

OFFERING CIRCULAR

# SCENTRE GROUP

Owner and Operator of  in Australia and New Zealand

**Scentre Management Limited**

**ABN 41 001 670 579**

*(incorporated with limited liability in Australia)*

**in its capacity as responsible entity and trustee of Scentre Group Trust 1**

**ARSN 090 849 746**

**RE1 Limited**

**ABN 80 145 743 862**

*(incorporated with limited liability in Australia)*

**in its capacity as responsible entity and trustee of Scentre Group Trust 2**

**ARSN 146 934 536**

**RE (NZ) Finance Limited**

*(incorporated and registered in New Zealand with registered number 3183148)*

as issuers on the basis set out below

**€10,000,000,000**

**Euro Medium Term Note Programme**

**Guaranteed on a joint and several basis by each of**

**Scentre Group Limited**

**ABN 66 001 671 496**

*(incorporated with limited liability in Australia)*

**Scentre Management Limited**

**ABN 41 001 670 579**

*(incorporated with limited liability in Australia)*

**in its capacity as responsible entity and trustee of Scentre Group Trust 1**

**ARSN 090 849 746**

**RE1 Limited**

**ABN 80 145 743 862**

*(incorporated with limited liability in Australia)*

**in its capacity as responsible entity and trustee of Scentre Group Trust 2**

**ARSN 146 934 536**

**RE2 Limited**

**ABN 41 145 744 065**

*(incorporated with limited liability in Australia)*

**in its capacity as responsible entity and trustee of Scentre Group Trust 3**

**ARSN 146 934 652**

(to the extent, where applicable, that the party is not named as an Issuer in relation to a Series of Notes in the applicable Pricing Supplement)

**and guaranteed on a joint and several basis by**

**RE (NZ) Finance Limited**

*(incorporated and registered in New Zealand with registered number 3183148)*

(where it is not named as an Issuer in relation to a Series of Notes in the applicable Pricing Supplement)

**Scentre Finance (Aust) Limited**

**ABN 37 093 642 865**

*(incorporated with limited liability in Australia)*

**and any other person that becomes an additional subsidiary guarantor in accordance with the Trust Deed  
(as defined below)**

Under this €10,000,000,000 Euro Medium Term Note Programme (the **Programme**), any one or more of Scentre Management Limited in its capacity as responsible entity and trustee of Scentre Group Trust 1 (**SGT 1**), RE1 Limited in its capacity as responsible entity and trustee of Scentre Group Trust 2 (**SGT 2**) and RE (NZ) Finance Limited (**RE (NZ) Finance**) (each an **Issuer** and together the **Issuers**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the relevant Issuer (as defined below) and the relevant Dealer (as defined below). References in this Offering Circular to the **relevant Issuer** shall, in relation to any issue or proposed issue of Notes, be references to whichever one or more of SGT 1, SGT 2 and/or RE (NZ) Finance is specified as the Issuer(s) or proposed Issuer(s) of such Notes in the applicable Pricing Supplement. Where the applicable Pricing Supplement specifies more than one Issuer as the relevant Issuer, the obligations of such Issuers in relation to the relevant Notes shall be joint and several obligations of such Issuers.

The Notes will be unsecured and unsubordinated obligations of the relevant Issuer and, subject to the limitation on liability and recourse of the Responsible Entities (as defined in the Definitions below), will rank equally with the relevant Issuer's existing and future unsecured and unsubordinated debt. Each Series of Notes will be guaranteed on a joint and several basis by each of SGT 1 and SGT 2, to the extent that the party is not named as an Issuer in relation to such Series of Notes in the applicable Pricing Supplement, as well as by Scentre Group Limited (**SGL**) and RE2 Limited, in its capacity as responsible entity and trustee of Scentre Group Trust 3 (**SGT 3**) (each a **Parent Guarantor** and together, the **Parent Guarantors**). In addition, each Series of Notes will be guaranteed on a joint and several basis by each of RE (NZ) Finance (where RE (NZ) Finance is not named as an Issuer in relation to such Series of Notes in the applicable Pricing Supplement) and Scentre Finance (Aust) Limited (the **Subsidiary Guarantors** and, together with the Parent Guarantors, the **Guarantors**, the Issuers and the Guarantors being together referred to as the **Obligors** and each an **Obligor**). The guarantees given by the Guarantors (the **Guarantees**) will be unsecured and unsubordinated debt obligations of the Guarantors and, subject to the limitation on liability and recourse of each of the Responsible Entities (as defined below), will rank equally with all existing and future unsecured debt of each Guarantor.

Pursuant to an order of the Supreme Court of New South Wales, Australia, dated 23 June 2014, a restructuring of Westfield Group was approved (the **Restructuring**). As a result of the Restructuring, implemented on 30 June 2014, Westfield Group was split into two. Westfield Group's Australian and New Zealand business, including its vertically integrated retail operating platform, was separated from the international business of Westfield Group and Westfield Group's Australian and New Zealand business was merged with Westfield Retail Trust. The Restructuring created two new listed retail property groups, one focusing on Australia and New Zealand (**Scentre Group**) and the other focusing on international markets (**Westfield Corporation**). See "*Description of Scentre Group – Overview of Scentre Group – The Restructuring*".

The stapled entities of Scentre Group comprise Scentre Group Limited (formerly Westfield Holdings Limited), Scentre Group Trust 1 (formerly Westfield Trust), Scentre Group Trust 2 (formerly Westfield Retail Trust 1) and Scentre Group Trust 3 (formerly Westfield Retail Trust 2).

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

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

Interests in a Temporary Global Note (as defined herein) will be exchangeable, in whole or in part, for interests in a Permanent Global Note (as defined herein) on or at the Exchange Date as set out in the relevant Pricing Supplement, upon certification of non-US beneficial ownership.

**The offer and marketing of the Notes is being conducted only to professional clients (as defined under Directive 2004/39/EC) in Germany, France, The Netherlands, the United Kingdom, Denmark, Finland, Italy, Spain, Belgium, Austria, Luxembourg, Portugal and Ireland (the "Approved Jurisdictions") and is not being conducted in any other European Union member state. If a potential investor is not in an Approved Jurisdiction or otherwise is a person to whom the Notes cannot be marketed in accordance with Directive 2011/61/EU (the "Directive") as implemented and interpreted in accordance with the laws of each European Union member state, it should not participate in the offering and the Notes are not being offered or marketed to it. Potential investors should note that this Offering Circular has been prepared solely for use in connection with Notes to be issued under the Programme, and not for any other purpose. In particular, this Offering Circular is not being, and may not be, used in connection with any offer or marketing (as such term is defined under the Directive) of any units or shares of any entity. In addition, none of the Issuers has been licensed for distribution with the Swiss Financial Market Supervisory**

Authority (FINMA) as a foreign collective investment scheme pursuant to Article 120 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended (CISA) and none of the Issuers has appointed a Swiss paying agent and representative. Accordingly, investors in Notes issued under the Programme do not benefit from the specific investor protection provided by CISA and the supervision by the FINMA. In Switzerland, the Notes issued under the Programme are exclusively offered and sold to prudentially regulated financial institutions pursuant to Article 10 para. 3 lit. a and b CISA. This Offering Circular or any other information supplied in connection with the Programme may not be taken or transmitted into, or distributed, directly or indirectly in Switzerland, save that it may be handed out and made available in Switzerland exclusively to prudentially regulated financial institutions pursuant to Article 10 para. 3 lit. a and b of CISA.

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

This Offering Circular has not been reviewed or approved by the Central Bank of Ireland, the UK Listing Authority or any other competent authority and does not constitute a prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the **Prospectus Directive**).

This Offering Circular has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes or otherwise will not be subject to such requirements. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Offering Circular, as completed by the relevant Pricing Supplement in relation to the offer of those Notes, may only do so in circumstances in which no obligation arises for the relevant Issuer, any other Obligor, the Arranger or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. None of the relevant Issuer, any other Obligor, the Arranger nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for an Issuer, an Obligor, the Arranger or a Dealer to publish or supplement a prospectus for such offer.

References in this Offering Circular to Notes being **listed** (and all related references) shall mean that such Notes have been listed on the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691) (**ASX**) or any other stock or securities exchange as may be specified in the relevant Pricing Supplement. Notes issued under this Offering Circular will not be admitted to trading and/or listed on a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on Markets in Financial Instruments (a **Regulated Market**).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and other information which is applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in a final terms document (the **Pricing Supplement**).

The long term senior unsecured credit ratings of Scentre Group are “A/Outlook Stable” from Standard & Poor’s (Australia) Pty. Limited (**Standard & Poor’s**) and “A1/Outlook Stable” from Moody’s Investors Service Pty Limited (**Moody’s**). The short term senior unsecured credit ratings of Scentre Group are “A-1” from Standard & Poor’s and “P-1” from Moody’s. Where a certain series of Notes is rated by Standard & Poor’s or Moody’s, such rating will be specified in the applicable Pricing Supplement and may not necessarily be the same as the long term, or short term, senior unsecured credit ratings. Standard & Poor’s and Moody’s are not established in the European Union and have not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). However, their credit ratings are endorsed by Standard & Poor’s Credit Market Services Europe Limited and Moody’s Investors Service Limited respectively pursuant to and in accordance with the CRA Regulation. Each of Standard & Poor’s Credit Market Services Europe Limited and Moody’s Investors Service Limited is established in the European Union and is registered under the CRA Regulation (and, as such is included in the list of the credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website). On 22 December 2011, ESMA published in a press release its decision to endorse Australia’s regulatory regime on credit ratings pursuant to Article 4(3) of the CRA Regulation. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act 2001 (Cth) (the **Australian Corporations Act**) and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Australian Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Offering Circular and anyone who receives this Offering Circular must not distribute it to any person who is not entitled to receive it.

**Arranger**

**BNP PARIBAS**

**Dealers**

<b>Barclays</b>	<b>BNP PARIBAS</b>	<b>BofA Merrill Lynch</b>
<b>Citigroup</b>	<b>Credit Suisse</b>	<b>Deutsche Bank</b>
<b>HSBC</b>	<b>J.P. Morgan</b>	<b>Morgan Stanley</b>
<b>Scotiabank</b>	<b>SMBC Nikko</b>	<b>UBS Investment Bank</b>

The date of this Offering Circular is 14 March 2016.

The Issuers accept responsibility for the information contained in this Offering Circular and the Pricing Supplement for each Tranche of Notes issued under the Programme and each Guarantor accepts responsibility for the information contained in this Offering Circular and the Pricing Supplement for each Tranche of Notes issued under the Programme relating to itself and its Guarantee. To the best of the knowledge of the Issuers, with regard to the information contained in this Offering Circular, and the Guarantors, with regard to the information relating to itself and its Guarantee, (each having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Where this Offering Circular is provided to a person in Australia, it is provided on behalf of the Issuers by RE1 Limited and Scentre Management Limited as holders of Australian Financial Services Licences Nos. 380202 and 230329 respectively.

Copies of Pricing Supplement will be available from the specified office set out below of the Agent (as defined below) and copies may be obtained from that office.

The relevant Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein or which are to be admitted to the official list and traded on a Regulated Market, in which event, and if appropriate or required, a new offering document will be made available which will describe the effect of the agreement reached in relation to such Notes.

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

Neither the Dealers nor the Trustee (as defined herein) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Obligors (or any of them) in connection with the Programme. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Obligors (or any of them) in connection with the Programme.

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

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) is or is intended to be, nor should it be considered as a recommendation or a statement of opinion (or a report of either of those things) by the Obligors, any of the Dealers or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Obligors. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Obligors, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Obligors is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of any of the Obligors during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

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

**This Offering Circular does not constitute an offer of, or an invitation to purchase, the Notes in, or to any resident of, the Commonwealth of Australia or any of its States or Territories, and the Notes may only be offered, sold or delivered in or to any resident of the Commonwealth of Australia in accordance with the restrictions set out in “*Subscription and Sale*”.**

**This Offering Circular has not been, and will not be, lodged with the Australian Securities and Investments Commission and is not, and does not purport to be, a document containing disclosure to investors for the purposes of Part 6D.2 or 7.9 of the Australian Corporations Act. It is not intended to be used in connection with any offer for which such disclosure is required and does not contain all the information that would be required by those provisions if they applied. It is not to be provided to any ‘retail client’ within the meaning of section 761G of the Australian Corporations Act.**

**No action has been taken by the Obligors to permit the making of a regulated offer under the Financial Markets Conduct Act 2013 of New Zealand. Neither this Offering Circular nor any advertisement in relation to the Notes may be distributed, published, delivered or disseminated in New Zealand other than in accordance with the requirements in “*Subscription and Sale – New Zealand*” below.**

**This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The Obligors, the Dealers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering, or that all actions have been taken by the Obligors, the Dealers or the Trustee which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. In particular, no action has been taken by the Obligors, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.**

**The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, Japan, Australia, New Zealand, Hong Kong and Singapore, see “*Subscription and Sale*”.**

***The Notes may not be a suitable investment for all investors***

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;**
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;**
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;**
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and**
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.**

A potential investor should not invest in Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

#### *Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

#### *Definitions*

In this Offering Circular, unless the context otherwise requires, *IFRS* means International Financial Reporting Standards; *Responsible Entity* means RE1 Limited, RE2 Limited and/or Scentre Management Limited as the case may be and *Responsible Entities* means all of RE1 Limited, RE2 Limited and Scentre Management Limited; *Trust Deed* means the Trust Deed, as modified and/or restated and/or supplemented from time to time, between, *inter alia*, SGT 1, SGT 2, RE (NZ) Finance and the Trustee under which the Trustee agrees to act as trustee in connection with the Programme; *Scentre Group* means Scentre Group Limited, RE1 Limited as responsible entity and trustee of Scentre Group Trust 2 (ARSN 146 934 536), RE2 Limited as responsible entity and trustee of Scentre Group Trust 3 (ARSN 146 934 652), Scentre Management Limited as responsible entity and trustee of Scentre Group Trust 1 (ARSN 090 849 746) and each of their controlled entities and subsidiaries; *Westfield Retail Trust* means the stapled structure comprising Westfield Retail Trust 1 (renamed Scentre Group Trust 2 in connection with the Restructuring), Westfield Retail Trust 2 (renamed Scentre Group Trust 3 in connection with the Restructuring) and their respective subsidiaries, which existed prior to the implementation of the Restructuring; and *Westfield Group* means the stapled structure comprising Westfield Holdings Limited (renamed Scentre Group Limited in connection with the Restructuring), Westfield Trust (renamed Scentre Group Trust 1 in connection with the Restructuring), Westfield America Trust and their respective subsidiaries, which existed prior to the implementation of the Restructuring.

#### *Forward-Looking Statements*

Certain statements contained in this Offering Circular, including those under the captions “*Risk Factors*”, “*Description of Scentre Group*”, and those incorporated by reference, constitute “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believe”, “estimate”, “anticipate”, “intend”, “may”, “will” or “should” or in each case their negative, or other variations or comparable terminology. Such forward-looking statements involve risks, uncertainties and other factors which may cause the actual results, performance or achievements of Scentre Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, among others, general economic and business conditions, industry trends, competition, changes in government regulation, currency fluctuations, changes in operating strategy or development, political and economic uncertainty and other risks described in “*Risk Factors*”. There can be no assurance that the results and events contemplated by the forward-looking statements contained in this Offering Circular will, in fact, occur.

These forward-looking statements speak only as at the date of this Offering Circular. The Issuers and the Guarantors will not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this Offering Circular except as required by law or by any appropriate regulatory authority.

All references in this Offering Circular to *U.S. dollars*, *U.S.\$* and *\$* refer to United States dollars, to *Australian Dollars* or *A\$* refer to Australian dollars, to *New Zealand Dollars* or *NZ\$* refer to New Zealand dollars, to *Sterling* and *£* refer to pounds sterling, to *Japanese yen* or *¥* refer to the currency of Japan, to *Singaporean Dollars* or *S\$* refer to the lawful currency of Singapore and to *euro* and *€* refer to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended.

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In connection with the issue of any Tranche of Notes, one or more relevant Dealers (if any) (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions, outside Australia and New Zealand respectively and not on a market operated in Australia or New Zealand respectively, with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Any decision to invest in any Notes should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference.*

Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this Overview.

### Issuers:

Any one or more of:

Scentre Management Limited in its capacity as responsible entity and trustee of Scentre Group Trust 1 (**SGT 1**)  
RE1 Limited in its capacity as responsible entity and trustee of Scentre Group Trust 2 (**SGT 2**)  
RE (NZ) Finance Limited (**RE (NZ) Finance**)

as specified in the applicable Pricing Supplement.

Where a Series of Notes has more than one Issuer, the Notes shall be the joint and several obligations of such Issuers.

### Guarantors:

Each Series of Notes will be guaranteed by each of:

SGT 1;  
SGT 2;  
RE2 Limited in its capacity as responsible entity and trustee of Scentre Group Trust 3 (**SGT 3**); and  
Scentre Group Limited (**SGL**),

as Parent Guarantors (to the extent, where applicable, that the party is not named as an Issuer in relation to such Series of Notes in the applicable Pricing Supplement), on a joint and several basis;

and

RE (NZ) Finance (where RE (NZ) Finance is not named as an Issuer in relation to such Series of Notes in the applicable Pricing Supplement); and  
Scentre Finance (Aust) Limited,

as Subsidiary Guarantors, on a joint and several basis.

A Subsidiary Guarantor may be released from any obligation under its Guarantee in the circumstances set out in Condition 3.2. Additional Parent Guarantors or Subsidiary Guarantors may be nominated by a Parent Guarantor in the circumstances set out in Condition 3.4. See “*Description of the Borrowing and Credit Structure for the Notes*” for further information on the guarantee structure and the roles of the Parent Guarantors and Subsidiary Guarantors.

In the event that any Additional Parent Guarantor or Additional Subsidiary Guarantor is nominated, such Additional Parent Guarantor may be identified in a relevant Pricing Supplement or a new offering document can be published in respect of Notes yet to be issued under the Programme.

### Risk Factors:

There are certain factors that may affect the Issuers’ and Guarantors’ ability to fulfil their obligations under Notes issued under the Programme. These are set out under “*Risk*

*Factors*” below and include risks relating to (i) property ownership (the risks associated with recessionary or low economic growth conditions, tenant default and occupancy risk in shopping centres, the default or closure of an anchor tenant, changes in consumer sentiment or shopping preferences, the emergence of alternative retail channels and conflicts of interest with co-owners of properties) (ii) property management and development (iii) financing (the risks associated with refinancing, leverage, cash flow, the incurrence of further indebtedness, funding for Scentre Group’s development programme, redevelopment programme and acquisitions and credit ratings) (iv) market structure (risks relating to the geographical concentration of Scentre Group’s portfolio, Scentre Group’s acquisitions and competition from other participants in the retail property industry) and (v) other matters (risks relating to property revaluation, illiquid investments in property, litigation and claims, operations, insurance, terrorist attacks (as well as security incidents or war), inflation, interest rates, foreign exchange rates, counterparties (deposit, hedge or insurance), changes in financial reporting requirements and accounting standards, changes in tax laws, compliance or failure to comply with access requirements for disabled people, compliance with environmental regulations and changes in general laws). In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under “*Risk Factors*” and include certain risks relating to the structure of particular Series of Notes and certain market risks.

Description:	Euro Medium Term Note Programme
Arranger:	BNP Paribas
Dealers:	Barclays Bank PLC
	BNP Paribas
	Citigroup Global Markets Limited
	Credit Suisse Securities (Europe) Limited
	Deutsche Bank AG, London Branch
	HSBC Bank plc
	J.P. Morgan Securities plc
	Merrill Lynch International
	Morgan Stanley & Co. International plc
	Scotiabank Europe plc
	SMBC Nikko Capital Markets Limited
	UBS Limited
	and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or

reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “*Subscription and Sale*”) including the following restrictions applicable at the date of this Offering Circular.

#### **Notes having a maturity of less than one year**

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”.

Issuing and Principal Paying Agent:	Deutsche Bank AG, London Branch
Trustee:	Deutsche Trustee Company Limited
Programme Size:	Up to €10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers and the Parent Guarantors may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in euro, Sterling, U.S. dollars, Australian Dollars, New Zealand Dollars, Singaporean Dollars, Japanese yen and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the relevant Issuer, the Agent and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to any relevant Issuer or the relevant Specified Currency.
<b>Notes having a maturity of less than one year</b>	
Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see “ <i>Certain Restrictions – Notes having a maturity of less than one year</i> ” above.	
Issue Price:	Notes will be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form as described in “ <i>Form of the Notes</i> ”.
Fixed Rate Notes:	Interest on Fixed Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and relevant Dealer, will be payable on each Interest Payment Date and on redemption and will be calculated on the basis of such Day Count Fraction, as may be agreed between the

relevant Issuer and the relevant Dealer.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

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

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

Floating Rate Notes may have a maximum interest rate, a minimum interest rate or both.

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

Fixed/Floating Rate Notes:

Fixed/Floating Rate Notes may be converted from one interest basis to another if so provided in the applicable Pricing Supplement.

Zero Coupon Notes:

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

Redemption:

The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions – Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, an equivalent minimum amount in such currency).

