



McPherson's Limited

ACN 004 068 419

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ASX Announcement and Media Release

31 March 2015

McPherson's Successfully Completes \$60 Million Corporate Bond Issue

McPherson's Limited (ASX: MCP) (McPherson's) is pleased to announce that it has today completed the issue of its \$60 million unsecured corporate bond offer. The offer was announced to the market on 20 March 2015.

The offer was fully subscribed with \$60 million being raised across two tranches:

- **Series A Notes** - \$30m, Floating Rate bonds at a coupon rate of 4.30% over the 90 day Bank Bill Swap Rate, maturing March 2019; and
- **Series B Notes** - \$30m, 7.10% Fixed Rate semi-annual bonds, maturing March 2021.

The offer was open to eligible professional and sophisticated investors in accordance with Part 6D.2 of the Corporations Act 2001. The Lead Arranger for the transaction was FIIG Securities Limited.

Managing Director Paul Maguire said the debt raising was "a great outcome for McPherson's given the material extension in the tenure of its debt facilities and the utilisation of a new and evolving source of funding".

FIIG Securities CEO Mark Paton said there had been strong demand for the issue reflecting continued investor appetite for unrated corporate bonds. "I congratulate McPherson's, the company showed a high level of sophistication in tapping the debt markets to diversify its funding sources and use of a dual tranche structure to spread its maturities and access both fixed and floating rate funding," Mr Paton said.

A copy of the Information Memorandum and Pricing Supplement follow this announcement.

- Ends -

For further information please contact:

Paul Witheridge, Chief Financial Officer; Tel +61 2 9370 8183

About McPherson's Limited

McPherson's, established in 1860, is a leading supplier of health & beauty, consumer durable and household consumable products in Australasia, with operations in Australia, New Zealand and Asia. The health & beauty division markets and distributes beauty care, hair care, skin care and fragrance product ranges; the home appliance division markets and distributes large appliances such as ovens, cooktops, washing machines and dishwashers; and the household consumables division markets and distributes kitchen essentials such as plastic bags, baking paper, cling wrap and aluminium foil.

The housewares division markets and distributes cutlery, knives, bakeware, glassware and kitchen accessories under brands such as Wiltshire, Stanley Rogers, Furi and Luigi Bormioli. With effect from 1 November 2014 McPherson's stake in this division reduced to 49% with

the remaining 51% owned by the Fackelmann Group. Founded in Germany in 1948, the Fackelmann Group is a global manufacturer and distributor of kitchen, baking, home, leisure and bathroom products.

McPherson's manages some significant brands for overseas agency partners such as Gucci, Dolce&Gabbana and Hugo Boss Fine Fragrances; however, the majority of revenue is derived from the company's diversified portfolio of owned market-leading brands, including Manicare, Lady Jayne, Dr LeWinn's, A'kin, Al'chemy, Swisspers, Moosehead, Maseur, Euromaid, Baumatic, and Multix.

About FIIG Securities

FIIG Securities Limited, which is licensed by the Australian Securities and Investment Commission (ASIC), is Australia's largest specialist fixed-income broker. FIIG offers private investors access to Australia's widest range of domestic and international corporate bonds through its ground-breaking Direct Bonds service. FIIG has more than \$11 billion in term deposits and corporate bonds under advice in its short-term money market and custody business. The company has offices in Sydney, Melbourne, Brisbane and Perth.

Telephone: 1800 010182
Website: www.fiiq.com.au

Information Memorandum



McPherson's Limited

(ABN 98 004 068 419)

Issue of Australian Dollar Notes

unconditionally and irrevocably guaranteed on a joint and several basis by each of

A.C.N. 082 110 101 Pty Ltd

(ABN 80 082 110 101)

Arc Appliances Pty Ltd

(ACN 127 192 223)

Domenica Pty. Ltd.

(ABN 73 007 016 275)

Electrical Distributors Australia Pty. Limited

(ABN 11 051 297 557)

Home Appliances Pty Ltd

(ABN 53 137 363 038)

Integrated Appliance Group Pty Ltd

(ABN 53 093 809 360)

McPherson's Consumer Products (HK) Limited

(Hong Kong Companies Registry No. 0041342)

McPherson's Consumer Products (NZ) Limited

(New Zealand company number 425605)

McPherson's Consumer Products Pty Ltd

(ABN 36 000 020 495)

McPherson's Hong Kong Limited

(Hong Kong Companies Registry No. 0040139)

Lead Manager and Initial Subscriber

FIIG Securities Limited

(ABN 68 085 661 632)

27 March 2015

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Important Notice

Introduction

This Information Memorandum relates to an issue of Australian dollar notes ("**Notes**") by McPherson's Limited (ABN 98 004 068 419) ("**Issuer**").

The Notes are unconditionally and irrevocably guaranteed on a joint and several basis by each entity described as an "Initial Guarantor" in the section entitled "Summary" below (together, the "**Initial Guarantors**") pursuant to the guarantee ("**Guarantee**") set out in the note trust deed dated 27 March 2015 ("**Note Trust Deed**") between the Issuer, the Initial Guarantors and Perpetual Corporate Trust Limited (ABN 99 000 341 533) ("**Trustee**"). The Issuer may, from time to time, and in accordance with the terms of the Note Trust Deed appoint or procure the appointment of any subsidiary of the Issuer which is not an Initial Guarantor as an additional guarantor (each such guarantor, a "**New Guarantor**" and together with the Initial Guarantors, the "**Guarantors**") or, in accordance with the terms of the Note Trust Deed, obtain a release of the guarantee provided by a Guarantor (and such released entity shall no longer be a Guarantor). The Guarantee provided by each of Arc Appliances Pty Ltd (ACN 127 192 223), Electrical Distributors Australia Pty. Limited (ABN 11 051 297 557), Home Appliances Pty Ltd (ABN 53 137 363 038) and Integrated Appliance Group Pty Ltd (ABN 53 093 809 360) is given only on a limited basis as set out more fully in the Note Trust Deed.

References to "**Information Memorandum**" are to this Information Memorandum and any other document incorporated by reference and to any of them individually.

Prospective investors should read this Information Memorandum carefully prior to making any decision in relation to purchasing, subscribing for or investing in the Notes.

Issuer's responsibility

This Information Memorandum has been prepared and issued by the Issuer. The Issuer accepts responsibility for the information contained in this Information Memorandum other than information provided by the Lead Manager and Initial Subscriber, the Trustee and the Agents (each as defined in the section entitled "Summary" below) in relation to their respective details in the section entitled "Directory" below.

Place of issuance

Subject to applicable laws, regulations and directives, the Issuer may issue the Notes in any country including Australia and countries in Europe and Asia but not in the United States of America unless such Notes are registered under the United States Securities Act of 1933 (as amended) ("**Securities Act**") or an exemption from the registration requirements under the Securities Act is available.

Terms and conditions of issue

The Notes will be issued in two separate series (each a "**Series**") under the Note Trust Deed. Each Series may comprise one or more tranches (each a "**Tranche**") having one or more issue dates and on conditions that are otherwise identical (other than, to the extent relevant, in respect of the issue price and date of the first payment of interest).

A pricing supplement ("**Pricing Supplement**") will be issued for each Tranche or Series of Notes. A Pricing Supplement will contain details of the initial aggregate principal amount, issue price, issue date, maturity date, details of interest payable (if any) together with any other terms and conditions not set out in the section entitled "Conditions" below that may be applicable to that Tranche or Series of Notes. The terms and conditions ("**Conditions**") applicable to the Notes are included in this Information Memorandum and may be supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes.

A Pricing Supplement or another supplement to this Information Memorandum may also supplement, amend, modify or replace any statement or information incorporated by reference in this Information Memorandum or a supplement to this Information Memorandum.

Documents incorporated by reference

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference as set out below. This Information Memorandum shall, unless

otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. Investors should review, amongst other things, the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether to purchase any Notes.

The following documents are incorporated in, and taken to form part of, this Information Memorandum:

- the Note Trust Deed;
- the most recently published audited consolidated annual financial statements of the Issuer, together with the audited reports prepared in connection therewith, an electronic copy of which is available free of charge from the specified office of the Issuer or at www.mcpersons.com.au;
- the most recent annual report of the Issuer lodged with the Australian Securities Exchange (“ASX”), an electronic copy of which is available free of charge at www.asx.com.au (ASX: MCP);
- all announcements made by the Issuer to the ASX, electronic copies of which are available free of charge at www.asx.com.au (ASX: MCP);
- all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time and all documents stated herein or therein to be incorporated in this Information Memorandum;
- all other documents issued by the Issuer and stated to be incorporated by reference in this Information Memorandum by reference; and
- the Pricing Supplement and all documents stated therein to be incorporated in this Information Memorandum.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of, this Information Memorandum shall be modified or superseded in this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference into this Information Memorandum modifies or supersedes such statement (including whether expressly or by implication).

Copies of the Note Trust Deed, each Pricing Supplement and any documents incorporated by reference in this Information Memorandum may be obtained from the office of the Issuer, the Trustee or such other person specified in the Pricing Supplement.

Except as provided above, no other information, including any document incorporated by reference in any of the documents described above, is incorporated by reference into this Information Memorandum.

Any internet site addresses provided in this Information Memorandum are for reference only and the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum.

No independent verification

The only role of the Lead Manager and Initial Subscriber, the Trustee and the Agents in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective details in the section entitled “Directory” below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Lead Manager and Initial Subscriber, the Trustee and the Agents has independently verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted, by any of them, as to the accuracy or completeness of this Information Memorandum or any further information supplied by the Issuer in connection with the Notes.

The Lead Manager and Initial Subscriber, the Trustee and the Agents expressly do not undertake to any holder of a Note to review the financial condition or affairs of the Issuer, the Guarantors or any of their affiliates at any time or to advise any holder of a Note of any information coming to their attention with respect to the Issuer or a Guarantor and make no representations as to the ability of the Issuer or a Guarantor to comply with their respective obligations under the Notes.

Intending purchasers to make independent investment decision and obtain tax advice

This Information Memorandum contains only summary information concerning the Issuer, the Guarantors and the Notes and should be read in conjunction with all of the documents which are deemed to be incorporated by reference herein. The information contained in this Information Memorandum is not intended to provide the basis of any credit or other evaluation in respect of the Issuer, any Guarantor or any Notes and should not be considered or relied on as a recommendation or a statement of opinion (or a representation or report of either of those things) by any of the Issuer, any Guarantor, the Lead Manager and Initial Subscriber, the Trustee or the Agents that any recipient of this Information Memorandum should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Notes or any rights in respect of any Notes should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer, the Guarantors and the Notes;
- determine for themselves the relevance of the information contained in this Information Memorandum, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and
- consult their own tax advisers concerning the application of any tax (including stamp duty) laws applicable to their particular situation.

No advice is given in respect of the legal or taxation treatment of investors or purchasers in connection with an investment in any Notes or rights in respect of them and each investor should consult their own professional adviser.

This Information Memorandum does not describe the risks of an investment in any Notes. Prospective investors should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

No offer

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, any Guarantor, the Lead Manager and Initial Subscriber, the Trustee or the Agents to any person to subscribe for, purchase or otherwise deal in any Notes.

Selling restrictions and no disclosure

EACH INVESTOR SUBSCRIBING FOR, PURCHASING OR OTHERWISE DEALING IN ANY NOTES IS DEEMED TO HAVE REPRESENTED AND WARRANTED THAT IT IS A PERSON TO WHOM IT IS LAWFUL TO MAKE ANY OFFER OF NOTES AND IT IS A PERSON TO WHOM AN OFFER OF NOTES FOR ISSUE OR SALE MAY BE MADE WITHOUT DISCLOSURE UNDER PART 6D.2 OR CHAPTER 7 OF THE CORPORATIONS ACT.

The distribution and use of this Information Memorandum, including any Pricing Supplement, advertisement or other offering material, and the offer or sale of Notes may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about, and observe any, such restrictions. In particular, no action has been taken by any of the Issuer, the Guarantors, the Lead Manager and Initial Subscriber or the Trustee or the Agents which would permit a public offering of any Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required.

Neither this Information Memorandum nor any other disclosure document in relation to the Notes has been lodged with the Australian Securities and Investments Commission (“ASIC”). A person may not make or invite an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia) or distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Notes in Australia unless the minimum aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in another currency, in each case disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act and such action complies with all applicable laws and directives.

This Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act.

For a description of certain restrictions on offers, sales and deliveries of the Notes, and on distribution of this Information Memorandum, any Pricing Supplement or other offering material relating to the Notes, see the section entitled “Selling Restrictions” below.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Notes, nor distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Notes except if the offer or invitation complies with all applicable laws, regulations and directives.

No authorisation

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with the Issuer, the Guarantors or the issue or sale of the Notes and, if given or made, such information or representation must not be relied on as having been authorised by the Issuer, the Guarantors, the Lead Manager and Initial Subscriber, the Trustee or the Agents.

No registration in the United States

The Notes have not been, and will not be, registered under the Securities Act. The Notes may not be offered, sold, delivered or transferred, at any time, within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.

Agency and distribution arrangements

The Issuer has agreed or may agree to pay fees to the Trustee and the Agents for undertaking their respective roles and reimburse them for certain of their expenses properly incurred in connection with the Notes.

The Issuer may also pay a fee to the Lead Manager and Initial Subscriber in respect of the Notes subscribed by it, and may agree to reimburse the Lead Manager and Initial Subscriber for certain expenses properly incurred in connection with the Notes and may indemnify the Lead Manager and Initial Subscriber against certain liabilities in connection with the offer and sale of Notes.

The Issuer, the Guarantors, the Lead Manager and Initial Subscriber, the Trustee and the Agents, and their respective related entities, directors, officers and employees may have pecuniary or other interests in the Notes and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealing in any Notes.

The distribution and use of this Information Memorandum, including any Pricing Supplement, advertisement or other offering material, and the offer or sale of Notes may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about them and observe any such restrictions. In particular, no action has been taken by any of the Issuer, the Guarantors, the Lead Manager and Initial Subscriber, the Trustee or any Agents which would permit a public offering of any Notes or distribution of this Information Memorandum or any such document in any jurisdiction where action for that purpose is required.

Currency

In this Information Memorandum, references to “\$”, “A\$” or “**Australian dollars**” are to the lawful currency of the Commonwealth of Australia and references to “NZ\$” are to the lawful currency of New Zealand.

Currency of information

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct, that any other information supplied in connection with the Notes is correct or that there has not been any change (adverse or otherwise) in the financial conditions or affairs of the Issuer or any Guarantor at any time subsequent to the Preparation Date. In particular, neither the Issuer nor any Guarantor is under any obligation to any person to update this Information Memorandum at any time after an issue of Notes.

In this Information Memorandum, "**Preparation Date**" means:

- in relation to this Information Memorandum, the date indicated on its face or, if this Information Memorandum has been amended, or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to any annual reports and financial statements incorporated in this Information Memorandum, the date up to, or as at, the date on which such annual reports and financial statements relate; and
- in relation to any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release or effectiveness.

Summary

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Notes, the Note Trust Deed, the applicable Conditions and any relevant Pricing Supplement. A term used below but not otherwise defined has the meaning given to it in the Conditions. A reference to a "Pricing Supplement" does not limit provisions or features which may be supplemented, amended, modified or replaced by a Pricing Supplement in relation to a particular Tranche or Series of Notes.

Issuer:	McPherson's Limited (ABN 98 004 068 419). Further information (which information is not incorporated by reference in this Information Memorandum) regarding the Issuer can be obtained from the Issuer's website at http://www.mcphersons.com.au/ or from the documents specifically incorporated by reference in this Information Memorandum.
Guarantee and Initial Guarantors:	A.C.N. 082 110 101 Pty Ltd (ABN 80 082 110 101) Arc Appliances Pty Ltd (ACN 127 192 223) Domenica Pty. Ltd. (ABN 73 007 016 275) Electrical Distributors Australia Pty. Limited (ABN 11 051 297 557) Home Appliances Pty Ltd (ABN 53 137 363 038) Integrated Appliance Group Pty Ltd (ABN 53 093 809 360) McPherson's Consumer Products (HK) Limited (Hong Kong Companies Registry No. 0041342) McPherson's Consumer Products (NZ) Limited (New Zealand company number 425605) McPherson's Consumer Products Pty Ltd (ABN 36 000 020 495) McPherson's Hong Kong Limited (Hong Kong Companies Registry No. 0040139) The Notes are issued with the benefit of the Guarantee and the payment of principal and interest in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors as more fully set out in the Note Trust Deed. As more fully described below, the Issuer may, from time to time, as required under Condition 5.2(d) ("Financial covenants") and in accordance with the terms of the Note Trust Deed appoint or procure the appointment of any Subsidiary of the Issuer which is not an Initial Guarantor as an additional guarantor or obtain a release of a guarantor (each entity from time to time appointed as a guarantor which has not been released, a " Guarantor "). The Guarantee provided by each of Arc Appliances Pty Ltd, Electrical Distributors Australia Pty. Limited, Home Appliances Pty Ltd and Integrated Appliance Group Pty Ltd is given only on a limited basis as set out more fully in the Note Trust Deed.
Lead Manager and Initial Subscriber:	FIIG Securities Limited (ABN 68 085 661 632).
Registrar:	Perpetual Corporate Trust Limited (ABN 99 000 341 533) or such other person appointed by the Issuer under an Agency Agreement to perform registry functions and establish and maintain a Register (as defined below) on the Issuer's behalf from time to time (" Registrar ").
Issuing & Paying	Perpetual Corporate Trust Limited (ABN 99 000 341 533) or any other person appointed by the Issuer under an Agency Agreement to act as issuing or paying agent on the Issuer's behalf from time to time (" Issuing & Paying ").

Agent:	Agent”).
Calculation Agent:	Perpetual Corporate Trust Limited (ABN 99 000 341 533) or any other person appointed by the Issuer to act as calculation agent on the Issuer’s behalf from time to time (“ Calculation Agent ”).
Agents:	Each of the Registrar, Issuing & Paying Agent, Calculation Agent and any other person appointed by the Issuer to perform other agency functions with respect to any Tranche or Series of Notes (each an “ Agent ” and, together, the “ Agents ”).
Trustee:	Perpetual Corporate Trust Limited (ABN 99 000 341 533) or such other person appointed under the Note Trust Deed as trustee of the McPherson’s Note Trust from time to time (“ Trustee ”).
Form of Notes:	<p>Notes will be issued in registered form and will be debt obligations of the Issuer which are constituted by, and owing under, the Note Trust Deed.</p> <p>Notes take the form of entries in a register (“Register”) maintained by the Registrar.</p> <p>No certificates in respect of any Notes will be issued unless the Issuer determines that certificates should be available or if certificates are required by any applicable law or directive.</p>
Negative pledge:	Notes will have the benefit of a negative pledge, as described in Condition 5.1 (“Negative pledge”).
Financial covenants:	Notes will have the benefit of certain financial covenants as described in Condition 5.2 (“Financial covenants”).
Status and ranking of the Notes:	<p>Notes will be direct, senior, unsubordinated and (subject to Condition 5.1 (“Negative pledge”)) unsecured obligations of the Issuer and will at all times rank at least equally with all other present and future direct, senior, unsubordinated and unsecured obligations of the Issuer, except liabilities mandatorily preferred by law.</p> <p>The obligations of the Issuer to:</p> <ul style="list-style-type: none"> (a) the providers of the Issuer’s senior secured debt and other facilities (including, without limitation, a borrowing base facility (or facilities), a bank guarantee / letter of credit facility (or facilities), swaps or derivatives in respect of any currency or interest rate transactions, and secured ancillary and transactional facilities, including (without limitation) overdraft facilities, electronic payaway facilities, commercial card or credit card facilities, encashment facilities, payment facilitation facilities, merchant services facilities and asset finance facilities); and (b) all other permitted secured creditors under the Conditions, <p>will have the benefit of the security provided by the Issuer to secure its obligations to such secured creditors. Consequently, claims of any holder of Notes will rank after claims of these secured creditors.</p>
Status and ranking of the Guarantee:	The Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors, subject to the release of such Guarantors and the addition of new entities as Guarantors as set out in the Note Trust Deed. The obligations of each Guarantor under the Guarantee will be direct, senior, unsubordinated and (subject to Condition 5.1 (“Negative pledge”)) unsecured obligations of that Guarantor and will at all times rank at least equally with all other present and future direct, senior, unsubordinated and unsecured obligations of that Guarantor, except liabilities mandatorily preferred by law.

