by a debt instrument trustee (including the Trustee) to seek directions, unless the relevant determination is required urgently.

By purchasing a Note, each Noteholder consents to certain amendments to the Security Trust Deed that would (if the Security Trustee receives unanimous instructions from all Secured Creditors to make these amendments to the Security Trust Deed) mean that, with respect to each finance document, if a Secured Creditor fails to cast a vote on a particular decision or a representative of certain Secured Creditors does not provide instructions in writing within the time period specified by the Security Trustee (of at least 15 business days), such Secured Creditors will be taken, for the purposes of determining whether instructions have been given from all Secured Creditors or the requisite majority of Secured Creditors under the relevant finance document, to have an Exposure of nil and not to be Secured Creditors. See "*Risk Factors—Risks related to the security arrangements—Once agreed by all Secured Creditors, consent to amend certain voting provisions in the Security Trust Deed will result in the Noteholders voting as a block in respect of decisions under the Security Trust Deed and result in any votes cast by such Noteholders not being counted as part of the Exposures calculated under the Security Trust Deed if such votes are not cast within a specified time period*".

Majority Secured Creditors

Under the Security Trust Deed, the **Majority Secured Creditors** means:

(a) (**no event of default — 51%**) if no Event of Default subsists, the Senior Secured Creditors (including Noteholders) (other than hedge counterparties, the Security Trustee, debt instrument trustees and other representatives of certain Senior Secured Creditors) whose aggregate Exposures are more than 51% of the total aggregate Exposures of all such Senior Secured Creditors; or

(b) (**event of default — 51%**) subject to paragraph (c) below, if an Event of Default subsists, the Senior Secured Creditors (including Noteholders) (other than the Security Trustee, debt instrument trustees and other representatives of certain Senior Secured Creditors) whose aggregate Exposures are more than 51% of the total aggregate Exposures of all such Senior Secured Creditors (the difference between paragraph (a) above and this paragraph (b) being that the Exposure of hedge counterparties will be included in determining the Majority Secured Creditors when an Event of Default is subsisting); or

(c) (**Insolvency Events and payment defaults — one third**) for the purposes of determining whether certain enforcement action is to be taken only, if an Insolvency Event occurs or a Security Provider fails to pay an amount owing under a senior finance document totaling at least A$5,000,000 or its equivalent within 30 days of the date on which it is due and payable, the Senior Secured Creditors (including Noteholders) (other than the Security Trustee, debt instrument trustees and other representatives of certain Senior Secured Creditors) whose aggregate Exposures are more than one third of the total aggregate Exposures of all such Senior Secured Creditors.

For the purposes of paragraphs (a) and (b), **Event of Default** means, while amounts remain owing under a senior finance document, an event of default (howsoever defined) under a senior finance document (which will include events of default in relation to the Notes).

For the purposes of paragraph (c), **Insolvency Event** means, among other things, that a Security Provider under the Security Trust Deed (i) is insolvent (or is presumed or taken to be insolvent under legislation); (ii) stops or suspends payment of all or a class of its debts; (iii) has an administrator appointed to it; (iv) has steps taken for its winding up, dissolution or administration; (v) has steps taken for entering into an arrangement, compromise or composition with or assignment for the benefit of its creditors; or (vi) ceases, suspends or threatens to cease or suspend the conduct of all or a substantial part of its business or disposes of or threatens to dispose of a substantial part of its assets.

By purchasing a Note, each Noteholder consents to certain amendments to the Security Trust Deed that would (if the Security Trustee receives unanimous instructions from all Secured Creditors to make these amendments to the Security Trust Deed) mean that the Exposures of a group of Secured Creditors under a particular finance document (e.g. the Noteholders) will be treated as a single block for the purposes of voting under the Security Trust Deed. Accordingly, if implemented, each Secured Creditor under a particular finance document will be taken to have voted and instructed the Security Trustee in favour of a decision if (i) a requisite majority of such Secured Creditors (however described and determined in accordance with the relevant finance document) cast votes in favour of a particular decision, or (ii) a representative of particular Secured Creditors has instructions from a requisite majority of such Secured Creditors to cast a vote in favour of a particular decision. See "*Risk Factors—Risks related to the security arrangements—Once agreed by all Secured Creditors, consent to amend certain voting provisions in the Security Trust Deed will result in the Noteholders voting as a block in respect of decisions under the Security Trust Deed and result in any votes cast by such Noteholders not being counted as part of the Exposures calculated under the Security Trust Deed if such votes are not cast within a specified time period*".

The Exposures of Subordinated Secured Creditors are not counted for the purposes of determining the Majority Secured Creditors unless all amounts owing under the senior finance documents have been finally paid in full. However, as noted above, there are currently no Subordinated Secured Creditors.