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Relevant Taxing Jurisdiction (as defined under "Terms and Conditions of the Notes") save as provided in Condition 9. In the event that any such deduction is made, the relevant

	<p>Issuer or, as the case may be, the Guarantors will, save in certain limited circumstances provided in Condition 9, be required to pay Additional Amounts to cover the amounts so deducted.</p>
Negative Pledge:	<p>The terms of the Notes will contain a negative pledge provision as further described in Condition 5.</p>
Financial Covenants:	<p>The terms of the Notes will contain certain financial covenants as further described in Condition 4.</p>
Cross Default:	<p>The terms of the Notes will contain a cross default provision as further described in Condition 11.</p>
Status of the Notes:	<p>The Notes will constitute unsubordinated and (subject to the provisions of Condition 5) unsecured obligations of the relevant Issuer and, subject to the limitation on liability and recourse in respect of the Responsible Entities, will rank equally in right of payment with all other unsecured and unsubordinated indebtedness of the relevant Issuer.</p> <p>Where the applicable Pricing Supplement specifies more than one Issuer as the relevant Issuer, the obligations of such Issuers in relation to the relevant Notes shall be joint and several obligations of such Issuers.</p>
Guarantees:	<p>Each of the Parent Guarantors will guarantee, on a joint and several basis, the due payment of all amounts expressed to be payable by the relevant Issuer under the Trust Deed, the Notes and the Coupons.</p> <p>In addition, each of the Subsidiary Guarantors will guarantee, on a joint and several basis, the due payment of all amounts expressed to be payable by the relevant Issuer under the Trust Deed, the Notes and the Coupons.</p> <p>Each Guarantee will constitute an unsecured and unsubordinated obligation of the relevant Guarantor and, subject to the limitation on liability and recourse in respect of each Responsible Entity and the laws affecting the rights of creditors generally, will rank at least equally in right of payment with all existing and future unsecured and unsubordinated indebtedness of such Guarantor.</p>
Rating:	<p>Notes issued under the Programme may be rated or unrated. The rating of certain Series of Notes to be issued under the Programme may be specified (as at the time of issue) in the applicable Pricing Supplement.</p>
Listing and admission to trading:	<p>An application may be made for the Notes of a particular Series to be listed on the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691) (<b>ASX</b>) or listed, quoted and/or admitted to trading on any other stock or securities exchange. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed, quoted and/or admitted to trading on a stock or securities exchange.</p> <p>Notes which are listed on the ASX will not be transferred through, or registered on, the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be “Approved Financial Products” for the purposes of that system.</p>

Governing Law:	The Notes will be governed by, and construed in accordance with, English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area, the United Kingdom, France, Switzerland, Japan, Hong Kong, Singapore, Australia and New Zealand and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “ <i>Subscription and Sale</i> ”.
United States Selling Restrictions:	Regulation S, Category 2. TEFRA D restrictions will apply.

## RISK FACTORS

*Each of the Issuers and the Guarantors believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuers nor the Guarantors are in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuers and the Guarantors believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers or the Guarantors to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuers and the Guarantors based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.*

### **Factors that may affect the Issuers' and Guarantors' ability to fulfil their obligations under Notes issued under the Programme**

#### ***Recessionary or low economic growth conditions in key markets***

Recessionary or low economic growth conditions in Australia and/or New Zealand markets may impact Scentre Group's business and financial performance and may heighten the potential for realisation of one or more of the risks outlined in this section, including:

- a reduced ability to lease space in Scentre Group's shopping centres;
- impaired financial condition of Scentre Group's tenants or joint venture partners;
- reduced rental income;
- adverse movements in the valuation of Scentre Group's assets; and
- reduced ability to undertake Scentre Group's development and redevelopment activity.

#### ***Changes in general economic conditions, fluctuations in the value and rental income of retail properties and other factors***

Returns from an investment in Scentre Group's shopping centres depend largely upon the amount of rental income generated from the properties and the expenses incurred in their operation, including the management and maintenance of the properties as well as changes in the market value of the properties.

Rental income and the market value of Scentre Group's properties may be adversely affected by a number of factors, including:

- the overall conditions in the national and local economies in which Scentre Group operates, such as growth (or contraction) in gross domestic product, employment trends, consumer sentiment, retail sales and the level of inflation and interest rates;
- local real estate conditions, such as the level of demand for and supply of retail space;
- Scentre Group's ability to redevelop its properties in order to maximise returns on investment from both increased rental income and capital appreciation of the asset;
- the perception of prospective tenants and shoppers of the attractiveness, convenience and safety of Scentre Group's shopping centres;
- the convenience and quality of competing shopping centres and other retail options such as the internet, as well as trends in the retail industry;
- the financial condition of Scentre Group's tenants and, in particular, its anchor tenants;

- high or increasing vacancy rates;
- changes in retail tenancy laws;
- terrorist attacks on, or other significant security incidents at, one or more of Scentre Group's shopping centres; and
- external factors including major world events such as war or natural disasters such as floods and earthquakes.

In addition, other factors may adversely affect the value of Scentre Group's shopping centres without necessarily affecting its current revenues and operating income, including:

- changes in laws and governmental regulations, including retail tenancy, zoning, planning, environmental or tax laws;
- potential environmental or other legal liabilities;
- unforeseen capital expenditures;
- supply and demand for retail properties;
- availability of financing;
- changes in interest rates;
- supply of new retail facilities and other investment assets; and
- demand for shopping centres from investors.

#### ***Tenant default and occupancy risk in shopping centres***

As a significant portion of Scentre Group's earnings is derived from rental income, Scentre Group's performance depends significantly on the level of tenant default and on its ability to continue to lease space in its shopping centres (including its redeveloped shopping centres) on market terms. Scentre Group's results of operations may be adversely affected if a significant number of tenants or anchor tenants are unable to meet their rent obligations under their leases or if there is a decrease in demand for retail space in shopping centres so that Scentre Group is unable to renew existing leases or find new tenants on acceptable terms.

If the retail sales of stores operating in Scentre Group's shopping centres decline significantly due to economic conditions, closure of anchor stores or for other reasons, tenants might be unable to pay their existing base rents or service charges (since these fixed rents and charges would represent a high percentage of their sales). Further, if retail sales decline, tenants would be less willing to pay minimum rent at previous levels and existing tenants will seek a lower rent on renewal. During times of low economic growth, such as those experienced in Australia and New Zealand in recent years, the risks associated with declining retail sales increase.

#### ***Anchor tenants default or closure risk***

Anchor tenants occupy a significant percentage of the total gross lettable area (**GLA**) of Scentre Group's shopping centres.

The bankruptcy, insolvency or a downturn in the business of any of Scentre Group's anchor tenants or the failure of any anchor tenant to renew its lease when it expires or continue to operate its store, could adversely affect Scentre Group's results of operations, especially where an anchor tenant accounts for a significant amount of Scentre Group's total rental income.

In addition, closure of anchor stores could adversely affect retail sales of other stores operating in the shopping centres because anchor tenants play an important part in generating customer traffic and making the shopping centres desirable locations for retailers generally.

A negative change in the financial condition of any of Scentre Group's anchor tenants could result in a substantial decrease in the revenues directly or indirectly contributed by such tenants and have a negative impact on the overall performance of the affected shopping centre(s).

### ***Changes in consumer sentiment or shopping preferences***

A significant proportion of Scentre Group's revenues depend on rental income from tenants whose ability to pay rent depends on their ability to generate and maintain retail sales. Retail sales are subject to rapid and occasionally unpredictable changes in consumer sentiment or preferences, including due to changes in economic conditions, interest rates, levels of disposable income and consumer confidence. If Scentre Group, or its tenants, misjudge consumer sentiment or preferences, or fail to respond to changing consumer sentiment or preferences, this may result in a decline in rental income for Scentre Group leading to a decline in financial performance.

### ***Emergence of alternative retail channels especially online retailing***

As shopping patterns change, consumers may prefer alternative retail outlets (for example, "big box" shopping centres, discount shopping centres and clubs, outlet malls, catalogues, video and home shopping networks, direct mail order, telemarketing and online retailers) over conventional shopping centres. If Scentre Group fails to offer a superior, convenient, safe and appealing experience to consumers who visit its shopping centres, compared to alternative retail outlets, consumer traffic through its shopping centres may decline. This in turn may lead to a decline in demand for retail space and adversely impact Scentre Group's financial performance. The demand for retail space may also decline if Scentre Group is unable to meet the needs of its retailers who are changing the way they do business in response to the change in shopping patterns, including by embracing alternative retail outlets.

In particular, with the advent of e-commerce and mobile technology, online retailing has emerged as the main challenge to conventional "bricks and mortar" retailing in recent years. With consumers increasingly preferring to shop online, retailers are developing their own online shopping platforms to decrease their dependence on traditional retail channels. Many retailers are as advanced as the consumers in adopting digital and mobile technology. Scentre Group's shopping centres may gradually lose their appeal and relevance for new age consumers and retailers. Whether Scentre Group is able to meet this challenge depends on its ability to execute its strategy to connect both groups of consumers and retailers (and the digital world) to its physical shopping centres and ensure its shopping centres continue to play a significant role in modern day life.

### ***Conflicts of interest with co-owners of properties***

A number of shopping centres in Scentre Group's portfolio are held through joint ventures or co-ownership arrangements. In a number of these arrangements Scentre Group does not have exclusive control over certain aspects of the shopping centres including development, financing, leasing and management.

From time to time, Scentre Group is required to make major decisions in respect of co-owned properties, including ongoing capital expenditure, redevelopment and refurbishment, the sale of shopping centres or surplus land and the purchase of additional land. Co-owners may be competitors and/or have economic or other business interests or goals which are inconsistent with Scentre Group's business interests or goals, and may be in a position to take actions contrary to Scentre Group's objectives. Disputes between Scentre Group and co-owners may result in litigation or arbitration that would increase expenses and prevent the board of directors of Scentre Group and senior managers from focusing their time and effort on Scentre Group's business.

In addition, pre-emptive provisions or rights of first refusal may apply to sales or transfers of interests in these co-owned properties. These provisions may work to Scentre Group's disadvantage because, among other things, Scentre Group may be disadvantaged in its sale process by the need to comply with these provisions.

There is also the risk that co-owners might become bankrupt, insolvent or default on their obligations, resulting in their interest in one or more shopping centres becoming subject to external administration, transferred to creditors or sold to third parties, or otherwise act in a manner that adversely affects Scentre Group, or which forces Scentre Group to take an action (e.g. purchase of that interest pursuant to pre-emptive rights) which it would not otherwise have taken.

### ***Property management activities risk***

Scentre Group derives a portion of its income from property management activities. The property management agreements may be terminated by Scentre Group's counterparty if Scentre Group breaches the agreement (subject to specified remedy periods) or under certain other conditions, including, in most cases, a reduction in Scentre Group's ownership of the relevant property to less than a 25 per cent. direct or indirect interest or the termination of the co-ownership or development framework agreement relating to such property.

If third parties with whom Scentre Group has management agreements were to terminate those agreements, Scentre Group's income may be adversely affected. In addition, Scentre Group may be liable to third parties for damages if it breaches these property management agreements.

### ***Refinancing risk***

Scentre Group has a number of debt facilities. Scentre Group's ability to refinance its debt facilities on acceptable terms depends on a number of factors (some of which are out of its control) including general economic, political and capital market conditions, credit availability and the performance, reputation and financial strength of its business.

An adverse change in one or more of those factors could impact Scentre Group's ability to refinance its debt facilities on acceptable terms such as increasing the cost of funding and reducing the availability of funding and so consequently increasing Scentre Group's refinancing risk. For example, any disruption in global credit markets, such as the disruptions associated with the global financial crisis and the European sovereign debt crisis since 2007, may significantly increase the risks and costs associated with obtaining new funding for Scentre Group's development programme or acquisitions on acceptable terms, or at all.

If Scentre Group is unable to refinance its debt facilities on acceptable terms or at all, Scentre Group may need to seek alternative funding such as asset dispositions or equity capital raisings.

### ***Development activities risk***

Scentre Group's financial performance will depend in part upon the continued redevelopment and growth of its properties. Details of Scentre Group's development activities are set out in the section entitled "*Description of Scentre Group – Development, design and construction*".

Scentre Group is subject to the risks associated with its expansion and redevelopment activities, including risks resulting from:

- construction not being completed on budget and on schedule;
- properties not being leased to the level or otherwise on the terms anticipated by the feasibility study prepared for the particular project especially if the income derived from the redeveloped shopping centres is lower than expected; or
- the inability of Scentre Group or its joint venture partners to obtain funding on acceptable terms, or at all, for Scentre Group's proposed development and redevelopment programme.

Development, redevelopment and expansion activities may also involve the following risks:

- failure to obtain, or delay in obtaining, required permits, licences or approvals;
- changes in laws and governmental regulations including zoning, planning and environmental laws;
- changes in the political or economic environment;
- industrial disputes which may delay projects and/or add to the cost of developments;
- construction costs of a project which may exceed original estimates or available financing;
- temporary disruption of income from an existing shopping centre which is being redeveloped;
- failure to maintain leased rates for existing retail space, the inability to lease new retail space, rent abatements, and termination of lease agreements and pre-sale agreements;
- loss of consumers due to inconvenience caused by construction;
- incurrence of substantial expenditures before the redevelopment project produces income; and
- delays due to inadequate supply of labour, scarcity of construction materials, lower than expected sales productivity levels, inclement weather conditions, land contamination, difficult site access, objections raised by community interest groups, environmental groups and neighbours, slow decision-making by

counterparties, complex construction specifications, changes to design briefs, legal issues and other documentation changes.

If a development or redevelopment project is unsuccessful or does not proceed, Scentre Group's investment cost may exceed the value of the project on completion or Scentre Group may incur pre-development costs that have to be written off. Scentre Group's financial performance may be adversely affected in these circumstances.

Scentre Group may undertake development or redevelopment activities for a third party (including a co-owner) on a fixed price, fixed time basis. Scentre Group faces additional risks in these arrangements. For example, delays may result in liquidated damages against Scentre Group, design problems or defects may result in rectification or costs or liabilities which Scentre Group cannot recover and Scentre Group may be unable to fulfil its statutory and contractual obligations in relation to the quality of its materials and workmanship, including warranties and defect liability obligations.

Given the size and scale of Scentre Group's expansion and redevelopment activities, Scentre Group may incur additional indebtedness to fund required capital expenditures.

### ***Leverage risk***

Scentre Group has a significant amount of debt.

The material consequences of having significant debt levels are as follows:

- Scentre Group needs to use a substantial portion of cash from its operating activities to pay interest on its debt. Scentre Group's ability to generate sufficient cash from its business to repay its debts is subject to various factors including many which are beyond its control (see the Risk Factor "*Cash flow risk*" below);
- Scentre Group's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates may be limited because available cash flow after repaying principal and paying interest on debt may not be sufficient to meet the capital and other expenditures needed to address these changes;
- adverse economic, credit or financial market or industry conditions are more likely to have a negative effect on Scentre Group's business because, during periods in which Scentre Group experiences lower earnings and cash flow, it will be required to devote a proportionally greater amount of its cash flow to repaying principal and paying interest on its debt;
- Scentre Group may be at a competitive disadvantage to its competitors that have relatively less debt and have more cash flow available to devote to capital expenditures and other strategic purposes;
- Scentre Group's ability to obtain financing in the future for its development and redevelopment programme, working capital, capital expenditures or other purposes on acceptable terms or at all may be limited because of the restrictions contained in existing debt agreements and debt levels;
- Scentre Group's ability to make acquisitions and take advantage of significant business opportunities may be negatively affected if it needs to obtain the consent of its lenders to take any such action or if, because of existing debt levels, it is not able to obtain additional financing for these opportunities; and
- Scentre Group's credit rating may be adversely affected, which may impact Scentre Group's ability to access new financing and / or the price of any new financing.

In addition, leverage levels may be reviewed and modified from time to time without notice to or any approval of Scentre Group shareholders. Specifically, Scentre Group may decide to increase its current debt level for a major acquisition or to fund its development programme provided that it believes it is in keeping with its strategy at that time which may include returning to its desired leverage ratio over a period of time.

If Scentre Group's cash flow and capital resources are not sufficient to make principal repayments and interest payments on its debt and fund its working capital and other business needs, Scentre Group could be forced to:

- reduce or delay scheduled capital expenditures, development and redevelopment programmes or forgo acquisitions or other business opportunities;

- sell material assets or operations;
- raise additional equity capital (including hybrid equity capital);
- restructure or refinance its debt; or
- undertake other protective measures.

Some of these transactions could occur at times or on terms that are disadvantageous to Scentre Group.

Slow economic growth conditions such as those recently experienced in Australia and New Zealand, or disruptions in global credit markets such as those associated with the global financial crisis and the European sovereign debt crisis since 2007, could result in a higher than normal risk that, if Scentre Group were required to take such steps in these circumstances, the transaction terms would be disadvantageous to it, or such options may not be available at all.

### ***Cash flow risk***

Scentre Group's ability to repay the principal and pay interest on its debt depends on the future performance and cash flow of its business which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors, many of which are beyond its control. Scentre Group's historical financial results have been, and it is anticipated that Scentre Group's future financial results will continue to be, subject to fluctuations. Cash flows can vary and Scentre Group's business may not generate sufficient cash flow from operations to enable it to satisfy its debt and other obligations.

Significant expenditures associated with each real estate investment, such as maintenance costs, property rates and taxes, are generally not reduced when circumstances cause a reduction in revenue from the investment. Under these circumstances, the financial performance and value of the relevant property would be adversely affected.

In addition, Scentre Group has a development pipeline and existing construction projects that require Scentre Group to make substantial expenditures upfront before beginning to earn income from the redeveloped property. This may impair Scentre Group's ability to service its debt.

### ***Incurrence of further indebtedness***

Scentre Group may incur substantial additional debt in the future. Scentre Group intends to maintain its leverage ratio in the 30 per cent. to 35 per cent. range over the long term. Scentre Group may review and modify its leverage levels from time to time without notice to or any approval of the Noteholders or other holders of securities. Specifically, Scentre Group may decide to exceed its current debt level for a major acquisition provided that it believes it can return to its desired leverage ratio within a short period of time.

Scentre Group's ability to incur indebtedness depends, in part, upon its continued compliance with the financial covenants contained in the agreements governing its indebtedness, including the Conditions. The amount of indebtedness that Scentre Group can incur will vary as a result of changes in its earnings and cash flows and the value of its assets.

### ***Funding risk for development and redevelopment programme and acquisitions***

The real estate investment and development industry is highly capital intensive. Scentre Group's ability to raise funds on acceptable terms, including for its development and redevelopment programme or acquisitions depends on many of the same factors affecting Scentre Group's ability to refinance its debt facilities (see the Risk Factor "Refinancing risk" above).

If funding is unavailable to Scentre Group, it may need to delay or discontinue its development and redevelopment programme or forego growth opportunities from strategic acquisitions.

### ***Credit rating risk***

Scentre Group is rated by external credit rating agencies. Rating agencies, to the extent they provide a rating of Scentre Group, will review Scentre Group's credit rating from time to time, including at the half-year periods. Any downgrade of Scentre Group's credit rating or adverse change in credit rating outlook assigned by a credit rating agency, whether engaged by Scentre Group or not, could adversely affect Scentre Group's financial

condition and its business operations by increasing the cost of, or limiting or preventing it from securing, additional financing for future business or liquidity needs. There can be no assurance that the credit ratings assigned to Scentre Group will not change in the future.

### ***Geographical concentration of Scentre Group's portfolio***

Scentre Group's portfolio is entirely located in Australia and New Zealand. As at 31 December 2015, on a consolidated basis by asset value, Scentre Group's portfolio (on the basis of Scentre Group's proportional ownership of such assets) had a 52 per cent. exposure to New South Wales, 15 per cent. exposure to Victoria, 15 per cent. exposure to Queensland, 4 per cent. exposure to South Australia, 4 per cent. exposure to the Australian Capital Territory, 6 per cent. exposure to Western Australia and 4 per cent. exposure to New Zealand. Any decline in shopping centre values or any event or occurrence which has an effect on the value of shopping centres in Australia or New Zealand, especially in New South Wales, may have a material adverse effect on the business, financial condition, results of operations and/or prospects of Scentre Group. These percentages are given on a pro forma basis to reflect the disposal of two New Zealand assets which are expected to close during the first half of 2016 (see "*Description of Scentre Group – Recent Developments – Sale of New Zealand shopping centres*").

### ***Acquisition risk***

Scentre Group may pursue acquisitions of property assets and related redevelopment projects as opportunities arise that meet its investment criteria and if funding is available. Retail property assets and redevelopment projects may be acquired directly or indirectly through acquisition of entities that own development projects and properties. Such acquisitions involve a number of risks inherent in assessing the values, strengths, weaknesses and profitability of the property assets. While Scentre Group's policy is to undertake appropriate due diligence in order to assess these risks, unexpected problems and latent liabilities or contingencies such as the existence of hazardous substances and/or site contamination (for example, asbestos, requirements for seismic strengthening or other environmental liabilities) may still emerge.

Additionally, the indirect acquisition of properties and related redevelopment projects through, for example, the takeover of another listed property-owning entity, may not allow for the usual standard of due diligence for a specific property acquisition to be undertaken.

Acquisition activities will also involve the following risks:

- the acquired properties may not achieve anticipated rental rates or leased rates;
- assumptions or judgements with respect to improvements to the financial returns (including the leased rates and rents of a completed project) of acquired properties may prove inaccurate;
- Scentre Group may abandon acquisition opportunities that it has used funds to explore and incur transaction costs that cannot be recovered;
- Scentre Group may be unable to obtain anchor tenants, financier and co-owner approvals, if applicable, for expansion activities;
- Scentre Group may be unable to obtain necessary regulatory licences, consents and approvals for expansion activities; and
- Scentre Group's ability to take advantage of acquisition opportunities may also be limited by regulatory issues or regulatory intervention based on competition grounds.

By growing through acquisition, Scentre Group faces the operational and financial risks commonly encountered with such a strategy, including continuity or assimilation of operations or employees, dissipation of Scentre Group's management resources and impairment and restructuring of relationships with employees and tenants of the acquired property as a result of changes in ownership and management. In addition, depending on the type of transaction, it can take a period of time to realise the full benefits of the acquisition. Moreover, during a period following such a transaction, Scentre Group's operating results may decrease compared to results prior to the transaction.

### ***Competition from other participants in the retail property industry***

Scentre Group faces competition from other Australian and New Zealand property groups and other commercial organisations active in the Australian and New Zealand property markets. Scentre Group also faces the threat of new competitors emerging both generally and in particular trade areas.

Accordingly, the existence of such competition may have an adverse impact on Scentre Group's ability to secure tenants for its properties at satisfactory rentals and on a timely basis.

In addition, all of Scentre Group's shopping centres are located in developed retail and commercial areas, many of which compete with other shopping centres or neighbourhood shopping centres within their primary trade area. The amount of rentable space in the relevant primary trade area, the convenience and quality of facilities and the nature of stores at such competing shopping centres could each have an adverse effect on Scentre Group's ability to lease space and on the level of rents it can obtain.

Westfield Corporation is not restricted from owning and operating shopping centres in Australia and New Zealand and may decide to re-enter this market and compete with Scentre Group in the future. However, under the terms of a trade mark licence agreement (entered into in connection with the Restructuring) between Scentre Group Limited and Westfield Corporation Limited in relation to the use of the Westfield brand by Scentre Group, Westfield Corporation would not be permitted to use the Westfield name on any shopping centres that it acquired in Australia and New Zealand.