In addition, the Issuer undertakes:

- (a) that, at all times, the aggregate of the:
 - (i) EBITDA generated by the Issuer and the Guarantors is at least 90 per cent. of the total EBITDA of the Group; and
 - (ii) Total Tangible Assets of the Issuer and the Guarantors is at least 90 per cent. of the Total Tangible Assets of the Group,in each case, based on the then latest Financial Statements; or
- (b) to cause such of its Subsidiaries to accede as a Guarantor pursuant to the Note Trust Deed to ensure that, at all times, the aggregate of the:
 - (i) EBITDA generated by the Issuer and the Guarantors is at least 90 per cent. of the total EBITDA of the Group; and
 - (ii) Total Tangible Assets of the Issuer and the Guarantors is at least 90 per cent. of the Total Tangible Assets of the Group,in each case, based on the then latest Financial Statements.

The obligations of a Guarantor to:

- (A) the providers of the Issuer's senior secured debt and other facilities (including, without limitation, a borrowing base facility (or facilities), a bank guarantee / letter of credit facility (or facilities), swaps or derivatives in respect of any currency or interest rate transactions, and secured ancillary and transactional facilities, including (without limitation) overdraft facilities, electronic payaway facilities, commercial card or credit card facilities, encashment facilities, payment facilitation facilities, merchant services facilities and asset finance facilities); and
- (B) any other permitted secured creditors under the Conditions,

will have the benefit of the security provided by the Guarantor to secure its obligations to such secured creditors. Consequently, claims of any holder of Notes against a Guarantor will rank after claims of these secured creditors.

Interest:

Each Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date (unless redeemed earlier) at the Interest Rate.

Interest is payable in arrear on each Interest Payment Date or such other date on which a Note is redeemed, and adjusted, if necessary, in accordance with the Business Day Convention.

All such information will be set out in the relevant Pricing Supplement.

Denomination:

Notes will be issued in the single denomination of A\$1,000.

Minimum parcel size on initial issue:

A\$50,000.

Clearing System:

Notes may be transacted either within or outside a clearing system.

The Issuer intends to apply to Austraclear Ltd (ABN 94 002 060 773) ("**Austraclear**") for approval for Notes to be traded on the clearing and settlement system operated by Austraclear ("**Austraclear System**"). Upon approval by Austraclear, the Notes will be traded through Austraclear in accordance with the rules and regulations of the Austraclear System. Such approval by Austraclear is not a recommendation or endorsement by Austraclear of such Notes.

Transactions relating to interests in the Notes may also be carried out through the settlement system operated by Euroclear Bank S.A./N.V. ("**Euroclear**") or the settlement system operated by Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**").

Interests in the Notes traded in the Austraclear System may be held for the benefit of Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in Notes in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in Notes 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 a Note held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System. In addition, any transfer of interests in a Note, which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration as set out in the Conditions.

None of the Issuer, any Guarantor, the Lead Manager and Initial Subscriber, the Trustee or any Agent will be responsible for the operation of the clearing arrangements which is a matter for the clearing institutions, their nominees, their participants and the investors.

Title: Entry of the name of the person in the Register in respect of Notes in the registered form constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the registered holder of that Note subject to correction for fraud or error.

Title to Notes which are held in the Austraclear System will be determined in accordance with the rules and regulations of the Austraclear System.

Notes which are held in the Austraclear System will be registered in the name of Austraclear.

Payments: Payments to persons who hold Notes through the Austraclear System will be made in accordance with the rules and regulations of the Austraclear System.

Payment Date: A Payment Date for a Note is the Maturity Date, an Interest Payment Date or any other relevant date on which a payment in respect of that Note is due, adjusted in accordance with the applicable Business Day Convention.

Record Date: The Record Date is the close of business (in the place where the Register is maintained) on the eighth day before the Payment Date.

Maturity and redemption: Subject to compliance with all relevant laws, regulations and directives, each Note will be redeemed on its Maturity Date at its outstanding principal amount, unless the Note has been previously redeemed or purchased and cancelled.

Notes are also redeemable prior to their scheduled maturity:

- at the option of the Issuer on certain Optional Redemption Dates and following certain tax events; and/or
- at the option of a holder of a Note following the occurrence of a Change of Control,

each as more fully set out in the Conditions and the relevant Pricing Supplement.

Notes entered in the Austraclear System will be redeemed through the

Austraclear System in a manner that is consistent with the rules and regulations of the Austraclear System.

Selling restrictions:

The offer, sale and delivery of Notes and the distribution of this Information Memorandum and other material in relation to any Notes are subject to such restrictions as may apply in any country in connection with the offer and sale of a particular Tranche or Series of Notes. In particular, restrictions on the offer, sale or delivery of Notes in Australia, Singapore, New Zealand and Hong Kong are set out in the section entitled "Selling Restrictions" below.

Transfer procedure:

Notes may only be transferred in whole and in accordance with the Conditions.

In particular, the Notes may only be transferred if the offer or invitation for the sale or purchase of Notes is received by a person:

- (a) in Australia, only if:
 - (i) the minimum aggregate consideration payable at the time of the transfer is at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the transferor or its associates to the transferee) or the Notes are transferred in circumstances that do not otherwise require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act and the transfer complies with all applicable laws and directives; and
 - (ii) in respect of a transfer within 12 months of the Issue Date, the transfer is not to a "retail client" as defined for the purposes of section 761G of the Corporations Act; and
- (b) if, in a jurisdiction outside Australia, the transfer complies with all other applicable laws and directives in the jurisdiction in which the transfer takes place.

Transfers of Notes held in the Austraclear System will be made in accordance with the rules and regulations of the Austraclear System.

Investors to obtain independent advice with respect to investment and other risks:

Investing in the Notes entails a number of risks. Certain risks associated with the Issuer's business are outlined in the section entitled "Key Risk Factors". However, this Information Memorandum does not describe all of the risks associated with the Issuer's business and the risks associated with an investment in any Notes or the market generally. As such, prospective investors or purchasers should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

Taxes, withholdings, deductions and stamp duty:

All payments in respect of the Notes must be made without any withholding or deduction in respect of taxes, unless such withholding or deduction is required by law.

In the event that any such withholding or deduction is made, the Issuer will, save in certain limited circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted.

Holders of Notes who do not provide their Tax File Number, (if applicable) Australian Business Number or proof of an exemption may have tax withheld or deducted from payments at the highest marginal rate plus the Medicare levy. No additional amounts will be payable by the Issuer in respect of any such withholding or deduction.

A brief overview of the Australian taxation treatment of certain payments on the Notes and the Guarantee is set out in the section entitled "Australian Taxation" below. A brief overview of the New Zealand and Hong Kong taxation treatment of payments under the Guarantee is set out in the sections

entitled “New Zealand Taxation” and “Hong Kong Taxation” below.

Investors should obtain their own taxation and other applicable advice regarding the taxation and other fiscal status of investing in any Notes and none of the Issuer, a Guarantor, the Lead Manager and Initial Subscriber, the Trustee or any Agent makes any representation regarding the taxation treatment of the Notes for any particular investor.

- Listing:** It is not intended that the Notes be listed or quoted on any stock or securities exchange.
- Rating:** Neither the Issuer nor the Notes have been, nor is it intended that they will be, rated by any credit ratings agency.
- Governing law:** The Notes and all related documentation will be governed by the laws of New South Wales, Australia.
- Use of proceeds:** The Issuer will use the proceeds from the issue of the Notes for the repayment of the club facility, as provided for in the club facility agreement dated 13 December 2012, as amended from time to time, between Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia and National Australia Bank Limited and certain members of the Group as borrowers and guarantors, and associated working capital facility agreements.

Corporate Profile

The information in this section is a brief summary only of the Issuer and the Guarantors and their respective businesses and does not purport to be, nor is it, complete.

Investors should review, amongst other things, this Information Memorandum and the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether to purchase any Notes.

This Information Memorandum contains only summary information concerning the Issuer, the Guarantors and the Notes. It should be read in conjunction with the documents which are deemed to be incorporated by reference in it, the Conditions and the Note Trust Deed. The information contained in this Information Memorandum is not intended to provide the basis of any credit or other evaluation in respect of the Issuer, the Guarantors or any Notes and should not be considered or relied on as a recommendation or a statement of opinion (or a representation or report of either of those things) by any of the Issuer, the Guarantors, the Lead Manager and Initial Subscriber, the Trustee or the Agents that any recipient of this Information Memorandum should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

Investing in the Notes entails a number of risks. Certain risks associated with McPherson's business are outlined in the section entitled "Key Risk Factors" below. However, this Information Memorandum does not describe all of the risks associated with McPherson's business or the risks associated with an investment in any Notes or the market generally. Prospective investors or purchasers should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

Description of McPherson's Limited

McPherson's Limited (ASX: MCP) (ABN 98 004 068 419) ("**McPherson's**", and together with each of its subsidiaries from time to time, the "**Group**") is the holding company of a leading consumer products entity with operations in Australia, New Zealand and Asia.

Established in 1860, McPherson's is a leading supplier of health & beauty, consumer durable and household consumable products.

The Health & Beauty division markets and distributes beauty care, hair care, skin care and fragrance product ranges; the Home Appliances division markets and distributes large appliances such as ovens, cooktops, washing machines and dishwashers; and the Household Consumables division markets and distributes kitchen essentials such as plastic bags, baking paper, cling wrap and aluminium foil.

The Housewares division markets and distributes cutlery, knives, bakeware, glassware and kitchen accessories under brands such as Wiltshire, Stanley Rogers, Furi and Luigi Bormioli. With effect from 1 November 2014 McPherson's stake in this division reduced to 49% with the remaining 51% owned by the Fackelmann Group. Founded in Germany in 1948, the Fackelmann Group is a global manufacturer and distributor of kitchen, baking, home, leisure and bathroom products with annual sales of more than A\$470 million.

McPherson's manages some significant brands for overseas agency partners such as Gucci, Dolce&Gabbana and Hugo Boss Fine Fragrances; however, the majority of revenue is derived from the company's diversified portfolio of owned market-leading brands, including Manicare, Lady Jayne, Dr LeWinn's, A'kin, Al'chemy, Swisspers, Moosehead, Maseur, Euromaid, Baumatic, and Multix.

McPherson's has a market capitalisation of approximately A\$120 million with approximately 800 staff operating in Australia, New Zealand, Singapore and Hong Kong.

Since the demerger of the Group's printing business in FY2012, McPherson's has embarked on a successful transformation. Through strategic acquisitions and divestments, as well as product innovation, the management team has established a portfolio of trusted and profitable brands across a diverse, multi-channel customer base in Australia, New Zealand and Asia and through agents in North America and South Africa. Manufacturing is outsourced to various suppliers, predominantly in Asia. McPherson's maintains a strong presence in Hong Kong and mainland China focused on sourcing and quality assurance.

Status of Execution of Strategy

McPherson's stated strategy is to substantially transform through acquisition/divestment, the establishment of new agency partnerships and channel expansion diversifying away from margin constrained channels and increasing participation in channels with greater profit potential.

Over the past two years McPherson's has:

- successfully integrated eight Earnings Per Share (EPS) accretive acquisitions; accessing synergy benefits and providing growth in profitable channels;
- established agency partnerships with two prestigious beauty businesses;
- divested 'Crown Glassware', exiting the low margin foodservice channel;
- established a Housewares partnership with the Fackelmann Group (Germany);
- launched comprehensive new innovative product ranges; and
- upgraded IT systems, boosted distribution centre efficiency and capacity, rationalised product ranges and implemented price increases.

Opportunities to divest the Group's household consumables business are being pursued. Consequently the assets and liabilities of this business, together with the New Zealand housewares business, are classified as held for sale in the 31 December 2014 statement of financial position.

Historical financial performance

McPherson's first half FY2015 and full year FY2014 results are available at www.mcphersons.com.au and www.asx.com.au

Highlights include:

First Half FY2015

- Underlying EBIT of A\$16.3 million, a 10.2% decline on A\$18.2 million on 1HFY2014;
- Underlying net profit after tax of A\$9.3 million, a 12.7% decline on A\$10.6 million in 1HFY2014;
- Total revenue of A\$186.6 million, a 3.3% improvement on A\$180.6 million in 1HFY2014;
- Operating cashflow of A\$19.8 million for the half year;
- Net debt of A\$68.8 million, compared to A\$91.7 million at 31 December 2014; and
- An interim dividend of 6.0 cents per share fully franked.

Commentary on First Half FY2015 Results

First half earnings were affected by two significant factors: lower than expected sales in November 2014, and the rapid decline in the Australian dollar against the US dollar which, despite the benefit of hedging, materially increased the cost of goods. Higher product costs due to the adverse exchange rate, increased resin prices and higher Chinese manufacturing costs were unable to be offset fully by selling price increases.

McPherson's is beginning to see the benefits of the company's substantial transformation through acquisitions, divestments and new agencies, with our Health & Beauty division achieving growth of 33.0% in revenue. This division is expected to contribute over 40% of the Group's revenue in fiscal 2015, further increasing channel diversification and reducing our dependence on margin-constrained channels and our purchases in US dollars.

Illustrating the effectiveness of the Group's strategy, the Health & Beauty division's revenue and earnings continued to increase strongly, generating a solid return on capital. This reflects the acquisition of the Dr LeWinn's and Revitanail brands and businesses in October 2013, and A'kin and Al'chemy in July 2014, as well as the new agency agreements entered into with Trilogy in June 2014 and Procter & Gamble Fine Fragrances in August 2014.

Sales of Fine Fragrances (under the Gucci, Dolce&Gabbana and Hugo Boss brands) were lower than expected in November 2014, which adversely affected the first half result, but this was simply due to this new agency business being awarded to McPherson's too close to Christmas to gain significant

shelf space in-store. Sales of these products have continued to grow at a solid pace and the outlook for these brands remains very positive.

The pharmacy channel is expected to contribute 24% of the Group's revenue in FY2015, compared with 17% in FY2014, reducing the company's reliance on the grocery channel. The Health & Beauty division's share of the Group's revenue increased to 39% in 1HFY2015 from 31% in the previous corresponding period.

The performance of the Home Appliances division was in line with 1HFY2014, with additional earnings from Think Appliances, acquired in October 2013, and Lemair, acquired in March 2014, offset by lower than anticipated sales to two key customers. Several initiatives to grow revenue and improve productivity are currently being pursued and will yield gains in the second half. The division contributed 17% of the Group's revenue.

The Household Consumables division, with products sold under the Multix brand, maintained its market leadership position with strong sales and contributed 25% of the Group's revenue. However, margins were adversely affected by the AUD/USD depreciation and higher commodity costs. Pleasingly, commodity prices and therefore product costs are now easing.

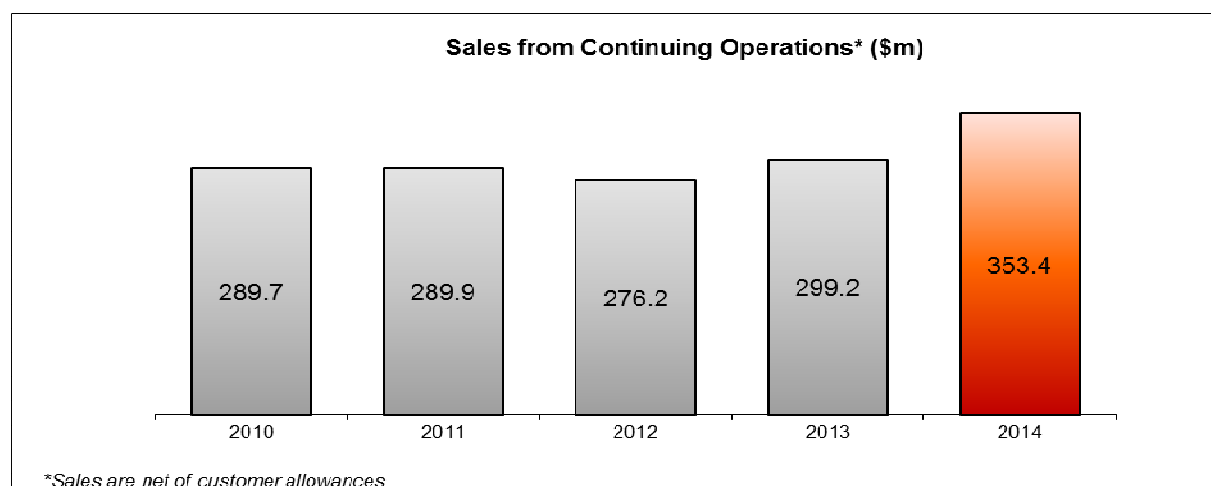
The Housewares division's results are equity accounted from 1 November 2014 following the divestment of a 51% stake to the Fackelmann Group, a global manufacturer and distributor of kitchen, baking, home, leisure and bathroom products. This new venture is performing in accordance with expectations and proving beneficial for both parties.

A broader range in supermarkets of Impulse Merchandising products, managed by the Health & Beauty division, enabled the Impulse Merchandising business to improve profitability.

FY2014

- Underlying EBIT of A\$27.3 million, an 8.2% improvement on A\$25.2 million in FY2013;
- Underlying net profit after tax of A\$14.7 million, an 12.8% improvement on A\$13.1million in FY2013;
- Total revenue of A\$353.4 million, an 18.1% improvement on A\$299.2 million in FY2013;
- Operating cash flow of A\$33.9 million for the year;
- Net debt of A\$74.7 million, compared to A\$69.6million at 30 June 2013; and
- A full year dividend of 11.0 cents per share fully franked.

Commentary on FY2014 Results



Revenue

Australia

McPherson's Australian operation's sales revenue was A\$308.1 million, an increase of 18.7% over FY2013 (A\$259.5 million). As noted above, this increase was primarily due to new acquisitions.

The acquisitions of Dr LeWinn's and Revitanail generated a return on funds employed exceeding 20% per annum, well above the Group's cost of capital. The Footcare International, Cosmex, Moosehead, and DaVinci brands continued to generate profitable, incremental sales. Lady Jayne, Manicare and Swisspers brand sales were approximately in line with the previous year.

A 30% reduction in the Housewares product range, including the divestment of the underperforming 'Crown Glassware' business, resulted in a decline in revenue from Housewares. Margins were also impacted by clearance activity associated with range reduction and the depreciation of the AUD/USD exchange rate. 51% of the Housewares business in Australia, Singapore and Hong Kong has since been divested to the Fackelmann Group.

The Multix brand continued to maintain market leadership in Australia, resulting in FY2014 revenue that was in line with prior year. Margins were also impacted by the depreciation of the AUD/USD exchange rate.

The Group's newest sales category, Home Appliances, achieved significant growth during FY2014 and benefited further from the acquisitions of Think Appliances and Lemair. Home Appliances diversifies McPherson's customer channel exposure and provides an opportunity for the Group to expand into higher margin products.

New Zealand

McPherson's New Zealand operation experienced a 10% increase in sales as a result of the weaker Australian dollar exchange rate; however, in New Zealand dollar terms this equated to a 1.7% decline from NZ\$37.6 million (A\$30.5 million) in FY2013 to NZ\$36.9 million (A\$33.5 million).

The company continues to occupy a substantial share of the New Zealand housewares market through key brands including Wiltshire, Stanley Rogers and a range of popular agency lines.

The company is in the process of outsourcing its logistics function in New Zealand with the objective of improving productivity and profitability.

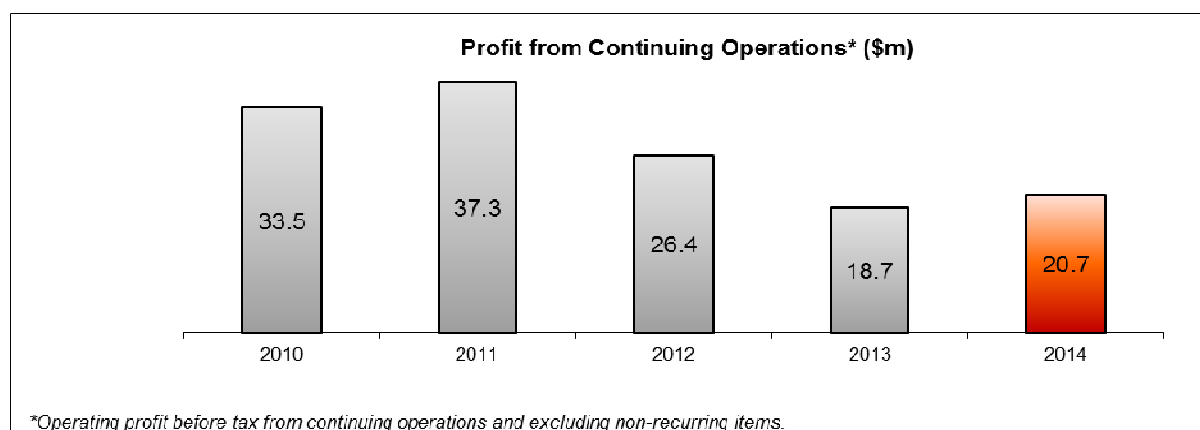
Asia

From its Asian headquarters in Singapore, McPherson's markets an extensive range of personal care and housewares products throughout the Asian region. Brands include the key company-owned brands of Manicare, Lady Jayne, Swisspers and Wiltshire, complemented by licensed brands.