Enforcement action

The key principles of the enforcement mechanism under the Security Trust Deed are as follows:

(a) each Senior Secured Creditor other than a Noteholder or other Debt Instrument Holder must (except where such notice has already been provided by another Secured Creditor) give the Security Trustee notice of any default by the Issuer in the performance of its payment obligations and a copy of any notice provided to the Issuer which states that an event of default has occurred and is subsisting;

(b) if the Security Trustee receives a default notice from a Secured Creditor (or Security Provider) or is actually aware that an event of default has occurred, the Security Trustee must promptly notify all Secured Creditors of such occurrence;

(c) the Security Trustee must seek the directions of the Senior Secured Creditors before exercising or enforcing any right, power or remedy against a Security Provider or the property mortgaged or charged by a Security;

(d) if the Majority Secured Creditors direct, the Security Trustee must:

    (i) appoint a Controller under a Security and/or otherwise enforce the Security as instructed by the Majority Secured Creditors; or

(ii) appoint a firm of independent accountants or other experts to review and report to the Security Trustee and the Secured Creditors on the affairs, financial condition and business of the Security Providers, and the Security Provider shall cooperate fully with any review and ensure that the accountants and experts are given access to all premises, records and relevant information; and

(e) at any time after a Controller has been appointed or the Security has otherwise been enforced, the Security Trustee must do such other things as it considers appropriate or as directed by the Majority Secured Creditors.

A Controller is defined to mean a receiver, receiver and manager or anyone else (whether or not as agent for the person for whom the Controller is appointed) who is in possession, or has control of property of the person for the purposes of enforcing a Security.

A Senior Secured Creditor (including a Noteholder and the Trustee) is not entitled to exercise or enforce any security interest without the prior consent of the Security Trustee acting on the instructions of the Majority Secured Creditors. However, although the enforcement of the Securities is a collective process conducted by the Security Trustee (on behalf of the Secured Creditors) as set out in the Security Trust Deed and as described above, each Senior Secured Creditor is entitled at all times to give demand for payment and provide other notices such as an acceleration notice under the relevant senior finance documents and to receive amounts it would otherwise be entitled to receive. In the case of the Notes, any such notice would be given by the Trustee or the AMTN Trustee (as applicable) in accordance with the Trust Deed or the AMTN Trust Deed (as applicable), as described in Condition 11 (Events of Default) of the Notes and as further detailed in Clauses 7 (Enforcement) and 8 (Proceedings, Action and Indemnification) of the Trust Deed or AMTN Trust Deed (as applicable).

The Noteholders will not be entitled to prevent anything done or not done by the Security Trustee properly in accordance with the terms of the Securities. This includes things properly done by the Security Trustee in accordance with the terms of the Securities, even where the Trustee has not given instructions or approved that thing being done or not done. The Trustee and the Noteholders must ratify anything properly done or not done by the Security Trustee in accordance with the terms of the Security Trust Deed

Distribution of proceeds

Proceeds recovered as a result of enforcement action are distributed by the Security Trustee generally as follows:

(a) first, towards payment of any money due to the Security Trustee in its capacity as security trustee under the transaction documents;

(b) second, rateably towards payment or repayment to each Senior Secured Creditor in respect of its secured moneys; and

(c) third, rateably towards payment or repayment to each Subordinated Secured Creditor in respect of its secured moneys, unless all of the Secured Creditors and the Security Trustee otherwise agree in writing.

Notwithstanding the above, proceeds distributed in accordance with the Security Trust Deed to the extent payable in respect of Notes will be paid to the Trustee as required by Clause 9.10 of the Trust Deed and distributed by it in the order described in Clause 11 (*Application of Moneys*) of the Trust Deed or paid to the AMTN Trustee as required by Clause 9.10 of the AMTN Trust Deed and distributed by it in the order described in Clause 11 (*Application of Moneys*) of the AMTN Trust Deed.

If a Secured Creditor receives any money pursuant to the Securities (including by way of set-off, combination, amalgamation or accounts or otherwise) after any acceleration of the Issuer’s payment obligations, the enforcement of a Security or the appointment of a Controller, the Secured Creditor must notify the Security Trustee and must pay that amount to the Security Trustee within five business days of receiving it.

New security

If a related corporation of an existing Security Provider grants a security interest to the Security Trustee, the existing Security Providers must procure that such related corporation accedes to the Security Trust Deed as a "Security Provider".