### ***Properties revaluation risk***

In accordance with IFRS, Scentre Group carries its property investments on its balance sheet at fair value. At each reporting date, the board of directors of Scentre Group assesses the carrying value of its investment property portfolio, and where the carrying value differs materially from the board of directors' assessment of fair value, Scentre Group records an adjustment to the carrying value as appropriate.

The Scentre Group board of directors' assessment of the fair value of each shopping centre takes into account the latest independent valuations, with updates taking into account any changes in capitalisation rate, underlying income and valuations of comparable shopping centres. As a result, Scentre Group may have significant non-cash gains or write-downs depending on the change in fair value of its properties from period to period, whether or not it sells such properties. In particular, property value may fall sharply and significantly during times of economic disruption.

If a substantial decrease occurs in the fair value of Scentre Group's properties, the results of operations of Scentre Group could be adversely affected and, as a result, Scentre Group may have difficulty maintaining its desired leverage ratio and other financial measures. This may reduce Scentre Group's flexibility in planning for, or reacting to, changes in its business or industry including its ability to commence new redevelopment projects.

In addition, a number of Scentre Group's financing agreements contain leverage ratio covenants that are calculated as the ratio of Scentre Group's total borrowings less cash to total assets less cash. Accordingly, a material reduction in the value of Scentre Group's properties as a result of revaluations will have an adverse impact on the leverage ratios contained in its financing agreements.

### ***Risk of illiquid investments in property***

Investments in property are relatively illiquid, and some of Scentre Group's properties are subject to contractual limitations on transfer. This illiquidity limits Scentre Group's ability to vary its portfolio promptly in response to changes in economic or other conditions. In times of low economic growth or disruption in financial markets, there are fewer potential buyers of shopping centre assets, and it may be difficult for potential buyers to obtain financing on acceptable terms, or at all. There is no assurance that Scentre Group will be able to dispose of a property at the desired time or at a price greater than Scentre Group's total investment in the property.

### ***Litigation and claims risk***

Disputes or litigation may arise from time to time in the course of the business activities of Scentre Group, including with respect to the historical activities of SGL (formerly Westfield Holdings Limited), Scentre Group Trust 1 (formerly Westfield Trust), Scentre Group Trust 2 (formerly Westfield Retail Trust 1) or Scentre Group Trust 3 (formerly Westfield Retail Trust 2). Any material or costly disputes or litigation could adversely affect the financial performance of Scentre Group.

### ***Operational risk***

Despite Scentre Group's internal control (including risk management control) systems, which Scentre Group considers to be effective, Scentre Group faces the risk of loss or reputational damage due to human error, fraud or inadequate processes across its operations, including treasury operations. Depending on the nature and scale of such error, fraud or inadequate processes, the losses to Scentre Group may be significant.

### ***Insurance risk***

Scentre Group carries material damage, business interruption and liability insurance on its properties with policy specifications and insured limits that the Scentre Group board of directors believes are customarily carried for similar properties. However, potential losses of a catastrophic nature such as those arising from floods, earthquakes, terrorism, environmental contamination or other similar catastrophic events may be either uninsurable, or, in the judgement of the Scentre Group board of directors, not insurable on a financially reasonable basis, or may not be insured at full replacement cost or may be subject to larger excesses.

Scentre Group carries insurance with respect to terrorism and seeks appropriate coverage having regard to the nature of its properties and operations. The renewal of insurance will be dependent on a number of factors such as the continued availability of coverage, the nature of risks to be covered, the extent of the proposed coverage and costs involved. In addition, Scentre Group carries earthquake insurance on its properties located in seismically active areas in an amount and with deductibles that the Scentre Group board of directors believes are commercially reasonable.

If an uninsured loss occurs, Scentre Group could lose both its invested capital in and anticipated profits from the affected property.

Many of Scentre Group's debt instruments, including mortgage loans secured by its properties and its unsecured loan facilities contain covenants requiring Scentre Group to maintain certain levels of insurance for its business and assets. If Scentre Group fails to maintain insurance as required under these covenants, it would breach insurance covenants under such debt instruments, which would allow the lenders to declare an event of default and accelerate repayment of the debt. In addition, lenders' requirements regarding coverage for these risks could adversely affect Scentre Group's ability to finance or refinance its properties and to expand its portfolio.

### ***Terrorist attacks or other security incidents or war***

Terrorist attacks or other security incidents or war could damage infrastructure or otherwise inhibit or prevent access to the shopping centres or harm the demand for, and the value of, Scentre Group's shopping centres. Certain Scentre Group properties are well-known landmarks or located near well-known landmarks and may be perceived as more likely terrorist targets than similar, less recognisable properties. Further, terrorist attacks or other security incidents could discourage consumers from shopping in public places like Scentre Group's shopping centres. To the extent that Scentre Group's tenants are impacted by terrorist attacks or other security incidents, their ability to continue to honour their obligations under their existing leases with Scentre Group could be adversely affected.

### ***Inflation risk***

Inflation may adversely impact the general performance of Scentre Group's shopping centres, impacting its rent income and management fees. A decline in the overall performance of Scentre Group's shopping centres due to inflation could potentially reduce Scentre Group's real earnings.

Substantially all of Scentre Group's leases with retailers contain provisions designed to lessen the impact of inflation. Such provisions include clauses enabling Scentre Group to receive periodic index based contractual rent increases during the term of the lease or, to a much lesser extent, percentage rents based on retailer's gross sales, which generally increase as prices rise, or both. Most of the leases require the retailers to pay a proportionate share of operating expenses, including common area maintenance, real estate taxes and insurance, reducing Scentre Group's exposure to increases in costs and operating expenses resulting from inflation. However, these provisions may not be able to recover all of Scentre Group's increased expenses from inflation.

Inflation may also have a negative effect on Scentre Group's other expenses, including interest costs and general and administrative expenses. These costs could increase at a rate higher than rents.

### ***Interest rate risk***

Scentre Group is subject to the risk of rising interest rates associated with borrowing on a floating rate basis. Scentre Group seeks to manage all or part of its exposure to adverse fluctuations in floating interest rates by entering into interest rate hedging arrangements, including derivative financial instruments.

Such arrangements involve risk, such as the risk that counterparties may fail to honour their obligations under these arrangements, and that such arrangements may not be effective in reducing exposure to movements in interest rates. To the extent that Scentre Group does not hedge effectively (or at all) against movements in interest rates, such interest rate movements may adversely affect Scentre Group's results.

Due to documentation, designation and effectiveness requirements under IFRS, Scentre Group's derivative financial instruments that are used for hedging interest rate exposure may not qualify for hedge accounting. As a consequence, Scentre Group may experience volatility in its reported earnings due to changes in the mark to market valuations of its interest rate derivative financial instruments. There can be no assurance that Scentre Group will not incur non-cash losses in future periods.

Although Scentre Group's interest rate hedging transactions are undertaken to achieve economic outcomes in line with its treasury policy, there can be no assurance that such transactions or treasury policy will be effective.

### ***Foreign exchange risk***

Scentre Group derives NZ\$ denominated earnings from its shopping centre investments in New Zealand. In addition Scentre Group issues foreign currency denominated debt from time to time. Scentre Group may manage the impact of exchange rate movements on both its earnings and balance sheet by entering into hedging transactions, including derivative financial instruments. To the extent Scentre Group does not hedge effectively (or at all) against movements in this exchange rate, such exchange rate movements may adversely affect its earnings and/or balance sheet.

Such arrangements involve risk, such as the risk that counterparties may fail to honour their obligations under these arrangements, and that such arrangements may not be effective in reducing exposure to exchange rate movements. To the extent that Scentre Group does not hedge effectively (or at all) against movements in exchange rates, such exchange rate movements may adversely affect Scentre Group's results.

Due to documentation, designation and effectiveness requirements under IFRS, Scentre Group's currency derivative financial instruments used for hedging exchange rate exposure may not qualify for hedge accounting. As a consequence, Scentre Group may experience volatility in its reported earnings due to changes in the mark to market valuations of its currency derivative financial instruments. There can be no assurance that Scentre Group will not incur non-cash losses in future periods.

Although Scentre Group's exchange rate hedging transactions are undertaken to achieve economic outcomes in line with its treasury policy, there can be no assurance that such transactions or treasury policy will be effective.

### ***Deposit, hedge or insurance counterparty credit risk***

Counterparty credit risk is the risk of a loss being sustained by Scentre Group as a result of payment default by the counterparty with whom it has placed funds on deposit or entered into hedging transactions to hedge its interest rate and foreign exchange risks. Counterparty credit risk also arises to the extent that a claim made under an insurance policy is not paid due to the insolvency or illiquidity of the insurance company. The extent of Scentre Group's loss could be the full amount of the deposit and accumulated interest or, in the case of hedging transactions, the cost of replacing those transactions. Under Scentre Group's treasury and insurance risk management policies, it only deals with counterparties which it believes are of good credit standing and it has assigned a maximum exposure to each of them according to its assessment of their creditworthiness. These determinations are based upon each counterparty's credit ratings and other factors. Even banks and financial institutions with high credit ratings can default, and several of them have experienced difficulties in recent years.

There can be no assurance that Scentre Group will successfully manage this risk or that such payment defaults by counterparties will not adversely affect Scentre Group's financial condition or performance.

### ***Changes in financial reporting requirements and accounting standards***

Scentre Group is subject to the usual risk that there may be changes in financial reporting requirements and accounting standards as well as changes in the interpretation of such requirements and standards that may

change the basis that Scentre Group is required to use to prepare its financial statements, which may adversely affect Scentre Group's reported earnings and reported financial performance.

### ***Changes in tax laws***

Changes in tax laws, or changes in the way tax laws are interpreted in the various jurisdictions in which Scentre Group operates, may impact Scentre Group's future tax liabilities.

Under the rules governing the taxation of trusts in Division 6 of Part III of the Income Tax Assessment Act 1936 (Cth) (**ITAA 1936**) and current practice, SGT 1 and SGT 2 are not liable for Australian income tax, including capital gains tax, provided that members are presently entitled to the income of the trust as determined in accordance with each trust's constitution. If any of SGT 1 or SGT 2 was to lose its Division 6 trust tax status due to the failure to satisfy the exclusions from the application of the provisions in Division 6B or 6C of Part III of the ITAA 1936, then it would be taxed at the corporate tax rate of 30 per cent. of its net taxable income.

In December 2015, the Australian Government introduced legislation proposing changes to the taxation of managed investment trusts (**MITs**) such as SGT 1 and SGT 2. This legislation has not yet been enacted. The legislation is generally designed to amend the tax law to better reflect current industry practice. It introduces a new taxation regime for MITs aimed at providing greater certainty than the current general tax rules on the taxation of trusts by introducing new rules in relation to the attribution of taxable income to unit-holders, deeming "fixed trust" treatment for MITs, and providing a framework for "unders and overs" of attribution of taxable income, along with some new integrity measures. If enacted, the legislation would apply to SGT1 and SGT2 from 1 January 2017. Scentre Group does not anticipate any material changes to the current tax position of SGT 1 and SGT 2. However, until the final form of the proposed rules are enacted, there can be no assurance that these changes will not adversely affect Scentre Group.

### ***Compliance or failure to comply with access requirements for disabled people***

A number of Australian and New Zealand laws and regulations exist that may require modifications to existing buildings on Scentre Group's properties or restrict some renovations by requiring improved access to such buildings by disabled persons. Additional legislation or regulations may impose further obligations on owners with respect to improved access by disabled persons. The costs of compliance with such laws and regulations may be substantial, and limits or restrictions on completion of some renovations may limit implementation of Scentre Group's investment strategy in some instances or reduce overall returns on Scentre Group's investments. Scentre Group could be adversely affected by the costs of compliance with such laws and regulations.

### ***Compliance with environmental regulations***

As an owner of real property in Australia and New Zealand, Scentre Group is subject to extensive regulation under environmental laws. These laws vary by jurisdiction and are subject to change. Current and future environmental laws could impose significant costs or liabilities on Scentre Group.

For instance, under certain environmental laws, current or former owners or operators of real property may become liable for costs and damages resulting from soil or water contaminated by hazardous substances (for example, as a result of leaking underground storage tanks). Under these laws, an owner or operator may be liable regardless of whether they knew of, or were responsible for, the presence of such substances. Persons who arrange for the disposal of hazardous substances (for example, at a landfill) also may be liable. In some cases, liability may be joint and several. These laws may result in significant unforeseen costs to Scentre Group, or impair its ability to sell or rent real property or to borrow money using contaminated property as collateral, on acceptable terms or at all.

In addition, the presence of hazardous substances on Scentre Group's properties could result in personal injury claims. These claims could result in costs or liabilities that could exceed the value of the property on which hazardous substances are present. Environmental incidents could adversely affect the operations of a property including its closure.

Asbestos-containing materials are present in a number of the shopping centres that comprise Scentre Group's portfolio as a consequence of building practices typical at the time Scentre Group's shopping centres were constructed. Environmental and safety laws regulate these materials and may allow personal injury or other claims for damages due to exposure to such materials. Although the costs and liabilities associated with such laws have not in the past been material to Scentre Group and, previously, Westfield Group or Westfield Retail Trust, there can be no assurance that they will not be material to Scentre Group in the future.

It is the practice of Scentre Group on acquisition, where considered necessary, to subject the properties to an environmental assessment by independent consultants (commonly referred to as Phase I which generally involves a review of records with no visual inspection of the property, or soil or ground water sampling). However, these assessments may fail to identify all environmental problems. Based on these assessments and past experience of Westfield Group and Westfield Retail Trust, Scentre Group is not aware of any environmental claims or other liabilities that would require material expenditures by Scentre Group. However, Scentre Group could become subject to such claims or liabilities in the future.

### ***Changes in general laws***

Scentre Group is subject to the usual business risk that there may be changes in general laws that reduce its income or increase its costs. For example, there could be:

- changes in retail tenancy laws that limit Scentre Group's recovery of certain property operating expenses;
- new or revised legislation on climate change and energy such as emissions trading, targets for renewable energy and energy efficiency, the costs of which may not be recoverable from tenants;
- changes or increases in real estate taxes that cannot be recovered from Scentre Group's tenants; or
- changes in environmental or building laws or codes that require significant capital expenditure.

### ***Cyber security risks***

Cyber incidents, such as gaining unauthorised access to digital systems for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption, can result from deliberate attacks or unintentional events. The result of these incidents could include, but are not limited to, disrupted operations, misstated financial data, liability for stolen assets or information, increased cyber security protection costs, litigation and reputational damage adversely affecting customer or investor confidence or other adverse effects on Scentre Group's business.

Scentre Group is developing applications or information technology systems to connect the digital consumer with Scentre Group's shopping centres and tenants, which may involve the collection, storage, and transmission of credit card information and personal identification data of consumers. If the security of the consumer data stored on Scentre Group's servers or transmitted by Scentre Group's networks were to be breached, Scentre Group could become subject to litigation, it could be required to pay fines, costs and/or penalties imposed as a result of legislation or regulation and Scentre Group's reputation could be adversely affected, which could negatively impact consumers' use of its digital technologies. Similarly, Scentre Group's tenants collect, store and transmit credit card information and personal identification data of their customers in connection with the operation of their businesses. If a significant tenant or significant number of tenants were to experience a breach in their information technology security, their results of operations could be adversely impacted, which in turn could result in a substantial decrease in the revenues directly or indirectly controlled by such tenants and adversely impact the overall performance of the affected shopping centres.

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

### ***Risks related to the structure of a particular issue of Notes***

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

#### ***Notes subject to optional redemption by the relevant Issuer***

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

The relevant Issuer may be expected to redeem Notes when their cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an

effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### *Fixed/Floating Rate Notes*

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

#### *Notes issued at a substantial discount or premium*

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

#### *Risks related to Notes generally*

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

##### *Unsecured debt*

The Notes and the Guarantees will be unsecured. As at 31 December 2015, on a consolidated basis, Scentre Group had approximately A\$0.2 billion of secured borrowings outstanding. The Notes and Guarantees will rank *pari passu* with the unsecured borrowings of Scentre Group. To the extent that the Issuers or the Guarantors grant security interests over their assets, the secured lenders will be entitled to exercise the remedies available to such lenders under applicable laws. Depending on the relevant circumstances and applicable laws, where security interests are granted by the Issuers or Guarantors, if the relevant Issuer defaults on any Notes issued by it or the Guarantors default on the Guarantees, or after the bankruptcy, liquidation or reorganisation of any of them, then any assets that are secured will be used to satisfy the obligations under that secured indebtedness before payment on the Notes or the Guarantees can be made. In such case, there may only be limited assets available to make payments on the Notes or the Guarantees in the event of an acceleration of the Notes. Scentre Group can give no assurance that there will be sufficient assets to pay amounts due on the Notes. As a result, Noteholders may receive less rateably than the lenders of Scentre Group's secured indebtedness. If there is not enough collateral to satisfy the obligations of the secured indebtedness, then, subject to the provisions of applicable laws, the amounts remaining unpaid on the secured indebtedness would share equally with all unsubordinated unsecured indebtedness.

##### *Impact of laws relating to creditors' rights, fraudulent conveyance, Australian and New Zealand insolvency laws and similar laws*

RE1 Limited (and its relevant trust), RE2 Limited (and its relevant trust), Scentre Management Limited (and its relevant trust), SGL, RE (NZ) Finance and Scentre Finance (Aust) Limited are constituted or organised under the laws of the Commonwealth of Australia or New Zealand, and therefore, insolvency proceedings with respect to them would be likely to proceed under, and be governed by, Australian or New Zealand insolvency law, as applicable. The procedural and substantive provisions of Australian or New Zealand insolvency laws afford debtors and unsecured creditors only limited protection from the claims of secured creditors. It may not be possible for the Obligors or other unsecured creditors to prevent or delay the secured creditors from enforcing their security to repay the debts due to them.

Fraudulent conveyance laws or similar provisions or principles have been enacted or exist for the protection of creditors in a number of jurisdictions (including, in addition to those jurisdictions referenced above, the United States), and guarantees of the Notes by some of the Guarantors may be subject to claims that they should be subordinated or avoided in favour of creditors of the Guarantors.

Under Australian law, if an order to wind-up were to be made against any Issuer or Guarantor and a liquidator was appointed for any such Issuer or Guarantor, the liquidator would have the power to investigate the validity

of past transactions and may seek various court orders, including orders to void certain transactions entered into prior to the winding-up of such Issuer or Guarantor and for the repayment of money. These include transactions entered into within a specified period of the winding-up that a court considers uncommercial transactions or transactions entered into when winding-up is imminent that have the effect of preferring a creditor or creditors or otherwise defeating, delaying or interfering with the rights of creditors.

A liquidator has similar powers under New Zealand law to seek court orders, including orders to void certain transactions entered into prior to the commencement of liquidation of an Issuer or Guarantor and for the repayment of money. These include transactions entered into within a specified period of the commencement of liquidation that involve the granting of security, are at undervalue or that have preferential effect and transactions made with an intent to prejudice a creditor.

In addition to the matters described above, under the laws of the jurisdictions where the Guarantors are organised, the Guarantees given by those other Guarantors may be set aside, subordinated or otherwise avoided by the application of fraudulent conveyance, financial assistance, bankruptcy, examination, insolvency and administration, statutory management, equitable subordination principles or other similar provisions or principles existing under the laws of the relevant jurisdiction, including as a result of the application of laws in relation to the duties of directors to act in good faith and for proper purposes. In addition, other debts and liabilities of those Guarantors, such as certain employee entitlements or amounts owed to tax authorities, may rank ahead of claims under the Guarantees in the event of administration or insolvency or statutory management or similar proceedings. If one or more of the Guarantees are set aside or otherwise avoided, a claim by a Noteholder against the Guarantors giving those Guarantees could be lost or limited and it is possible that it will only have a claim against the relevant Issuer and any remaining Guarantors.

#### *Structural subordination of claims of Noteholders to other creditors and restrictions on distributions*

Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3, are holding trusts and SGL is a holding company. As such, a substantial part of their operations are carried on through their subsidiaries. Their principal source of income is dividends or distributions, and their ability to meet their financial obligations is dependent on the level of dividends, distributions, loan repayments and other intercompany transfers of funds they receive from their subsidiaries. There are no contractual obligations for their subsidiaries to make regular dividend or distribution payments to them. In addition, the ability of the directors of a subsidiary of Scentre Group Trust 1, Scentre Group Trust 2, Scentre Group Trust 3 or SGL to declare dividends or distributions or the amount of such payments will depend on that subsidiary's operating results and will be subject to applicable laws and regulations. For example, under Australian law, a company may not pay a dividend unless it satisfies certain balance sheet solvency requirements. Claims of creditors of their subsidiaries have priority to the assets of such subsidiaries over the claims of Scentre Group Trust 1, Scentre Group Trust 2, Scentre Group Trust 3 and SGL. Consequently, the claims of the holders of Notes issued by one or more of the Issuers and guaranteed by the Guarantors are structurally subordinated, in the event of the insolvency of Scentre Group Trust 1, Scentre Group Trust 2, Scentre Group Trust 3 or SGL, to the claims of the creditors of their subsidiaries (other than any of the Issuers and the Subsidiary Guarantors).

Scentre Management Limited, RE1 Limited and RE2 Limited are the trustees and responsible entities of Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3, respectively. All of the operations are conducted and assets are owned by the trusts and the subsidiaries of the trusts. SGT 1, SGT 2, and SGT 3 will only be able to satisfy the claims of their creditors, including claims of holders of the Notes issued (in the case of SGT 1 or SGT 2) or, as the case may be, guaranteed by them, out of the assets of the trusts, including any dividends, distributions, loan repayments or other intercompany transfers of funds that the trusts receive from their respective subsidiaries. There are no contractual obligations for subsidiaries of Scentre Group Trust 1, Scentre Group Trust 2 or Scentre Group Trust 3 to make regular dividend payments or distributions to SGT 1, SGT 2, or SGT 3.

#### *Rights of creditors of Scentre Group subsidiaries not guaranteeing the Notes*

Not all of the current and future subsidiaries of SGL, SGT 1, SGT 2 and SGT 3 will guarantee the Notes. In the event that any of these non-guaranteeing subsidiaries become insolvent, liquidate, reorganise, dissolve or otherwise wind up, the assets of those non-guaranteeing subsidiaries will be used first to satisfy the claims of their creditors. Consequently, claims of Noteholders will be structurally subordinated to all of the claims of the creditors of (including lenders to, or beneficiaries of guarantees given by) such non-guaranteeing subsidiaries.