Earnings performance

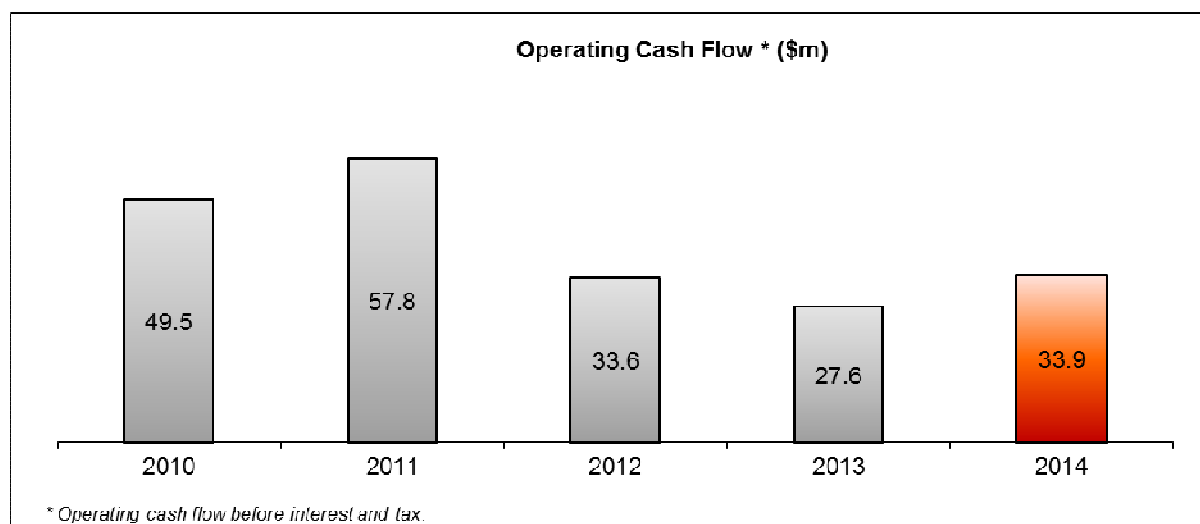
Underlying EBIT was A\$27.3 million in FY2014, 8.2% above the previous period. Earnings in FY2014 benefited from the acquisitions of Dr LeWinn's, Revitanail and Think Appliances and improved operational efficiencies. While gross margins declined during FY2014 primarily as a result of the depreciation in the Australian dollar, the Group has undertaken a price increase exercise across all product ranges.

While total expenses, excluding product costs, borrowing costs and non-cash impairment costs, increased by A\$11.3 million or 10.0%, the change in product mix, improved operational processes and increased revenue resulted in the percentage of expenses to sales ratio reducing from 37.5% of sales in FY2013 to 35.0% of sales in FY2014.



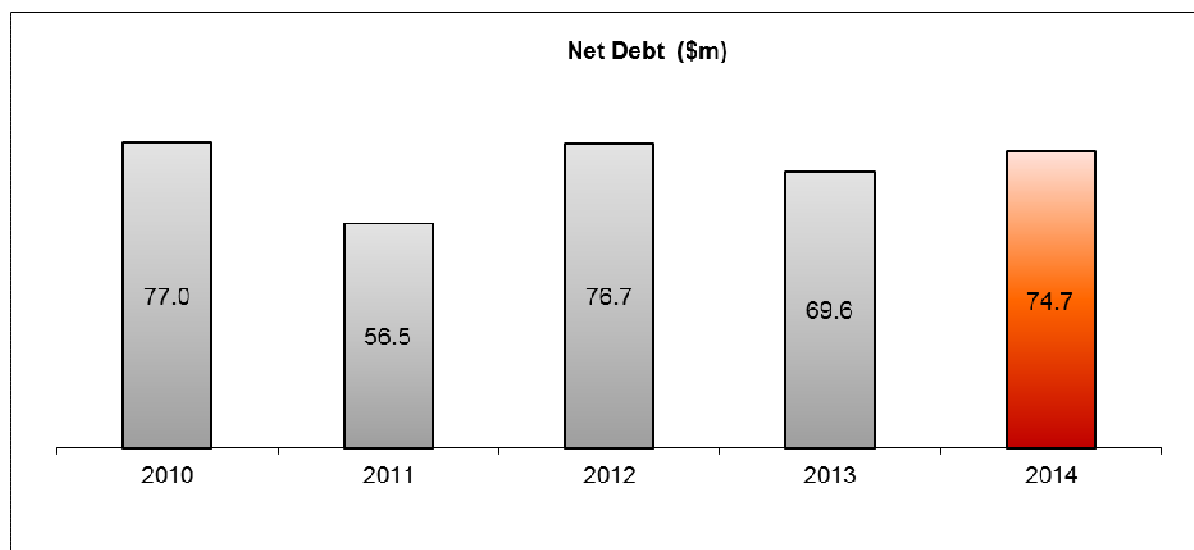
Cash flow

The Group generated an operating cash flow before interest and tax of A\$33.9 million in FY2014, after funding restructure costs. Operating cash flow benefited from a reduction in net working capital of A\$1.2 million.



Net debt

The Group's net debt increased by A\$5.1 million in FY2014, to A\$74.7 million as at 30 June 2014. The Group's net debt to normalised EBITDA was 2.3.

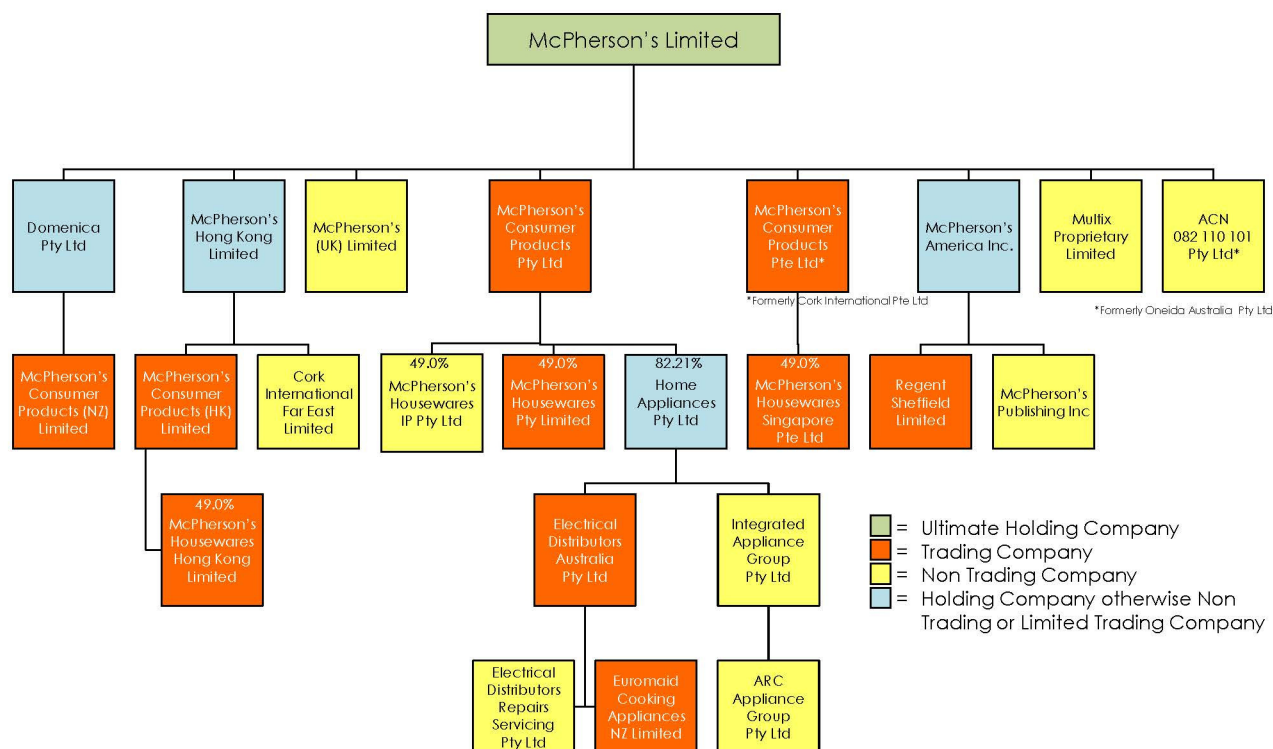


Statement of financial position

	As at 31 December 2014 A\$'000	As at 30 June 2014 A\$'000	As at 31 December 2013 A\$'000	As at 30 June 2013 A\$'000
Current assets				
Cash and cash equivalents	11,910	4,120	1,791	1,666
Trade and other receivables	63,361	63,272	74,658	56,762
Inventories	60,245	45,489	73,431	67,577
Derivative financial instruments	4,659	-	1,849	5,258
Assets classified as held for sale	42,808	53,281	2,125	-
Total current assets	182,983	166,162	153,854	131,263
Non-current assets				
Other receivables	1,347	-	-	-
Investments accounted for using the equity method	7,910	-	-	-
Property, plant and equipment	5,949	6,040	7,289	7,667
Intangible assets	89,906	88,266	113,441	168,104
Deferred tax assets	5,080	6,010	5,829	5,597
Total non-current assets	110,192	100,316	126,559	181,368
Total assets	293,175	266,478	280,413	312,631
Current liabilities				
Trade and other payables	70,299	50,627	46,854	38,874
Borrowings	4,660	2,820	93,523	2,404
Derivative financial instruments	1,125	3,854	1,490	814
Provisions	14,670	20,364	21,393	15,965
Current tax liabilities	640	652	1,110	289
Liabilities directly associated with assets classified as held for sale	6,565	7,874	-	-
Total current liabilities	97,959	86,191	164,370	58,346
Non-current liabilities				
Borrowings	76,000	76,000		68,851
Derivative financial instruments	693	978	1,086	1,247
Provisions	993	863	996	949
Deferred tax liabilities	9,250	7,902	15,243	14,146
Total non-current liabilities	86,936	85,743	17,325	85,193
Total liabilities	184,895	171,934	181,695	143,539
Net assets	108,280	94,544	98,718	169,092
Equity				
Contributed equity	148,474	147,003	145,295	139,117
Reserves	4,517	(2,585)	1,176	1,401
(Accumulated losses) / retained earnings	(44,711)	(49,874)	(47,753)	28,574
Total equity	108,280	94,544	98,718	169,092

Group Structure

McPherson's Limited



Note: All ownership interests are 100% unless otherwise stated.

Guarantor Group

The Notes will be guaranteed by McPherson's Limited and the majority of its wholly-owned subsidiaries. The Guarantor Group will comprise at least 90% of the consolidated EBITDA of the Group and at least 90% of the Total Tangible Assets of the Group.

The Guarantee provided by each of Arc Appliances Pty Ltd (ACN 127 192 223), Electrical Distributors Australia Pty. Limited (ABN 11 051 297 557), Home Appliances Pty Ltd (ABN 53 137 363 038) and Integrated Appliance Group Pty Ltd (ABN 53 093 809 360) is given only on a limited basis as set out more fully in the Note Trust Deed.

Secured debt

The Group's secured debt facilities comprise:

- an amortising core debt facility of A\$65.0 million (originally A\$81.0 million, maturing January 2016). This facility will amortise by a further A\$4.0 million in May 2015;
- an acquisition facility of A\$15.0 million (expiring at the same time as the core debt facility);
- a working capital facility of A\$27.0 million (1 year term subject to annual review); and
- an additional seasonal working capital facility of A\$8.0 million (1 year term subject to annual review).

The net proceeds of the Notes will be used to reduce the core debt facility. Additionally the Group is close to completing the process of refinancing its secured debt facilities with the objective of replacing the above facilities with a A\$60.0 million non-seasonal borrowing base facility and a A\$10.0 million seasonal borrowing base facility, with a two (2) year term, subject to annual review, and other additional facilities including, without limitation, a bank guarantee / letter of credit facility (or facilities), swaps or derivatives in respect of any currency or interest rate transactions, and secured ancillary and transactional facilities, including (without limitation) overdraft facilities, electronic payaway facilities, commercial card or credit card facilities, encashment facilities, payment facilitation facilities, merchant services facilities and asset finance facilities.

McPherson's Limited Board Members

DAVID J. ALLMAN, B.Sc – Non-Executive Director and Chairman of the Board

Mr Allman was appointed Chairman of McPherson's Limited on 18 November 2011.

Mr Allman retired as Managing Director of McPherson's Limited on 1 November 2009 and was appointed a Non-Executive Director of the company on the same date. Mr Allman was appointed Chief Executive of McPherson's Limited in December 1994 and became Managing Director in March 1995.

Prior to joining McPherson's Limited Mr Allman was Managing Director of Cascade Group Limited, a position he held for seven years. Before this he held senior positions with Elders IXL Limited and Castlemaine Tooheys Limited. Mr Allman holds a degree in engineering and prior to obtaining general management positions held managerial roles in production management, finance and marketing.

PAUL J. MAGUIRE, B.Sc (Hons), M.Bus (Marketing) – Managing Director

Mr Maguire was appointed Managing Director of McPherson's Limited on 1 November 2009.

Mr Maguire was Chief Executive of Multix Proprietary Limited from 2002, and following the combining of McPherson's two consumer products businesses, McPherson's Consumer Products and Multix, into a single entity in July 2009, Mr Maguire took the position of Chief Executive of the enlarged business.

Before joining Multix (which was acquired by McPherson's in 2004), Mr Maguire worked in a number of management roles for SCA Hygiene Products Australasia. Mr Maguire has a Masters of Business (Marketing) from Monash University and an Honours Science Degree from La Trobe University.

GRAHAM A. CUBBIN, B.Econ. (Hons) – Non-Executive Director

Mr Cubbin was appointed a Non-Executive Director of McPherson's Limited on 28 September 2010.

Mr Cubbin was a senior executive with Consolidated Press Holdings Limited ("CPH") from 1990 until September 2005, including Chief Financial Officer for 13 years. Prior to joining CPH, Mr Cubbin held senior finance positions with a number of major companies, including Capita Financial Group and Ford Motor Company. Mr Cubbin has over 20 years' experience as a Director and audit committee member of public companies in Australia and the United States.

AMANDA M. LACAZE, B.A – Non-Executive Director

Ms Lacaze was appointed a Non-Executive Director of McPherson's Limited on 22 September 2011.

Ms Lacaze has an extensive executive career as a chief executive and as a marketing executive. She is currently Chief Executive Officer and Managing Director of Lynas Corporation Ltd. Previously she has been Chief Executive Officer and Managing Director of Commander Communications, Executive Chairman of Orion Telecommunications, and Chief Executive Officer of AOL[7]. Prior to these roles Ms Lacaze was Managing Director of Marketing at Telstra, and held various business management roles at ICI (now Orica). Ms Lacaze's early experience was in consumer goods with Nestlé.

JANE MCKELLAR – Non Executive Director

Ms McKellar was appointed a Non-Executive Director of McPherson's Limited on 23 February 2015.

Ms McKellar is an experienced non-executive director of both public and private companies in Australia and overseas. She is currently a non-executive director of ASX listed company Helloworld Limited, and is a member of their board's nomination and remuneration committee.

Ms McKellar has an executive management background and possesses extensive customer and consumer focused brand, marketing and digital experience. She commenced her career at Unilever in London and has subsequently held a number of other relevant senior executive positions both in Australia and internationally, including Director of Sales and Marketing at Microsoft (MSN) and Founding Director of Ninemsn. In addition Ms McKellar has consulted widely on growth strategies and performance improvement strategies.

PHILIP R. BENNETT, B.Com, CA – Joint Company Secretary

Mr Bennett was appointed Company Secretary of McPherson's Limited on 2 February 2012. Mr Bennett had previously held the position of Chief Financial Officer of McPherson's Limited since 2000, and Company Secretary from 1995; however Mr Bennett stepped down from both these positions in November 2011.

Mr Bennett is a Chartered Accountant and has a Commerce degree from the University of Melbourne.

Before joining McPherson's, Mr Bennett held senior financial and company secretarial positions with another listed company, and prior to that was a senior manager with a major Australian chartered accounting firm.

PAUL WITHERIDGE, B.Com, CA – Chief Financial Officer and Joint Company Secretary

Mr Witheridge was appointed Chief Financial Officer and Joint Company Secretary of McPherson's Limited on 1 December 2011. In May 2010 Mr Witheridge was appointed the Chief Financial Officer of McPherson's Consumer Products Pty Ltd.

Mr Witheridge is a Chartered Accountant and has a Commerce degree.

Before joining McPherson's, Mr Witheridge held senior financial and company secretarial positions with a number of listed companies in the retail sector including Angus and Coote Limited and OPSM Limited. Prior to that Mr Witheridge spent six years within KPMG's Audit and Assurance Practice.

Senior Leadership Team

SAMMY SK CHAN, B.SC Engineering (HONS), MBA, Chartered Engineer – Managing Director McPherson's HK

Mr Chan was appointed as Managing Director of McPherson's (HK) Limited in 1991 to set up and run the Group's Hong Kong housewares manufacturing plant, which was divested in 1997 and transformed to a sourcing operation. Cork International was acquired in 2003. The Cork's sourcing office and McPherson's sourcing office in Hong Kong were merged in 2005, and Mr Chan was appointed Managing Director of the merged entity.

Prior to joining McPherson's, Mr Chan held various senior managerial positions in a number of manufacturing companies and factories in Hong Kong and China. His last position before McPherson's was Operations Director of Gaastra Sports Equipment Limited (owned by Hutchison Whampoa Group).

Mr Chan has a MBA degree from The Hong Kong University of Science & Technology and a Bachelor of Science in Industrial Engineering (Hons) Degree from The University of Hong Kong. He is a Chartered Professional Engineer.

CHRISTOPHER J MUIR, B.SC (HONS), MAICD – Global Supply Chain Director

Mr Muir was appointed Global Supply Chain Director of McPherson's Consumer Products Australia Pty Ltd on 1 July 2012.

Immediately prior to joining McPherson's, Mr Muir was General Manager of Maranatha Import Export, a privately held coffee roaster supplying Gloria Jeans Coffees International ("GJCI"). The role with Maranatha followed a three year period as Global Supply Chain Manager for GJCI.

Mr Muir's career spans all aspects of the Supply Chain, includes roles in large FMCG businesses such as Unilever, Coca Cola Amatil, and Goodman Fielder and includes General Management and Chief Executive Officer positions.

Mr Muir has an Honours Science Degree from Sydney University and is a Member of the Australian Institute of Company Directors.

DAVID SMITH – Divisional Manager – Health & Beauty / IMD / Pet

Mr Smith was appointed Divisional Manager Health & Beauty on 1 July 2012.

Mr Smith was Divisional Sales Manager Health & Beauty and Household Consumables from 2010, prior to that role he was the National Sales Manager for the Multix business from 1998, having joined Multix in 1994.

Before joining Multix (which was acquired by McPherson's in 2004), Mr Smith worked in a number of FMCG roles for Nestle Australia, prior to Nestle he commenced his career with the Woolworths Limited management program.

SHELLEY CHILDS – Divisional Manager – Household Consumables

Ms Childs was appointed Divisional Manager - Household Consumables on 1 September 2013, having worked as National Business Manager for McPherson's since August 2010.

Prior to working for McPherson's Ms Childs worked in senior marketing and sales roles for multiple FMCG companies including Coles Supermarkets, McCormick Foods and Nestle Dairy Products. She has a Diploma of Marketing (Dux) from Holmes Colleges.

Key Risk Factors

Introduction

The achievement of the Group's medium and long term prospects could be impacted by a number of risks. Key risks include the risks relating to the Group's business that senior management and the directors of the Group focus on when managing the business of the Group and have the potential, if they occurred, to result in very significant consequences for the Group.

Investors should note that the occurrence or consequences of some of the risks described in this section are partially or completely outside the control of the Group, its directors and its senior management. Further, investors should note that this section focuses on the key risks and does not purport to list every risk that the Group may experience now, or in the future. The selection of risks in this section is based on an assessment of the materiality of the risk, and the impact of the risk on the Group's prospects if it was to occur. The assessment is based on the knowledge of the Group's directors as at the date of this Information Memorandum, but there is no guarantee or assurance that the importance of different risks will not change or other risks will not emerge.

Investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described below, and have regard to their own investment objectives, financial circumstances and taxation position, before applying for any Notes.