Under the Corporations Act, where a body corporate is (a) a holding company of another body corporate; (b) a subsidiary of another body corporate; or (c) is a subsidiary of a holding company of another body corporate, the first mentioned body and the other body are related to each other. Under the Corporations Act, a body corporate is a "subsidiary" of another body corporate if: (i) the other body controls the composition of the first body's board, if the other body is in a position to cast or control the casting of more than one-half of the maximum number of votes that might be cast at a general meeting of the first body, or if the other body holds more than one-half of the issued share capital of the first body (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or (ii) the first body is a subsidiary of a subsidiary of the other body. A "holding company" in relation to a body corporate is a body corporate of which the first body corporate is a subsidiary.

Waivers and amendments

The Security Trustee must not waive a breach or an event of default under a Security without the consent of the Majority Secured Creditors.

The Security Trustee must not amend or vary a Security or the Security Trust Deed unless instructed to do so by all of the Secured Creditors. The only exceptions to this requirement are that the Security Trustee may amend the Security Trust Deed:

(a) without any instructions where the amendment is to correct a manifest error or ambiguity or is of a formal, technical or administrative nature only;

(b) without any instructions where the amendment is, in the opinion of the Security Trustee:

  (i) necessary to comply with any statute or regulation or with the requirements of any government agency; or

  (ii) appropriate or expedient as a consequence of an amendment to any statute or regulation or altered requirements of any government agency and is not prejudicial to the interests of any Secured Creditor;

(c) where the amendment is, in the opinion of the Security Trustee (acting on the instructions of the Majority Secured Creditors), not prejudicial to the rights of any Secured Creditor; or

(d) without any instructions where the amendment is necessary and/or incidental to effecting an amendment of a transaction document or where such amendment is not prohibited by the terms of any transaction document.

See "*Terms and Conditions of the Notes—Consent to amend voting provisions in the Security Trust Deed*" for a description of the proposed changes to the voting procedures under the Security Trust Deed and "*Risk Factors—Risks related to the security arrangements—Once agreed by all Secured Creditors, consent to amend certain voting provisions in the Security Trust Deed will result in the Noteholders voting as a block in respect of decisions under the Security Trust Deed and result in any votes cast by such Noteholders not being counted as part of the Exposures calculated under the Security Trust Deed if such votes are not cast within a specified time period*".

Release of Security

The Security Trustee must not release a Security or any assets from a Security unless instructed by all Secured Creditors or required by law. This is subject to the express provisions of each Security. In this regard, each Security provides that the Security Trustee must discharge such Security if the relevant secured moneys and/or guaranteed moneys have been paid in full and the relevant Security Provider has fully observed and performed its obligations.

Indemnity to Security Trustee

Under the Security Trust Deed, the Security Trustee has the benefit of an indemnity from the Secured Creditors (ratably) in respect of all liabilities and expenses incurred in the exercise or purported exercise of powers under the Security Trust Deed or the securities. A debt instrument trustee (such as the Trustee) is only obliged to indemnify the Security Trustee if and to the extent that it has retained amounts for or on behalf of the relevant debt instrument holders (such as the Noteholders) or can recover amounts from the relevant debt instrument holders (such as the Noteholders).

Limitation of Liability of Security Trustee

Under the Security Trust Deed, the Security Trustee and its related entities, officers and employees (among others) are not liable for a broad range of matters, including (among other things), any loss or damage occurring as a result of the Security Trustee failing to exercise or purporting to exercise any power under the Security Trust Deed or in relation to a Security or any act of the Security Trustee, except in the case of fraud, willful misconduct or negligence.

CityLink project

The CityLink project is undertaken by CityLink Melbourne Ltd (ABN 65 070 810 678), CityLink Extension Pty Limited (ABN 40 082 058 615) and Transurban Infrastructure Management Limited as responsible entity of the Transurban City Link Unit Trust (the **CityLink Entities**). In this regard:

(a) the shares in CityLink Melbourne Ltd are held directly by THL;

(b) the shares in CityLink Extension Pty Limited are held directly by CityLink Melbourne Ltd (and therefore indirectly by THL); and

(c) the units in the Transurban City Link Unit Trust are held directly by THT.

The original external lenders who provided project financing to the CityLink Entities have been replaced by the Finance Trust through an internal loan arrangement. The Finance Trust has also provided, or will provide, further funding to the CityLink Entities in respect of the West Gate Tunnel and CityLink-Tulla Widening projects. However, the project financing structure and, in particular, the separate security trust in relation to the CityLink project, remain in place. As such, Finance Trust is now a beneficiary of the security trust established by the Security Trust Deed dated February 26, 1996 (as amended from time to time) (the **CityLink Security Trust**). ANZ Capel Court Limited (the **CityLink Security Trustee**) is the trustee of the CityLink Security Trust. The CityLink Entities have granted security interests to the CityLink Security Trustee. On the basis of the (corporate) Security Trustee's fixed and floating charge over Finance Trust (which includes its rights as a beneficiary of the CityLink Security Trust), the (corporate) Security Trustee (and the Secured Creditors) indirectly obtain the benefit of the security interests granted by the CityLink Entities.