#### *Subsidiaries which are not Subsidiary Guarantors*

If any subsidiary (other than an existing Subsidiary Guarantor) of any of the Parent Guarantors guarantees any indebtedness of any Parent Guarantor or any of their respective subsidiaries at any time before or subsequent to

the date hereof, there are no provisions in the Terms and Conditions of the Notes which would require such subsidiary to become a Subsidiary Guarantor.

*Noteholders will not be entitled to the benefits of the Master Negative Pledge Deed Poll and Master Guarantee Deed Poll*

Scentre Group's unsecured bank debt is underpinned by a Master Guarantee Deed Poll (**Master Guarantee**) and a Master Negative Pledge Deed Poll (**Master Negative Pledge**). Both are amendments of previous arrangements in respect of Westfield Retail Trust, which were amended to reflect the Scentre Group structure on implementation of the Restructuring. The Master Negative Pledge is between SGL, SGT 1, SGT 2 and SGT 3 and contains the representations and warranties, undertakings, financial covenants, review events and events of default which are intended to be common, to the extent practicable, across all unsecured bank loan facilities provided to Scentre Group which have the benefit of the structure. Each lender who benefits as a finance party under the Master Negative Pledge is able to enforce it. The Master Negative Pledge may be amended and waived on the instructions of the majority of these lenders (with certain exceptions, where the consent of all such lenders will be required).

In addition to standard events of default relating to non-payment, breach of undertaking or warranty, cross-default, insolvency and ceasing business, it is an event of default if a trustee or responsible entity of SGT 1, SGT 2 or SGT 3 ceases to be sole trustee or responsible entity and is not replaced within 60 business days by an entity which is a member of Scentre Group or one which is approved by the requisite majority of the applicable lenders. It is a review event (which can lead to demand for repayment) if, except in limited circumstances, the Scentre Group equity securities cease to be listed on Australian Securities Exchange. The holders of the Notes will not be designated as finance parties under the Master Negative Pledge and, therefore, will not be entitled to the benefits of the Master Negative Pledge.

The Master Guarantee contains the guarantee for substantially all of Scentre Group's unsecured bank debt borrowing facilities. Under the Master Guarantee, SGL, SGT 1, SGT 2 and SGT 3 (and their respective treasury subsidiaries), on a joint and several basis, agree to guarantee the obligations of certain debtors within Scentre Group. Each lender which has the benefit of the Master Guarantee may enforce it. The holders of Notes will not have the benefit of the Master Guarantee and accordingly will have no claim against those finance subsidiaries which are bound by the Master Guarantee but are not Issuers or Subsidiary Guarantors.

*Limited liability of the Responsible Entities*

Each of RE1 Limited and Scentre Management Limited is an Issuer and jointly and severally guarantees the obligations of the other Issuers under the Notes, solely in its capacity as the responsible entity and trustee of the relevant trust (namely Scentre Group Trust 1 (in the case of Scentre Management Limited) and Scentre Group Trust 2 (in the case of RE1 Limited)). Furthermore, RE2 Limited, solely in its capacity as the responsible entity and trustee of Scentre Group Trust 3, guarantees the obligations of the Issuers under the Notes on a joint and several basis with the other Guarantors. The liability of each Responsible Entity in relation to the Notes and its guarantee of the Notes is limited to and can be enforced against it only to the extent to which such liability can be satisfied out of the assets of the relevant trust from which the Responsible Entity is actually indemnified for the liability. None of the assets of a Responsible Entity (other than assets which are held by the Responsible Entity in its capacity as the responsible entity and trustee of the relevant trust and out of which the Responsible Entity is actually indemnified for the liability and which are available to the Responsible Entity in accordance with the terms of the constitution of the relevant trust to meet its obligations in relation to the Notes and its guarantee of Notes) are available to meet claims under the Notes and the guarantee of the Notes given by that Responsible Entity.

In addition, each Responsible Entity is not entitled to indemnification out of the assets of the relevant trust (and therefore an investor's ability to recover amounts owing under the Notes and the guarantee of the Notes given by the Responsible Entity will be limited to an action against the personal assets of the Responsible Entity) if the Responsible Entity acts fraudulently, negligently or breaches its duty with respect to the relevant trust (whether or not such breach is in respect of the Notes or the guarantee of the Notes given by the Responsible Entity). Each Responsible Entity is not liable to satisfy any obligation or liability from its personal assets, except to the extent that the obligation or liability is not satisfied because there is a reduction in the extent of the Responsible Entity's indemnification out of the assets of the relevant trust as a result of any fraud, negligence or breach of duty on the part of the Responsible Entity. See "*Terms and Conditions of the Notes*".

*Redemption for tax reasons*

In the event that the relevant Issuer, or where the Guarantors are unable for reasons outside their control to procure payment by the relevant Issuer, the Guarantors, would be obliged to increase the amounts payable in

respect of any Notes due to any amendment to or change in the laws or regulations of any Relevant Taxing Jurisdiction (as defined under “*Terms and Conditions of the Notes*”), or any change in the application or official interpretation of such laws or regulations, and such obligation cannot be avoided by the relevant Issuer or the Guarantors taking commercially reasonable measures available to them, the relevant Issuer may redeem all outstanding Notes in accordance with the Conditions. Further, Condition 3 allows both for the release of Subsidiary Guarantors and the addition of new Parent Guarantors and Subsidiary Guarantors in certain circumstances. Accordingly, the identity of the Relevant Taxing Jurisdiction for Notes may change over time and a redemption of Notes for tax reasons prior to maturity may be more likely to be triggered in the future as a result of such changes.

#### *Events of Default*

Before the Trustee can accelerate the Notes following the occurrence of certain Events of Default, it must certify that the occurrence of such event is materially prejudicial to the interests of the Noteholders.

#### *Modification, waivers and substitution*

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

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders (i) agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or, (ii) determine that any Event of Default or Potential Event of Default shall not be treated as such. The Terms and Conditions of the Notes also provide that the Trustee shall, without the consent of the Noteholders, agree to the substitution of another company that is a member of Scentre Group as principal debtor under any Notes in place of any one or more Issuers, in the circumstances described in Condition 17.

#### *Notes where denominations involve integral multiples: definitive Notes*

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

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

#### *Change of law*

The Terms and Conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

#### *U.S. Foreign Account Tax Compliance Act*

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, (**FATCA**) impose a reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to any foreign financial institution (**FFI**) or non-financial foreign entity (each as defined by FATCA) that (i) does not provide to the U.S. Internal Revenue Service (or other applicable authority pursuant to an intergovernmental agreement (**IGA**)) certain information in respect of its account holders or (ii) is not otherwise exempt from FATCA.

SGT1 and SGT2 are registered with the U.S. Internal Revenue Service as FFIs for FATCA purposes. Pursuant to the existing IGA entered into between Australia and the United States, and the Australian law implementing the IGA, SGT1 and SGT2 are required to provide to the Australian Taxation Office certain information on their U.S. account holders and Nonparticipating Financial Institutions (as defined in the IGA). It is not yet certain how the United States and the jurisdictions which enter into intergovernmental agreements will address withholding on

“foreign passthru payments” (which may include payments on the Notes) or if such withholding will be required at all (see further discussion regarding “foreign passthru payments” under the heading “Taxation”). However, under the current Australian IGA and law implementing the Australian IGA, SGT1 and SGT2 are not required to withhold under FATCA from payments they make in respect of the Notes.

RE (NZ) Finance, Scentre Finance (Aust) Limited, SGT3 and SGL are not FFIs for FATCA purposes and should therefore not be required to withhold under FATCA on any payments they make in respect of the Notes.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUERS, THE GUARANTORS, THE NOTES AND THE NOTEHOLDERS IS SUBJECT TO CHANGE. EACH HOLDER OF NOTES SHOULD CONSULT ITS TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT SUCH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

### *Risks related to the market generally*

**Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk, which may be relevant to an investment in the Notes:**

#### *The secondary market generally*

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

Prior to their maturity, the secondary market value of Notes may also be influenced by many factors including, without limitation, the operating performance of Scentre Group, prevailing interest rates, market sentiment or risk aversion generally which may be associated with events such as the recent European sovereign debt crisis.

#### *Exchange rate risks and exchange controls*

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

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

#### *Interest rate risks*

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

#### *Credit ratings may not reflect all risks*

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

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered

under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on page 3 of this Offering Circular and will be disclosed in the applicable Pricing Supplement.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Offering Circular and have been filed with the ASX shall be incorporated in, and form part of, this Offering Circular:

- (a) Scentre Group's Annual Report for its financial year ended 31 December 2014, which includes its audited consolidated financial statements and related notes as at, and for the financial year ended, 31 December 2014 (including the audit report issued in respect thereof) (the **2014 Annual Report**);
- (b) Scentre Group's Annual Report for its financial year ended 31 December 2015, which includes its audited consolidated financial statements and related notes as at, and for the financial year ended, 31 December 2015 (including the audit report issued in respect thereof) (the **2015 Annual Report**);
- (c) the Terms and Conditions set out on pages 43 to 78 of the offering circular dated 30 June 2014; and
- (d) the Terms and Conditions set out on pages 44 to 79 of the offering circular dated 17 March 2015,

*except that* any forecast financial information, or analysis and/or opinions relating to forecast financial information, contained in the documents referred to at (a) or (b) above shall not be incorporated by reference in, nor form part of, this Offering Circular.

Any information or other documents themselves incorporated by reference, either expressly or implicitly, in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

On 30 June 2014, Westfield Group implemented the Restructuring, under which Westfield Group's Australian and New Zealand business including its vertically integrated retail operating platform, held through Westfield Holdings Limited and Westfield Trust, was separated from the Westfield Group's international business and merged with Westfield Retail Trust to create two new listed groups:

- (i) Scentre Group – comprising the merged Australian and New Zealand business of Westfield Group and Westfield Retail Trust; and
- (ii) Westfield Corporation – comprising Westfield Group's international business.

As a result of the Restructuring, for accounting purposes SGL (the parent entity, which formerly was Westfield Holdings Limited) gained control of Scentre Group Trust 2 and Scentre Group Trust 3 (collectively, the former Westfield Retail Trust group) from 30 June 2014. For accounting purposes this transaction was accounted for as a business combination by consolidating the fair value of the net assets of Scentre Group Trust 2 and Scentre Group Trust 3 on 30 June 2014 and the financial results from that date.

Westfield Group's international operations (held by Westfield America Trust and those previously held by the then Westfield Holdings Limited and Westfield Trust) were transferred to Westfield Corporation on 30 June 2014 in connection with the Restructuring. Accordingly, as a result of the Restructuring, SGL ceased to consolidate the international operations formerly held by Westfield Group from 30 June 2014.

Scentre Group's income statement and cash flows for the year ended 31 December 2015 as included in the 2015 Annual Report, comprise the earnings and cash flows of Scentre Group's Australian and New Zealand operations following the Restructuring implemented on 30 June 2014. Scentre Group's income statement and cash flows for the year ended 31 December 2014 as included in the 2014 Annual Report and 2015 Annual Report, comprise the earnings and cash flows of the former Westfield Group (now the restructured Scentre Group) for the six months ended 30 June 2014 (which is not representative of Scentre Group operations following the Restructuring implemented on 30 June 2014 as it includes the results of the former Westfield Group's international operations but does not include the results of Westfield Retail Trust for that period) and the earnings and the cash flows of Scentre Group for the six months ended 31 December 2014. Scentre Group's income statement and cash flows for the year ended 31 December 2013 as included in the 2014 Annual Report comprise the earnings and cash flows of the former Westfield Group.

The balance sheet included in the 2015 Annual Report is representative of Scentre Group's financial position as at 31 December 2015 and 2014 following the Restructuring implemented on 30 June 2014. The balance sheet

included in the 2014 Annual Report is representative of Scentre Group's financial position as at 31 December 2014 following the Restructuring implemented on 30 June 2014 and Westfield Group's financial position as at 31 December 2013.

Following the publication of this Offering Circular a supplement may be prepared by the Issuers. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the offices of the Agent at Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB England.

Internet site addresses in this Offering Circular are included for reference only and the contents of any such internet sites are not incorporated by reference into, and do not form part of, this Offering Circular.

The Issuers and the Guarantors will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes or may provide supplemental or additional information in a Pricing Supplement in connection with the issue of a particular Tranche or Series of Notes.

## FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**), which will be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for, Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent. Such certifications will not be required for U.S. tax purposes for Notes with a maturity of one year or less.

On or after the date (the **Exchange Date**) which is a date no earlier than the first day which is 40 days after:

- (a) completion of the distribution of the relevant Tranche of Notes; and
- (b) the settlement date with respect to such Tranche of Notes,

provided, however, that the relevant Issuer may, in its sole discretion, extend the Exchange Date for such reasonable period of time as the relevant Issuer may deem necessary in order to ensure that the issuance of such identifiable Tranche of Notes is exempt from registration under the Securities Act by virtue of Regulation S thereunder, interests in the relevant Temporary Global Note will be exchanged (free of charge) for interests in a permanent global Note (a **Permanent Global Note**) of the same Series against certification of beneficial ownership as described and when required above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note).

The applicable Pricing Supplement will specify that a Permanent Global Note will be exchangeable following the Exchange Date (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached either (a) within 60 days following the written notice of any holder of an interest in a Permanent Global Note of its election for such exchange delivered to the Agent in accordance with Condition 16 or (b) upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (ii) if the relevant Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any Relevant Taxing Jurisdiction (as defined in the section entitled “*Terms and Conditions of the Notes*”) which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two Authorised Officers (as defined in the Trust Deed) of any relevant Issuer is delivered to the Trustee. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the relevant Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

If a definitive Note is issued prior to the first Interest Payment Date for a Tranche of Notes, the recipient of each definitive Note shall make United States tax representations substantially identical to those described above, as of the date of the issuance of the definitive Note, with appropriate modifications to take into account the fact that the issuance is of a definitive Note (as opposed to a Temporary or Permanent Global Note). Such representations shall be in form and substance reasonably satisfactory to the relevant Issuer and shall be made to the relevant Issuer.

The following legend will appear on all Notes (and on all interest coupons and talons relating to such Notes) with a maturity of more than one year:

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

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

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

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

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

## FORM OF PRICING SUPPLEMENT

[Date]

[Scentre Management Limited in its capacity as responsible entity and trustee of Scentre Group Trust 1]

[RE1 Limited  
in its capacity as responsible entity and trustee of Scentre Group Trust 2]

[RE (NZ) Finance Limited]

*as issuer[s, on a joint and several basis]*

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €10,000,000,000  
Euro Medium Term Note Programme

*Guaranteed, on a joint and several basis, by*

Scentre Group Limited

[Scentre Management Limited  
in its capacity as responsible entity and trustee of Scentre Group Trust 1]

[RE1 Limited  
in its capacity as responsible entity and trustee of Scentre Group Trust 2]

RE2 Limited  
in its capacity as responsible entity and trustee of Scentre Group Trust 3

*and on a joint and several basis, by*

[RE (NZ) Finance Limited]

Scentre Finance (Aust) Limited

### PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 14 March 2016 [, as supplemented by a supplement to the Offering Circular dated [date of supplement]] (the **Offering Circular**). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Circular. Full information on the Issuer[s], the Guarantors and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [30 June 2014/17 March 2015] which are incorporated by reference in the Offering Circular dated 14 March 2016 [, as supplemented by a supplement to the Offering Circular dated [date of supplement]] (the **Offering Circular**). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Circular. Full information on the Issuer[s], the Guarantors and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.]

1. (a) Issuer[s]: [Scentre Management Limited in its capacity as responsible entity and trustee of Scentre Group Trust 1]  
[RE1 Limited in its capacity as responsible entity and trustee of Scentre Group Trust 2]

- [RE (NZ) Finance Limited]
- [as Issuer[s], on a joint and several basis]
- (b) Guarantors: Scentre Group Limited
- [Scentre Management Limited in its capacity as responsible entity and trustee of Scentre Group Trust 1]
- [RE1 Limited in its capacity as responsible entity and trustee of Scentre Group Trust 2] [and]
- RE2 Limited in its capacity as responsible entity and trustee of Scentre Group Trust 3
- as Parent Guarantors, on a joint and several basis and
- [RE (NZ) Finance Limited] [and]
- Scentre Finance (Aust) Limited
- as Subsidiary Guarantor[s] [on a joint and several basis]
2. (a) Series Number: [ ]
- (b) Tranche Number: [ ]
3. Specified Currency: [ ]
4. Aggregate Nominal Amount:
- (a) Series: [ ]
- (b) Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ]]
6. (a) Specified Denominations: [ ]
- [€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].]
- (b) Calculation Amount: [ ]
7. (a) Issue Date: [ ]
- (b) Interest Commencement Date: [[ ]/Issue Date/Not Applicable]
8. Maturity Date: [[ ]/Interest Payment Date falling in or nearest to [ ]]
9. Interest Basis: [[ ] per cent. Fixed Rate]
- [[ ] month [LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate]
- [Zero Coupon]
- [Fixed/Floating Rate Interest Basis]
- (further particulars specified below)

10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ] per cent. of their nominal amount/par]
11. Change of Interest Basis: [Applicable/Not Applicable]
12. Put/Call Options: [Investor Put]  
[Issuer Maturity Call]  
[Issuer Call]  
[(See paragraphs 19/20/21 below)]  
[Not Applicable]
13. Date[s] Board (or similar) authorisation[s] for issuance of Notes obtained for [the] [each] Issuer: [ ] [and] [ ], [respectively]
14. Method of distribution: [Syndicated/Non-syndicated]

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. Fixed Rate Note Provisions: [Applicable/Not Applicable]/[Applicable in respect of the period from [the Interest Commencement Date]/[ ] to [ ]]
- (a) Rate(s) of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [ ] in each year from and including [ ], up to, and including, the Maturity Date/[ ] [The first Fixed Interest Period shall be the period commencing on, and including, the Interest Commencement Date and ending on, but excluding, [ ] [ ] (short/long) [first/final] coupon)]
- (c) Fixed Coupon Amount(s): [ ] per Calculation Amount (applicable to the Notes in definitive form) [, except for the amount of interest payable in respect of the [short/long] [first/final] coupon (as to which see paragraph 15(d))]
- (d) Broken Amount(s): [ ] per Calculation Amount (applicable to the Notes in definitive form) and [ ] per Aggregate Nominal Amount of the Notes (applicable to the Notes in global form), payable on the Interest Payment Date falling on [ ]/[Not Applicable]
- (e) Day Count Fraction: [Actual/Actual (ICMA)]  
[30/360]  
[360/360]  
[Bond Basis]
- (f) Determination Date(s): [ ] in each year]/[Not Applicable]
16. Floating Rate Note Provisions: [Applicable/Not Applicable]/[Applicable in respect of the period from [the Interest Commencement Date]/[ ] to [ ]]
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (b) First Interest Payment Date: [ ]

- (c) Business Day Convention: [Floating Rate Convention]  
[Following Business Day Convention]  
[Modified Following Business Day Convention]  
[Preceding Business Day Convention]
- (d) Additional Business Centre(s): [ ]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [ISDA Determination]  
[Screen Rate Determination]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (g) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (h) Screen Rate Determination:
- Reference Rate: [ ] month  
[LIBOR]  
[EURIBOR]
  - Interest Determination Date(s): [ ]
  - Relevant Screen Page: [ ]
- (i) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
- (j) Margin(s): [+/-] [ ] per cent. per annum  
  
[In respect of the period from (and including) [the Interest Commencement Date]/[ ] to (but excluding) [ ], [+/-] [ ] per cent. per annum.]
- (k) Minimum Rate of Interest: [zero]/[ ] per cent. per annum]/[Not Applicable]
- (l) Maximum Rate of Interest: [ ] per cent. per annum]/[Not Applicable]
- (m) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/360]  
[30/360 or 360/360 or Bond Basis]

- [30E/360 or Eurobond Basis]
- [30E/360 (ISDA)]
17. Fixed/Floating Rate Interest Basis Provisions: [Applicable/Not Applicable]
- (a) First Interest Basis: [[Fixed Rate/Floating Rate] [in accordance with paragraph [15/16] above and Condition 6.3]
- (b) Second Interest Basis: [[Fixed Rate/Floating Rate] [in accordance with paragraph [15/16] above and Condition 6.3]
- (c) Interest Basis Conversion Date: [ ]
18. Zero Coupon Note Provisions: [Applicable]/[Not Applicable]
- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]/[Actual/360]/[Actual/365]

#### **PROVISIONS RELATING TO REDEMPTION**

19. Issuer Maturity Call: [Applicable]/[Not Applicable]
20. Issuer Call: [Applicable]/[Not Applicable]
- (a) Optional Redemption Date(s): [ ]/[at any time that is more than 90 days prior to the Maturity Date]
- (b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount]/[Special Redemption Amount]
- (c) Specified Time for Special Redemption Amount: [ ]/[Not Applicable]
- (d) Redemption Margin: [[ ] per cent.]/[Not Applicable]
- (e) For redemption in part:
- Minimum Redemption Amount: [[ ] per Calculation Amount]/[Not Applicable]
21. Investor Put: [Applicable]/[Not Applicable]
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount: [ ] per Calculation Amount
22. Final Redemption Amount: [ ]/[Par] per Calculation Amount
23. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [ ]/[Par] per Calculation Amount

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: Temporary Global Note exchangeable for a Permanent Global Note on and after the Exchange Date, which is exchangeable for Definitive Notes [[on 60 days' notice given at any time]/[upon the occurrence of an Exchange Event]]
- (N.B. The exchange upon notice option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].")*
25. Additional Financial Centre(s): [Not Applicable]/[ ]
26. Talons for future Coupons to be attached to definitive Notes: [[No]/[Yes. As the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made]
27. Additional Terms and Conditions: [Not Applicable]/[ ]

## THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*specify source*]]. The Issuer[s] confirm[s] that such information has been accurately reproduced and that, so far as [it/they] are aware and are able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer[s]:

Signed on behalf of the Guarantors:

By: .....  
*Duly authorised*

By: .....  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

Listing and admission to trading: Application [has been/will be] made by the Issuer[s] (or on [its/their] behalf) for the Notes to be listed on the [Australian Securities Exchange (operated by ASX Limited (ABN 98 008 624 691))] / [specify other stock exchange] [with effect from [ ]].

### 2. RATINGS

The Notes to be issued [[have been]/[are expected to be rated]:

[Standard & Poor's (Australia) Pty. Ltd.: [ ]]

[Moody's Investors Service Pty Limited: [ ]]

[No application has been made to [Standard & Poor's (Australia) Pty. Ltd.] [or] [[Moody's Investors Service Pty Limited] for ratings to be assigned to the Notes.]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [managers/dealer], so far as the Issuer[s] [is/are] aware, no person involved in the issue of the Notes has an interest material to the offer.] [The [managers/dealer] and [their/its] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer[s] and [its/their] affiliates in the ordinary course of business.]