1 General Risk Factors

1.1 Economic Conditions

The performance of the Group may be significantly affected by changes in economic conditions. Profitability of the business may also be affected by factors such as market conditions, inflation and consumer demand.

1.2 Geo-political Factors

The Group may be affected by the impact that geo-political factors have on the world or Australian economy or on financial markets and investments generally or specifically. This may include terrorist type activities and governmental responses to such activities.

1.3 Government Policies & Legislation

The Group may be affected by changes to government policies and legislation, including those relating to the defence and homeland security sectors, the environment, taxation, the regulation of trade practices and competition.

1.4 Foreign Exchange Risk

The Group operates internationally and may be affected by foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency, and from net investments in foreign operations. Changes in exchange rates will also impact the Australian dollar value of assets and liabilities denominated in foreign currency recorded on the Group's balance sheet.

1.5 Raw Material Price Fluctuation

A material proportion of the Group's inventory prices is influenced by movements in commodities such as resin and aluminium. Such commodity prices are denominated in US dollars and historically are correlated with movements in the AUD / USD cross currency swap rates. This correlation provides a degree of natural hedge against the profit impact of movements in the AUD / USD cross currency swap rates. Consequently, separate risk mitigation measures are not utilised to manage this risk.

1.6 Interest Rate Risk

The Group may be affected by interest rate movements with respect to its long-term and short-term borrowings. Interest on borrowings is paid at variable rates which expose the Group to cash flow interest rate risk.

2 Business Related Risk Factors

2.1 Contract Risks

In the normal course of business, the Group may be involved in disputes arising from contract claims. These disputes may not always be resolved through negotiation with the parties directly and may lead to litigation. If economic or market conditions deteriorate, there is an increased risk that the Group's clients will default on contract terms resulting in the potential for litigation and reduced revenues.

2.2 Loss of a major customer or deranging of a major product range

A significant proportion of the Group's sales is to two customers in the grocery channel. The delisting of a material product range by one of these customers could materially reduce McPherson's profitability. In order to mitigate this risk, the Group strives to provide superior customer service, product innovation and competitive pricing. It is also pursuing a strategy of channel diversification, as demonstrated by the recent acquisitions in Health & Beauty and Home Appliances.

2.3 Deficiency in product quality

As a supplier of branded consumer products to retailers, the Group has an exposure to product faults leading to liability claims and product recalls. To control this risk, the Group adopts stringent quality control and supplier verification procedures. In addition, the Group holds adequate product and public liability insurance.

2.4 Credit Risk

The Group may be affected by a customer or counterparty to a financial instrument failing to meet its contractual obligations.

2.5 Liquidity Risk

The Group may be affected by deterioration in its cash flows. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

2.6 Financing

In the past the Group has relied on, and continues to rely on, debt finance to help it manage its capital requirements and to grow its operations. Further access to debt finance under existing arrangements is limited and this may adversely impact the Group's ability to fund its working capital requirements, undertake future projects, develop new business initiatives or respond to competitive pressures.

2.7 Breach of Covenants

Factors such as increases in interest rates, increased funding requirements and weak operational performance could lead to the Group breaching its existing debt covenants. If this were to occur, in certain circumstances, the Group's debt finance provider may require that the debt is repaid immediately. Under such a scenario, there is no guarantee that the Group will be able to secure alternative financing on commercially acceptable terms.

2.8 Contingent Liabilities

In the ordinary course of business conducted by the Group, entities of the Group are occasionally required to provide guarantees, performance bonds, payment bonds, or letters of credit to clients as security in relation to the completion of transactions and the satisfaction of equity commitments. As a consequence of the nature of the contracts to which entities of the Group are parties, there is a risk that these guarantees, bonds and letters of credit may be called upon, and that the Group would be required by the banks and insurance companies involved to fund payments under guarantees, bonds and letters of credit. This may, in turn, have an adverse effect on the Group's current debt obligations and future financial performance and position.

The Group is currently party to two significant contingent consideration arrangements associated with two separate acquisitions undertaken in prior periods. The final settlement of both of these arrangements is yet to occur. The potential payment ranges associated with these arrangements are zero to A\$13,500,000 for the Dr LeWinn's and Revitanail acquisition and A\$1,141,000 to A\$12,507,000 for the Home Appliances acquisition. The final payment amounts may differ significantly from what the Group is currently estimating due to changes in performance, facts and circumstances that may arise in future.

Conditions

The following are the Conditions which, as supplemented, amended, modified or replaced in relation to a particular Tranche or Series of Notes by the relevant Pricing Supplement, will apply to that Tranche or Series of Notes. References to a "Pricing Supplement" in these Conditions do not limit the provisions which may be supplemented, amended, modified or replaced by the Pricing Supplement.

The Notes are constituted by the Note Trust Deed. Each Noteholder, and any person claiming through or under any Noteholder, is entitled to the benefit of, is bound by and is deemed to have notice of, all of the provisions of the Note Trust Deed, these Conditions and the relevant Pricing Supplement. Each such person is also deemed to have notice of the Information Memorandum. Copies of each such document are available for inspection at the Specified Office of the Issuer and the Trustee.

1 Interpretation

1.1 Terms defined in Pricing Supplement

Terms which are specified in the Pricing Supplement as having a defined meaning have the same meaning when used in these Conditions.

1.2 Definitions

In these Conditions, the following meanings apply unless the contrary intention appears:

Accepted Accounting Practices means:

- (a) in relation to any Financial Statements in respect of a member of the Group that is not incorporated in Australia, the accounting practices and standards generally accepted in the jurisdiction of incorporation of that member of the Group from time to time; and
- (b) for all other purposes, the accounting practices and standards generally accepted in Australia from time to time;

Additional Amount means an additional amount payable by the Issuer under Condition 12.2 ("Withholding Tax");

Agency Agreement means:

- (a) the agreement entitled Agency and Registry Services Agreement between the Issuer, the Guarantors, the Registrar, the Issuing & Paying Agent and the Calculation Agent dated 27 March 2015;
- (b) any other agreement between the Issuer and a Registrar in relation to the establishment and maintenance of a Register (and/or the performance of any payment or other duties) for any issue of Notes; and/or
- (c) any other agency agreement entered into between the Issuer and an agent in connection with any issue of Notes;

Agent means each of the Registrar, the Issuing and Paying Agent, the Calculation Agent and any other agent appointed under an Agency Agreement, or any of them as the context requires;

ASIC means Australian Securities and Investments Commission;

Austraclear means Austraclear Ltd (ABN 94 002 060 773);

Austraclear Regulations means the regulations known as “Austraclear Regulations” together with any instructions or directions established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

Austraclear System means the clearing and settlement system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between participants of that system;

Australian Tax Act means the Income Tax Assessment Act 1936 of Australia or the Income Tax Assessment Act 1997 of Australia, as applicable;

Business Day means a day (not being a Saturday, Sunday or public holiday in the relevant place) on which banks are open for general banking business in Sydney and, if a Note held in the Austraclear System is to be issued or payment made in respect of a Note held in the Austraclear System on that day, a day on which the Austraclear System is operating;

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following conventions, where specified in the Pricing Supplement in relation to any date applicable to any Note, have the following meanings:

- (a) **Following Business Day Convention** means that the date is postponed to the first following date that is a Business Day; and
- (b) **Modified Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;

Calculation Agent means Perpetual Corporate Trust Limited (ABN 99 000 341 533);

Capital Reduction has the meaning given in Condition 5.2(b) (“Financial covenants”);

Conditions means, in relation to the Notes, these terms and conditions as amended, supplemented, modified or replaced by the Pricing Supplement applicable to such Note and references to a particular numbered Condition shall be construed accordingly;

Corporations Act means the Corporations Act 2001 of Australia;

Day Count Fraction means, in respect of the calculation of interest on a Note for any period of time (“**Calculation Period**”), the day count fraction specified in the Pricing Supplement and:

- (a) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365; and
- (b) if “**RBA Bond Basis**” is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365) or, if any portion of the Calculation Period falls in a leap year, the sum of:
 - (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

Denomination means A\$1,000, being the notional face value of a Note;

Distribution means:

- (a) any dividend, charge, interest, fee, payment or other distribution (whether cash or assets) or redemption, repurchase, defeasance, retirement or repayment on or in respect of any marketable security (as defined in section 9 of the Corporations Act) issued by any member of the Group;
- (b) any interest payment, any repayment or prepayment of any amount of principal or any other payment in respect of any liability of any member of the Group to any shareholder of the Issuer (or to any Related Body Corporate of any shareholder of the Issuer which is not a member of the Group) at any time in connection with any Financial Indebtedness; and/or
- (c) any management, advisory or other fee payable to, or to the order of, any shareholder of the Issuer (or to any Related Body Corporate of any shareholder of the Issuer which is not a Guarantor);

EBIT means, for any Relevant Period, the consolidated profit of the Group for that Relevant Period:

- (a) before any deduction or contribution in respect of Taxes on income or gains during that period;
- (b) before any deduction or contribution in respect of Interest Expense; and
- (c) before taking into account any items treated as individually significant or extraordinary items,

including the aggregate previous 12 month earnings of any entity that any member of the Group acquires during that Relevant Period before taxation, Interest Expenses and significant items for that 12 month period, and in each case, to the extent deducted or taken into account, as the case may be, for the purposes of determining the profits of the Group from ordinary activities before taxation, as calculated in accordance with Accepted Accounting Practices;

EBITDA means, for any Relevant Period, EBIT for that Relevant Period after adding back any amount attributable to amortisation of any intangible assets or depreciation of tangible assets, including the aggregate previous 12 months depreciation, amortisation and non-cash expenses, of any entity that any member of the Group acquires during that Relevant Period, as calculated in accordance with Accepted Accounting Practices;

Event of Default means the happening of any event set out in Condition 14 ("Events of Default");

Existing Security Interests means each Security Interest granted by the Issuer or an Initial Guarantor to the trustee for the time being of the security trust constituted under the security trust deed dated 15 April 1993 and comprising:

- (a) Fixed and Floating Charge (Cork) dated 1 July 2003 from Cork International Pty Limited (now known as McPherson's Consumer Products Pty Limited) (ABN 36 000 020 495);
- (b) Limited Fixed and Floating Charge (Cork) (WA) dated 1 July 2003 from Cork International Pty Limited (now known as McPherson's Consumer Products Pty Limited) (ABN 36 000 020 495);
- (c) Limited Fixed and Floating Charge (Cork) (SA) dated 1 July 2003 from Cork International Pty Limited (now known as McPherson's Consumer Products Pty Limited) (ABN 36 000 020 495);

- (d) Limited Fixed and Floating Charge (Cork) (TAS) dated 1 July 2003 from Cork International Pty Limited (now known as McPherson's Consumer Products Pty Limited) (ABN 36 000 020 495);
- (e) Limited Fixed and Floating Charge (Cork) (QLD) dated 1 July 2003 from Cork International Pty Limited (now known as McPherson's Consumer Products Pty Limited) (ABN 36 000 020 495);
- (f) Deed of Charge (Unlimited) dated 17 April 1993 from McPherson's Limited and the other companies listed in schedule 1 to that document (now being Domenica Pty. Ltd.) (ABN 73 007 016 275);
- (g) Deed of Charge (Western Australia) dated 17 April 1993 from the Issuer and the other companies listed in schedule 1 to that document;
- (h) Deed of Charge (Queensland) dated 17 April 1993 from the Issuer and the other companies listed in schedule 1 to that document;
- (i) Deed of Charge (Tasmania) dated 17 April 1993 from the Issuer and the other companies listed in schedule 1 to that document;
- (j) Deed of Charge (South Australia) dated 17 April 1993 from the Issuer and the other companies listed in schedule 1 to that document;
- (k) Deed of Charge dated 7 July 2008 from McPherson's Hong Kong Limited (Hong Kong Companies Registry No. 0040139) and McPherson's Consumer Products (HK) Limited (Hong Kong Companies Registry No. 0041342);
- (l) Equitable Mortgage of Shares dated 17 April 1993 from the Issuer;
- (m) Equitable Mortgage of Shares dated 30 June 1993 from Wiltshire (NZ) Limited (now known as McPherson's Consumer Products (NZ) Limited) (New Zealand company number 425605);
- (n) Equitable Mortgage of Shares dated 7 July 2008 from McPherson's Hong Kong Limited (Hong Kong Companies Registry No. 0040139);
- (o) Equitable Mortgage of Shares dated 1 July 1999 from the Issuer;
- (p) Limited Fixed and Floating Charge (SA) (Oneida) dated 30 April 2008 from ACN 082 110 101 Pty Ltd (ABN 80 082 110 101);
- (q) Fixed and Floating Charge dated 30 April 2008 from ACN 082 110 101 Pty Ltd (ABN 80 082 110 101);
- (r) Limited Fixed and Floating Charge (WA) (Oneida) dated 30 April 2008 from ACN 082 110 101 Pty Ltd (ABN 80 082 110 101);
- (s) Limited Fixed and Floating Charge (Qld) (Oneida) dated 30 April 2008 from ACN 082 110 101 Pty Ltd (ABN 80 082 110 101);
- (t) General Security Deed dated 13 December 2012 from the Issuer, Domenica Pty. Ltd. (ABN 73 007 016 275), McPherson's Consumer Products Pty Ltd (ABN 36 000 020 495) and A.C.N. 082 110 101 Pty Ltd (ABN 80 082 110 101);
- (u) General Security Deed dated 13 May 2013 from Home Appliances Pty Ltd (ABN 53 137 363 038), Integrated Appliance Group Pty Ltd (ABN 53 093 809 360), Arc Appliances Pty Ltd (ACN 127 192 223) and Electrical Distributors Australia Pty. Limited (ABN 11 051 297 557);

- (v) Mortgage of Land (Vic) dated 17 April 1993 over land described in certificate of title volume 9128 folio 011 (mortgage no S651489F) from the Issuer; and
- (w) Mortgage of lease over land described in Certificate of Title (NSW) Folio Identifier 12/1005772 from McPherson's Consumer Products Pty Limited (formerly Cork International Pty Limited) (ABN 36 000 020 495),

subject to which the property of the Issuer and the Initial Guarantors situated in the States of Western Australia and Queensland will be released from the above Security Interests on or around the Issue Date of the Notes and new general security deeds will be given to the trustee of the security trust over all of the present and after acquired property of the Issuer and each Initial Guarantor and registered mortgages over all real property of the Issuer and each Initial Guarantor which is not otherwise secured under the above Security Interests;

FATCA means sections 1471 to 1474 of the United States Internal Revenue Code of 1986, as amended (or any consolidation, amendment, re-enactment or replacement of those provisions and including any regulations or official interpretations issued, agreements (including, without limitation, intergovernmental agreements) entered into or non-US laws enacted, with respect thereto);

Financial Indebtedness of a person means any liability or indebtedness (whether present or future, actual or contingent) of that person for or in respect of:

- (a) moneys borrowed or raised and debit balances at banks or financial institutions;
- (b) its obligations as lessee under any lease which in accordance with Accepted Accounting Practices would be treated as a finance or a capital lease;
- (c) any indemnity obligation in respect of any guarantee, indemnity, bond or letter of credit or similar instrument issued by a bank or financial institution;
- (d) any guarantee, indemnity, letter of credit or similar assurance in respect of financial loss given in connection with any Financial Indebtedness (as referred to in any other paragraph of this definition) of another person;
- (e) any amount payable in connection with the redemption of any redeemable preference share issued by that person;
- (f) any amount raised under or in connection with any bill acceptance, endorsement or discounting arrangement;
- (g) any amount raised under or in connection with any bond, debentures, note, loan stock or any similar instrument;
- (h) receivables sold or discounted (other than to the extent they are sold on a non-recourse basis);
- (i) the marked to market value of any swap, hedge, cap, collar, ceiling or floor agreement, futures contract, forward exchange or forward purchase contract or option contract, in each case, in respect of any currency, interest rate or commodity or any similar transaction;
- (j) the acquisition cost of any asset or service to the extent payable more than 90 days after the time of acquisition or possession; or
- (k) any amount raised under any other transaction or series of transaction having the commercial effect of a borrowing or raising of money,

in all cases, without double counting;

Financial Statements means:

- (a) an income statement;
- (b) a balance sheet;
- (c) a cash flow statement; and
- (d) (if for a Financial Year and required by law or directive) a statement of changes in equity for the year,

together with any notes to those documents and any accompanying reports (including any directors' and auditors reports), statements, declarations and other documents or information intended to be read with any of them, in each case as required under the Corporations Act and applicable laws and directives;

Financial Year means any 12 month period ending on 30 June;

First Optional Redemption Date means each date so specified in the Pricing Supplement;

Fixed Coupon Amount means the amount specified in, or determined in accordance with, the Pricing Supplement;

Fixed Rate Note means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on any other dates as specified in the applicable Pricing Supplement;

Floating Rate Note means a Note on which interest is calculated at a floating rate payable monthly or 2, 3, 6, or 12 monthly or in respect of any other period or on any other date specified in the applicable Pricing Supplement;

Group means the Issuer and each of its Subsidiaries from time to time;

Guarantee means the guarantee of the Notes set out in the Note Trust Deed;

Guarantors means the Initial Guarantors and each other entity that has provided a Guarantee of the Notes (and has not been released from such Guarantee) under the Note Trust Deed from time to time;

Information Memorandum means the information memorandum, disclosure document or other offering document referred to in a Pricing Supplement in each case prepared by, or on behalf of, and approved by, the Issuer in connection with the issue of Notes and all documents incorporated by reference in it;

Initial Guarantors means:

- (a) A.C.N. 082 110 101 Pty Ltd (ABN 80 082 110 101);
- (b) Arc Appliances Pty Ltd (ACN 127 192 223);
- (c) Domenica Pty. Ltd. (ABN 73 007 016 275);
- (d) Electrical Distributors Australia Pty. Limited (ABN 11 051 297 557);
- (e) Home Appliances Pty Ltd (ABN 53 137 363 038);
- (f) Integrated Appliance Group Pty Ltd (ABN 53 093 809 360);

- (g) McPherson's Consumer Products (HK) Limited (Hong Kong Companies Registry No. 0041342);
- (h) McPherson's Consumer Products (NZ) Limited (New Zealand company number 425605);
- (i) McPherson's Consumer Products Pty Ltd (ABN 36 000 020 495); and
- (j) McPherson's Hong Kong Limited (Hong Kong Companies Registry No. 0040139);

Insolvency Event means:

- (a) a controller (as defined in section 9 of the Corporations Act), receiver, receiver and manager, administrator or similar officer is appointed in respect of that person or any asset of that person;
- (b) a liquidator, provisional liquidator or administrator is appointed in respect of that person;
- (c) except for the purpose of a solvent reconstruction or amalgamation, any application (not withdrawn or dismissed within 14 days) is made to a court for an order, an order is made, a meeting is convened or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraph (a) or (b) of this definition;
 - (ii) winding up, dissolving or deregistering that person; or
 - (iii) proposing or implementing a company voluntary arrangement or a scheme of arrangement, other than with the prior approval by a Special Resolution of the Noteholders under a solvent scheme of arrangement pursuant to Part 5.1 of the Corporations Act;
- (d) any application (not withdrawn or dismissed within 14 days) is made to a court for an order, a meeting is convened, a resolution is passed or any negotiations are commenced, for the purpose of implementing or agreeing:
 - (i) a moratorium of any debts of that person;
 - (ii) any other assignment, composition or arrangement (formal or informal) with that person's creditors; or
 - (iii) any similar proceeding or arrangement by which the assets of that person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee,

or any agreement or other arrangement of the type referred to in this paragraph (d) is ordered, declared or agreed to;
- (e) as a result of the operation of section 459F(1) of the Corporations Act, that person is taken to have failed to comply with a statutory demand (as defined in the Corporations Act);
- (f) that person is declared at risk pursuant to the New Zealand Corporations (Investigation and Management) Act 1989, or a statutory manager is appointed or any step is taken with a view to any such appointment under that Act (including a recommendation by the Financial Markets Authority in New Zealand supporting such an appointment) in respect of that person;

- (g) that person is, or admits in writing that it is, or is declared to be, or is presumed or taken under any applicable law to be (for any purpose), insolvent or unable to pay its debts as they fall due; or
- (h) anything analogous to anything referred to in paragraphs (a) to (g) inclusive of this definition, or which has a substantially similar effect, occurs with respect to that person under any law;

Interest Commencement Date means, for a Note, the Issue Date of the Note or any other date so specified in, or determined in accordance with, the Pricing Supplement;

Interest Cover Ratio means, for any Relevant Period, the ratio of EBIT for that Relevant Period to Interest Expense for that Relevant Period;