The CityLink Entities have also granted security interests to the State of Victoria to secure the performance of their obligations under the project documents in relation to the CityLink project. The priority between the security interests of the State of Victoria and the security interests of the CityLink Security Trustee is governed by the Master Security Deed dated February 20, 1996 (as amended from time to time) (**CityLink Master Security Deed**). The priority is as follows:

(a) first, the security interests of the State for the State's Priority Amount (as defined in the CityLink Master Security Deed and as described below);

(b) second, the security interests of the CityLink Security Trustee for amounts owing under the lending documents in respect of the original CityLink funding arrangements to the lenders (now the Finance Trust) (up to a maximum principal amount of A$1,800,000,000);

(c) third, the security interests of the State for the State's Additional Priority Amount (as defined in the CityLink Master Security Deed and as described below);

(d) fourth, the security interests of the CityLink Security Trustee for the aggregate of the amounts owing under the lending documents in respect of the West Gate Tunnel and CityLink-Tulla Widening projects;

(e) fifth, the security interests of the State for other amounts owing to it; and

(f) sixth, the security interests of the CityLink Security Trustee for other amounts.

The State's Priority Amount and the State's Additional Priority Amount

The State's Priority Amount is the aggregate amount due to the State in respect of certain obligations which the CityLink Entities owe to the State. These obligations include (among other things):

(a) to pay the costs and expenses incurred by the State in operating, repairing or maintaining a section of the CityLink road (including the extensions of the road). The State may take these measures where there has been an operating default (i.e. a failure by the CityLink Entities to operate the CityLink road in accordance with the requirements in the Concession Deed dated October 20, 1995 (as amended from time to time) (**Concession Deed**), including requirements in the relevant technical specifications and operating and maintenance manuals) and there is a risk to the health and safety of road users or the public, or where there is a risk of material damage to a section of the CityLink road;

(b) to pay the costs and expenses incurred by the State in "stepping-in" to remedy certain defaults under the Concession Deed or to operate and maintain the CityLink road (including the extensions of the road). The State may take these measures where it has notified the CityLink Security Trustee of its intention to terminate the Concession Deed and the Security Trustee has in turn notified the State that it intends to dispose of the assets of the CityLink Entities. In such circumstances, the State is restricted from exercising its rights to terminate the Concession Deed for a certain period and may wish to "step-in" to operate and maintain the CityLink road during the period in which the CityLink Security Trustee disposes of the assets of the CityLink Entities (for example, by appointing a receiver to sell the assets); and

(c) to pay interest on other amounts which comprise part of the State's Priority Amount.

The State's Additional Priority Amount is the aggregate amount due to the State in respect of certain other obligations which the CityLink Entities owe to the State. These obligations include (amongst other things) all indemnities under the CityLink documents, annual concession fees (and associated concession notes), rental amounts under leases, revenue sharing amounts, amounts in respect of the implementation of traffic management measures and compensable enhancements by the State and certain step in amounts.

There is no monetary limit on the State's Priority Amount or the State's Additional Priority Amount. A description of the nature of the Concession Agreements with respect to the CityLink project and other roads operated by the Transurban Group is set out in the section entitled "*Risk Factors*" above.

Redomiciling of TIL and TIHL

On January 5, 2012, each of TIL and TIHL was registered as an Australian company under the Corporations Act (prior to this, each of TIL and TIHL was a company incorporated under the laws of Bermuda). The effect of this is that each of TIL and TIHL has transferred its place of incorporation to Australia. The Corporations Act provides that such registration does not:

(a) create a new legal entity; or

(b) affect the company's existing property, rights or obligations (except as against the members of the company in their capacity as members); or

(c) render defective any legal proceedings by or against the company or its members.

For the purposes of Australian law, provided there is no cessation of the entity under the law of its place of original incorporation, a foreign incorporated company effectively continues to be the same entity except that its place of incorporation is transferred to Australia and it becomes a company registered under the Corporations Act.

TAXATION

Australian Taxation

The following is a general summary of the material Australian tax consequences for Noteholders under the *Income Tax Assessment Acts* of 1936 and 1997 of Australia (together, the **Australian Tax Act**), the *Taxation Administration Act 1953* of Australia (the **TAA**) and any relevant rulings, judicial decisions or administrative practice, as at the date of this Offering Circular, of payments of interest (as defined in the Australian Tax Act) on Notes to be issued by the Issuer under this Offering Circular.