### 4. YIELD (*Fixed Rate Notes only*)

Indication of yield: [ ]

### 5. OPERATIONAL INFORMATION

(i) ISIN: [ ]

(ii) Common Code: [ ]

(iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable]  
[ ]

(iv) Domicile and reference: [Single Issuer]

[the Programme Number under which the Notes will be issued is the Programme Number of [insert Issuer], the reference name in the Clearing Systems for the Issuer is "[Scentre Group Trust 1/Scentre Group Trust 2/RE (NZ) Finance Limited]" and the domicile of the Notes solely for the purposes of the Clearing Systems is presently [Australia/New Zealand]

*(N.B. The domicile of the Notes and the reference name should correspond with the Issuer under whose Programme Number the issuance is being carried out)*

[Multiple Issuers]

[the Programme Number under which the Notes will be

issued is the Programme Number of [insert Issuer], the reference name in the Clearing Systems for the [two/three] Issuers is “[Scentre Group Trust 1/Scentre Group Trust 2/RE (NZ) Finance Limited]” and the domicile of the Notes solely for the purposes of the Clearing Systems is presently [Australia/New Zealand]

*(N.B. The domicile of the Notes and the reference name should correspond with the Issuer under whose Programme Number the issuance is being carried out)*

- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of additional Paying Agent(s) (if any): [            ]
- (vii) Name and address of Calculation Agent (if not the Agent): [            ]

## TERMS AND CONDITIONS OF THE NOTES

*The following (subject to completion) are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note. The applicable Pricing Supplement in relation to any Tranche of Notes may complete the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Form of Pricing Supplement” above for a description of the content of the Pricing Supplement which will specify which of such Terms and Conditions are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by one or more of Scentre Management Limited in its capacity as responsible entity and trustee of Scentre Group Trust 1 ARSN 090 849 746 (in such capacity, **SGT 1**), RE1 Limited as trustee and responsible entity for Scentre Group Trust 2 ARSN 146 934 536 (in such capacity, **SGT 2**) and RE (NZ) Finance Limited (**RE (NZ) Finance**) (SGT 1, SGT 2 and RE (NZ) Finance together the **Issuers** and each an **Issuer**), as specified in the applicable Pricing Supplement, and constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time including by a first supplemental trust deed dated 14 March 2016, the **Trust Deed**) dated 30 June 2014 and made between, *inter alia*, the Issuers, SGT 1, SGT 2, RE2 Limited as trustee and responsible entity for Scentre Group Trust 3 ARSN 146 934 652 (in such capacity, **SGT 3**) and Scentre Group Limited (each of SGT 1, SGT 2, to the extent that SGT 1 and/or SGT 2 are not named as an Issuer in relation to such Series of Notes in the applicable Pricing Supplement, SGT 3 and Scentre Group Limited a **Parent Guarantor** and together, the **Parent Guarantors**), Scentre Finance (Aust) Limited and Deutsche Trustee Company Limited (the **Trustee**, which expression shall include any successor as Trustee).

References herein to the **relevant Issuer** shall be references to whichever of one or more of SGT 1, SGT 2 and/or RE (NZ) Finance is specified as the Issuer(s) or proposed Issuer(s) of such Notes in the applicable Pricing Supplement and references herein to **any relevant Issuer** shall be references to any of them. References herein to **Subsidiary Guarantors** shall be references to RE (NZ) Finance (if RE (NZ) Finance is not specified as an Issuer in relation to the Notes in the applicable Pricing Supplement) and Scentre Finance (Aust) Limited together with any other person that becomes an additional subsidiary guarantor in accordance with the Trust Deed (the Subsidiary Guarantors and the Parent Guarantors being together referred to as the **Guarantors**).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a Global Note), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 30 June 2014 and made between the Issuers, the Guarantors, the Trustee and Deutsche Bank AG, London Branch as issuing and principal paying agent (the **Agent**, which expression shall include any successor agent, and together with any additional paying agents, the **Paying Agents**, which expression shall include any successor paying agents).

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**). The Pricing Supplement may also specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References to the **applicable Pricing Supplement** are to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

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

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee being at 14 March 2016 at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and at the specified office of the Agent. Copies of the applicable Pricing Supplement are available for viewing at the specified office of the Agent and copies may be obtained from that office. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all of the provisions of the Trust Deed, the Agency Agreement and the Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

## **1. FORM, DENOMINATION AND TITLE**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Fixed/Floating Rate Interest Basis Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

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

Subject as set out below, title to the Notes and Coupons will pass by delivery. The relevant Issuer, the Guarantors, the Paying Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph, and no person shall be liable for so treating any such bearer.

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

Notes which are represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to

any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the relevant Issuer, the Agent and the Trustee.

## 2. STATUS OF THE NOTES

The Notes and any relative Coupons constitute (subject to Condition 5) unsecured and unsubordinated obligations of the relevant Issuer and will rank equally in right of payment with all other unsecured and unsubordinated indebtedness of the relevant Issuer subject to laws affecting the rights of the creditors generally.

Where the applicable Pricing Supplement specifies more than one Issuer as the relevant Issuer, the obligations of such Issuers in relation to the Notes are joint and several obligations of such Issuers.

## 3. GUARANTEES

### 3.1 General

Pursuant to the Trust Deed, the Parent Guarantors have jointly and severally, and the Subsidiary Guarantors have jointly and severally, guaranteed the due payment of all amounts expressed to be payable by the relevant Issuer under or pursuant to the Notes or the Trust Deed (the **Guarantees**).

Each of the Guarantees is an unsecured (subject to Condition 5) and unsubordinated debt obligation of each Guarantor and will, subject to the limitation expressed below and laws affecting the rights of creditors generally, rank at least equally in right of payment with all existing and future unsecured debt of such Guarantor. Furthermore, each of the Guarantors shall be subrogated to all rights of the Trustee and each holder of Notes and Coupons against the relevant Issuer in respect of any amounts paid to such holder by such Guarantor pursuant to the provisions of the Guarantee provided by such Guarantor. No Guarantor can enforce or receive payments based upon such subrogation right until all guaranteed obligations then due and payable have been paid in full in cash. If the relevant Issuer pays an amount to a Guarantor but does not pay amounts which are then due and payable to the holders of Notes or Coupons, then (i) if the relevant Guarantor is SGT 1, SGT 2, SGT 3, RE (NZ) Finance, Scentre Finance (Aust) Limited, Scentre Group Limited, or any additional Guarantor incorporated in Australia or New Zealand, such Guarantor shall pay over to the Trustee all such amounts until the guaranteed obligations are discharged in full and until such payments are made shall hold such money on trust for the benefit of holders of Notes or Coupons in an amount not exceeding the guaranteed obligations then outstanding, and (ii) any other Guarantor shall hold such paid amount in trust for the benefit of such holder of Notes or Coupons and shall pay all such amounts over to the Trustee. For the avoidance of doubt, sub-clause (i) is not intended to create a security interest for the purposes of the Personal Property Securities Act 1999 (New Zealand) or the Personal Property Securities Act 2009 (Cth) (Australia).

SGT 1, SGT 2 and SGT 3, each of which is a Parent Guarantor under the Trust Deed, have entered into the Trust Deed only in their capacity as the responsible entities and trustees of Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3, respectively (each a **Responsible Entity**). Any liability arising under or in connection with the Guarantees provided by SGT 1, SGT 2 and SGT 3 in the Trust Deed can be enforced against each such party only to the extent that it can be satisfied out of the property of the Scentre Trust for which it acts as trustee and responsible entity and from which it is actually indemnified for the liability. This limitation of liability of SGT 1, SGT 2 and SGT 3 extends to all liabilities and obligations in any way connected with their Guarantees provided under the Trust Deed and any other representation, warranty, agreement or transaction related to the Trust Deed or the Notes. A Responsible Entity is not entitled to indemnification out of the assets of the relevant trust if the Responsible Entity acts fraudulently, negligently or breaches its duty with respect to the relevant trust (whether or not such breach is in respect of the Guarantee of the Notes given by the Responsible Entity).

### 3.2 Release of Subsidiary Guarantor

A Parent Guarantor can by written notice to the Trustee request that a Subsidiary Guarantor cease to be a Guarantor. Upon the Trustee's receipt of such notice, such Subsidiary Guarantor shall automatically and irrevocably be released and relieved of any obligation under its Guarantee with respect to the Notes and Coupons and under the Trust Deed in relation thereto if the following also is true, as conclusively certified by such Parent Guarantor to the Trustee in a certificate signed by two Authorised Officers (as defined in the Trust Deed) of such Parent Guarantor:

- (a) no Event of Default is continuing or will result from the release of that Subsidiary Guarantor;
- (b) none of the guaranteed obligations which are guaranteed by that Subsidiary Guarantor is at that time due and payable but unpaid; and
- (c) such Subsidiary Guarantor is not (or will cease to be simultaneously with such release) a guarantor of any other Indebtedness of any Parent Guarantor or any of their respective Subsidiaries.

If a Subsidiary Guarantor guarantees any other Indebtedness of any Parent Guarantor or any of their respective Subsidiaries at any time subsequent to the date on which it is released from its guarantee as described above, such Subsidiary Guarantor will be required to provide a new Guarantee of the Notes and Coupons that remain outstanding on terms substantially identical to its initial Guarantee.

Without prejudice to the provisions of Condition 12, a Subsidiary Guarantor shall, subject to the delivery by the relevant Issuer to the Trustee of certain documents as set out in the Trust Deed and the execution by the Trustee of a document evidencing the release, also be automatically and irrevocably released and relieved of any obligations under its Guarantee upon the merger or consolidation of such Subsidiary Guarantor with, or a conveyance, transfer or lease of all or substantially all of its assets to, any person (including another Guarantor or a subsidiary of a Guarantor).

### **3.3 Termination of a Guarantee**

The obligations of any Guarantor terminate at the time such Guarantor merges or consolidates with any relevant Issuer (and such relevant Issuer is the surviving entity), or when any relevant Issuer acquires all of the assets and capital stock of such Guarantor, and the Guarantor has delivered to the Trustee a certain certificate as set out in the Trust Deed.

Unless released or terminated, each Guarantee is a continuing Guarantee and shall:

- (a) remain in full force and effect until the unconditional payment in full in cash of the guaranteed obligations and all other amounts payable under the Guarantee;
- (b) be binding upon the Guarantor, its successors and assigns; and
- (c) be to the benefit of and be enforceable by the Trustee and, where permitted under the Trust Deed, the Noteholders and the Couponholders and their successors, transferees and assigns.

### **3.4 Additional Parent Guarantors and Subsidiary Guarantors**

Each Parent Guarantor can by notice to the Trustee nominate an additional Parent Guarantor or an additional Subsidiary Guarantor. An additional Parent Guarantor or Subsidiary Guarantor will become such additional Guarantor upon assuming the covenants and conditions of the Trust Deed and upon executing and delivering a supplemental trust deed to the Trustee, such supplemental trust deed to be in a form and with substance reasonably satisfactory to the Trustee (and in any event no more onerous than the obligations imposed on an existing Subsidiary Guarantor or Parent Guarantor as the case may be). Such Guarantee given by such additional Parent Guarantor or Subsidiary Guarantor, as the case may be, shall in all respects have the same legal rank as the Guarantees given by already existing Parent Guarantors or Subsidiary Guarantors, as the case may be.

## **4. FINANCIAL COVENANTS**

- (a) For so long as any of the Notes remain outstanding, each of the Parent Guarantors shall ensure that, as at each Reference Date, Net Debt will not exceed 65 per cent. of Net Assets.
- (b) For so long as any of the Notes remain outstanding, each of the Parent Guarantors shall ensure that, as at each Reference Date, Secured Debt will not exceed 45 per cent. of Total Assets (the **Secured Debt Percentage**) unless the provisions of Condition 5 are complied with in relation to that portion of Secured Debt that exceeds that percentage.
- (c) For so long as any of the Notes remain outstanding, each of the Parent Guarantors shall ensure that the ratio of EBITDA for the 12-month period ending on each Reference Date to Interest Expense for the same period will be at least 1.50:1.00.

- (d) For so long as any of the Notes remain outstanding, each of the Parent Guarantors shall ensure that, as at each Reference Date, Unencumbered Assets will be at least 125 per cent. of the aggregate principal amount of all outstanding Unsecured Debt.

In addition, the Parent Guarantors shall cause each of their real property assets, and the real property assets of each of their Subsidiaries, to be appraised no less frequently than once every three years, by an Approved Independent Valuer, except that the foregoing requirement will not apply to real property assets undergoing material construction or material development.

For the purposes of the Conditions:

**Accounts** means the most recent Consolidated Financial Statements of the Group.

**Affiliate** of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, **control** when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms controlling and controlled have meanings correlative to the foregoing.

**Approved Independent Valuer** means: (i) each real estate appraisal or valuation firm named in Schedule 2 to the Trust Deed, but only with respect to the jurisdiction set forth opposite its name thereon, or the successor entity of any of them; or (ii) a real estate appraisal or valuation firm specifically selected for purposes of the Trust Deed by the Board of Directors of a Parent Guarantor; provided, that (A) such firm is not an Affiliate of any member of the Group, (B) (in the case of (ii) above) such firm is of comparable reputation as determined in good faith by the Board of Directors of a Parent Guarantor in the jurisdiction for which it is being selected to the firms set forth in Schedule 2 to the Trust Deed, and (C) two Authorised Officers of a Parent Guarantor certify the selection of such firm, its name, the jurisdiction for which it is being selected, and the findings of the Board of Directors of a Parent Guarantor confirming that the requirements of clauses (A) and, if applicable, (B) above have been satisfied.

**Balance Sheet** means the balance sheet included in the Consolidated Financial Statements.

**Board of Directors** means either the board of directors, or the equivalent body, of any relevant Issuer or any Guarantor, as the case may be, or any duly authorised committee of that board or body.

**Cash and Cash Equivalents** means, at a Reference Date, cash on hand and at bank, short term money market deposits and short term bank accepted bills of exchange, government and semi-government stocks or bonds which are readily convertible to cash of the Group on a consolidated basis included in the Consolidated Financial Statements for the applicable Reference Date.

**Consolidated Financial Statements** means income statement, cash flow statement and balance sheet together with statements, reports and notes (including, without limitation, directors' reports and auditors' reports (if any)) attached to or intended to be read with any of those statements, in relation to the Group as a consolidated entity, prepared in accordance with GAAP.

**EBITDA** means, in respect of any period, the total amount of Net Profit Before Tax from ordinary activities on a consolidated basis as shown in Group's income statement or notes thereto for that period plus all borrowing costs, depreciation and amortisation of the Group and excluding, without duplication, (a) all realised or unrealised gains and losses in respect of any Hedging Obligations entered into to hedge the value of any asset or liability appearing on the Balance Sheet of the Group; (b) all realised or unrealised gains and losses in respect of Hedging Obligations appearing on the profit and loss statement of the Group for future periods; (c) other unrealised asset revaluations and realised and unrealised gains and losses on capital transactions (including the sale of assets); (d) goodwill write-offs or goodwill amortisation; (e) all Interest Income; and (f) any Significant Items, less an amount equal to any interest, dividends or distributions or other borrowing costs paid, payable or accrued under or in respect of an Effective Equity Security to which paragraph (c) of the definition of Hard Payment Date applies, as shown in the Group's income statement or notes thereto for that period. For such period, amounts will be determined on a consolidated basis in accordance with GAAP except to the extent GAAP is not applicable with respect to the determination of non-cash, extraordinary and non-recurring items.

**Effective Equity Allocated Asset** means an asset (other than an Effective Equity Security) owned or controlled by the issuer of an Effective Equity Security or another member of the Group that:

- (a) can be delivered or transferred by the issuer or that other member of the Group to the holder of the Effective Equity Security in satisfaction of its obligations in respect of that Effective Equity Security, or towards the purchase of which the issuer or that other member of the Group can require the holder of the Effective Equity Security to apply the proceeds of redemption of the Effective Equity Security;
- (b) is not subject to a Lien (other than a Lien securing the Effective Equity Security or arising by law and securing an obligation that is not materially overdue or a Lien to which the holder of the Effective Equity Security would not be entitled to object at the time of its transfer or delivery); and
- (c) is determined by the Parent Guarantors as an Effective Equity Allocated Asset in respect of that Effective Equity Security.

**Effective Equity Security** means at any time, a Marketable Security which:

- (a) is issued by a member of the Group and satisfies the following conditions:
  - (1) it has no Hard Payment Date falling earlier than the Effective Reference Date;
  - (2) it contains no provision as a result of which it could have a Hard Payment Date (other than as a result of the exercise of a discretion by the issuer of it) earlier than the Effective Reference Date; and
  - (3) is either:
    - (A) in the form of shares in a company or units in a trust; or
    - (B) subordinated in right of proof and distribution in respect of such proof to the general creditors of the issuer of it (or any trust of which that issuer is acting as trustee) in any winding up, bankruptcy, administration, scheme of arrangement or any other form of insolvency administration of that issuer (or such a trust) and not secured by any asset other than an Effective Equity Allocated Asset; or
- (b) satisfies one of the following conditions:
  - (1) prior to redemption (or, if earlier, upon winding up of the issuer), it will be transferred to another member of the Group and either:
    - (A) the holder will then have no recourse to any member of the Group for any principal, interest or similar amounts other than recourse to an Obligor under a Marketable Security in relation to which the conditions specified in paragraph (a) are satisfied; or
    - (B) the holder will then have no recourse to any member of the Group for any principal, interest or similar amounts other than recourse under an Effective Equity Security in relation to which the conditions specified in paragraph (b)(2) are satisfied; or
  - (2) is limited recourse to, or issued by a member of the Group that has no assets (other than immaterial assets) other than, obligations of a member of the Group in relation to which the conditions specified in paragraph (a) are satisfied, and includes any Guarantee Obligation or other obligation of another Obligor in respect of an Effective Equity Security provided that the conditions specified in paragraph (a) are also satisfied in relation to that Guarantee Obligation or other obligation.

**Effective Reference Date** means on any date, a date falling five years after that date.

**Entity Interest** means any membership or other interest in, or rights in respect of, an entity, whether such interest arises or is constituted by way of shares, units, an agreement or otherwise.

**GAAP** means generally accepted accounting principles in Australia as applicable from time to time and consistently applied; provided, however, that for purposes of all computations required or permitted for purposes of the financial covenants set forth in this Condition 4, all such computations shall be based upon the valuations derived from the appraisals performed in accordance with this Condition 4.

**Group** means the Parent Guarantors and their respective Subsidiaries, taken as a whole.

**Group Trust** means any trust or managed investment scheme in respect of which a Group Trustee is trustee or responsible entity.

**Group Trustee** means (i) each Guarantor Trustee, and (ii) each other trustee or responsible entity of a trust or a managed investment scheme, which trust or managed investment scheme is included as a Subsidiary of any relevant Issuer or any Guarantor.

**Guarantee Obligation** means any guarantee, suretyship, letter of credit, letter of comfort or any other obligation:

- (a) to provide funds (whether by the advance or payment of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment or discharge of;
- (b) to indemnify any person against the consequences of default in the payment of; or
- (c) to be responsible for,

any debt or monetary liability of another person or the assumption of any responsibility or obligation in respect of the insolvency or financial condition of any other person.

**Guarantor Trustee** means (i) SGT 1, (ii) SGT 2, (iii) SGT 3 and (iv) any other Guarantor which is or becomes bound by the trust deed in its capacity as trustee or responsible entity of a trust, and includes any replacement responsible entity or a replacement trustee for any of them.

**Hard Payment Date** means in respect of a Marketable Security, a date on which the holder of the Marketable Security could require the issuer of the Marketable Security to satisfy a payment, delivery or transfer obligation in respect of the Marketable Security, other than:

- (a) in the winding up of the issuer, or of any trust as trustee of which the issuer has issued the Marketable Security;
- (b) an obligation that the issuer has the discretion to defer until after the Effective Reference Date or, in the case of interest, dividends or similar amounts, for not less than five years from the date it is originally scheduled to fall due (which discretion may be unconditional or subject to compliance with any applicable obligation not to pay distributions or interest on its ordinary equity or other equity or on other obligations that rank or are expressed to rank equally with or junior to the Effective Equity Security);
- (c) an obligation to make, or cause to be made, a payment only out of or limited to the net income, cash flows or other proceeds of an Effective Equity Allocated Asset (or, if the Effective Equity Allocated Asset is a proportionate interest in another asset, a corresponding proportion of the proceeds of such other asset) or a portion thereof;
- (d) an obligation to make a payment that the issuer is (subject to delivering clear title but otherwise in all circumstances) entitled to require the holder to apply in payment for an Effective Equity Security or an Effective Equity Allocated Asset or any shares in a Parent Guarantor or units in a Scentre Trust; or
- (e) an obligation to issue, deliver or transfer, or that can be satisfied by the issue, delivery or transfer of, an Effective Equity Security or an Effective Equity Allocated Asset or any shares in a Parent Guarantor or units in a Scentre Trust.

**Hedging Obligation** means each interest rate transaction, foreign exchange transaction, equity or equity index option, bond, option, commodity swap, commodity option, cap transaction, currency swap transaction, cross-currency swap rate transaction or any other hedge or derivative agreement, including any master agreement and any transaction or confirmation under it.

**Indebtedness** means, without duplication, any indebtedness of any member of the Group in respect of (i) any money borrowed, (ii) any acceptance credit, bill acceptance or bill endorsement or similar facility, (iii) borrowed money evidenced by bonds, notes, debentures, loan stock or similar instruments whether secured or unsecured (excluding indebtedness to the extent that it is secured by Cash and Cash Equivalents or defeased indebtedness), (iv) any reimbursement obligations in respect of a bond, standby or documentary letter of credit or any other similar instrument, issued by a bank or financial institution, but excluding any reimbursement obligation that has not yet fallen due in respect of a bond, standby or documentary letter of credit or any other similar instrument, issued by a bank or financial institution, that is not in respect of Indebtedness and has not yet been called or paid, (v) amounts representing the balance deferred and unpaid for a period of more than 180 days of the purchase price of any property except any amount that constitutes an accrued expense or trade payable, (vi) the amount of any liability in respect of any lease or hire purchase contract that would, in accordance with GAAP, be treated as a finance lease or capital lease, other than a ground lease and (vii) any guarantee or indemnity against loss in respect of any of the items referred to in paragraphs (i) through (vi) above, for another Person, but does not include any marked to market gain or loss in respect of the equity component of convertible instruments or any liability or amount payable under an Effective Equity Security (including any Guarantee Obligation or other obligation referred to in the last paragraph of the definition of that term but excluding any accrued interest or similar entitlement that has been deferred on terms that it may become due before the Effective Reference Date).