Interest Expense means, for any Relevant Period, all interest and amounts in the nature of interest, or of similar effect to interest, which would be included in the consolidated financial statements of the Group as having been paid or incurred by members of the Group and includes but is not limited to any margin, line, facility, acceptance, discount or other fees and amounts incurred on a regular or recurring basis payable in respect of any Financial Indebtedness of any member of the Group for that Relevant Period or, if not payable but relating to that Relevant Period, then accrued for that Relevant Period, but excludes mark to market items which have been notionally accounted for and, for the avoidance of doubt, excludes any once-off costs in incurring any Financial Indebtedness that are in the nature of establishment, arranging, advisory, legal, agency, trustee or security trustee fees;

Interest Payment Date means each date so specified in the Pricing Supplement;

Interest Period means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

- (a) the first Interest Period commences on (and includes) the Interest Commencement Date; and
- (b) the final Interest Period ends on (but excludes) the Maturity Date or, if redeemed earlier, an Optional Redemption Date;

Interest Rate means, in respect of a Note, the interest rate (expressed as a percentage per annum) payable in respect of that Note specified in the Pricing Supplement or calculated or determined in accordance with these Conditions and the Pricing Supplement;

Issue Date means the date on which a Note is, or is to be issued, as specified in, or determined in accordance with, the Pricing Supplement;

Issuer means McPherson's Limited (ABN 98 004 068 419);

Issuing & Paying Agent means Perpetual Corporate Trust Limited (ABN 99 000 341 533);

Margin means the margin specified in, or determined in accordance with, the Pricing Supplement;

Maturity Date means the date so specified in, or determined in accordance with, the Pricing Supplement as the date on which the Note is to be redeemed (and adjusted, if necessary, in accordance with the applicable "Business Day Convention" so specified in the Pricing Supplement);

Meeting Provisions means the provisions relating to meetings of Noteholders set out in the Note Trust Deed;

Note means a medium term debt obligation issued or to be issued by the Issuer which is constituted by, and owing under the Note Trust Deed, the details of which are recorded in, and

evidenced by, entry in the Register. References to any particular type of “Note” or “Notes” should be read and construed accordingly. All references to Notes must, unless the context otherwise requires, be read and construed as references to the Notes of a particular Series;

Note Trust Deed means the document entitled “Note Trust Deed” dated 27 March 2015 and executed by, amongst others, the Issuer, the Guarantors and the Trustee;

Noteholder means, in respect of a Note, the person whose name is entered in the Register as the holder of that Note;

NPAT means, for any Relevant Period, the net profit after tax of the Group for that Relevant Period as calculated in accordance with the relevant Financial Statements and Accepted Accounting Practices;

Offshore Associate means an “associate” (within the meaning of section 128F(9) of the Australian Tax Act) of the Issuer that is either:

- (a) a non-resident of Australia that, if it acquires the Notes or an interest in the Notes, would not acquire the Notes or an interest in the Notes in carrying on a business at or through a permanent establishment of the associate in Australia; or
- (b) a resident of Australia that, if it acquires the Notes or an interest in the Notes, would acquire the Notes or an interest in the Notes in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country;

Optional Redemption Date means all or any of the First Optional Redemption Date, the Second Optional Redemption Date or the Third Optional Redemption Date if such date is specified as applicable in the Pricing Supplement;

Payment Date means, as applicable, the Maturity Date, an Interest Payment Date or other relevant date on which a payment in respect of a Note is due;

a **Permitted Security Interest** means:

- (a) the Existing Security Interests, provided that if the Issuer, a Guarantor or any other member of the Group renews, extends or refinances any Financial Indebtedness secured by those Existing Security Interests, such renewal, extension or refinancing is a Roll-over Indebtedness;
- (b) without limiting paragraph (a) above, the Existing Security Interests, provided that if the Issuer, a Guarantor or any other member of the Group renews, extends or refinances any Financial Indebtedness secured by those Existing Security Interests, at the time of such renewal, extension or refinance of the Financial Indebtedness (as the case may be), and on a pro-forma basis, the ratio of the aggregate of all Financial Indebtedness of the Group secured by a Security Interest at that time to EBITDA for the previous 12 months is not more than 3.00:1;
- (c) any Security Interest:
 - (i) that secures any Financial Indebtedness incurred by the Issuer, a Guarantor or any other member of the Group on or after the Issue Date; and
 - (ii) without limiting sub-paragraph (i) above, granted in connection with the Issuer, a Guarantor or any other member of the Group renewing, extending or refinancing of any Financial Indebtedness secured by that Security Interest,

provided that, at the time of such incurrence of the Financial Indebtedness or such renewal, extension or refinance of the Financial Indebtedness (as the case may be), and on a pro-forma basis, the ratio of the aggregate of all Financial Indebtedness of

the Group secured by a Security Interest at that time to EBITDA for the previous 12 months is not more than 3.00:1;

- (d) a Security Interest arising by operation of law and in the ordinary course of trading so long as the Financial Indebtedness secured by that Security Interest is paid when due or contested in good faith and appropriately provisioned;
- (e) any Security Interest arising under any retention of title or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;
- (f) any netting and set-off arrangements arising in the ordinary course of the Group's banking arrangements;
- (g) any Security Interest approved by the Noteholders pursuant to the Meeting Provisions;
- (h) any Security Interest provided for by one of the following transactions if the transaction does not secure payment or performance of an obligation:
 - (i) a transfer of an account or chattel paper;
 - (ii) a commercial consignment; or
 - (iii) a PPS Lease,(as each term is defined in the PPSA); and
- (i) any Security Interest to which the Personal Property Securities Act 1999 of New Zealand applies and which is provided for by one of the following transactions if the transaction does not secure payment or performance of an obligation:
 - (i) a transfer of an account receivable or chattel paper;
 - (ii) a commercial consignment; or
 - (iii) a lease for a term of more than 1 year,(as each term is defined in the Personal Property Securities Act 1999 of New Zealand);

PPSA means the Personal Properties Securities Act 2009 of Australia;

Pricing Supplement means, in respect of a Tranche, the pricing supplement prepared and issued specifying the relevant issue details of such Notes and which has been confirmed by the Issuer;

Record Date means the close of business in the place where the Register is maintained on the eighth day before the Payment Date;

Register means the register of holders of Notes established and maintained by or on behalf of the Issuer under an Agency Agreement;

Registrar means Perpetual Corporate Trust Limited (ABN 99 000 341 533);

Related Body Corporate has the meaning it has in the Corporations Act;

Relevant Period means, on any date falling in a calendar month, the period of twelve months prior to and ending on the last day of the calendar month in which the relevant date falls;

Roll-over Indebtedness means any renewal, extension or refinancing of the secured facilities provided by National Australia Bank Limited, Westpac Banking Corporation and other lenders (including, without limitation, a borrowing base facility (or facilities), a bank guarantee / letter of credit facility (or facilities) and secured ancillary and transactional facilities, including (without limitation) overdraft facilities, electronic payaway facilities, commercial card or credit card facilities, encashment facilities, payment facilitation facilities, merchant services facilities and asset finance facilities), provided that (subject to the next sentence) such renewal, extension or refinancing is limited to an aggregate principal amount under those secured facilities of no more than:

- (a) in the case of those secured facilities providing solely for intra-day limits (such as encashment facilities), A\$20,000,000; and
- (b) in the case of all other secured facilities, A\$78,000,000,

(“Limits”).

The Limits do not apply to the exposures of any swaps or derivatives entered into with National Australia Bank Limited, Westpac Banking Corporation or any other secured hedge counterparty with respect to any currency or interest rate transactions;

Second Optional Redemption Date means each date so specified in the Pricing Supplement;

Security Interest means any:

- (a) security interest for the purposes of the New Zealand Personal Property Securities Act 1999;
- (b) security interest under the PPSA or security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust or title retention or flawed deposit arrangement; or
- (c) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off;

or any agreement to create any of them or allow them to exist;

Series means an issue of Notes made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Price, Issue Date and Interest Commencement Date may be different in respect of a different Tranche of a Series;

Special Resolution has the meaning given in the Note Trust Deed;

Specified Office means, for a person, that person's office specified in the Information Memorandum or Pricing Supplement or any other address notified to Noteholders from time to time;

Subsidiary of an entity means another entity which is a subsidiary of the first within the meaning of Part 1.2 Division 6 of the Corporations Act;

Tax Authority means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official, having power to tax to which the Issuer becomes subject in respect of payments made by it of principal or interest in respect of the Notes;

Taxes means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any Tax Authority together with any related interest, penalties, fines and expenses in connection with them except if imposed on, or calculated having regard to, the net income of a Noteholder;

Test Date means each date on which:

- (a) any Security Interest has been granted by the Issuer or any other member of the Group in accordance with Condition 5.1 (“Negative pledge”);
- (b) new Financial Indebtedness after the Issue Date has been incurred by the Issuer or any other member of the Group in accordance with Condition 5.2(a) (“Financial covenants”);
- (c) any Distribution or Capital Reduction has been made by the Issuer or any other member of the Group in accordance with Condition 5.2(b) (“Financial covenants”); or
- (d) there is any disposal of a material part of the assets of the Issuer or any other member of the Group in accordance with Condition 5.2(c) (“Financial covenants”);

Third Optional Redemption Date means each date so specified in the Pricing Supplement;

Total Tangible Assets means, in relation to any group at any time, the aggregate amount of all assets of the relevant group at that time determined by reference to the applicable Financial Statements of the relevant group in respect of that time, other than goodwill, copyright, patents, trademarks, licences, research and development, underwriting and formation expenses, future income tax benefits, and other items of a like nature which, in accordance with Acceptable Accounting Practices, are regarded as intangible assets;

Tranche means an issue of Notes specified as such in the Pricing Supplement issued on the same Issue Date and on the same terms; and

Trustee means Perpetual Corporate Trust Limited (ABN 99 000 341 533) in its capacity as trustee of the McPherson’s Note Trust constituted by the Note Trust Deed or such other person appointed under the Note Trust Deed as trustee of the McPherson’s Note Trust.

1.3 References to certain general terms

Unless the contrary intention appears, a reference to:

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (c) a document (including these Conditions) includes any amendment, variation or replacement of it;
- (d) anything (including any amount) is a reference to the whole and each part of it;
- (e) a “**law**” includes common law, principles of equity, any decree and any statute or other law made by a parliament (and a statute or other law made by parliament includes any regulation or other instrument under it, and any consolidation, amendment, re-enactment or replacement of it);
- (f) a “**directive**” includes a treaty, official directive, request, regulation, guideline or policy (whether or not in any case having the force of law) with which responsible participants in the relevant market generally comply;
- (g) “**Australian dollars**” or “**A\$**” is a reference to the lawful currency of Australia;
- (h) a time of day is a reference to Sydney time;

- (i) a “**person**” includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (j) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns; and
- (k) the words “**including**”, “**for example**” or “**such as**” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

1.4 References to particular terms

Unless the contrary intention appears, in these Conditions:

- (a) a reference to a Note is a reference to a Note of a particular Series specified in the Pricing Supplement;
- (b) a reference to a Noteholder is a reference to the holder of Notes of a particular Series; and
- (c) a reference to a Pricing Supplement is a reference to the Pricing Supplement applicable to the Notes of the particular Tranche specified in that Pricing Supplement.

1.5 Number

The singular includes the plural and vice versa.

1.6 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Conditions.

1.7 Calculation of period of time

If a notice must be given within a certain period of days or a certain number of days’ notice must be given or any other matter must take place within a certain number of days, the day on which the notice is given or action taken, and the day on which the meeting is to be held or other action taken, are not to be counted in calculating that period and references to a “day” are to a calendar day.

2 Introduction

2.1 Pricing Supplement

- (a) The Issuer will issue the Notes on the terms set out in these Conditions as supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes. If there is any inconsistency between these Conditions and such Pricing Supplement, the Pricing Supplement prevails.
- (b) The Notes are issued in Series. A Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than in respect of the issue price and date of the first payment of interest). A Tranche is the subject of a Pricing Supplement which supplements, amends, modifies or replaces these Conditions.
- (c) Copies of the Pricing Supplement and Conditions applicable to any Tranche of Notes are available for inspection or on request by a Noteholder or prospective Noteholder during normal business hours at the Specified Office of the Issuer, the Trustee or the

Registrar or are otherwise available on reasonable request from the Issuer or the Registrar.

2.2 Types of Notes

A Note is either:

- (a) a Fixed Rate Note; or
- (b) a Floating Rate Note,

as specified in the Pricing Supplement.

2.3 Currency and denomination

The Notes are issued in Australian dollars in a single denomination of A\$1,000.

2.4 Issue restrictions and tenor

The Notes may only be offered (directly or indirectly) for issue, or applications invited for the issue of Notes, if:

- (a) where the offer or invitation is made in, or into Australia:
 - (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the offeror or its associates to the offeree or its associates) or if the offer or invitation (including any resulting issue) otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act;
 - (ii) the offer or invitation (including any resulting issue) does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act; and
 - (iii) such action does not require any document to be lodged with ASIC; and
- (b) at all times, the offer or invitation (including any resulting issue) complies with all other applicable laws and directives in the jurisdiction in which the offer, invitation or issue takes place.

2.5 Clearing systems

Notes may, but need not, be held in the Austraclear System, in which case the rights of a person holding an interest in the Notes lodged in the Austraclear System are subject to the rules and regulations of the Austraclear System. None of the Issuer, any Guarantor, the Trustee or any Agent is responsible for anything the Austraclear System does or omits to do.

3 Form

3.1 Constitution under the Note Trust Deed

- (a) The Notes are debt obligations of the Issuer constituted by, and owing under, the Note Trust Deed.
- (b) Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Note Trust Deed.

3.2 Form

The Notes are issued in registered form by entry in the Register.

3.3 No certificates

No certificates will be issued to Noteholders unless the Issuer determines that certificates should be available or if certificates are required by any applicable law or directive.

3.4 Effect of entries in Register

Each entry in the Register in respect of a Note constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the Trustee and the Noteholder to:
 - (i) pay principal, any interest and any other amount in accordance with these Conditions and the Note Trust Deed; and
 - (ii) comply with all other Conditions of the Note and the Note Trust Deed; and
- (b) an entitlement to the other benefits given to the Noteholder in respect of the Note under these Conditions and the Note Trust Deed.

3.5 Register conclusive as to ownership

Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of the Note subject to correction for fraud or error.

3.6 Non-recognition of interests

Except as ordered by a court of competent jurisdiction or required by law or directive, the Issuer, the Trustee, the Registrar and any other Agent must treat the person whose name is entered in the Register as the Noteholder of a Note as the absolute owner of that Note. This Condition applies whether or not a Note is overdue and despite any notice of ownership, trust or interest in the Note.

3.7 Joint Noteholders

Where two or more persons are entered in the Register as the joint holder of a Note then they are taken to hold the Note as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of a Note.

4 Status and Guarantee

4.1 Status of Notes

The Notes are direct, senior, unsubordinated and (subject to Condition 5.1 ("Negative pledge")) unsecured obligations of the Issuer.

4.2 Ranking of Notes

The Notes rank equally among themselves and at least equally with all other present and future direct, senior, unsubordinated and unsecured obligations of the Issuer, except for liabilities mandatorily preferred by law.

4.3 Guarantee

The Notes are issued with the benefit of the Guarantee. Pursuant to the Guarantee, each Guarantor unconditionally and irrevocably guarantees on a joint and several basis to the Noteholders, among other things, the due and punctual performance by the Issuer of its obligations under the Notes. The obligations of a Guarantor under the Guarantee are direct, senior, unsubordinated and (subject to Condition 5.1 ("Negative pledge")) unsecured obligations of that Guarantor and rank at least equally with all other direct, senior, unsubordinated and unsecured obligations of that Guarantor, except for liabilities mandatorily preferred by law.

5 Negative pledge and financial and other covenants

5.1 Negative pledge

- (a) Subject to paragraph (b) below, the Issuer will not (and will ensure that no other member of the Group will) create or permit to subsist any Security Interest upon the whole or any part of its (or any member of the Group's) present or future assets or revenues other than a Permitted Security Interest.
- (b) The Issuer or a Guarantor may create or permit to subsist a Security Interest (which is not a Permitted Security Interest) or a Security Interest may also be created or permitted to exist if at the same time, either the same Security Interest as is granted by the Issuer or a Guarantor or such other security is also granted in favour of the Noteholders in a manner that is satisfactory to the Trustee securing the Issuer's or Guarantor's obligations to the Noteholders, equally and rateably in all respects so as to rank *pari passu* with the applicable Security Interest.

5.2 Financial covenants

- (a) The Issuer will not (and will ensure that no other member of the Group will) incur or permit to subsist any new Financial Indebtedness after the Issue Date, unless, after giving pro-forma effect to the incurrence of such Financial Indebtedness and the application of the proceeds thereof, the Interest Cover Ratio is greater than 3.50:1. For the avoidance of doubt, the Roll-over Indebtedness is not new Financial Indebtedness for the purposes of this Condition 5.2(a).
- (b) The Issuer will not (and will ensure that no other member of the Group will) make a Distribution, or reduce, return, purchase, repay, cancel or redeem any of its share capital or buy back any of its shares ("**Capital Reduction**") under Chapter 2J of the Corporations Act (or an equivalent provision under any legislation in another jurisdiction applicable to that to that member of the Group) except:
 - (i) where the recipient of the proceeds of such Capital Reduction is the Issuer or a member of the Group; or
 - (ii) where the source of the funds to effect such Distribution or Capital Reduction has not been raised by way of Financial Indebtedness which was secured by a Security Interest (or in a transaction or series of transactions having substantially the same effect).

In the case of any Distribution only, the amount of the Distribution is only paid out of NPAT of the Group, up to a maximum aggregate amount equal to 100 per cent. of NPAT for that Financial Year, and provided that, in any case, such Distribution is no greater than an amount lawfully permitted under applicable law.

For the purposes of this paragraph (b), a Distribution in the form of a dividend shall relate to the financial year in which such dividend is declared, regardless of the financial year in which such dividend is paid.

So long as an Event of Default is subsisting, the Issuer will not declare, make or pay any Distribution or pay any interest or other amounts in respect of any debt security issued which ranks behind the Notes in priority for payment of principal or interest.

- (c) The Issuer will ensure that it will not (and will ensure that no other member of the Group will) (whether in a single transaction or a series of related transactions) sell, assign, transfer, lease, or otherwise dispose of, or create, grant or allow to exist an interest in all or a material part of its assets or the assets of a member of the Group, other than:
 - (i) as permitted under Condition 5.1 ("Negative pledge");
 - (ii) disposals, partings with possession and interests created (including sub-leases):
 - (A) in the ordinary course of business at arm's length and on arm's length commercial terms;
 - (B) where the assets, in the reasonable opinion of the Issuer, are waste, obsolete and are not required for the efficient operation of its business;
 - (C) in exchange for other assets comparable or superior as to type, value and quality;
 - (D) from one member of the Group to another member of the Group; or
 - (E) not otherwise permitted by sub-paragraphs (A) to (D) above, provided that the aggregate consideration of all such assets disposed of by members of the Group in the then current financial year is no more than A\$2,000,000; or
 - (iii) where an amount equal to the net proceeds of the disposal is used within 180 days after such disposal to:
 - (A) purchase, acquire, develop, redevelop or construct productive assets for use by the Issuer or a member of the Group in its business(es); or
 - (B) prepay or repay any secured or unsecured Financial Indebtedness incurred by the Issuer or incurred by a member of the Group.
- (d) The Issuer undertakes:
 - (i) that, at all times, the aggregate of the:
 - (A) EBITDA generated by the Issuer and the Guarantors is at least 90 per cent. of the total EBITDA of the Group; and
 - (B) Total Tangible Assets of the Issuer and the Guarantors is at least 90 per cent. of the Total Tangible Assets of the Group,
 in each case, based on the then latest Financial Statements; or
 - (ii) to cause such of its Subsidiaries to accede as a Guarantor pursuant to the Note Trust Deed to ensure that, at all times, the aggregate of the:
 - (A) EBITDA generated by the Issuer and the Guarantors is at least 90 per cent. of the total EBITDA of the Group; and
 - (B) Total Tangible Assets of the Issuer and the Guarantors is at least 90 per cent. of the Total Tangible Assets of the Group,

in each case, based on the then latest Financial Statements, and subject to, in the case of a Subsidiary which has become a member of the Group, the completion of any financial assistance whitewash procedures required under Part 2J.3 of the Corporations Act (or equivalent laws in any other applicable jurisdictions) within 45 days of the shareholders general meeting of the Issuer held after the relevant Subsidiary (which is required to become a Guarantor) becomes a member of the Group.