There are a number of limitations to the summary below, including that:

- it applies only to the purchase, ownership and disposition of the Notes by investors that are not residents of Australia for Australian taxation purposes who will not hold the Notes, and will not derive the interest on the Notes in carrying on business at or through a permanent establishment in Australia (**Non-Resident Investor**). It does not apply to Australian residents (for Australian taxation purposes) who may purchase the Notes. Such persons should consult with their tax and/or other professional advisors in respect of the Australian tax consequences of purchasing, owning or disposing of the Notes;

- it applies only to the absolute beneficial owners of the Notes, but is not exhaustive and does not deal with all classes of holders of the Notes (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of any person); and

- it is based on Australian tax law and applicable double taxation agreements (**DTA**s) in force as at the date of this Offering Circular and does not take into account or anticipate any change in the law (including changes to legislation, regulations or judicial authority) or any DTAs.

The tax consequences of holding and otherwise dealing with the Notes can vary depending upon the Noteholder's individual circumstances. This general summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor or relied upon as such. Each investor should obtain independent professional taxation advice relating to their holding of the Notes in their particular circumstances. It is important to note that the ATO may take a contrary view to that expressed below.

Interest withholding tax

The Issuer intends to issue Notes which are to be characterised as "debt interests" for the purposes of the tests contained in Division 974 of the Australian Tax Act. In the case of "debt interests", interest withholding tax (**IWT**) is payable at a rate of 10% of the gross amount of interest paid on the Notes to a non-Australian resident (other than a non-Australian resident who derives the interest income in carrying on business at or through a permanent establishment in Australia) or an Australian resident who derives the interest income in carrying on business at or through a permanent establishment outside Australia, unless an exemption is available.

An exemption from IWT is available in respect of interest paid on the Notes if (i) the requirements of section 128F of the Australian Tax Act are satisfied, or (ii) the requirements of an applicable double tax convention are satisfied. The Issuer intends to issue the Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

Exemption under section 128F of the Australian Tax Act

An exemption from Australian IWT is available under section 128F of the Australian Tax Act in respect of the payment of interest on the Notes if the following conditions are met:

(a) the Issuer is a resident of Australia and a company when it issues the Notes and when interest (as defined in section 128A(1AB) of the Australian Tax Act, which includes, among other things, an original issue discount) is paid;

(b) the Notes are issued as a result of an offer made in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test the purpose of which is to ensure that lenders in debt capital markets are aware that the Issuer is offering Notes for issue. Only one of the methods needs to be satisfied. In summary, the five principal methods are:

 (i) offers to 10 or more unrelated persons carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;

 (ii) offers to 100 or more investors of a certain type;

 (iii) offers of listed Notes;

 (iv) offers via publicly available information sources; and

 (v) offers to a dealer, manager or underwriter who offers to sell the Notes within 30 days by one of the preceding methods.

 In addition, the issue of a Note in global form and the offering of interests in a Note by one of these methods should satisfy the public offer test;

(c) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes (or interests in them) were being, or would later be, acquired, directly or indirectly, by an offshore associate of the Issuer (other than in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant Notes or a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme); and

(d) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an offshore associate of the Issuer (other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme).

An "associate" of the Issuer for the purposes of section 128F of the Australian Tax Act includes (i) a person or entity which holds more than 50% of the voting shares in, or otherwise controls, the Issuer, (ii) any entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, the Issuer, (iii) a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust, and (iv) a person or entity who is an "associate" of another person or company which is an "associate" of the Issuer under point (i) above.

An "offshore associate" of the Issuer is an associate of the Issuer that is either (x) a non-Australian resident that does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia, or (y) an Australian resident that acquires the Notes in carrying on a business at or through a permanent establishment outside Australia.

Unless otherwise specified in the relevant Final Terms or other supplement to this Offering Circular, the Issuer proposes to issue Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

Exemption under double tax conventions

The Australian government has signed new or amended double tax conventions (**New Treaties**) with a number of countries (each a **Specified Country**).

In broad terms, once they have entered into force, the New Treaties effectively prevent IWT being imposed on interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; or
- a "financial institution" which is a resident of a Specified Country, is otherwise entitled to the benefits of the applicable New Treaty and which is unrelated to and dealing wholly independently with the Issuer. The term "financial institution" refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. (However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.)

The Australian Federal Treasury maintains a listing of Australia's double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation.