**Interest Expense** means, for any period, amounts determined on a consolidated basis and in accordance with GAAP being all borrowing costs of the Group (including any interest capitalised into the carrying value of an asset during the period and excluding marked-to-market adjustments included in the borrowing costs of the Group for that period as a result of the application of International Accounting Standard IAS39 (or any successor or replacement standard)) less (i) any interest income in relation to a Hedging Obligation that is included in Net Profit Before Tax for that period, (ii) dividends, distributions or other costs paid or accrued on preference shares and stapled and unstapled units in listed trusts, (iii) amortisation of debt issuance costs, (iv) amounts attributable to ground lease payments and (v) to the extent included in such Interest Expense, any interest, dividends or distributions or other borrowing costs paid, payable or accrued under or in respect of an Effective Equity Security, as shown in the Group's income statement or notes thereto for that period, less the amount of Interest Income for that period.

**Interest Income** means, for any period, amounts determined on a consolidated basis and in accordance with GAAP as being all interest, amounts in the nature of interest, fees, commissions, discounts and other finance payments which accrued to the Group during that period.

**Lien** means, without duplication, a mortgage, charge, pledge, lien or other security interest or other preferential interest or arrangement having a similar economic effect, excluding any right of set-off, but including any conditional sale or other title retention arrangement or any finance leases.

**Marketable Securities** means any share, unit, debenture, note or other security or other debt or equity obligation.

**Net Assets** means, at a Reference Date, Total Assets less Cash and Cash Equivalents of the Group, in each case, on a consolidated basis and as shown in the Consolidated Financial Statements for that Reference Date.

**Net Debt** means, at a Reference Date, Total Debt less Cash and Cash Equivalents of the Group, in each case, on a consolidated basis and as shown in the Consolidated Financial Statements for that Reference Date.

**Net Profit Before Tax** means, for a period, the operating profit before tax, excluding Significant Items, of the Group for that period determined on a consolidated basis in accordance with GAAP.

**Obligor** means any relevant Issuer or a Guarantor.

**Permitted Lien** means (i) any Lien arising by operation of law and in the ordinary course of business including (1) a lien for unpaid rates and/or taxes; (2) a possessory lien for the unpaid balance of moneys owing for work, repairs, warehousing, storage, delivery or other services; and (3) any other Lien of landlords, carriers, warehousemen, mechanics, materialmen, repairers or other similar service providers which arise by law or by statute and in the ordinary course of business (and whether registration to perfect such Lien is or is not required); provided that either: (A) there is no default with respect to the obligations secured by that Lien; or (B) the obligations secured by the Lien are being, or within a

reasonable time after the judgment will be, appealed or otherwise contested in good faith or paid in full; (ii) any Lien that is created or provided for by: (1) a lease or bailment of goods in respect of which a member of the Group is the lessee or bailee; (2) a commercial consignment of goods in respect of which a member of the Group is a consignee; or (3) a transfer or purchase of an account receivable or chattel paper in respect of which a member of the Group is transferor, and, in the case of the immediately foregoing clauses (1), (2) and (3), such Lien does not secure payment or performance of an obligation; (iii) any Lien in respect of personal property (as defined in the Trust Deed) which is, or has at any time been, a purchase money security interest in favour of a seller securing all or part of the purchase price for personal property which is acquired by a member of the Group in the ordinary course of its business; provided that either: (1) there is no default with respect to the obligations secured by that Lien; or (2) the obligations secured by the Lien are being, or within a reasonable time after the judgment will be, appealed or otherwise contested in good faith or paid in full; (iv) a right of title retention in connection with acquisition of goods in the ordinary course of business on the usual terms of sale of the supplier where there is no default in connection with the relevant acquisition; (v) the lien of a Group Trustee or a custodian in respect of the assets of a Group Trust or other trust or managed investment scheme in relation to its rights of indemnity in respect of those assets; (vi) any Lien granted or created by a Group Trustee or a custodian over the right of indemnity or equitable lien held by it in its personal capacity over assets held by it as trustee or responsible entity where those assets are not, nor required to be, included in the Accounts of the Group; (vii) any Lien that arises by operation of law or the terms of the judgment in respect of a judgment where the judgment is being, or will within a reasonable time after the judgment be, appealed or otherwise contested in good faith or paid in full; (viii) any Lien that consists of an easement, right of way, encroachment, reservation, restriction or condition on any real property interest where such encumbrance does not materially interfere with or impair the operation, use or other disposal of the property affected; or (ix) any Lien consisting of minor defects or irregularities in the title to any real property interest which does not materially interfere with or impair the operation, use or other disposal of such property; or (x) a deposit or a payment of Cash and Cash Equivalents provided or made in connection with any actual or contingent liability arising under a Hedging Obligation; (xi) any Lien granted or created over an Effective Equity Allocated Asset to secure the related Effective Equity Security; or (xii) any Lien not otherwise permitted by the preceding paragraphs not exceeding A\$50,000,000 in aggregate at any one time outstanding.

**Person** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation or government or any agency or political subdivision thereof.

**Reference Date** means 30 June and 31 December of each year.

**Scentre Trust** means Scentre Group Trust 1, Scentre Group Trust 2 or Scentre Group Trust 3.

**Secured Debt** means, at a Reference Date, the portion of the Total Debt at that Reference Date that is secured by a Lien (other than a Permitted Lien) on any asset of any member of the Group.

**Significant Item** means any non-cash item which is regarded as a significant item in accordance with GAAP and reported as such in the Consolidated Financial Statements.

**Subsidiary** has the meaning given in the Australian Corporations Act, but as if **body corporate** includes any entity: it also includes an entity whose profit and loss are required by GAAP to be included in the consolidated annual income statements of the Group or any Parent Guarantor or would be so required if that entity were a corporation: if more than one Parent Guarantor (each a **Relevant Parent Guarantor**) holds, or has subsidiaries which hold, an Entity Interest in an entity and that entity would (under this definition) be a Subsidiary of any one of the Relevant Parent Guarantors if such Entity Interests were all held by that Relevant Parent Guarantor, then that entity and each of its Subsidiaries will be regarded as a Subsidiary of that Relevant Parent Guarantor for the purposes of the Conditions, the Trust Deed and the Notes and Coupons: if as a result of the foregoing, an entity is a Subsidiary of more than one Relevant Parent Guarantor, then the satisfaction by one Relevant Parent Guarantor of an obligation in respect of that entity will be taken to satisfy the obligation of each other Relevant Parent Guarantor in respect of that entity.

**Total Assets** means, at a Reference Date, the total assets of the Group determined on a consolidated basis as shown in its Balance Sheet in its Consolidated Financial Statements for that Reference Date and adjusted to: (i) exclude any revaluation of any nonfinancial asset which is not approved by an Approved Independent Valuer; (ii) exclude the aggregate, on a consolidated basis and without duplication, of all receivables of the Group that are unrealised marked-to-market gains in respect of Hedging Obligations entered into to hedge the value of any asset or liability and that are included in the

Balance Sheet for the Group; (iii) exclude the value attributable to ground leases as deducted in accordance with the definition of Indebtedness; and (iv) exclude the aggregate value of any Effective Equity Allocated Asset.

**Total Debt** means, at a Reference Date, the aggregate principal amount of all Indebtedness of the Group determined on a consolidated basis as shown in its Balance Sheet in its Consolidated Financial Statements for that Reference Date and adjusted to: (i) include the aggregate, on a consolidated basis and without duplication, of all payables of the Group that are unrealised marked-to-market losses in respect of any Hedging Obligations entered into to hedge the value of any asset or liability and that are included in the Balance Sheet for the Group; (ii) include, as a reduction to Total Debt, the aggregate, on a consolidated basis and without duplication, of all receivables of the Group that are unrealised marked-to-market gains in respect of any Hedging Obligations entered into to hedge the value of any asset or liability and that are included in the Balance Sheet for the Group; and (iii) include the principal amount of, but not the marked-to-market amount of, fixed rate debt in relation to an acquisition.

**Unencumbered Assets** means, at a Reference Date, any assets included in Total Assets for that Reference Date but excluding any asset included in Total Assets that is secured by a Lien (other than a Permitted Lien).

**Unsecured Debt** means, at a Reference Date, Total Debt for the applicable Reference Date less Secured Debt for that Reference Date.

The Trust Deed provides that any certificate or report of the auditors or any other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of the Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Trustee in connection therewith contains a monetary or other limit on the liability of the auditors or such other person in respect thereof and notwithstanding that the scope and/or basis of such certificate or report may be limited by any engagement or similar letter or by the terms of the certificate or report itself.

The Trust Deed provides that any certificate addressed to the Trustee and signed by two Authorised Officers of the Issuers or the Parent Guarantors as to the amount of EBITDA, Interest Expense, Net Debt, Secured Debt, Net Assets, Total Assets, Unencumbered Assets or as to any other term or amount referred to in the Conditions or as to any of the ratios contained in this Condition 4 (or as to any other figure required for any other purpose in connection with the Conditions or the Trust Deed (unless expressly otherwise stated)) may, in the absence of manifest error, be relied upon by the Trustee and, if so relied upon, shall be conclusive and binding on the Issuers, the Guarantors, the Noteholders and the Couponholders.

## 5. NEGATIVE PLEDGE

So long as any Notes remain outstanding no relevant Issuer or Guarantor will:

- (i) create or permit to subsist any Lien (other than a Permitted Lien) upon the whole or any part of its undertaking, assets or revenues, present or future; or
- (ii) permit any of its Material Subsidiaries (as defined in Condition 11) to create or permit to subsist, any Lien (other than a Permitted Lien) over its undertaking, assets or revenues present or future,

where such Lien would result in Secured Debt exceeding the Secured Debt Percentage (such Secured Debt being in excess called **Excess Debt**), unless at the same time, or prior thereto, the obligations of the relevant Issuer under those Notes and the Trust Deed or the obligations of the relevant Guarantor up to, but not exceeding, an amount equal to the amount of Excess Debt (x) are secured equally and rateably with the Lien the creation of which caused the excess to arise to the satisfaction of the Trustee or (y) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders and Couponholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

## 6. INTEREST

### 6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest (in each case for the period(s) specified in the applicable Pricing Supplement). Interest will be payable in arrear on the Interest Payment Date(s) specified in the applicable Pricing Supplement.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. In the case of long or short interest periods, payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified in respect of such long or short interest period.

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

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

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

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

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

- (a) if “**Actual/Actual (ICMA)**” is specified in the applicable Pricing Supplement:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

- (b) if “30/360”, “360/360” or “**Bond Basis**” is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date divided by 360, calculated on a formula basis as follows:

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

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Fixed Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Fixed Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Fixed Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Fixed Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Fixed Interest Period, unless such number is 31, in which case **D<sub>1</sub>** will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Fixed Interest Period, unless such number would be 31 and **D<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30.

- (c) In the Conditions:

**Determination Period** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and **sub unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

## 6.2 Interest on Floating Rate Notes

### (a) Interest Payment Dates

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

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

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

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

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

In the Conditions, **Business Day** means a day which is both:

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

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Pricing Supplement.

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

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

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

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

- (ii) **Screen Rate Determination for Floating Rate Notes:** Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the rate or offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rate or offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (as specified in the applicable Pricing Supplement) (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (as specified in the applicable Pricing Supplement, if any), all as determined by the Agent (or if the Agent is not the Calculation Agent, the Calculation Agent specified in the applicable Pricing Supplement). If five or more of such rates or offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest rate or offered quotation, one only of such rates or offered quotations) and the lowest (or, if there is more than one such lowest rate or offered quotation, one only of such rates or offered quotations) shall be disregarded by the Agent (or if the Agent is not the Calculation Agent, the Calculation Agent specified in the applicable Pricing Supplement) for the purpose of determining the arithmetic mean (rounded as provided above) of such rates or offered quotations.

If the Relevant Screen Page (or such replacement page on that service which displays the information) is not available or if, in the case of (ii)(A) above, no such rate or offered quotation appears or, in the case of (ii)(B) above, fewer than three such rates or offered quotations appear, in each case as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) the Agent shall request the principal London office of each of the Reference Banks to provide the Agent with its rate or offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with such rates or offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such rates or offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent (or if the Agent is not the Calculation Agent, the Calculation Agent specified in the applicable Pricing Supplement).

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

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

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

of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

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

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

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

- (i) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if “**Actual/365 (Sterling)**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “**Actual/360**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30; and

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

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

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (vii) if “**30E/360 (ISDA)**” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

(e) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Agent (or if the Agent is not the Calculation Agent, the Calculation Agent specified in the applicable Pricing Supplement) by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity (as defined below) were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period, provided however, that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent (or if the Agent is not the Calculation Agent, the Calculation Agent specified in the applicable Pricing Supplement) shall determine such rate at such time and by reference to such sources as it determines appropriate. For the purposes of this paragraph, the expression **Designated Maturity** means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

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

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the relevant Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 16 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 16. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) **Determination or Calculation by Trustee**

If for any reason at any relevant time the Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Agent defaults in its obligation to calculate any Interest Amount in accordance with subparagraph (b)(i) or subparagraph (b)(ii) above, as the case may be, and in each case in accordance with paragraph (d), the Trustee shall (or may at the expense of the relevant Issuer appoint an agent to do so on its behalf) determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall (or may at the expense of the relevant Issuer appoint an agent to do so on its behalf) calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent or the Calculation Agent, as applicable.

(h) **Certificates to be final**

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

### 6.3 Interest on Fixed/Floating Rate Interest Basis Notes

If Fixed/Floating Rate Interest Basis is specified as being applicable in the applicable Pricing Supplement, each Note bears interest from (and including) the Interest Commencement Date (which unless otherwise specified in the applicable Pricing Supplement shall be the Issue Date) at the applicable Rates of Interest determined in accordance with this Condition 6.3, and such interest will be payable in arrear on the relevant Interest Payment Date (as defined below).

If Fixed/Floating Rate Interest Basis is specified as being applicable in the applicable Pricing Supplement, the basis upon which interest accrues (and on which the Rate of Interest shall be determined) will (unless the Notes are redeemed or purchased and cancelled prior to the Interest Basis Conversion Date) change from one interest basis (the **First Interest Basis**) to another (the **Second Interest Basis**).

The First Interest Basis shall apply to any Interest Period in the First Interest Basis Period and the Second Interest Basis shall apply to any Interest Period in the Second Interest Basis Period.

The Rate of Interest for any Interest Period, and the amount of interest payable on each Interest Payment Date in respect of such Interest Period, shall be determined by the Agent or (if specified in the applicable Pricing Supplement) the Calculation Agent, as applicable, in accordance with (i) if the relevant Interest Basis is specified in the applicable Pricing Supplement to be Fixed Rate, Condition 6.1 or (ii) if the relevant Interest Basis is specified in the applicable Pricing Supplement to be Floating Rate, Condition 6.2. If an Interest Basis for an Interest Basis Period is specified in the applicable Pricing Supplement as being Floating Rate, the notification and publication requirements of Condition 6.2(f) shall apply in respect of each Interest Period falling within such Interest Basis Period.

If the Second Interest Basis is specified to be Floating Rate in the applicable Pricing Supplement and the Interest Basis Conversion Date is not a Business Day for the purposes of determining the Rate of Interest in accordance with Condition 6.2(d), the Interest Determination Date for the Interest Period immediately following the Interest Basis Conversion Date shall be the Business Day immediately preceding the Interest Basis Conversion Date.

For the purposes of this Condition 6.3:

**First Interest Basis Period** means the period from (and including) the Interest Commencement Date to (but excluding) the Interest Basis Conversion Date.

**Interest Basis** means the First Interest Basis or the Second Interest Basis, as applicable.

**Interest Basis Conversion Date** shall have the meaning specified in the applicable Pricing Supplement.

**Interest Basis Period** means the First Interest Basis Period or the Second Interest Basis Period, as applicable.

**Interest Payment Date(s)** means, in relation to each Interest Basis:

- (A) the Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (B) if no express Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date which falls the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date that falls within the First Interest Basis Period, after the Interest Commencement Date.

**Second Interest Basis Period** means the period from (and including) the Interest Basis Conversion Date to (but excluding) the Maturity Date.

### 6.4 Accrual of interest

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

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) seven days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 16 (except to the extent that there is failure in the subsequent payment to the Noteholders).

## **7. PAYMENTS**

### **7.1 Method of payment**

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Notwithstanding the foregoing or anything in the programme documents to the contrary, payments with respect to the Notes, Coupons or Talons may not be made to an address or bank account maintained within the United States or any of its possessions, none of the Notes, Coupons or Talons may be presented for payment within the United States or any of its possessions, demand for payment under the Notes, Coupons or Talons may not be made within the United States or any of its possessions and no payment on any Note, Coupon or Talon will be made at any office of a Paying Agent in the United States or any of its possessions.

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

### **7.2 Presentation of definitive Notes and Coupons**

Payments of principal in respect of definitive Notes will (subject as provided below and to the provisions of Condition 7.4) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent.

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in

respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

### **7.3 Payments in respect of Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below and to the provisions of Condition 7.4) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

### **7.4 General provisions applicable to payments**

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

Payments with respect to the Notes, Coupons or Talons may not be made to an address or a bank account maintained within the United States or any of its possessions. None of the Notes, Coupons or Talons may be presented for payment within the United States or any of its possessions, demand for payment under the Notes or the Coupons may not be made within the United States or any of its possessions and no payment on any Note, Coupon or Talon will be made at any office of a Paying Agent in the United States or any of its possessions.

### **7.5 Payment Day**

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

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (i) in the case of Notes in definitive form only, the relevant place of presentation (if presentation is required);
  - (ii) each Additional Financial Centre specified in the applicable Pricing Supplement; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

## **7.6 Interpretation of principal and interest**

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

- (a) any Additional Amounts which may be payable with respect to principal under Condition 9 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.7); and
- (f) any premium and any other amounts (other than interest) which may be payable by the relevant Issuer under or in respect of the Notes.

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

## **8. REDEMPTION AND PURCHASE**

### **8.1 Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the relevant Issuer at its Final Redemption Amount specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

### **8.2 Redemption for tax reasons**

The Notes may be redeemed at the option of the relevant Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Agent and, in accordance with Condition 16, the Noteholders (which notice shall be irrevocable), if any relevant Issuer satisfies the Trustee immediately prior to the giving of such notice that:

- (a) either (i) it has or will become obliged to pay Additional Amounts (as defined in Condition 9 below) on the occasion of the next payment due under the Notes as a result of any change in, or amendment to, the laws or regulations of a Relevant Taxing Jurisdiction (as defined in Condition 9 below), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes or (ii) the Guarantors would be unable for reasons outside their control to procure payment by the relevant Issuer and in making payment themselves would be required to pay such Additional Amounts; and
- (b) such obligation cannot be avoided by the relevant Issuer or the Guarantors taking commercially reasonable measures available to them,

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

Prior to the publication of any notice of redemption pursuant to this Condition, the relevant Issuer shall deliver to the Trustee a certificate signed by two Authorised Officers of any relevant Issuer or Guarantor stating that the obligation referred to in (a) above cannot be avoided by the relevant Issuer or Guarantors taking commercially reasonable measures available to them and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### **8.3 Redemption at the option of the relevant Issuer (Issuer Maturity Call)**

If Issuer Maturity Call is specified in the applicable Pricing Supplement, the relevant Issuer may, having given:

- (a) not less than 15 nor more than 60 days' notice to the Noteholders in accordance with Condition 16; and
- (b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Trustee and to the Agent,

(which notices to the Noteholders only shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding at any time during the period commencing on (and including) the day that is 90 days prior to the Maturity Date to (and excluding) the Maturity Date, at the Final Redemption Amount specified in the applicable Pricing Supplement, together (if appropriate) with interest accrued (but unpaid) to (but excluding) the date fixed for redemption.

### **8.4 Redemption at the option of the relevant Issuer (Issuer Call)**

If Issuer Call is specified in the applicable Pricing Supplement, the relevant Issuer may, having given:

- (a) not less than 15 nor more than 60 days' notice to the Noteholders in accordance with Condition 16; and
- (b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Trustee and to the Agent,

(which notices to the Noteholders only shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date (that is, if Issuer Maturity Call is specified to be applicable in the applicable Pricing Supplement, more than 90 days prior to the Maturity Date) and at the Optional Redemption Amount(s) specified in the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any partial redemption must be of a nominal amount not less than the Minimum Redemption Amount as may be specified in the applicable Pricing Supplement.

If **Special Redemption Amount** is specified in the applicable Pricing Supplement as the Optional Redemption Amount, the Optional Redemption Amount with respect to the Notes shall be equal to the higher of:

- (a) 100 per cent. of the principal amount of the Notes being redeemed; or
- (b) the price (as reported to the relevant Issuer and the Calculation Agent by the Financial Adviser and expressed as a percentage), at which the Gross Redemption Yield on such Notes on the Reference Date is equal (after adjusting for any difference in compounding frequency) to the Reference Bond Rate at the Specified Time specified in the applicable Pricing Supplement on the Reference Date plus the Redemption Margin.

Where:

**Financial Adviser** means a financial adviser selected by the relevant Issuer after consultation with the Trustee.

**Gross Redemption Yield** means a yield expressed as a percentage and calculated by the Financial Adviser in accordance with generally accepted market practice.

**Redemption Margin** shall be as set out in the applicable Pricing Supplement.

**Reference Bonds** means, as at the Reference Date, the then current on-the-run government securities that would be utilised in pricing new issues of corporate debt securities denominated in the same currency as the Notes, as determined by the Financial Adviser.

**Reference Bond Rate** means the actual or interpolated rate per annum calculated by the Financial Adviser in accordance with generally accepted market practice by reference to the arithmetic mean of middle market prices provided by three Reference Dealers for Reference Bonds having an actual or interpolated maturity equal to the remaining term of the Notes (if the Notes were to remain outstanding to the Maturity Date).