5.3 Other covenants

- (a) The Issuer will (and will ensure that each member of the Group will) do everything necessary to maintain its corporate existence.
- (b) The Issuer will comply (and will ensure that each member of the Group complies) with all applicable laws binding on it where a failure to comply would have a material adverse effect on the ability of the Issuer or a Guarantor (as the case may be) to comply with its obligations under the Notes or the Guarantee.
- (c) The Issuer will provide the following to the Trustee not later than 45 days after each applicable Test Date a certificate signed by either two directors or a director and the chief executive officer or a director and the chief financial officer or a director and the company secretary of the Issuer which certifies whether, in the opinion of the directors, the chief executive officer, the chief financial officer and/or the company secretary of the Issuer (as appropriate) and after having made all reasonable enquiries, the Group has complied with each of the covenants set out in Conditions 5.1 ("Negative pledge"), 5.2 ("Financial covenants"), 5.3(a) and 5.3(b) ("Other covenants") above immediately following the relevant granting of a Security Interest, the incurring of new Financial Indebtedness, the making of a Distribution or Capital Reduction, the disposal of assets or material acquisition of a business on that Test Date (as the case may be). In the event the Group is not in compliance with any such covenant, such certificate will give reasonable detail of such non-compliance (including any relevant figures and calculations) and the steps being taken to remedy the same.
- (d) At the request of the Trustee (acting either on its own discretion or upon receipt of a written request of a Noteholder) the Issuer will provide (at its own cost), any document or other information that the Trustee may reasonably request that is necessary or desirable to allow the Trustee or a Noteholder to determine whether or not the Issuer is in compliance with each of the covenants set out in Conditions 5.2 ("Financial covenants"), 5.3(a) and 5.3(b) ("Other covenants") above.

6 Title and transfer of Notes

6.1 Title

Title to Notes passes when details of the transfer are entered in the Register.

6.2 Transfer

Notes may only be transferred in accordance with these Conditions and the Note Trust Deed.

6.3 Transfers in whole

Notes may only be transferred in whole and not in part.

6.4 Estates

A person becoming entitled to a Note 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 Registrar considers sufficient, transfer the Note or, if so entitled, become registered as the holder of the Note.

6.5 Unincorporated associations

A transfer of a Note to an unincorporated association is not permitted.

6.6 Transfer of unidentified Notes

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

6.7 Compliance with law

Notes may only be transferred if the offer or invitation for the sale or purchase of the Notes is received by a person:

- (a) in Australia, only if:
 - (i) the minimum aggregate consideration payable at the time of the transfer is at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the transferor or its associates to the transferee) or the Notes are transferred in circumstances that do not otherwise require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act and the transfer complies with all applicable laws and directives; and
 - (ii) in respect of a transfer within 12 months of the Issue Date, the transfer is not to a "retail client" as defined for the purposes of section 761G of the Corporations Act; and
- (b) if, in a jurisdiction outside Australia, the transfer complies with all other applicable laws and directives in the jurisdiction in which the transfer takes place.

6.8 Restrictions on transfer

- (a) Transfers of Notes which are not lodged in the Austraclear System cannot be made between a Record Date and the relevant following Payment Date if a redemption of such Note is to occur during, or at the end of, that period in accordance with these Conditions.
- (b) Transfers of Notes will not be registered later than the close of business in the place where the Register is maintained on the eighth day prior to the Maturity Date of the Notes.

7 Fixed Rate Notes

This Condition 7 applies to the Notes only if the Pricing Supplement states that it applies.

7.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date or, if redeemed earlier, the Optional Redemption Date, at the Interest Rate. Interest is payable in arrear on each Interest Payment Date or such other date on which a Note is redeemed.

7.2 Fixed Coupon Amount

The amount of interest payable on each Note on each scheduled Interest Payment Date in respect of the preceding Interest Period is the Fixed Coupon Amount unless interest is due on a date that is otherwise than a scheduled Interest Payment Date, in which case Condition 7.3 ("Calculation of interest payable") shall apply to calculate the amount of interest payable for that period.

7.3 Calculation of interest payable

The amount of interest payable in respect of a Fixed Rate Note for any period which does not end on a scheduled Interest Payment Date shall be calculated by the Calculation Agent by multiplying the Interest Rate, the outstanding principal amount of the Fixed Rate Note and the applicable Day Count Fraction.

8 Floating Rate Notes

This Condition 8 applies to the Notes only if the Pricing Supplement states that it applies.

8.1 Interest on Floating Rate Notes

Each Floating Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear on each Interest Payment Date.

8.2 Interest Rate determination

The Interest Rate payable in respect of a Floating Rate Note must be determined by the Calculation Agent in accordance with these Conditions.

8.3 Fallback Interest Rate

Unless otherwise specified in the Pricing Supplement, if, in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with Condition 8.2 ("Interest Rate determination"), the Interest Rate for the Interest Period is the Interest Rate applicable to the Floating Rate Notes during the immediately preceding Interest Period.

8.4 BBSW Rate Determination

The Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the BBSW Rate.

In this Condition, "**BBSW Rate**" means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period as displayed at approximately 10:10am on the "BBSW" page (or any replacement page) of the Reuters Monitor System on the first day of that Interest Period. However, if such rate does not appear by 10:30am on that day, or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, **BBSW Rate** means the rate determined by the Calculation Agent in good faith having regard to comparable indices then available. The rate calculated or determined by the Calculation 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%).

8.5 Interpolation

- (a) If the Pricing Supplement states that "Linear Interpolation" applies to an Interest Period, the Interest Rate for that Interest Period is determined through the use of

straight line interpolation by reference to two BBSW Rates or other floating rates specified in the Pricing Supplement.

- (b) The first rate must be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).
- (c) The second rate must be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

9 General provisions applicable to interest

9.1 Calculation of Interest Rate and interest payable

- (a) The Calculation Agent must, in relation to each Interest Period for each Floating Rate Note:
 - (i) calculate the Interest Rate in accordance with these Conditions and the Pricing Supplement; and
 - (ii) as soon as practicable after determining the Interest Rate, calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of that Note.
- (b) Unless otherwise specified in the Pricing Supplement, the amount of interest payable is calculated by multiplying the product of the Interest Rate for the Interest Period and the outstanding principal amount of the Note by the applicable Day Count Fraction.
- (c) The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

9.2 Calculation of other amounts

If the Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent must, as soon as practicable after the time at which that amount is to be determined, calculate the amount in the manner specified in the Pricing Supplement.

9.3 Notification of Interest Rate, interest payable and other items

- (a) The Calculation Agent must notify the Issuer, the Registrar, the Noteholders, the Trustee and each other Agent of each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the Interest Payment Date.
- (b) The Calculation Agent must give notice under this Condition as soon as practicable after making its determination.
- (c) The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must promptly notify the Issuer, the Registrar, the Noteholders, the Trustee and each other Agent of any such amendment.

9.4 Determination final

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions is, in the absence of fraud or manifest error, final and binding on the Issuer, the Guarantors, the Registrar, each Noteholder, the Trustee and each other Agent.

9.5 Rounding

For the purposes of any calculations required under these Conditions (unless otherwise specified in these Conditions or the Pricing Supplement):

- (a) all percentages resulting from the calculations must be rounded to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.);
- (b) all figures must be rounded to five decimal places (with halves being rounded up); and
- (c) all amounts that are due and payable must be rounded (with halves being rounded up) to one cent.

10 Redemption

10.1 Redemption on maturity

The Issuer agrees to redeem each Note on its Maturity Date at its outstanding principal amount unless:

- (a) the Note has been previously redeemed; or
- (b) the Note has been purchased and cancelled.

10.2 Early redemption at the option of Noteholders (Noteholder put)

Upon the occurrence of a Change of Control, each Noteholder will have the right to require the Issuer to redeem all or any part of such Notes of a Series at a redemption price equal to 101 per cent. of the outstanding principal amount of each Note being redeemed (together with any accrued interest, if any, to the date of redemption) (the “**Change of Control Redemption Price**”). Within 30 days after a Change of Control, the Issuer shall deliver a notice to the Registrar and the Trustee requesting that the Trustee promptly notifies Noteholders stating that:

- (a) a Change of Control has occurred and that such Noteholder has the right to require the Issuer to redeem such Notes at the Change of Control Redemption Price;
- (b) the redemption date (which shall be no earlier than 30 days nor later than 50 days from the date of such notice is delivered); and
- (c) the procedures determined by the Issuer, consistent with terms and conditions of the Notes, that a Noteholder must follow in order to have its Notes redeemed.

In this Condition, “**Change of Control**” means, on any date, an event where a party which held 50 per cent. or less of the issued shares of the Issuer as at the Issue Date are issued subsequently holds more than 50 per cent. of the issued shares of the Issuer on that date.

10.3 Early redemption at the option of the Issuer (Issuer call)

The Issuer may redeem all or some of the Notes of a Series before their Maturity Date on an Optional Redemption Date if so specified in the Pricing Supplement by payment of the amount (“**Optional Redemption Amount**”) specified in the Pricing Supplement together with any accrued interest, if any, to the date of redemption.

However, the Issuer may only do so if:

- (a) the amount of Notes to be redeemed is a whole multiple of their Denomination; and

- (b) the Issuer has given at least 30 days (and not more than 60 days) notice to the Registrar, the Trustee, the Noteholders and each other Agent.

10.4 Redemption for tax reasons

The Issuer may redeem all (but not some) of the Notes of a Series in whole before their Maturity Date at the amount equal to the outstanding principal amount at the date of redemption and any interest accrued on it to (but excluding) the date of redemption if, as a consequence of a change, or announced prospective change, in:

- (a) law or a binding judicial decision, ruling or determination; or
- (b) an administrative decision interpreting, applying or clarifying those laws or judicial decisions,

occurring after the issue date of the first Tranche of Notes, the Issuer is required under Condition 12.2 ("Withholding tax") to increase the amount of a payment in respect of a Note.

However, the Issuer may only do so if:

- (i) the Issuer has given at least 30 days (and no more than 60 days) (or any other period specified in the Pricing Supplement) notice to the Trustee, the Noteholders and the Agents;
- (ii) before the Issuer gives the notice under paragraph (i), the Issuer (with a copy to the Trustee) has received an opinion of independent legal advisers of recognised standing in the relevant Tax jurisdiction, that either of the circumstances set out in paragraph (a) or (b) above has arisen;
- (iii) in the case of Fixed Rate Notes, no notice of redemption is given earlier than 90 days before the earliest date on which the Issuer would be obliged to pay Additional Amounts; and
- (iv) in the case of Floating Rate Notes:
 - (A) the proposed date of redemption is an Interest Payment Date; and
 - (B) no notice of redemption is given earlier than 60 days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay Additional Amounts.

10.5 Partial redemptions

If only some of the Notes are to be redeemed under Condition 10.3 ("Early redemption at the option of the Issuer (Issuer call)"), the Notes to be redeemed will be specified in the notice and selected:

- (a) in a fair and reasonable manner; and
- (b) in compliance with any applicable law, directive or requirement of any stock exchange or other relevant authority on which the Notes are listed.

10.6 Effect of notice of redemption

Any notice of redemption given under this Condition 10 ("Redemption") is irrevocable.

10.7 Late payment

If an amount payable is not paid under this Condition 10 ("Redemption") when due, then interest continues to accrue on the unpaid amount (both before and after any demand or

judgment) at the default rate specified in the Pricing Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Noteholder.

10.8 Purchase

The Issuer and any of its Related Bodies Corporate may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased under this Condition 10.8 may be held, resold or cancelled at the discretion of the purchaser and (if the Notes are to be cancelled, the Issuer), subject to compliance with any applicable law or directive.

11 Payments

11.1 Payments to Noteholders

- (a) Payments of principal will be made to each person registered in the Register at 10.00 am on the applicable Payment Date as the holder of a Note.
- (b) Payment of interest shall be made to each person registered in the Register at close of business on the applicable Record Date as the holder of a Note.

11.2 Payments to accounts

Payments in respect of a Note will be made:

- (a) if the Note is held in the Austraclear System, by crediting on the Payment Date, the amount due to:
 - (i) the account of Austraclear (as the Noteholder) previously notified to the Issuer and the Registrar; or
 - (ii) if requested by Austraclear, the accounts of the persons in Australia in whose Security Record (as defined in the Austraclear Regulations) a Note is recorded as previously notified by Austraclear to the Issuer and the Registrar in accordance with the Austraclear Regulations; and
- (b) if the Notes are not held in the Austraclear System, by crediting on the Payment Date, the amount then due under each Note to an account in Australia previously notified by the Noteholder to the Issuer and the Registrar.

11.3 Payments by cheque

If a Noteholder has not notified the Registrar of an account to which payments to it must be made by close of business on the Record Date or it has notified the Registrar that it wishes to be paid by cheque, payments in respect of the Note will be made by cheque and sent by prepaid post on the Payment Date, at the risk of the registered Noteholder, to the Noteholder (or if two or more persons are entered in the Register as joint Noteholders, to the first named joint Noteholder of the Note) at its address appearing in the Register at close of business on the Record Date. Cheques sent to the nominated address of a Noteholder will be taken to have been received by the Noteholder on the Payment Date and no further amount will be payable by the Issuer in respect of the Notes as a result of the Noteholder not receiving payment on the due date.

11.4 Payments subject to law

All payments are subject to applicable law but without prejudice to the provisions of Condition 12 ("Taxation").

11.5 Payments on Business Days

If a payment:

- (a) is due on a Note on a day which is not a Business Day then the due date for payment will be adjusted in accordance with the applicable Business Day Convention; or
- (b) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the first following day on which banks are open for general banking business in that place,

and in either case, a Noteholder is not entitled to any additional payment in respect of that delay.

11.6 Unsuccessful attempts to pay

Subject to applicable law, where the Issuer:

- (a) decides that an amount is to be paid to a Noteholder by a method of direct credit and the Noteholder has not given a direction as to where amounts are to be paid by that method;
- (b) attempts to pay an amount to a Noteholder by direct credit, electronic transfer of funds, cheque or any other means and the transfer is unsuccessful;
- (c) has made reasonable efforts to locate a Noteholder but is unable to do so; or
- (d) has issued a cheque which has not been presented within six months of its date, then the Issuer may cancel such cheque and if the Issuer has so cancelled,

then, in each case and subject to Condition 13 ("Time limit for claims"), the amount is to be held by the Issuer for the Noteholder in a non-interest bearing deposit with a bank selected by the Issuer until the Noteholder or any legal personal representative of the Noteholder claims the amount or the amount is paid by the Issuer according to the legislation relating to unclaimed moneys.

11.7 Payment to joint Noteholders

A payment to any one of joint Noteholders will discharge the Issuer's liability in respect of the payment.

12 Taxation

12.1 No set-off, counterclaim or deductions

All payments in respect of the Notes must be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless such withholding or deduction is required by law.

12.2 Withholding tax

If a law requires the Issuer (or an Agent) to withhold or deduct an amount in respect of Taxes from a payment in respect of a Note such that the Noteholder would not actually receive on the due date the full amount provided for under the Notes, then:

- (a) the Issuer (or an Agent) agrees to withhold or deduct the amount for the Taxes; and

- (b) an additional amount is payable by the Issuer so that, after making the withholding or deduction and further withholdings or deductions applicable to any additional amounts payable under this Condition, the Noteholder is entitled to receive (at the time the payment is due) total amounts equal to what it would have received if no withholdings or deductions had been required to be made from a payment in respect of a Note.

12.3 Gross-up exceptions

No additional amounts are payable under Condition 12.2 ("Withholding tax") in respect of any Note:

- (a) to, or to a third party on behalf of, a Noteholder, if that person has not supplied an appropriate Australian tax file number (if applicable), or an Australian Business Number or details of an applicable exemption from these requirements;
- (b) to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of having some connection with Australia other than the mere holding of the Note;
- (c) to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of a Note by reason of the Noteholder being an Offshore Associate of the Issuer not acting in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act;
- (d) in respect of any estate, inheritance, gift, sales, transfer, personal property, or any similar tax, assessment or governmental charge;
- (e) in circumstances where such a withholding or deduction would not be required if the Noteholder, or any person acting on the Noteholder's behalf, had satisfied any statutory requirements or obtained and/or presented any form or certificate or had made a declaration of non-residence or similar claim for exemption to any Tax Authority upon the presentation or making of which the Noteholder would have been able to avoid or partially avoid (as the case may be) such withholding or deduction;
- (f) where such withholding or deduction is required to be made pursuant to a notice or direction issued by the Commissioner of Taxation under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of Australia or any similar law;
- (g) where such withholding or deduction is made for, or on account of, FATCA (as withheld or deducted by the Issuer, an Agent or any other party);
- (h) in such other circumstances as may be specified in the Pricing Supplement; or
- (i) in respect of any combination of any or all of paragraphs (a) to (h) above.

13 Time limit for claims

A claim against the Issuer for a payment under a Note is void unless made within 10 years (in the case of principal) or 5 years (in the case of interest and other amounts) from the date on which payment first became due.

14 Events of Default

14.1 Events of Default

Each of the following is an Event of Default in respect of the Notes:

- (a) **(non-payment of principal)** the Issuer fails to pay any principal in respect of the Notes when due or, if the failure to pay on time is caused by an administrative or technical error beyond the control of the Issuer, within 2 Business Days after the due date;
- (b) **(non-payment of interest)** the Issuer fails to pay any interest in respect of the Notes of the relevant Series when due and the failure to pay continues for a period of 10 Business Days;
- (c) **(other non-compliance)** the Issuer or a Guarantor:
 - (i) fails to comply with any of its obligations in connection with a Note (other than in relation to the payment of money referred to in paragraphs (a) and (b) above); and
 - (ii) if the non-compliance is capable of remedy, it is not remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee or any Noteholder;
- (d) **(cross default)** any Financial Indebtedness of the Issuer, a Guarantor or any of its other Subsidiaries for amounts totalling (whether pursuant to a single default or a number of aggregate defaults subsisting at that time) more than A\$5,000,000 (or its equivalent in any other currency):
 - (i) is not satisfied on the later of their due date or the end of any applicable grace period; or
 - (ii) has become (or becomes capable of being declared) due and payable before its scheduled maturity by reasons of a default, event of default or potential event of default (howsoever described). For the purposes of this subparagraph (ii), and except in relation to an amount becoming capable of being declared due and payable as a consequence of a breach of a payment obligation or a breach of a material obligation (howsoever described), an amount will only be deemed to have become capable of being declared due and payable on the date that falls 30 days after the expiration of any applicable grace period in relation to the event giving rise to the amount becoming capable of being declared due and payable;
- (e) **(insolvency)** an Insolvency Event occurs in relation to the Issuer or a Guarantor;
- (f) **(no arrangement with creditors)** the Issuer or any Guarantor makes a general assignment for the benefit of creditors, or any proceeding shall be instituted by or against the Issuer or a Guarantor (which, in the case of a proceeding instituted against the Issuer or a Guarantor, is not set aside or withdrawn within 7 days after the date that the application was made for such proceeding to be instituted) seeking to adjudicate it insolvent, or seeking liquidation, winding up, reorganisation, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganisation or relief of debtors, seeking the entry of any order for relief or the appointment of a receiver, trustee, administrator or other similar official over the Issuer or Guarantor, its activities or any substantial part of its property;
- (g) **(obligations unenforceable)** any Note or the Note Trust Deed (including, for the avoidance of doubt, the Guarantee) is or becomes (or is claimed to be by the Issuer, a Guarantor or anyone on their behalf) wholly or any part of a material provision of it void, voidable or unenforceable or any Note, the Note Trust Deed or the Guarantee ceases to wholly or in relation to any part of a material provision of it have full force and effect or the whole or any part of a material provision of it is declared by any court of competent jurisdiction to be void or unenforceable;

- (h) **(no litigation)** a judgement or award in an amount exceeding A\$5,000,000 (or its equivalent in any other currency) is obtained against the Issuer or a Guarantor or any of their assets and is not set aside or satisfied within 30 days unless the Issuer or the Guarantor is diligently and in good faith pursuing an appeal;
- (i) **(cessation of business)** the Issuer or any Guarantor ceases to carry on business generally and no other body corporate assumes the business of that person; and
- (j) **(enforcement against assets)** any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Issuer or a Guarantor having a value exceeding A\$5,000,000 (or its equivalent in any other currency) and which is not discharged within 14 days.

14.2 Consequences of an Event of Default

If an Event of Default occurs and continues unremedied in relation to the Notes, then a Noteholder or the Trustee (if requested in writing by a Noteholder) may declare by notice to the Issuer (with a copy to the Registrar, each other Agent and the Trustee (if notice is given by a Noteholder)) that each Note held by it is (or, if the Trustee has given the declaration, all Notes are) to be redeemed by the Issuer paying to the Noteholder the applicable redemption amount for the Note (together with any accrued interest) in which case those amounts become immediately due and payable.