Notes in bearer form

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of (currently) 45 per cent on the payment of interest on the Notes (which are in bearer form) if the Issuer fails to disclose the names and addresses of the holders to the Australian Taxation Office (**ATO**). Section 126 does not apply to the payment of interest on the Notes held by non-Australian resident Noteholders who are not engaged in carrying on business in Australia at or through a permanent establishment in Australia where the issue of those Notes has satisfied the requirements of section 128F of the Australian Tax Act or IWT is payable. In addition, the ATO has confirmed that for the purpose of section 126 of the Australian Tax Act, the holder of debentures (such as the Notes) means the person in possession of the debentures. Section 126 is therefore limited in its application to persons in possession of Notes who are residents of Australia or non-Australian residents who are engaged in carrying on business in Australia at or through a permanent establishment in Australia.

Payment of additional amounts

As set out in more detail in the Terms and Conditions of the Notes, and unless expressly provided to the contrary in the relevant Final Terms or other supplement to this Offering Circular, if the Issuer should at any time be compelled or authorised by law to deduct or withhold an amount in respect of any withholding taxes imposed or levied by the Commonwealth of Australia in respect of the Notes the Issuer shall, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the Noteholders after such deduction or withholding shall equal the respective amounts which would have been receivable had no such deduction or withholding been required. In the event that the Issuer is compelled by law in relation to any Notes to deduct or withhold an amount in respect of any withholding taxes as a result of a change in law and would be required to pay additional amounts in respect of such taxes, the Issuer will have the option to redeem such Notes in accordance with the Terms and Conditions.

Payments under the guarantees

In the event of default by the Issuer, the Security Providers may be required to make certain payments under the guarantees.

It is unclear whether payments by an Australian resident Guarantor under a guarantee constitute payments of interest so defined for IWT purposes, but there are good arguments that such payments are not payments of interest for IWT purposes and, as such, no IWT should be payable in respect of such payments. The ATO has, however, published a Taxation Determination stating that payments by a guarantor in respect of debentures are entitled to the benefit of the exemption contained in section 128F if payments of interest in respect of those debentures by the Issuer are exempt from IWT. However, there is some doubt as to whether the Taxation Determination applies in the context of the Notes and the guarantees described in this Offering Circular and whether the reasoning adopted in the Taxation Determination is strictly correct.

If such payments are characterised as "interest" for Australian withholding tax purposes, IWT at the rate of 10% will be payable on payments of interest so defined for IWT purposes by a Guarantor to a Non-Resident Investor, unless an exemption is available.

Other Australian tax matters

The Issuer notes that under Australian laws as presently in effect:

(a) assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, payments of principal and interest in respect of the Notes to a Noteholder, who is a non-resident of Australia and who, during the taxable year, has not held the Notes or derived any payments under the Notes in carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes;

(b) a Noteholder, who is a non-resident of Australia and who has never held the Notes or derived any payments under the Notes in carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realised during a year on the sale or redemption of the Notes, provided such gains do not have an Australian source. A gain arising on the sale of the Notes by a non-Australian resident Noteholder who does not hold the Notes or derive payments under the Notes in carrying on business at or through a permanent establishment in Australia to another non-Australian resident where the Notes are sold outside Australia and all negotiations are conducted and documentation executed outside Australia would not generally be regarded as having an Australian source;

(c) no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;

(d) no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue, transfer or redemption of any Notes;

(e) neither the issue nor receipt of the Notes will give rise to a liability for goods and services tax (**GST**) in Australia on the basis that the supply of the Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber that is a non-resident) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal or redemption of the Notes, would give rise to any GST liability in Australia;

(f) section 12-140 of Schedule 1 of the Taxation Administration Act 1953 of Australia (**TAA**) imposes a type of withholding tax on the payment of interest on certain registered securities unless the relevant investor has quoted an Australian tax file number (**TFN**), in certain circumstances an Australia Business Number (**ABN**) or proof of some other exception (as appropriate). Under current law, a withholding rate of 47% applies.

    Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, these rules should not apply to payments to a Noteholder who is not a resident of Australia for tax purposes and not holding the Notes or deriving payments under the Notes in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of Noteholders may be subject to withholding where the Noteholder does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate);

(g) the Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia (other than payments of interest and other amounts which are already subject to the current IWT rules or specifically exempt from those rules). Regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The possible application of any future regulations to the proceeds of any sale of the Notes will need to be monitored;

(h) payments in respect of the Notes can be made free and clear of the "supply withholding tax" imposed under section 12-190 of Schedule 1 to the TAA; and

(i) the Australian Commissioner of Taxation may give a direction requiring the Issuer to deduct from any payment to a Noteholder any amount in respect of Australian tax payable by the Noteholder. If the Issuer is served with such a direction then it will comply with that direction and will make any payment required by that direction.