**Reference Date** means the fifth London Business Day prior to the Optional Redemption Date.

**Reference Dealer** means a bank selected by the relevant Issuer or its affiliates in consultation with the Financial Adviser which is (A) a primary government securities dealer, or (B) a market maker in pricing corporate bond issues.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8.4 by the Financial Adviser, shall (in the absence of negligence, wilful default, manifest error or bad faith) be binding on the relevant Issuer, the Calculation Agent and the Trustee, the Paying Agents and all Noteholders and Couponholders.

## 8.5 Partial Redemption

In the case of a partial redemption of Notes under Condition 8.3 or Condition 8.4, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 60 days prior to the date fixed for redemption under Condition 8.3 or not more than 45 days prior to the date fixed for redemption under Condition 8.4 (and in each such case under Condition 8.3 or Condition 8.4, such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 16 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to Condition 8.3 or Condition 8.4 (as the case may be) and notice to that effect shall be given by the relevant Issuer to the Noteholders in accordance with Condition 16 at least five days prior to the Selection Date.

## 8.6 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Pricing Supplement, upon the holder of any Note giving to the relevant Issuer in accordance with Condition 16 not less than 15 nor more than 30 days' notice the relevant Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 8.6 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the

Trustee has declared the Notes to be due and payable pursuant to Condition 11, in which event such holder, at its option, may elect by notice to the relevant Issuer to withdraw the notice given pursuant to this Condition 8.6.

## 8.7 Early Redemption Amounts

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

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount, at the amount specified in the applicable Pricing Supplement or, if no such amount is so specified in the applicable Pricing Supplement, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

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

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

<sup>y</sup> is a fraction based on the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date for the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 365).

## 8.8 Purchases

Subject to the requirements (if any) of any stock exchange on which the Notes may be listed at the relevant time, the relevant Issuer, the Guarantors or any Subsidiary thereof may at any time purchase Notes in the open market or otherwise at any price. Any Notes so purchased may be retained for the account of the relevant purchaser or resold or otherwise dealt with at its discretion. The Notes so purchased, while held by or on behalf of any relevant Issuer or any Guarantor or any Subsidiary thereof, shall not entitle the holder, *inter alia*, to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 17. Such Notes may also be, at the option of the relevant Issuer or the Guarantors, surrendered to any Paying Agent for cancellation.

## 8.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.8 above and this Condition (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent for destruction and cannot be reissued or resold.

## 8.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8.1, 8.2, 8.3, 8.4, 8.5 or 8.6 above or upon its becoming due and repayable as

provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.7(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 16.

## 9. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by the relevant Issuer or the Guarantors shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Relevant Taxing Jurisdiction (as defined below) unless such withholding or deduction is required under the laws of a Relevant Taxing Jurisdiction or such withholding or deduction is in respect of income tax payable by an Issuer or a Guarantor which is referred to in section 126 of the Income Tax Assessment Act 1936 of Australia, in each of which cases the relevant Issuer or Guarantor is entitled to make such a deduction or withholding. In such event, the relevant Issuer or, as the case may be, the Guarantors will pay such additional amounts (**Additional Amounts**) as may be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no Additional Amounts shall be payable in relation to any payment in respect of any Note or Coupon for or on account of:

- (a) any tax, duty, assessment or other governmental charge which would not have been imposed but for the fact that such Noteholder or Couponholder:
  - (i) was a resident (whether or not holding the Note or Coupon in the Relevant Taxing Jurisdiction), domiciliary or national of, engaged in business or maintained a permanent establishment or was physically present in, the Relevant Taxing Jurisdiction, as applicable, or otherwise had some connection with the Relevant Taxing Jurisdiction (other than solely the ownership of the Notes or Coupons), as applicable, provided that the holder will not be regarded as having a connection with Australia for the reason that such holder is a resident of Australia where, and to the extent that, such tax is payable by reason of section 128B(2A) of the Income Tax Assessment Act 1936 of Australia (as amended or replaced); or
  - (ii) presented such Note or Coupon more than 30 days after the Relevant Date, except to the extent that such Noteholder or Couponholder would have been entitled to such Additional Amounts if it had presented such Note or Coupon for payment on any day within such period of 30 days;
- (b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;
- (c) any tax, duty, assessment or other governmental charge which is payable otherwise than by withholding or deduction from payments of (or in respect of) principal of, or interest on, the Notes, Coupons or the Guarantee;
- (d) any tax, duty, assessment or other governmental charge that is imposed or withheld by reason of, or that would have been avoided but for the failure by the Noteholder or Couponholder (i) to comply with a request of any relevant Issuer or a Guarantor notified to the Noteholders in accordance with Condition 16 to provide an Australian Business Number or an Australian tax file number or (ii) to make a declaration of non-residence or other similar claim for exemption (to which the Noteholder is entitled at the time of the notification) to any tax authority or satisfy any information or reporting requirement, which is required or imposed by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to or requirement for an exemption (to which the Noteholder is entitled at the time of the notification) from or non-application of all or part of such tax, duty, assessment or other governmental charge. Any declaration or similar claim for any such applicable

exemption shall be given in respect of all payments in respect of the Notes of the Noteholder provided;

- (e) any tax, duty, assessment or other governmental charge that is imposed or withheld by reason of the Australian Commissioner of Taxation giving a notice under Section 255 of the Income Tax Assessment Act 1936 of Australia or Section 260-5 of Schedule 1 of the Taxation Administration Act 1953 of Australia (or any similar or modified or substitute provision);
- (f) any tax, duty, assessment or other governmental charge that is:
  - (i) in the case of Notes issued by an Australian Issuer or a payment by an Australian Guarantor in respect of those Notes, imposed or withheld by reason of section 128FA(4) of the Income Tax Assessment Act of 1936 of Australia on the basis of the holder being an associate of such Australian Issuer for purposes of section 128FA(8) of the Income Tax Assessment Act of 1936 of Australia;
  - (ii) in the case of Notes issued by an Australian Issuer or a payment by an Australian Guarantor, imposed or withheld as a consequence of a determination having been made under Part IVA of the Income Tax Assessment Act of 1936 of Australia (or any modification or substitute provision) by the Commissioner of Taxation in relation to a scheme to which Part IVA applies where no relevant Issuer (or, if applicable, Guarantor) entered into the scheme for the purpose of enabling a taxpayer to obtain a tax benefit within the meaning of Part IVA, which determination requires that withholding tax is payable in respect of the payment to the relevant holder of Notes or Coupons;
  - (iii) in the case of payment by an Australian Guarantor in respect of those Notes, referred to in section 126 of the Income Tax Assessment Act 1936 of Australia and payable by such Australian Guarantor in respect of Notes or Coupons held by persons who are residents of Australia or non-residents who are engaged in carrying on business in Australia at or through a permanent establishment or fixed base in Australia; or
  - (iv) any combination of any of the foregoing items;
- (g) any tax, duty, assessment or other governmental charge or withholding that is imposed by the United States or any taxing jurisdiction thereof or therein, including under the terms of an agreement entered into with a taxing authority, pursuant to sections 1471 through 1474 of the United States Internal Revenue Code 1986, as amended, any amended or successor version thereto, and any current or future regulations or official interpretations thereof, or any United States or non-United States fiscal or regulatory legislation, rules, guidance or practices adopted pursuant to any intergovernmental agreements entered into in connection with the implementation of either such sections of the Code or analogous provisions of non-United States law;
- (h) any withholding or deduction for or on account of New Zealand resident withholding tax; or
- (i) any withholding or deduction for or on account of New Zealand non-resident withholding tax where the relevant Noteholder or Couponholder is associated with the relevant New Zealand Issuer or relevant New Zealand Guarantor for the purposes of the Income Tax Act 2007 of New Zealand or holds the Note or Coupon jointly with a resident of New Zealand for income tax purposes.

In respect of Notes issued by an Australian Issuer, or payments made by an Australian Guarantor, Additional Amounts will also not be paid on any payment on any Note, Coupon or Guarantee to any Noteholder or Couponholder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent that payment would, under the laws of Australia or any political subdivision or taxing authority of Australia, be treated as being derived or received for tax purposes by a beneficiary or settlor with respect to that fiduciary or a member of that partnership or a beneficial owner who would not have been entitled to those Additional Amounts had it been the actual holder of the affected Notes or Coupons.

As used herein:

- (i) **Australian Issuer** means any relevant Issuer which is incorporated in Australia and includes SGT 1 and SGT 2;
- (ii) **Australian Guarantor** means any Guarantor which is incorporated in Australia and includes Scentre Group Limited, Scentre Finance (Aust) Limited, SGT 1, SGT 2 and SGT 3;
- (iii) **New Zealand Issuer** and **New Zealand Guarantor** means any relevant Issuer or Guarantor which is a resident of New Zealand for income tax purposes or carries on business in New Zealand through a fixed establishment (as defined in the Income Tax Act 2007 of New Zealand) in New Zealand;
- (iv) **Relevant Taxing Jurisdiction** means any jurisdiction under the laws of which any relevant Issuer or any Guarantor, or any successor to any relevant Issuer or the relevant Guarantor, is organised or in which it is resident for tax purposes, or any political subdivision or taxing authority thereof or therein; and
- (v) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 16.

The remaining provisions of this Condition only apply to Notes issued by a New Zealand Issuer or payments made by a New Zealand Guarantor. Where used in the remaining provisions of this Condition, **interest** means interest (as defined under New Zealand law) for withholding tax purposes, which under current legislation includes the excess of the redemption amount over the issue price of any Note or Coupon as well as interest paid on such Note or Coupon.

Where any New Zealand Issuer or New Zealand Guarantor is required to deduct New Zealand non-resident withholding tax in the case of any payments of interest to a holder of a Note or Coupon, such New Zealand Issuer or New Zealand Guarantor may, and intends to (for so long as they do not incur any increased cost or detriment from so doing and are legally able to do so), relieve themselves of such obligation by using a procedure which permits reduction of the applicable rate of New Zealand non-resident withholding tax to zero per cent. That procedure involves such New Zealand Issuer or New Zealand Guarantor paying, on their own respective accounts, a levy to the New Zealand revenue authorities (which is currently equal to 2 per cent. of such payments of interest).

A New Zealand Issuer or New Zealand Guarantor may be required by law to deduct New Zealand resident withholding tax from the payment of interest to the holder of any Note or Coupon on any Interest Payment Date or the Maturity Date, where:

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

Prior to any Interest Payment Date or the Maturity Date, as the case may be, any New Zealand Holder:

- (A) must notify such New Zealand Issuer or New Zealand Guarantor, that the New Zealand Holder is the holder of a Note or Coupon; and
- (B) must notify such New Zealand Issuer or New Zealand Guarantor, of any circumstances, and provide the New Zealand Issuer or New Zealand Guarantor with any information that may enable the New Zealand Issuer or New Zealand Guarantor to make payment of interest to the New Zealand Holder without deduction on account of New Zealand resident withholding tax.

The New Zealand Holder must notify the New Zealand Issuer or New Zealand Guarantor prior to any Interest Payment Date or the Maturity Date, as the case may be, of any change in the New Zealand Holder's circumstances from those previously notified that could affect the payment or withholding obligations of the New Zealand Issuer or New Zealand Guarantor in respect of any Note or Coupon. By

accepting payment of the full face amount of a Note or Coupon or any interest thereon on any Interest Payment Date or the Maturity Date, as the case may be, the New Zealand Holder indemnifies such New Zealand Issuer or New Zealand Guarantor for all purposes in respect of any liability the New Zealand Issuer or New Zealand Guarantor may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax.

Only a New Zealand Holder will be obliged to make the notification referred to above.

## 10. PRESCRIPTION

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

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

## 11. EVENTS OF DEFAULT AND ENFORCEMENT

### 11.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice in writing to the relevant Issuer and Parent Guarantors that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur:

- (a) *Non-payment:* (i) if default is made in the payment of all or any part of the principal of any of the Notes when the same shall become due and payable, whether at maturity, upon redemption or otherwise and such failure continues for a period of three Business Days; or (ii) if default is made in the payment of all or any instalment of interest upon any of the Notes as and when the same shall become due and payable, and such failure continues for a period of 30 calendar days;
- (b) *Breach of covenant in the Trust Deed:* the relevant Issuer or any of the Guarantors fail to perform or observe any other obligation under the Conditions or the Trust Deed and (except in any case where the Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 60 days (or such longer period as the Trustee may permit) following the service by the Trustee on the relevant Issuer or the relevant Guarantor (as the case may be) of notice requiring the same to be remedied;
- (c) *Cross-default:* a default under any Recourse Indebtedness of the relevant Issuer or any Guarantor, whether such Recourse Indebtedness now exists or shall hereinafter be created, which default shall constitute a failure to pay an aggregate principal amount exceeding A\$50,000,000 (or its equivalent in any other currency or currencies, composite currency or currencies, or currency unit or units) of such Recourse Indebtedness when due and payable after the expiration of any applicable grace period with respect thereto and shall have resulted in such Indebtedness in an aggregate principal amount exceeding A\$50,000,000 becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, without such Indebtedness having been discharged or repaid, or such acceleration having been rescinded or annulled, within a period of 30 days after there shall have been given, by registered or certified mail, to the Issuers by the Trustee of a written notice specifying such default and requiring the Issuers or any Guarantor to cause such indebtedness to be discharged or repaid or cause such acceleration to be rescinded or annulled and stating that such notice is a "Notice of Default" hereunder;
- (d) *Insolvency:*
  - (i) a court of competent jurisdiction (A) makes an order or decree for relief in respect of any relevant Issuer or any Guarantor or any Material Subsidiary in an involuntary

proceeding under any applicable bankruptcy law, or adjudging any relevant Issuer or any Guarantor or Material Subsidiary to be bankrupt or insolvent, or approving as properly filed a petition under any applicable bankruptcy law seeking reorganisation, arrangement, adjustment or composition of or in respect of any relevant Issuer or any Guarantor or any Material Subsidiary under any applicable federal or state or other law, or (B) makes an order for the winding up, or liquidation of any relevant Issuer or any Guarantor or Material Subsidiary, or (C) appoints a receiver, liquidator, custodian, trustee, assignee, administrator, sequestrator or similar official of any relevant Issuer or any Guarantor or Material Subsidiary or of any substantial part of its property, except where such appointment is solely in respect of indebtedness that is not Recourse Indebtedness, and the order, appointment or entry is not stayed within 60 days of the order, appointment or entry, provided that such an order or decree shall not be an event of default if it:

- (A) forms part of a scheme, reconstruction, merger, amalgamation or voluntary liquidation of a relevant Issuer or a Guarantor (in each case which is solvent) that is allowed under the Trust Deed; or
  - (B) forms part of a scheme, reconstruction, merger, amalgamation or voluntary liquidation of a Material Subsidiary which is solvent and the surviving party or recipient of net assets of that Material Subsidiary is or will be a member of the Group; or
  - (C) forms part of a scheme, reconstruction, merger, amalgamation or consolidation where either (1) each corporate Parent Guarantor and each Scentre Trust becomes a wholly owned subsidiary of the same entity where that entity, prior to the scheme, reconstruction, merger, amalgamation or consolidation was a member of the Group and within 30 London Business Days after the scheme, reconstruction, merger, amalgamation or consolidation is finally effected becomes a new Parent Guarantor in accordance with the Trust Deed, or (2) each corporate Parent Guarantor and each Scentre Trust, other than one of them, become wholly owned subsidiaries of that other one, and in each such case where the relevant Issuer survives (unless the relevant order or decree is also exempt under Condition 11.1(d)(i)(A) above); or
  - (D) occurs in relation to a Group Trustee in its own right (and does not occur in respect of the relevant Group Trust), and (x) such Group Trustee is not a Material Subsidiary, (y) a new responsible entity or trustee is appointed in respect of the Group Trust within 60 Business Days of the occurrence of that event, and (z) the new responsible entity or trustee assumes (whether by operation of law or otherwise) all the obligations and liabilities (if any) of the Group Trustee under the Trust Deed and the Notes to the satisfaction of the Trustee; or
- (ii) the commencement by any relevant Issuer or any Guarantor or Material Subsidiary of a voluntary case or proceeding under any applicable bankruptcy law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by such Issuer or such Guarantor or Material Subsidiary, as the case may be, to the entry of a decree or order for relief in respect of any relevant Issuer or any Guarantor or Material Subsidiary in an involuntary case or proceeding under any applicable bankruptcy law or to the commencement of any bankruptcy or insolvency case or proceeding against such Issuer or Guarantor or Material Subsidiary, or the filing by such Issuer or such Guarantor or Material Subsidiary of a petition or answer or consent under any applicable bankruptcy law seeking reorganisation or relief under any applicable federal or state law, or the consent by such Issuer or such Guarantor or Material Subsidiary to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of such Issuer or such Guarantor or Material Subsidiary or of any substantial part of the property of such Issuer or such Guarantor or such Material Subsidiary, except where such appointment or such taking of possession is solely in respect of indebtedness that is not Recourse Indebtedness, or the making by such Issuer or such Guarantor or Material Subsidiary of an assignment for the benefit of creditors, or the admission by such Issuer or such Guarantor or Material Subsidiary in

writing of its inability to pay its debts generally as they become due, or the taking of corporate action by such Issuer or such Guarantor or Material Subsidiary in furtherance of any such action; provided however that such an event shall not be an event of default if it:

- (A) forms part of a scheme, reconstruction, merger, amalgamation or voluntary liquidation of a relevant Issuer or a Guarantor (in each case which is solvent) that is allowed under the Trust Deed; or
  - (B) forms part of a scheme, reconstruction, merger, amalgamation or voluntary liquidation of a Material Subsidiary which is solvent and the surviving party or recipient of net assets of that Material Subsidiary is or will be a member of the Group; or
  - (C) forms part of a scheme, reconstruction, merger, amalgamation or consolidation where either (1) each corporate Parent Guarantor and each Scentre Trust becomes a wholly owned subsidiary of the same entity where that entity, prior to the scheme, reconstruction, merger, amalgamation or consolidation was a member of the Group and within 30 London Business Days after the scheme, reconstruction, merger, amalgamation or consolidation is finally effected becomes a new Parent Guarantor in accordance with the Trust Deed, or (2) each corporate Parent Guarantor and each Scentre Trust, other than one of them, become wholly owned subsidiaries of that other one, and in each such case where the relevant Issuer survives (unless the relevant event is also exempt under Condition 11.1(d)(ii)(A) above); or
  - (D) occurs in relation to a Group Trustee in its own right (and does not occur in respect of the relevant Group Trust), and (x) such Group Trustee is not a Material Subsidiary, (y) a new responsible entity or trustee is appointed in respect of the Group Trust within 60 Business Days of the occurrence of that event, and (z) the new responsible entity or trustee assumes (whether by operation of law or otherwise) all the obligations and liabilities (if any) of the Group Trustee under the Trust Deed and the Notes to the satisfaction of the Trustee; or
- (iii) if any relevant Issuer or any Guarantor or any Material Subsidiary ceases, or threatens by way of public announcement to cease, to carry on the whole or substantially the whole of its business or stops payment generally, in each case which will have a material adverse effect on the ability of the Group as a whole to perform its payment and repayment obligations under the Trust Deed and in respect of the Notes; provided however that such an event shall not be an event of default if it:
- (A) forms part of a scheme, reconstruction, merger, amalgamation or voluntary liquidation of a relevant Issuer or a Guarantor (in each case which is solvent) that is allowed under the Trust Deed; or
  - (B) forms part of a scheme, reconstruction, merger, amalgamation or voluntary liquidation of a Material Subsidiary which is solvent and the surviving party or recipient of net assets of that Material Subsidiary is or will be a member of the Group; or
  - (C) forms part of a scheme, reconstruction, merger, amalgamation or consolidation where either (1) each corporate Parent Guarantor and each Scentre Trust becomes a wholly owned subsidiary of the same entity where that entity, prior to the scheme, reconstruction, merger, amalgamation or consolidation was a member of the Group and within 30 London Business Days after the scheme, reconstruction, merger, amalgamation or consolidation is finally effected becomes a new Parent Guarantor in accordance with the Trust Deed, or (2) each corporate Parent Guarantor and each Scentre Trust, other than one of them, become wholly owned subsidiaries of that other one, and in each such case where the relevant Issuer survives (unless the relevant event is also exempt under Condition 11.1(d)(iii)(A) above); or

- (D) occurs in relation to a Group Trustee in its own right (and does not occur in respect of the relevant Group Trust), and (x) such Group Trustee is not a Material Subsidiary, (y) a new responsible entity or trustee is appointed in respect of the Group Trust within 60 Business Days of the occurrence of that event, and (z) the new responsible entity or trustee assumes (whether by operation of law or otherwise) all the obligations and liabilities (if any) of the Group Trustee under the Trust Deed and the Notes to the satisfaction of the Trustee; or
- (iv) if any event occurs which, under the laws of any jurisdiction in which any relevant Issuer or any Guarantor or any Material Subsidiary is incorporated or formed, has or will have, an analogous effect to any of the events referred to in Condition 11(d); provided however that such an event shall not be an event of default if it:
  - (A) forms part of a scheme, reconstruction, merger, amalgamation or voluntary liquidation of a relevant Issuer or a Guarantor (in each case which is solvent) that is allowed under the Trust Deed; or
  - (B) forms part of a scheme, reconstruction, merger, amalgamation or voluntary liquidation of a Material Subsidiary which is solvent and the surviving party or recipient of net assets of that Material Subsidiary is or will be a member of the Group; or
  - (C) forms part of a scheme, reconstruction, merger, amalgamation or consolidation where either (1) each corporate Parent Guarantor and each Scentre Trust becomes a wholly owned subsidiary of the same entity where that entity, prior to the scheme, reconstruction, merger, amalgamation or consolidation was a member of the Group and within 30 London Business Days after the scheme, reconstruction, merger, amalgamation or consolidation is finally effected becomes a new Parent Guarantor in accordance with the Trust Deed, or (2) each corporate Parent Guarantor and each Scentre Trust, other than one of them, become wholly owned subsidiaries of that other one, and in each such case where the relevant Issuer survives (unless the relevant event is also exempt under Condition 11.1(d)(iv)(A) above); or
  - (D) occurs in relation to a Group Trustee in its own right (and does not occur in respect of the relevant Group Trust), and (x) such Group Trustee is not a Material Subsidiary, (y) a new responsible entity or trustee is appointed in respect of the Group Trust within 60 Business Days of the occurrence of that event, and (z) the new responsible entity or trustee assumes (whether by operation of law or otherwise) all the obligations and liabilities (if any) of the Group Trustee under the Trust Deed and the Notes to the satisfaction of the Trustee; or
- (e) *Vitiation*: if all or any material part of all or any material provision of the Guarantee given by a Guarantor is found to be invalid or incapable of being enforced;

provided that, in the case of the happening of any of the events described in (b), (c), (d)(i), (d)(ii) and (d)(iv) (other than, in the case of (d)(i), (d)(ii) and (d)(iv), in respect of any Parent Guarantor), or (e) the Trustee shall first have certified to the Issuers that such event is materially prejudicial to the interests of the Noteholders and further provided that if an event or circumstance occurs in respect of an Effective Equity Security which would otherwise be an Event of Default, despite Condition 11.1 (*Events of Default*), that event or circumstance shall not constitute an Event of Default unless it results (other than by reason of an election by a member of the Group) in a Hard Payment Date occurring at a time the Effective Equity Security is held by a person other than a member of the Group.