14.3 Notification

If an Event of Default occurs (or, in the case of Condition 14.1(c) ("Event of Default"), an Event of Default would occur with the lapse of time if notice were to be given to the Issuer), the Issuer must promptly (and in any event within 5 days) after becoming aware of it notify the Trustee, the Registrar, each other Agent and the Noteholders of the occurrence of the Event of Default (specifying details of it).

14.4 Enforcement

- (a) Subject to Condition 14.4(c), at any time after the occurrence of an Event of Default, the Trustee may, either at its discretion or pursuant to a direction of Noteholders in accordance with paragraph (c)(i) below and, in either case, without further notice, institute such proceedings and/or take such other action as it may think fit against or in relation to the Issuer to enforce the Issuer's obligations under the Notes. The Issuer shall, as a result of the bringing of any such proceedings, be obliged to pay any sums representing or measured by reference to principal or interest on the Notes sooner than the same would otherwise have been payable by it.
- (b) Without prejudice to Condition 14.4(a) but subject to Condition 14.4(c), if the Issuer or a Guarantor breaches any of its obligations under the Note Trust Deed, the Trustee may, either at its discretion or pursuant to a direction of Noteholders in accordance with paragraph (c)(i) below and, in either case, without further notice, take such action as it may think fit to enforce such obligations.
- (c) Unless the Trustee, acting reasonably, forms the view that immediate steps must be taken to protect the Noteholders' interests, it must not take any of the actions referred to in paragraphs (a) or (b) above to enforce the obligations of the Issuer in respect of the Notes or take any other enforcement action pursuant to or in connection with the Note Trust Deed or the Notes unless:
 - (i) it shall have been so requested in writing by Noteholders who hold in aggregate 25 per cent. or more of the outstanding principal amount of all Notes then outstanding; and
 - (ii) it shall have been indemnified to its satisfaction in accordance with the terms of the Note Trust Deed.

If, prior to acting on a direction received pursuant to paragraph (a), the Trustee receives further directions to take any action pursuant to this paragraph (c)(i) that are, in its reasonable opinion, materially inconsistent or conflicting in any material respect with the initial directions, the Trustee must call a meeting of Noteholders in accordance with the terms of these Conditions, the Note Trust Deed and the Meeting Provisions in order to resolve the inconsistency or conflict and shall act in accordance with any resolutions passed at that meeting or in accordance with any direction by Noteholders who hold in aggregate 50 per cent. or more of the outstanding principal amount of all Notes then outstanding.

- (d) No Noteholder is entitled to proceed directly against the Issuer or a Guarantor to enforce any right or remedy under or in respect of any Note or the Note Trust Deed unless expressly entitled to do so under these Conditions or the Note Trust Deed or the Trustee, having become bound to proceed, fails to do so within five days from the date that the Trustee is notified by a Noteholder of the failure, and such failure is continuing.

15 Agents

15.1 Role of Agents

In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust with any Noteholder.

15.2 Appointment and replacement of Agents

Each initial Agent for a Series of Notes is specified in the Pricing Supplement. Subject to Condition 15.4 ("Required Agents"), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

15.3 Change of Agent

The Issuer (or the Agent on its behalf) must notify the Trustee and the Noteholders if there is any change in the identity of any Agent or any Agent's Specified Office.

15.4 Required Agents

The Issuer must, in respect of each Series of Notes, at all times maintain a Registrar, an Issuing & Paying Agent and a Calculation Agent.

16 Meetings of Noteholders

The Meeting Provisions contain provisions for convening meetings of the Noteholders of any Series to consider any matter affecting their interests, including any variation of these Conditions. Any resolution duly passed by the Noteholders pursuant to the Meeting Provisions shall be binding on all Noteholders (whether or not they were present at the meeting at which such resolution was passed).

17 Variation

17.1 Variation with consent

Unless Condition 17.2 ("Variation without consent") applies, any Note may be varied by the Noteholders of the Series in accordance with the Meeting Provisions.

17.2 Variation without consent

Any Condition may be amended by the Issuer with the consent of the Trustee (not to be unreasonably withheld or delayed) but without the consent of the Noteholders if the amendment:

- (a) is of a formal, minor or technical nature;
- (b) is made to correct a manifest error; or
- (c) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision,

provided that, in all cases, in the reasonable opinion of the Issuer and the Trustee, such amendment is not materially prejudicial to the interests of the Noteholders.

18 Further issues of Notes

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same conditions as the Notes of any Series in all respects (or in all respects except for the first payment of interest, if any, on them) so as to form a single series with the Notes of that Series.

19 Notices

19.1 Notices to Noteholders

All notices and other communications to Noteholders must be in writing and must be sent by prepaid post (airmail, if appropriate) to or left at the address of the Noteholder (as shown in the Register at close of on the day which is 3 Business Days before the date of the notice or communication) and may also be given by an advertisement published in *The Australian Financial Review* or *The Australian*.

19.2 Notices to the Issuer, the Trustee and the Agents

All notices and other communications to the Issuer, the Trustee or an Agent must be in writing and may sent by prepaid post (airmail, if appropriate) to or left at the Specified Office of the Issuer, the Trustee or the Agent.

19.3 Receipt - publication in newspaper

If published in a newspaper, a notice or other communication is taken to be received on the first date that publication has been made in all the required newspapers.

19.4 Deemed receipt - postal

If sent by post, notices or other communications are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).

19.5 Deemed receipt - general

Despite Condition 19.4 ("Deemed receipt - postal"), if notices or other communications are received after 5.00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00 am on the next Business Day.

20 Governing law**20.1 Governing law**

These Conditions are governed by the law in force in New South Wales, Australia.

20.2 Jurisdiction

The Issuer irrevocably and unconditionally submits and each Noteholder is taken to have submitted, to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. The Issuer waives any right it has to object to any actions or proceedings (“**Proceedings**”) being brought in those courts including, without limitation, by claiming that the Proceedings have been brought in an inconvenient forum or that those courts do not have jurisdiction.

20.3 Serving documents

Without preventing any other method of service, any document in any Proceedings (including, without limitation any writ of summons or other originating process or any third or other party notice) may be served on the Issuer by being delivered or left at the Specified Office of the Issuer or otherwise at the Issuer’s registered office or principal place of business.

The Pricing Supplement to be issued in respect of the Notes will be substantially in the form set out below.

Tranche No.: [●]

Issue of
A\$[•] [[•]% Fixed/Floating] Rate Notes due [•]
("Notes")

The date of this Pricing Supplement is [●].

Unless otherwise indicated, terms defined in the Conditions have the same meaning when used in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

1 Issuer : McPherson's Limited(ABN 98 004 068 419)

2	Initial Guarantors	: A.C.N. 082 110 101 Pty Ltd (ABN 80 082 110 101) Arc Appliances Pty Ltd (ACN 127 192 223) Domenica Pty. Ltd. (ABN 73 007 016 275) Electrical Distributors Australia Pty. Limited (ABN 11 051 297 557) Home Appliances Pty Ltd (ABN 53 137 363 038) Integrated Appliance Group Pty Ltd (ABN 53 093 809 360) McPherson's Consumer Products (HK) Limited (Hong Kong Companies Registry No. 0041342) McPherson's Consumer Products (NZ) Limited (New Zealand company number 425605) McPherson's Consumer Products Pty Ltd (ABN 36 000 020 495) McPherson's Hong Kong Limited (Hong Kong Companies Registry No. 0040139)
3	Type of Notes	: [Fixed Rate Notes / Floating Rate Notes]
4	Lead Manager and Initial Subscriber	: FIIG Securities Limited (ABN 68 085 661 632)
5	Registrar	: Perpetual Corporate Trust Limited (ABN 99 000 341 533)
6	Issuing & Paying Agent	: Perpetual Corporate Trust Limited (ABN 99 000 341 533)
7	Calculation Agent	: Perpetual Corporate Trust Limited (ABN 99 000 341 533)
8	Trustee	: Perpetual Corporate Trust Limited (ABN 99 000 341 533)
9	Aggregate principal amount of Tranche	: A\$[●]
10	Issue Date	: [●]
11	Issue Price	: 100%
12	Denomination	: A\$1,000
13	Minimum parcel size on initial issue	: A\$50,000
14	Maturity Date	: [●]
15	Record Date	: As per the Conditions
16	Condition 7 (Fixed Rate Notes) applies	: [Yes/No] <i>[If "No", delete the following Fixed Rate provisions]</i>
	Fixed Coupon Amount	: A\$[●] per A\$1,000 denomination, payable semi-annually in arrear
	Interest Rate	: [●]% per annum.

	Interest Commencement Date	:	Issue Date	
	Interest Payment Dates	:	[●] and [●] of each year, commencing on [●] up to, and including, the Maturity Date or, if redeemed earlier, an Optional Redemption Date	
	Business Day Convention	:	[Following Business Day Convention]	
	Day Count Fraction	:	[RBA Bond Basis]	
17	Condition 8 (Floating Rate Notes) applies	:	[Yes/No] <i>[If “No”, delete the following Floating Rate provisions]</i>	
	Interest Commencement Date	:	Issue Date	
	Interest Rate	:	The aggregate of 90 day BBSW Rate and the Margin specified below, payable quarterly in arrear.	
	Interest Payment Dates	:	[●], [●], [●] and [●] of each year, commencing on [●] up to, and including, the Maturity Date or, if redeemed earlier, an Optional Redemption Date	
	Business Day Convention	:	[Modified Following Business Day Convention]	
	Margin	:	[+/-][●]% per annum	
	Day Count Fraction	:	[Actual/365 (Fixed)]	
	Fallback Interest Rate	:	[As per Condition 8.3]	
	Interest Rate Determination	:	[BBSW Rate Determination]	
	BBSW Rate	:	[As per Condition 8.4]	
	Rounding	:	[As per Condition 9.5]	
	Linear Interpolation	:	[Not applicable]	
18	Noteholder put	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Noteholders on a Change of Control as set out in Condition 10.2 (“Early redemption at the option of Noteholders (Noteholder put)”)	
19	Issuer call	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Issuer as set out in Condition 10.3 (“Early redemption at the option of the Issuer (Issuer call)”) and:	
	Optional Redemption Dates and Optional Redemption Amounts	:	Series A First Optional Redemption Date means [●] March 2017	103 per cent. of the outstanding principal amount of each Note being redeemed

Second Optional Redemption Date means [●] March 2018	101.5 per cent. of the outstanding principal amount of each Note being redeemed
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: **Series B**

First Optional Redemption Date means [●] March 2018	103 per cent. of the outstanding principal amount of each Note being redeemed
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Second Optional Redemption Date means [●] March 2019	102 per cent. of the outstanding principal amount of each Note being redeemed
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Third Optional Redemption Date means [●] March 2020	101 per cent. of the outstanding principal amount of each Note being redeemed
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20 Clearing system : Austraclear System.

Interests in the Notes may also be traded through Euroclear and Clearstream, Luxembourg as set out on page [●] of the Information Memorandum.

21 ISIN : [●]

22 Austraclear I.D. : [●]

23 Australian interest withholding tax : It is the Issuer's intention that the Notes will be issued in a manner which will comply with the public offer test under section 128F of the Australian Tax Act.

24 Listing : Not applicable

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Date: [●]

CONFIRMED

For and on behalf of
MCPHERSON'S LIMITED

By:

By:

Name:

Name:

Title:

Title:

Selling Restrictions

*Under the Subscription Agreement dated 27 March 2015 between the Issuer, the Initial Guarantors and the Lead Manager and Initial Subscriber ("**Subscription Agreement**") and subject to the Conditions contained in the Information Memorandum, the Notes will be initially offered by the Issuer through the Lead Manager and Initial Subscriber. The Issuer will have the sole right to accept any offers to purchase Notes and may reject any such offer in whole or (subject to the terms of such offer) in part.*

None of the Issuer, the Initial Guarantors or the Lead Manager and Initial Subscriber has represented that any Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or in accordance with any available exemption, or assumes any responsibility for facilitating that sale.

Persons into whose hands this Information Memorandum comes are required by the Issuer, the Initial Guarantors, the Lead Manager and Initial Subscriber to comply with all applicable laws, regulations and directives in each country or jurisdiction in which they purchase, offer, sell, resell, reoffer or deliver Notes or have in their possession or distribute or publish the Information Memorandum or other offering material and to obtain any authorisation, consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any Notes under any applicable law, regulation or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, reoffers, resales or deliveries, in all cases at their own expense, and none of the Issuer, the Initial Guarantors or the Lead Manager and Initial Subscriber has responsibility for such matters. In accordance with the above, any Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Notes in such jurisdiction.

The following selling restrictions apply to Notes.

Australia

The Lead Manager and Initial Subscriber has acknowledged that, in connection with the initial distribution of the Notes:

- (a) no "prospectus" or other "disclosure document" (each as defined in the Corporations Act) in relation to the Notes has been or will be lodged with ASIC or any other government agency or authority; and
- (b) no action has been taken, or will be taken, by it in any jurisdiction which would permit a public offering of the Notes, or possession or distribution of the Information Memorandum or any other offering material in relation to Notes, in any jurisdiction where action for that in connection with the primary distribution of the Notes.

The Lead Manager and Initial Subscriber has represented and agreed that, in connection with the initial distribution of the Notes, it:

- (i) has not made or invited, and will not make or invite, an offer of the Notes for issue in Australia (including an offer or invitation which is received by a person in Australia); and
- (ii) has not distributed or published, and will not distribute or publish, any Information Memorandum or other offering material or advertisement relating to any Notes in Australia,

unless:

- (A) the offer or invitation falls within the exemption for offers to sophisticated investors set out in section 708(8) of the Corporations Act or the offer or invitation does not otherwise require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act;

- (B) such action does not require any document to be lodged with ASIC or ASX Limited;
- (C) the offer or invitation is not made to a person who is a “retail client” as defined for the purposes of section 761G of the Corporations Act; and
- (D) the offer or invitation and all conduct in connection with it complies with all applicable laws and directives.

In addition, the Lead Manager and Initial Subscriber has agreed, that, in connection with the primary distribution of the Notes, it will not offer or sell Notes to any person if, at the time of such sale, the officers and employees of the Lead Manager and Initial Subscriber aware of, or involved in, the sale, knew or had reasonable grounds to suspect that, as a result of such sale, any Notes or an interest in any Notes were being, or would later be, acquired (directly or indirectly) by an associate of the Issuer for the purpose of section 128F(9) of the Income Tax Assessment Act 1936 of Australia (“**Australian Tax Act**”) and associated regulations except as permitted by section 128F(5) of the Australian Tax Act.

Singapore

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended (“**Securities and Futures Act**”).

The Lead Manager and Initial Subscriber has represented and agreed that, in connection with the initial distribution of the Notes, the Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes has not been and will not be circulated or distributed by it nor have the Notes been, nor will the Notes be, offered or sold by it, or be subject to an invitation for subscription or purchase by it, whether directly or indirectly, to persons in Singapore other than:

- (a) to an institutional investor under Section 274 of the Securities and Futures Act;
- (b) to a relevant person pursuant to Section 275(1) of the Securities and Futures Act, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- (1) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) 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
- (2) 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,

that securities (as defined in Section 239(1) of the Securities and Futures Act) 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 Securities and Futures Act except:

- (i) to an institutional investor (under Section 274 of the Securities and Futures Act) or to a relevant person (as defined in Section 275(2) of the Securities and Futures Act) and in accordance with the conditions specified in Section 275 of the Securities and Futures Act;

- (ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the Securities and Futures Act or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the Securities and Futures Act;
- (iii) where no consideration is, or will be, given for the transfer;
- (iv) where the transfer is by operation of law;
- (v) as specified in Section 276(7) of the Securities and Futures Act; or
- (vi) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

New Zealand

The Notes may not be offered for issue or sale to any person in New Zealand and no offering document or advertisement may be published or distributed in New Zealand, except to any wholesale investor who is:

- (a) an investment business;
- (b) large; or
- (c) a government agency,

each as defined in part 3 of schedule 1 of the New Zealand Financial Markets Conduct Act 2013.

Hong Kong

The Lead Manager and Initial Subscriber has represented, warranted and agreed that, in connection with the initial distribution of the Notes:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) 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) or which do not constitute an offer to the public within the meaning of that 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 of 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 (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Taxation

The following is a summary of the material Australian, New Zealand and Hong Kong tax consequences of an investment in the Notes.

This summary is based on Australian, New Zealand and Hong Kong law as in effect on the date of this Information Memorandum, which is subject to change, possibly with retrospective effect and should be treated with appropriate caution.

The following summary is general in nature and is not, and is not intended to, constitute a complete or comprehensive analysis or description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes or of all potential tax consequences relating to the ownership of Notes and does not deal with the position of all classes of holders (including, dealers in securities, custodians or other third parties who hold Notes on behalf of any holders, and holders that are subject to the Taxation of Financial Arrangements (“TOFA”) rules) some of which may be subject to special rules.

None of the Issuer, the Guarantors, the Lead Manager and Initial Subscriber, the Trustee or any Agents (nor their respective shareholders, subsidiaries, related bodies corporate, officers, employees, representatives or advisers) accepts any responsibility or makes any representation as to the tax consequences of investing in the Notes.

In particular, an Australian resident in receipt of interest through a permanent establishment outside Australia or a non-Australian resident (other than a non-Australian resident in receipt of interest through a permanent establishment in Australia) who holds Notes may be subject to restrictions on transfer of Notes and other constraints, risks or liabilities.

Such persons into whose possession this Information Memorandum comes are required to inform themselves about, and observe, all such restrictions.

All prospective investors should consult their own professional tax advisers concerning the consequences, in their particular circumstances under Australian, New Zealand and Hong Kong tax laws and the laws of any other taxing jurisdiction, of their ownership of, or any dealing in, the Notes.

All prospective holders should also be aware that the particular terms of issue of such Notes may affect the tax treatment of such Notes.

Australian Taxation

The following is a summary of the material Australian tax consequences of the purchase, ownership and disposition of the Notes to holders who purchase securities on original issuance at the stated offering price and hold the Notes as capital assets.

Australian Tax on Payments under the Notes

Nature of the Notes

It is expected that each Note issued by the Issuer should constitute a debenture, and a “debt interest” for Australian tax purposes. Accordingly, the interest payments under each Note should be classified as interest for Australian tax purposes.

Resident holders

This part of the summary applies to holders of Notes that are residents of Australia for tax purposes that do not hold their Notes in carrying on a business at or through a permanent establishment outside of Australia, and non-residents of Australia for tax purposes that acquire their Notes in carrying on a business at or through a permanent establishment in Australia (“**Resident Holders**”).

Under Australian laws as presently in effect:

- (a) *income tax* – Resident Holders will be assessable for Australian income tax purposes on income either received or accrued to them in respect of the Notes. Whether income will be recognised on a cash receipts or accruals basis will depend upon the tax status of the particular Resident Holder and the terms and conditions of the Notes;
- (b) *gains on disposal of Notes* - Resident Holders will be required to include any gain or loss on disposal or redemption of the Notes in their taxable income. This may include any maturity or redemption premium;
- (c) *interest withholding tax* - payments of interest in respect of the Notes to Resident Holders will not be subject to Australian interest withholding tax; and
- (d) *deemed interest* - there are specific rules that can apply to treat a portion of the purchase price of Notes as interest for interest withholding tax purposes when certain Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to a Resident Holder, or where the sale occurs in connection with a "washing arrangement" as defined in section 128A(1AB) of the Australian Tax Act. These rules do not apply in circumstances, such as the Notes, where the deemed interest would have been exempt under section 128F of the Australian Tax Act if the Notes had been held to maturity by a non-resident.

Non-resident holders

This part of the summary applies to non-residents of Australia for tax purposes that do not acquire their Notes in carrying on a business at or through a permanent establishment in Australia, and residents of Australia for tax purposes that acquire their Notes in carrying on a business at or through a permanent establishment outside of Australia ("**Non-resident Holders**").

Payment of Interest

Under existing Australian tax law, Non-resident Holders are not subject to Australian income tax on payments of interest or amounts in the nature of interest where the exemption for interest withholding tax discussed below applies.

If the exemption is not available and another exemption is not available (e.g. under a tax treaty - see below), interest withholding tax will be levied at a rate of 10% on the gross amount of interest, or amounts in the nature of interest, paid on each Note (in that regard, please refer to our comments below in relation to the payment of additional amounts).

Exemption from Australian Withholding Tax

The Issuer proposes to issue the Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act. The Issuer has been advised that assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to an issue of Notes, payment of principal and interest to a Non-resident Holder will not be subject to Australian income taxes.