Foreign Account Tax Compliance Act

Under sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**), a 30% withholding (**FATCA withholding**) may be required if (i)(A) an investor does not provide information sufficient for a non-U.S. financial institution (**FFI**) through which payments on the Notes are made to determine the Noteholder's status under FATCA, or (B) an FFI to or through which payments on the Notes are made is a "non-participating FFI"; and (ii) the Notes are treated as debt for U.S. federal income tax purposes and the payment is made in respect of Notes issued or modified after the date that is six months after the date on which final regulations defining the term "foreign passthru payment" are filed with the U.S. Federal Register, or the Notes are treated as equity for U.S. federal income tax purposes or do not have a fixed term, whenever issued.

FATCA withholding is not expected to apply to payments made before the date that is two years after the date on which final regulations defining the term "foreign passthru payment" are filed with the U.S. Federal Register.

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

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

Common Reporting Standard

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

SUBSCRIPTION AND SALE

The Arrangers have, in an amended and restated programme agreement dated September 16, 2020 (the **Programme Agreement**), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for the Notes to be issued in syndicated Tranches that are underwritten by two or more Dealers.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act (**Regulation S**) or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and U.S. Treasury regulations promulgated thereunder.

Each Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or, in the case of Bearer Notes, deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified to the Principal Paying Agent by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any Tranche of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States to any

U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Canada

Prospective Canadian investors are advised that the information contained within this Offering Circular has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisers concerning the information contained within this Offering Circular and as to the suitability of an investment in the Notes in their particular circumstances.

The offer and sale of the Notes in Canada will only be made in the provinces of British Columbia, Alberta, Ontario and Québec or to residents thereof and not in, or to the residents of, any other province or territory of Canada. Such offers and sales will be made only under exemptions from the requirement to file a prospectus in the above mentioned provinces.

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are both accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions (**NI-45-106**) or subsection 73.3(1) of the Securities Act (Ontario), and permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (**NI 33-105**), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with any offering of Notes.

Upon receipt of this Offering Circular, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque maniére que ce soit a la vente des valeurs mobiliéres décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

European Economic Area – Prohibition of Sales to EEA and United Kingdom Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**);

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes specifies the "*Prohibition of Sales to EEA and UK Retail Investors*" as "*Not Applicable*", in relation to each Member State of the European Economic Area and the United Kingdom (each a **Relevant State**), each Dealer has represented and agreed, and each future Dealer will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

(a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended, the **FIEA**) and each Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer appointed under the Programme will be required to represent and agree that:

(a) it has not offered or sold, and will not offer or sell, in the Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong**), by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **Securities and Futures Ordinance**)) other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under the Securities and Futures Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Securities and Futures Ordinance; and

(b) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under the Securities and Futures Ordinance.

Singapore

Each Dealer appointed under the Programme will be required to acknowledge that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore as modified or amended from time (the **SFA**)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

'securities' or 'securities-based derivatives contracts' (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notification under Section 309B(1)(C) of the SFA – In connection with Section 309B(1)(c) of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Australia

Each Dealer will acknowledge and agree at the time it becomes a Dealer in relation to the Programme and each issue of Notes that this Offering Circular has not, and no other prospectus, disclosure document, offering material or advertisement in relation to the Programme or the Notes has, been lodged with the ASIC or the Australian Securities Exchange or any other Government agency.

Each Dealer will at the time it becomes a Dealer represents and agrees that, unless the relevant Final Terms otherwise provides, it:

(a) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Notes within, to or from Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, this Offering Circular or any other prospectus, disclosure document, offering material or advertisement relating to the Notes in Australia,

unless:

(i) the minimum aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offerer or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia;

(ii) such action complies with all applicable laws and regulations;

(iii) such action does not require any document to be lodged with ASIC; and

(iv) the offer or invitation is not made to a person who is a "retail client" for the purposes of section 761G of the Corporations Act 2001 of Australia.

For the purposes of this selling restriction, the Notes include interests or rights in the Notes held in Euroclear or Clearstream, Luxembourg or any other clearing system.

Switzerland

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that: (a) it has not publicly offered, directly or indirectly, and will not publicly offer, directly or indirectly, the Notes in Switzerland within the meaning of the Swiss Financial Services Act (**FinSA**); (b) no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland; (c) this Offering Circular and any other offering or marketing material relating to the Notes does not constitute a prospectus within the meaning of the FinSA; and (d) neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

General

Each Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Trustee, the AMTN Trustee, the Agents or any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee, the AMTN Trustee, the Agents and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

GENERAL INFORMATION

Authorisation

The establishment and update of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated September 30, 2011 and October 11, 2018.

Listing of Notes

Application has been made to the SGX-ST for permission to deal in and for the quotation for any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. Any admission of any Notes to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantors, their subsidiaries, their associated companies, the Programme or such Notes. Unlisted Notes may be issued under the Programme. The relevant Final Terms in respect of any Series will specify whether or not such Notes will be listed and, if so, on which exchange(s) the Notes are to be listed. There is no assurance that the application to the Official List of the SGX-ST or any other exchange(s) for the listing of the Notes of any Series will be approved. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes will trade on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies).

So long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for definitive Notes. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

Documents Available

Copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified offices of the Principal Paying Agent for the time being at One Canada Square, London E14 5AL, United Kingdom:

(a) the Memorandum and Articles of Association of the Issuer;

(b) the consolidated audited financial statements of the Transurban Group as at, and in respect of the financial years ended June 30, 2018, 2019 and 2020, in each case together with the audit reports prepared in connection therewith. The Transurban Group currently prepares audited consolidated accounts on an annual basis;

(c) the most recently published annual audited financial statements of each of THL, THT and TIL and the most recently published unaudited interim financial statements (if any) of the THL, in each case together with any audit or review reports prepared in connection therewith;

(d) the Programme Agreement, the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons, the Security Trust Deed, each Security (as defined in the Security Trust Deed) and the Accession Certificate;

(e) a copy of this Offering Circular; and

(f) any future offering circulars, prospectuses, information memoranda and supplements published in connection with the Programme, including Final Terms (in respect of Notes which are listed on a stock exchange) and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. Each series of the Bearer Note will be initially represented by either a Temporary Global Note or a Permanent Global Note that will (unless otherwise specified in the applicable Final Terms) be deposited on the issue date thereof with (as specified in the Final Terms) a common depositary on behalf of Euroclear and Clearstream, Luxembourg or any other agreed clearance system compatible with Euroclear or Clearstream. Each series of Registered Notes will be initially represented by interests in a Global Registered Note and (unless otherwise specified in the applicable Final Terms) deposited on the issue date thereof with (as specified in the Final Terms) a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brusssels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer or the Transurban Group since June 30, 2020 and there has been no material adverse change in the financial position or prospects of the Issuer or the Transurban Group since June 30, 2020.

Litigation

As of the date of this Offering Circular, neither the Issuer nor any other member of the Transurban Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Offering Circular which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Transurban Group.

Independent Auditors

The consolidated financial statements of the Transurban Group as at and for the years ended June 30, 2020, 2019 and 2018 incorporated by reference in this Offering Circular have been audited by PricewaterhouseCoopers, Melbourne (Chartered Accountants) (**PwC**), independent auditors, as stated in their reports appearing in the Transurban Group's annual report for the financial years ended June 30, 2020, 2019 and 2018, respectively.

Dealers transacting with the Issuer

Prior to their appointment, Dealers and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

ISSUER

Transurban Finance Company Pty Ltd (ABN 65 098 539 452)
Level 31, Tower Five, Collins Square
727 Collins Street
Docklands VIC 3008
Australia

TRUSTEE

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

AMTN TRUSTEE

BNY Trust Company of Australia Limited (ABN 49 050 294 052)
Level 2, 1 Bligh Street
Sydney NSW 2000
Australia

REGISTRAR

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building-Polaris
2-4 rue Eugene Ruppert
L-2453 Luxembourg

PRINCIPAL PAYING AGENT

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

TRANSFER AGENT

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building-Polaris
2-4 rue Eugene Ruppert
L-2453 Luxembourg

AUSTRALIAN AGENT

BTA Institutional Services Australia Limited (ABN 48 002 916 396)
Level 2, 1 Bligh Street
Sydney NSW 2000
Australia

LEGAL ADVISERS

To the Issuer as to English law

Linklaters Singapore Pte. Ltd.
One George Street #17-01
Singapore 094145

To the Issuer as to Australian law

King & Wood Mallesons
Level 50
Bourke Place
600 Bourke Street
Melbourne VIC 3000
Australia

To the Arrangers as to English law

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049321

To the Arrangers as to Australian law

Hogan Lovells
Level 17
20 Martin Place
Sydney NSW 2000
Australia

To the Trustee as to English law

Hogan Lovells International LLP
Atlantic House
50 Holborn Viaduct
London EC1A 2FG
United Kingdom

To the AMTN Trustee as to Australian law

Allens Linklaters
Level 28, Deutsche Bank Place
Corner of Hunter and Phillip Streets
Sydney NSW 2000
Australia

AUDITORS

PricewaterhouseCoopers
2 Riverside Quay
Southbank Boulevard
Southbank VIC 3006
Australia

ARRANGERS

In respect of Notes other than AMTNs

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

In respect of AMTNs only

J.P. Morgan Securities Australia Limited
Level 18
J.P. Morgan House
85 Castlereagh Street
Sydney NSW 2000
Australia

LISTING AGENT

Linklaters Singapore Pte. Ltd.
One George Street #17-01
Singapore 049145