Broadly, pursuant to section 128F of the Australian Tax Act, an exemption from Australian interest withholding tax is available in respect of interest paid to a Non-resident Holder for tax purposes under any Notes, if the following conditions are met:

- (a) the Issuer is a company and a resident of Australia when it issues the relevant Notes and when interest (as defined in section 128A(1AB)) is paid;
- (b) the relevant Notes are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test. These are:
 - (i) offers of the relevant Notes to 10 or more persons, each of whom is carrying on a business of providing finance, or investing or dealing in securities, in the course of

operating in financial markets and was not known, or suspected by the Issuer, to be an associate of each other;

- (ii) offers of the relevant Notes to 100 or more potential investors whom it was reasonable for the Issuer to have regarded as either having acquired debentures or debt interests in the past, or being likely to be interested in acquiring debentures or debt interests;
 - (iii) offers of the relevant Notes as a result of being accepted for listing on a stock exchange, where the Issuer had previously entered into an agreement with a dealer, manager or underwriter in relation to the placement of debentures or debt interests, requiring the Issuer to seek such listing;
 - (iv) offers of the relevant Notes as a result of negotiations being initiated publicly in electronic form, or in another form, that was used by financial markets for dealing in debentures or debt interests; and
 - (v) offers of the relevant Notes to a dealer, manager or underwriter, who, under an agreement, offered to sell such Notes within 30 days by one of the preceding methods.
- (c) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes or interests in the relevant Notes 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 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 an Offshore Associate who receives the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme).

For these purposes, an "**Offshore Associate**" means an "associate" (within the meaning of section 128F(9) of the Australian Tax Act) of the Issuer that is either:

- (e) a non-resident of Australia that, if it acquires Notes or an interest in Notes, would not acquire the Notes or an interest in the Notes in carrying on a business at or through a permanent establishment of the associate in Australia; or
- (f) a resident of Australia that, if it acquires the Notes or an interest in the Notes, would acquire Notes or an interest in Notes in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.

Under section 128F(9), "associate" is defined broadly to include (i) any entities that "sufficiently influence", or hold the majority voting interests in, the Issuer (i.e. controlling or parent companies of the Issuer); (ii) entities that are "sufficiently influenced by", or whose majority voting interests are held by, the Issuer (or any controlling or parent companies of the Issuer); (iii) any trusts under which the Issuer or any of these aforementioned entities may benefit, and (iv) a person or entity who is an "associate" of another person or company which is an "associate" of the Issuer under (i) above.

Holders in Specified Countries

Should the exemption under section 128F not apply, reliance may be placed on certain new or amended double tax conventions ("**New Treaties**") entered into by the Australian government. These New Treaties have been signed with certain countries including the United States of America, the United Kingdom, Norway, Finland, the Republic of France, Japan, the Republic of South Africa, New Zealand and Chile ("**Specified Countries**"). The New Treaties may apply to interest derived by a resident of a Specified Country in relation to a Note issued by the Issuer.

The New Treaties with the United States of America, the United Kingdom, Norway, Finland, the Republic of France, Japan, the Republic of South Africa and New Zealand effectively prevent withholding tax applying to interest derived by:

- (a) the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- (b) certain unrelated banks, and financial institutions which substantially derive their profits by carrying on a business of raising and providing finance, which are resident in the Specified Country,

by reducing the interest withholding tax rate to zero.

Under the New Treaty with Chile, interest withholding tax applying to interest derived by certain unrelated banks, and financial institutions which substantially derive their profits by carrying on a business of raising and providing finance is reduced to the rate of 5%.

Under the New Treaties, back-to-back loans and economically equivalent arrangements will not obtain the benefit of the reduction in interest withholding tax and the anti-avoidance provisions in the Australian Tax Act can apply. Additionally, under the New Treaty with the United States of America, interest determined by reference to the profits of the Issuer or one of its associated enterprises may not obtain the benefit of the reduction in interest withholding tax.

Further, under the New Treaty with Japan, interest derived by the Japan Bank for International Cooperation or the Nippon Export and Investment Insurance will have a nil rate of withholding tax.

Payment of additional amounts

Despite the fact that any Notes are intended to be issued in a manner which will satisfy the requirements of section 128F of the Income Tax Assessment Act 1936 and payments of interest in respect of those Notes are not expected to be subject to interest withholding tax, if the Issuer is at any time required to withhold interest withholding tax from payments of interest on any of those Notes, the amount payable by the Issuer will pay an additional amount so that, after making the withholding or deduction and further withholdings or deductions applicable to any additional amounts so payable, the relevant holder is entitled to receive (at the time the payment is due) the amount it would have received if no withholdings or deductions had been required to be made (subject to the conditions and exceptions contained in Condition 12.3 ("Gross-up exceptions")).

Quotation of Australian Business Numbers or Tax File Numbers

If a holder of a Note issued by the Issuer is an Australian resident or a non-resident that holds a Note at or through a permanent establishment in Australia, withholding for tax (see below for rate of withholding tax) must be deducted, unless the holder of that Note supplies the Issuer of that Note with its Australian Business Number (if applicable) or Tax File Number or proof of an appropriate exemption from quoting such numbers. An Australian resident that holds a Note may also be subject to Australian income tax in respect of interest derived from the relevant Notes.

The rate of withholding tax for failure to provide a Tax File Number or Australian Business Number is 49% for the 2014-15, 2015-16 and 2016-17 income years and, under current law, will be reduced to 47% following the 2016-17 income year.

Withholding Tax on Payments under the Guarantee

The Australian Taxation Office has published a Taxation Determination stating that payments by a Guarantor in respect of debentures (such as the Notes issued by the Issuer) are entitled to the benefit of the exemption contained in section 128F of the Australian Tax Act if payments of interest in respect of those debentures by the Issuer are exempt from interest withholding tax.

As set out in more detail in the Guarantees, if a Guarantor is at any time prohibited by law from making payments under the Guarantees free of deductions or withholdings, then such additional amounts shall be paid to the holder as may be necessary in order that the actual amount received after all applicable deductions and withholdings shall equal the amount that would have been received if such deductions or withholdings were not made.

Other Australian Taxes

Goods and Services Tax (“GST”)

Neither the issue nor the receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of the Notes will either be a financial supply that is input taxed or in the case Notes issued to a non-resident offshore subscriber, GST-free. Furthermore, neither the payment of principal or interest by the Issuer, nor the redemption or disposal of the Notes, should give rise to a liability for GST in Australia.

Where the acquisition or transfer of the Notes results in the holder making an input taxed financial supply, the holder may be restricted in claiming input tax credits for any GST they have incurred on costs related to the acquisition or transfer of Notes. Holders should seek their own advice in this regard.

Neither the grant of the Guarantees nor the payment of any amount under the Guarantees would give rise to any liability for GST in Australia.

Death duties

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.

Stamp duty

No ad valorem, stamp duty, issue, registration or similar taxes are payable in Australia on the issue of any Notes or redemption of any Notes or the transfer of any Notes provided that the Notes are not held on a register located in South Australia.

New Zealand Taxation

Withholding tax on payments under the Guarantee

There is a risk that New Zealand non-resident withholding tax (“**NRWT**”) could apply to payments of interest under the Guarantee by a Guarantor incorporated in New Zealand (being, as at the date of this information memorandum, McPherson’s Consumer Products (NZ) Limited) or carrying on business in New Zealand at or through a permanent establishment (“**NZ Guarantor**”). The domestic rate of NRWT is 15%, which is reduced to 10% for Australia, the USA and most other countries with which New Zealand has a double tax treaty. The better view under current law is that, unless the Issuer uses the funds raised for the purpose of a business it carries on in New Zealand through a fixed establishment in New Zealand, no NRWT applies to such payments, but that position is not certain.

New Zealand resident withholding tax (“**RWT**”) may apply to payments of interest under the Guarantee by an NZ Guarantor to a holder if:

- (a) such holder is a resident of New Zealand for income tax purposes or such holder is a non-resident which carries on business in New Zealand through a fixed establishment in New Zealand (“**New Zealand Holder**”); and
- (b) at the time of such payment, the New Zealand Holder does not hold a valid RWT exemption certificate (as defined in the Income Tax Act 2007 of New Zealand) for RWT purposes.

No NRWT or RWT applies in respect of repayments of principal by an NZ Guarantor under the Guarantee.

As noted above and set out in more detail in the Guarantee, if a Guarantor is at any time prohibited by law from making payments under the Guarantee free of deductions or withholdings, then such additional amounts shall be paid to the holder as may be necessary in order that the actual amount received after all applicable deductions and withholdings shall equal the amount that would have been received if such deductions or withholdings were not made.

Hong Kong Taxation

The following summary of certain Hong Kong tax consequences of the purchase, ownership and disposition of Notes is based upon applicable laws, regulations, rulings and decisions in effect as of the date of this Information Memorandum, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Notes should consult their own tax advisers concerning the tax consequences of the purchase, ownership and disposition of Notes.

Withholding tax

No withholding tax is payable in Hong Kong on payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits tax

Hong Kong profits tax is charged on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business.

Under the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “Inland Revenue Ordinance”) as it is currently applied, Hong Kong profits tax may be charged on assessable profits arising on the sale, disposal or redemption of the Notes where such sale, disposal or redemption is or forms part of a trade, profession or business carried on in Hong Kong.

Interest on the Notes will be subject to Hong Kong profits tax where such interest has a Hong Kong source, and is received by or accrues to:

- (a) a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside Hong Kong;
- (b) a corporation carrying on a trade, profession or business in Hong Kong by way of interest derived from Hong Kong; or
- (c) a person, other than a corporation, carrying on a trade, profession or business in Hong Kong by way of interest derived from Hong Kong and such interest is in respect of the funds of the trade, profession or business.

Stamp duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Note.

Directory

Issuer

McPherson's Limited

(ABN 98 004 068 419)

105 Vanessa Street
Kingsgrove NSW 2208

Telephone: + 61 2 9370 8000
Facsimile: + 61 2 9370 8093
Attention: Chief Financial Officer

Lead Manager and Initial Subscriber

FIIG Securities Limited

(ABN 68 085 661 632 and AFSL No. 224659)

Level 8
Emirates House
167 Eagle Street
Brisbane QLD 4000

Telephone: + 61 7 3231 6666
Facsimile: + 61 7 3231 6699
Attention: Legal and Compliance

Registrar, Issuing & Paying Agent and Calculation Agent

Perpetual Corporate Trust Limited

(ABN 99 000 341 533)

Level 12, Angel Place
123 Pitt Street
Sydney NSW 2000

Telephone: +61 2 9229 9000
Facsimile: +61 2 8256 1424
Attention: Manager, Transaction Management, Trust and Fund Services

Trustee

Perpetual Corporate Trust Limited

(ABN 99 000 341 533)

Level 12, Angel Place
123 Pitt Street
Sydney NSW 2000

Telephone: + 61 2 9229 9000
Facsimile: + 61 2 8256 1424
Attention: Manager, Transaction Management, Trust and Fund Services

Series No.: 2015-A

Tranche No.: 1



McPherson's Limited
(ABN 98 004 068 419)
("Issuer")

Issue of
A\$30,000,000 Floating Rate Notes due 31 March 2019
("Notes")

irrevocably and unconditionally guaranteed on a joint and several basis by
certain subsidiaries of the Issuer
(together, the "**Initial Guarantors**")

The date of this Pricing Supplement is 27 March 2015.

This Pricing Supplement (as referred to in the Information Memorandum dated 27 March 2015 ("**Information Memorandum**")) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with (i) the terms and conditions of the Notes ("**Conditions**") contained in the Information Memorandum and (ii) the Note Trust Deed dated 27 March 2015 and made by the Issuer, the Initial Guarantors and the Trustee.

Unless otherwise indicated, terms defined in the Conditions have the same meaning when used in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

- | | | | |
|---|--------------------|---|---|
| 1 | Issuer | : | McPherson's Limited (ABN 98 004 068 419) |
| 2 | Initial Guarantors | : | A.C.N. 082 110 101 Pty Ltd (ABN 80 082 110 101)
Arc Appliances Pty Ltd (ACN 127 192 223)
Domenica Pty. Ltd. (ABN 73 007 016 275)
Electrical Distributors Australia Pty. Limited (ABN 11 051 297 557) |

Home Appliances Pty Ltd (ABN 53 137 363 038)

Integrated Appliance Group Pty Ltd (ABN 53 093 809 360)

McPherson's Consumer Products (HK) Limited (Hong Kong Companies Registry No. 0041342)

McPherson's Consumer Products (NZ) Limited (New Zealand company number 425605)

McPherson's Consumer Products Pty Ltd (ABN 36 000 020 495)

McPherson's Hong Kong Limited (Hong Kong Companies Registry No. 0040139)

3	Type of Notes	: Floating Rate Notes
4	Lead Manager and Initial Subscriber	: FIIG Securities Limited (ABN 68 085 661 632)
5	Registrar	: Perpetual Corporate Trust Limited (ABN 99 000 341 533)
6	Issuing & Paying Agent	: Perpetual Corporate Trust Limited (ABN 99 000 341 533)
7	Calculation Agent	: Perpetual Corporate Trust Limited (ABN 99 000 341 533)
8	Trustee	: Perpetual Corporate Trust Limited (ABN 99 000 341 533)
9	Aggregate principal amount of Tranche	: A\$30,000,000
10	Issue Date	: 31 March 2015
11	Issue Price	: 100%
12	Denomination	: A\$1,000
13	Minimum parcel size on initial issue	: A\$50,000
14	Maturity Date	: 31 March 2019
15	Record Date	: As per the Conditions
16	Condition 7 (Fixed Rate Notes) applies	: No
17	Condition 8 (Floating Rate Notes) applies	: Yes
	Interest Commencement Date	: Issue Date
	Interest Rate	: The aggregate of 90 day BBSW Rate and the Margin specified below, payable quarterly in arrear.

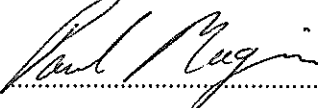
	Interest Payment Dates	:	31 March, 30 June, 30 September and 31 December of each year, commencing on 30 June 2015 up to, and including, the Maturity Date or, if redeemed earlier, an Optional Redemption Date
	Business Day Convention	:	Modified Following Business Day Convention
	Margin	:	+4.30% per annum
	Day Count Fraction	:	Actual/365 (Fixed)
	Fallback Interest Rate	:	As per Condition 8.3
	Interest Rate Determination	:	BBSW Rate Determination
	BBSW Rate	:	As per Condition 8.4
	Rounding	:	As per Condition 9.5
	Linear Interpolation	:	Not applicable
18	Noteholder put	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Noteholders on a Change of Control as set out in Condition 10.2 ("Early redemption at the option of Noteholders (Noteholder put)")
19	Issuer call	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Issuer as set out in Condition 10.3 ("Early redemption at the option of the Issuer (Issuer call)") and:
20	Optional Redemption Dates and Optional Redemption Amounts	:	First Optional Redemption Date means 31 March 2017
		:	103 per cent. of the outstanding principal amount of each Note being redeemed
		:	Second Optional Redemption Date means 31 March 2018
		:	101.5 per cent. of the outstanding principal amount of each Note being redeemed
21	Clearing system	:	Austraclear System. Interests in the Notes may also be traded through Euroclear and Clearstream, Luxembourg as set out on pages 10 and 11 of the Information Memorandum.
22	ISIN	:	AU3FN0026977
23	Austraclear I.D.	:	MCPL01
24	Australian interest withholding tax	:	It is the Issuer's intention that the Notes will be issued in a manner which will comply with the public offer test under section 128F of the Australian Tax Act.
25	Listing	:	Not applicable

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Date: 27 March 2015

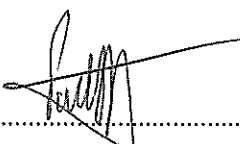
CONFIRMED

For and on behalf of
MCPHERSON'S LIMITED

By: 

Name: PAUL MAGUIRE

Title: DIRECTOR

By: 

Name: PAUL WITHERIDGE

Title: COMPANY SECRETARY

Series No.: 2015-B

Tranche No.: 1



McPherson's Limited
(ABN 98 004 068 419)
("Issuer")

Issue of
A\$30,000,000 7.10% Fixed Rate Notes due 31 March 2021
("Notes")

irrevocably and unconditionally guaranteed on a joint and several basis by
certain subsidiaries of the Issuer
(together, the "**Initial Guarantors**")

The date of this Pricing Supplement is 27 March 2015.

This Pricing Supplement (as referred to in the Information Memorandum dated 27 March 2015 ("**Information Memorandum**")) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with (i) the terms and conditions of the Notes ("**Conditions**") contained in the Information Memorandum and (ii) the Note Trust Deed dated 27 March 2015 and made by the Issuer, the Initial Guarantors and the Trustee.

Unless otherwise indicated, terms defined in the Conditions have the same meaning when used in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

- | | | | |
|---|--------------------|---|---|
| 1 | Issuer | : | McPherson's Limited (ABN 98 004 068 419) |
| 2 | Initial Guarantors | : | A.C.N. 082 110 101 Pty Ltd (ABN 80 082 110 101)
Arc Appliances Pty Ltd (ACN 127 192 223)
Domenica Pty. Ltd. (ABN 73 007 016 275)
Electrical Distributors Australia Pty. Limited (ABN 11 051 297 557) |

Home Appliances Pty Ltd (ABN 53 137 363 038)

Integrated Appliance Group Pty Ltd (ABN 53 093 809 360)

McPherson's Consumer Products (HK) Limited (Hong Kong Companies Registry No. 0041342)

McPherson's Consumer Products (NZ) Limited (New Zealand company number 425605)

McPherson's Consumer Products Pty Ltd (ABN 36 000 020 495)

McPherson's Hong Kong Limited (Hong Kong Companies Registry No. 0040139)

3	Type of Notes	: Fixed Rate Notes
4	Lead Manager and Initial Subscriber	: FIIG Securities Limited (ABN 68 085 661 632)
5	Registrar	: Perpetual Corporate Trust Limited (ABN 99 000 341 533)
6	Issuing & Paying Agent	: Perpetual Corporate Trust Limited (ABN 99 000 341 533)
7	Calculation Agent	: Perpetual Corporate Trust Limited (ABN 99 000 341 533)
8	Trustee	: Perpetual Corporate Trust Limited (ABN 99 000 341 533)
9	Aggregate principal amount of Tranche	: A\$30,000,000
10	Issue Date	: 31 March 2015
11	Issue Price	: 100%
12	Denomination	: A\$1,000
13	Minimum parcel size on initial issue	: A\$50,000
14	Maturity Date	: 31 March 2021
15	Record Date	: As per the Conditions
16	Condition 7 (Fixed Rate Notes) applies	: Yes
	Fixed Coupon Amount	: A\$35.50 per A\$1,000 denomination, payable semi-annually in arrear
	Interest Rate	: 7.10% per annum.
	Interest Commencement Date	: Issue Date

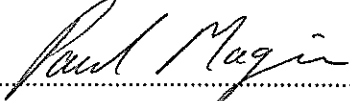
	Interest Payment Dates	:	31 March and 30 September of each year, commencing on 30 September 2015 up to, and including, the Maturity Date or, if redeemed earlier, an Optional Redemption Date
	Business Day Convention	:	Following Business Day Convention
	Day Count Fraction	:	RBA Bond Basis
17	Condition 8 (Floating Rate Notes) applies	:	No
18	Noteholder put	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Noteholders on a Change of Control as set out in Condition 10.2 ("Early redemption at the option of Noteholders (Noteholder put)")
19	Issuer call	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Issuer as set out in Condition 10.3 ("Early redemption at the option of the Issuer (Issuer call)") and:
20	Optional Redemption Dates and Optional Redemption Amounts	:	First Optional Redemption Date means 31 March 2018
			103 per cent. of the outstanding principal amount of each Note being redeemed
		:	Second Optional Redemption Date means 31 March 2019
			102 per cent. of the outstanding principal amount of each Note being redeemed
		:	Third Optional Redemption Date means 31 March 2020
			101 per cent. of the outstanding principal amount of each Note being redeemed
21	Clearing system	:	Austraclear System.
			Interests in the Notes may also be traded through Euroclear and Clearstream, Luxembourg as set out on pages 10 and 11 of the Information Memorandum.
22	ISIN	:	AU3CB0228617
23	Austraclear I.D.	:	MCPL02
24	Australian interest withholding tax	:	It is the Issuer's intention that the Notes will be issued in a manner which will comply with the public offer test under section 128F of the Australian Tax Act.
25	Listing	:	Not applicable

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Date: 27 March 2015


CONFIRMED

For and on behalf of
MCPHERSON'S LIMITED

By: 

Name: PAUL MAGUIRE

Title: DIRECTOR

By: 

Name: PAUL WITHERIDGE

Title: COMPANY SECRETARY