For the purposes of the Conditions:

**Recourse Indebtedness** means Indebtedness, whether currently existing or subsequently created, other than that as to which the liability of the obligor is limited to its interest in the collateral securing such Indebtedness, provided that no such Indebtedness shall constitute Recourse Indebtedness by reason of provisions therein for imposition of full recourse liability on the obligor for certain wrongful acts, environmental liabilities or other similar and customary exclusions for non-recourse limitations

governing non-recourse Indebtedness of the relevant type in respect of the relevant assets in the relevant market but if any actual liability to make a payment arises in respect of any item referred to in this proviso, such liability will be regarded as Recourse Indebtedness.

**Material Subsidiary** means, at any particular time, a Subsidiary of any relevant Issuer or any Guarantor: (a) whose (i) total assets or (ii) gross revenues (in each case (x) attributable to such Issuer or Guarantor and (y) consolidated in respect of a Subsidiary which itself has Subsidiaries) are equal to or greater than 10 per cent. of the consolidated total assets or consolidated gross revenues, as the case may be, of the Group, in each case as calculated by reference to the then latest audited consolidated or, as the case may be, unconsolidated financial statements of the relevant Subsidiary or Subsidiaries and the then latest audited consolidated financial statements of the Group; or (b) to which is transferred all or substantially all of the business, assets and undertaking of a Subsidiary of any relevant Issuer or any Guarantor which immediately prior to such transfer is a Material Subsidiary, whereupon the transferor Subsidiary of such Issuer or Guarantor shall immediately cease to be a Material Subsidiary and the transferee Subsidiary shall immediately become a Material Subsidiary (subject in each case to the provisions of paragraph (a) above). A report by two Authorised Officers of any relevant Issuer or Guarantor that in their opinion a Subsidiary of such Issuer or Guarantor is or is not, or was or was not, at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Trustee and the Noteholders and Couponholders.

## **11.2 Enforcement**

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

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

## **12. CONSOLIDATION, AMALGAMATION OR MERGER**

None of the relevant Issuer and the Guarantors shall consolidate with or merge into any other person or convey, transfer or lease all or substantially all of its properties and assets to any person unless:

- (a) the Person formed by such consolidation or into which any relevant Issuer or any Guarantor is merged or the person that acquires by conveyance, transfer or lease all or substantially all of the properties and assets of any relevant Issuer or any Guarantor, as the case may be, shall be an entity, partnership or trust, and:
  - (i) in the case of any relevant Issuer or a Parent Guarantor, shall be organised and validly existing under the laws of Australia or New Zealand or any political subdivision thereof; or
  - (ii) in the case of a Subsidiary Guarantor shall be organised and validly existing under the laws of its governing jurisdiction, and shall expressly assume, by a supplemental Trust Deed to the satisfaction of the Trustee, (x) in the case of any relevant Issuer, the due and punctual payment of the principal of and interest on all outstanding Notes and the performance or observance of every other covenant of the Trust Deed on the part of that Issuer to be performed or observed or (y) in the case of a Guarantor, the performance or observance of the guarantee of that Guarantor and every other covenant of the Trust Deed on the part of such Guarantor to be performed or observed;
- (b) immediately prior to or after giving effect to such transaction and treating any Indebtedness that becomes an obligation of the relevant Issuer or any Guarantor as a result of such transaction as having been incurred at the time of such transaction, no Event of Default and no Potential Event of Default (as defined in the Trust Deed), shall have occurred and be continuing;

- (c) the person formed by such consolidation or into which any relevant Issuer or any Guarantor is merged or to whom any relevant Issuer or any Guarantor, as the case may be, has conveyed, transferred or leased all or substantially all of its properties or assets, agrees to indemnify each Noteholder and Couponholder against:
  - (i) any tax, duty, assessment or governmental charge imposed on any such Noteholder or Couponholder or required to be withheld or deducted from any payment to such Noteholder or Couponholder as a consequence of such consolidation, merger, conveyance, transfer or lease by or on behalf of that jurisdiction or any political subdivision or taxing authority thereof or therein as at the date such consolidation, merger, conveyance, transfer or lease is effective; and
  - (ii) any cost of expenses of the act of such consolidation, merger, conveyance, transfer or lease;
- (d) the Person formed by such consolidation or into which any relevant Issuer or any Guarantor is merged or to whom any relevant Issuer or any Guarantor, as the case may be, has conveyed, transferred or leased all or substantially all of its properties or assets, agrees that it shall be subject to the rights and obligations in Condition 8.2 and Condition 9 to the same extent as such Issuer or Guarantor, subject to the terms of such Conditions, and that its jurisdiction of organisation (or any political subdivision or taxing authority thereof or therein) will be deemed a “Relevant Taxing Jurisdiction” as defined in Condition 9; and
- (e) the relevant Issuer or Guarantors, as the case may be, have delivered to the Trustee a certificate signed by two of its Authorised Officers stating that such consolidation, merger, conveyance, transfer or lease and such supplemental Trust Deed comply with the Conditions and that all conditions precedent herein provided for relating to such transaction have been complied with.

Upon any consolidation or merger or any conveyance, transfer or lease of all or substantially all the properties and assets of any relevant Issuer or any Guarantor in accordance with this Condition 12, the successor entity formed by such consolidation or into which such Issuer or Guarantor is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, such Issuer or Guarantor, as the case may be, under the Trust Deed with the same effect as if such successor entity had been named as such Issuer or Guarantor, as the case may be, herein and thereafter, except in the case of a lease, the predecessor person shall be relieved of all obligations and covenants under the Trust Deed and the Notes or Guarantees, as the case may be.

### **13. REPLACEMENT OF NOTES, COUPONS AND TALONS**

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

### **14. PAYING AGENTS**

The name of the initial Paying Agent and its initial specified office is set out below.

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

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

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 16.

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

The Paying Agents may not be United States persons, as defined for United States Federal tax purposes, and their respective specified offices may not be located in the United States or any of its possessions.

## **15. EXCHANGE OF TALONS**

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

## **16. NOTICES**

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

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes.

Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg. Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## **17. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER AND SUBSTITUTION OF THE PRINCIPAL DEBTOR**

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the relevant Issuer, any Guarantor or the Trustee and shall be convened by the relevant Issuer upon request by Noteholders holding not less than 15 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution of the Notes will be one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*:

- (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes;
- (ii) to reduce or cancel the nominal amount of, or interest on, the Notes;
- (iii) to change the currency of payment of the Notes or the Coupons; or

- (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution of the Noteholders,

in which case the necessary quorum will be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification to the Notes or to the provisions of the Trust Deed which is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error or an error which, in the opinion of the Trustee, is proven, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach, of the Notes or any of the provisions of the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or (iii) determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders). Any such modification, authorisation, waiver and any substitution effected pursuant to this Condition 17 shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate nominal amount of Notes for the time being outstanding shall be as valid and effective as a duly passed Extraordinary Resolution of the Noteholders.

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

The Trustee shall, without the consent of the Noteholders or Couponholders, agree with the relevant Issuer and the Guarantors to the substitution in place of any relevant Issuer as the principal debtor under the Notes, the Coupons and the Trust Deed of any other company that is a member of the Group (the **Substituted Company**), provided that:

- (i) an irrevocable and unconditional guarantee is given by the relevant Issuer and Guarantors, on the terms set out in clause 6 of the Trust Deed, to the Trustee in a form satisfactory to the Trustee of the payment of all moneys payable by the Substituted Company as such principal debtor; and
- (ii) certain other conditions set out in the Trust Deed are complied with.

## **18. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE RELEVANT ISSUER AND/OR ANY ENTITY RELATED TO THE ISSUERS**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with any relevant Issuer and/or any entity related to any relevant Issuer without accounting for any profit.

## **19. FURTHER ISSUES**

The relevant Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the

date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **21. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **21.1 Governing law**

The Trust Deed, the Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in relation to the Trust Deed, the Agency Agreement, the Notes or the Coupons, are governed by, and shall be construed in accordance with, English law.

### **21.2 Submission to jurisdiction**

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Coupons and the Trust Deed, including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Notes, the Coupons or the Trust Deed, and accordingly any legal action or proceedings arising out of or in connection with the Notes, the Coupons or the Trust Deed (**Proceedings**) may be brought in such courts. The relevant Issuer and the Guarantors have in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

### **21.3 Appointment of Process Agent**

Each of the Issuers and the Guarantors have in the Trust Deed, irrevocably and unconditionally appointed Law Debenture Corporate Service Limited as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will appoint such other person as the Trustee may approve as its agent for that purpose.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes.

## DESCRIPTION OF SCENTRE GROUP

### Overview of Scentre Group

#### *Scentre Group*

Scentre Group is an industry leading, internally managed retail property group focused on investing and operating retail property in Australia and New Zealand. Scentre Group owns the vertically integrated Australian and New Zealand retail property operating platform and real property previously owned by Westfield Group, with capabilities including property management, leasing, design, development, construction, marketing and funds management, together with the shopping centre interests previously owned by Westfield Retail Trust. The shopping centres in Scentre Group's portfolio are destinations of choice for shopping, dining, entertainment, events and socialising in major cities across Australia and New Zealand.

Scentre Group has an exclusive, continuing and royalty free licence to use the Westfield brand in Australia and New Zealand for its existing shopping centre portfolio and any new shopping centres in Australia and New Zealand which meet certain agreed characteristics.

Scentre Group is the largest listed retail property group in Australia and New Zealand, with an equity market capitalisation of A\$23.6 billion as at 11 March 2016. Scentre Group owns a property portfolio comprising interests in 40 shopping centres in Australia and New Zealand as at 31 December 2015. The book value of Scentre Group's proportional interest was A\$30.1 billion and assets under management was A\$42.1 billion as of 31 December 2015. These figures include construction in progress and assets held for redevelopment. The figures for number of shopping centres, book value of proportional interest and assets under management is given on a pro forma basis to reflect the sale of two New Zealand shopping centres, which is expected to close in the first half of 2016 (see “– *Recent Developments – Sale of New Zealand shopping centres*” below).

#### *The Restructuring*

On 4 December 2013, Westfield Group and Westfield Retail Trust announced the proposed Restructuring. The Restructuring, as ultimately implemented, resulted in the creation of two new ASX listed retail property groups:

- Scentre Group, which comprises the Australian and New Zealand business of the former Westfield Group (**Westfield Australia**) and the business of the former Westfield Retail Trust; and
- Westfield Corporation, which comprises the former Westfield Group's international businesses.

The Restructuring was approved by Westfield Group securityholders on 29 May 2014, by Westfield Retail Trust securityholders on 20 June 2014 and by the Supreme Court of New South Wales on 23 June 2014 and implemented with effect from 30 June 2014.

Scentre Group combined the property interests of Westfield Retail Trust and the Australia and New Zealand assets of Westfield Group, resulting in the creation of a vertically integrated Australian and New Zealand retail property business.

Scentre Group is a stapled group consisting of SGL, Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 and their respective subsidiaries. SGL was formerly Westfield Holdings Limited and Scentre Group Trust 1 was formerly Westfield Trust. As part of the Westfield Group, those two entities held the Australia and New Zealand assets of Westfield Group, together with certain assets relating to Westfield Group's international business that were transferred to Westfield Corporation entities as part of the Restructuring. Scentre Group Trust 2 and Scentre Group Trust 3 were formerly Westfield Retail Trust 1 and Westfield Retail Trust 2, respectively, and comprised Westfield Retail Trust.

Scentre Group stapled securities, which comprise an ordinary share of SGL, a unit of Scentre Group Trust 1, a unit of Scentre Group Trust 2 and a unit of Scentre Group Trust 3, are quoted and trade together as a single unit on the ASX under the ticker “SCG” and cannot be traded separately. Scentre Management Limited is the responsible entity and trustee of Scentre Group Trust 1. RE1 Limited is the responsible entity and trustee of Scentre Group Trust 2. RE2 Limited is the responsible entity and trustee of Scentre Group Trust 3. Each of SGL, Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 is run by a common board and senior management team. Accordingly, Scentre Group publishes, and will continue to publish in future reporting periods, consolidated financial statements for the consolidated group.

## **Operating Strategy**

Scentre Group's strategy is to create extraordinary places connecting and enriching communities by owning, managing and developing the best retail assets in Australia and New Zealand.

Scentre Group intensively manages its shopping centres, with a particular emphasis on delivering an optimal mix of retailers, maximising the sales productivity of retailers at each shopping centre and providing superior experiences to consumers. These experiences range from parking, shopping centre ambience and retailer mix to food, leisure and entertainment precincts and digital connectivity.

### ***Improving the quality of the portfolio to adapt to the next generation of retail***

Scentre Group focuses on improving the quality of its shopping centre portfolio through expansion and redevelopment. This allows Scentre Group to adapt to the next generation of retail by focusing on four key areas:

- the quality of design and the standard of services;
- the continued introduction of leading local and international retail brands across its portfolio;
- the highest standard of food and the integration of dining precincts with fashion and entertainment; and
- great consumer experiences.

Scentre Group will combine these elements through its development programme to ensure their shopping centres are an essential part of the community's social and economic fabric.

### ***Generating new income opportunities by leveraging the scale of Scentre Group's portfolio***

Scentre Group continues to focus, as Westfield Group did prior to the Restructuring, on generating new income opportunities across its portfolio. This includes a focus on expanding media and advertising revenues, digital, storage, car parking and infrastructure services as well as the provision of customer services such as valet parking and other concierge services.

### ***Using digital technology to better connect retailers with consumers***

Scentre Group's operating strategy recognises the emergence of digital technology as an important element in better connecting the retailer with the consumer and improving the shopping experience for both groups. Through an agreement with Westfield Corporation, Scentre Group continues to benefit from its collaboration with Westfield Labs. Westfield Labs is a global digital lab owned by Westfield Corporation and based in the United States, which focuses on innovation for the retail ecosystem by leveraging the social, mobile and digital market opportunities that converge the digital shopper with the physical world. Scentre Group therefore has access to core digital services and collaborates with Westfield Labs on initiatives that relate to the Australian and New Zealand markets. The initial agreement whereby Scentre Group benefits from the services of Westfield Labs will end on 31 December 2016.

## **Property portfolio**

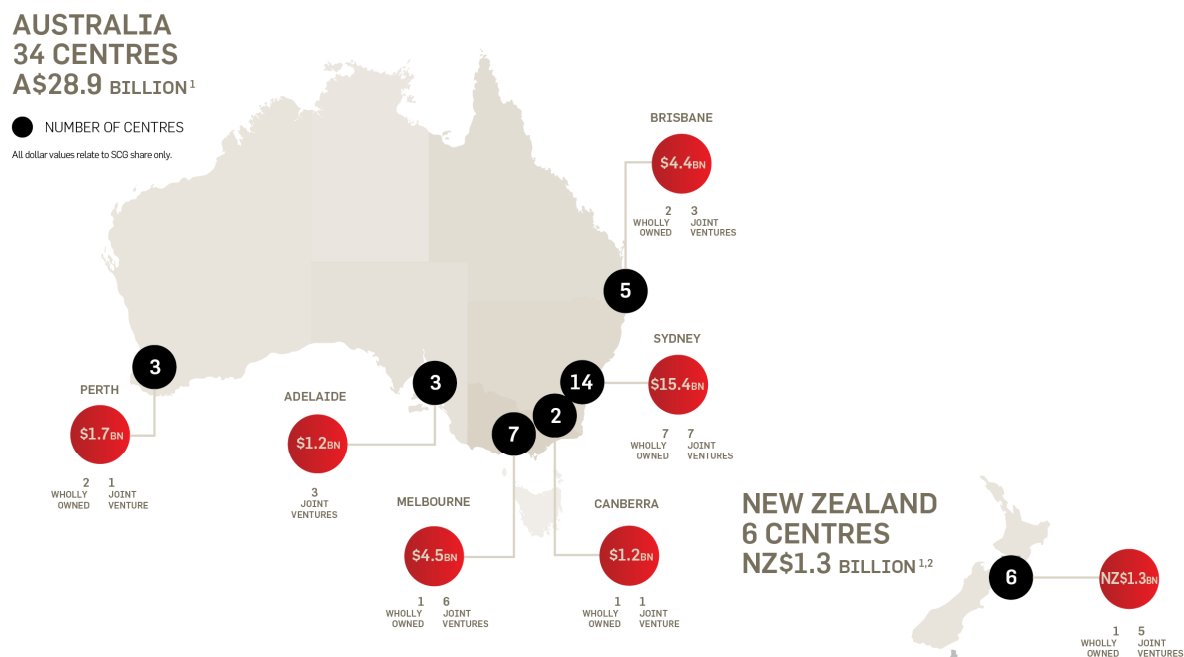
Scentre Group's shopping centres are geographically diversified across major cities in Australia and New Zealand, located in prime trade areas, anchored by long term tenancies with major retailers with a diversified mix of specialty, national and international retailers.

As at 31 December 2015, the majority of Scentre Group's portfolio was located in Australia, with 34 shopping centres representing 96 per cent. of the portfolio by value (A\$28.9 billion). As at 31 December 2015, Scentre Group's portfolio in New Zealand comprised six shopping centres representing 4 per cent. of the portfolio by value (A\$1.2 billion). These figures include construction in progress and assets held for redevelopment and are given on a pro forma basis to reflect the sale of two New Zealand shopping centres, which is expected to close in the first half of 2016 (see "*Recent Developments – Sale of New Zealand shopping centres*" below).

Scentre Group's portfolio includes pre-eminent shopping centres such as Westfield Sydney and Bondi Junction in Sydney, Carindale and Chermside in Brisbane and Doncaster in Melbourne. Each of these assets achieved annual specialty sales productivity in excess of A\$11,000 per square metre and total annual sales in excess of

A\$800 million for the 12 months to 31 December 2015. These flagship shopping centres continue to be leading destinations of choice for both domestic and international retailers.

The following map shows the location of Scentre Group's Australian and New Zealand portfolio (all assets are managed by Scentre Group):



#### Notes:

- (1) Includes construction in progress and assets held for redevelopment
- (2) Pro forma post sale of two New Zealand shopping centres, which is expected to settle in the first half of 2016

## Property management, marketing and leasing

Property management involves day-to-day management, leasing and marketing of Scentre Group's shopping centres as well as the generation of new income opportunities.

Scentre Group aims to maximise income and capital growth by creating an efficient and highly productive (by annual retail specialty sales per square metre) environment for retailers and a superior experience for consumers. Scentre Group works closely with retailers to provide a superior shopping experience and to develop strong relationships with consumers through various marketing initiatives, including supporting the local community surrounding each shopping centre.

Scentre Group's property management capabilities are strengthened by the scale, quality and geographic diversification of its portfolio which Scentre Group believes provides a unique platform to engage with Scentre Group retailers, consumers and marketing partners. Scentre Group's portfolio attracts a superior mix of national and international retailers. The portfolio, on a pro forma basis to reflect the sale of two New Zealand shopping centres (see "*Recent Developments – Sale of New Zealand shopping centres*" below), of 40 shopping centres comprises approximately 11,670 retail outlets across 3.6 million square metres of gross lettable area.

## Development, design and construction

Scentre Group's development capabilities include all elements of development, design, construction and project leasing for shopping centres in Australia and New Zealand. Scentre Group has inherited Westfield Group's long and successful track record of shopping centre development in Australia and New Zealand.

Prior to the Restructuring, Westfield Group focused on redevelopment and expansion of its shopping centres to ensure the shopping centres remained highly productive (by annual retail specialty sales per square metre), attracted leading retailers and provided a high quality experience for consumers. Scentre Group intends to maintain the same approach. The most recent redevelopments, including Westfield Sydney, Carindale, Chatswood, Fountain Gate, Garden City, Hurstville, Kotara, Miranda and North Lakes showcase the innovative

approach to design with an emphasis on integrating food, fashion, leisure and entertainment with the latest digital and other emerging technology.

As at 31 December 2015, Scentre Group had A\$1.1 billion of projects under construction. Scentre Group's share in such projects as at 31 December 2015 (taking into account joint ventures and other contractual arrangements with third parties in respect of such projects) was A\$0.3 billion.

### **Fund and asset management**

Scentre Group derives income from funds management activities, including through an annual manager's service fee from Carindale Property Trust.

Carindale Property Trust is a single asset trust which owns a 50 per cent. interest in Westfield Carindale. As at 31 December 2015, Scentre Group owned 50 per cent. of the units of Carindale Property Trust representing a 25 per cent. indirect interest in Westfield Carindale. On 23 February 2016, Scentre Group announced that it intends to increase its investment in Carindale Property Trust subject to prevailing market conditions and the "creep provisions" of the Corporations Act 2001.

Scentre Group derives asset management income from the property linked notes established in 2006. These notes, which were issued by Westfield Group, are designed to provide returns based on the economic performance of the following shopping centres: Parramatta, Hornsby and Burwood in New South Wales, Southland in Victoria, Tea Tree Plaza in South Australia and Belconnen in the Australian Capital Territory. The property linked notes are subject to review on 31 December 2016 and every fifth anniversary of that date. The notes may be redeemed on a review date. On redemption, the obligation to repay the property linked notes can, in certain circumstances, be satisfied by the transfer of interests in the underlying properties to the noteholders. On 27 November 2015, the Group announced that it had repaid one series of its property linked notes.

As mentioned above, Scentre Group's total assets under management were valued at A\$42.1 billion as at 31 December 2015. This figure includes A\$12.0 billion of external assets under management. These figures include construction in progress and assets held for redevelopment. These figures are given on a pro forma basis to reflect the sale of two New Zealand shopping centres which is expected to close in the first half of 2016 (see "*Recent Developments – Sale of New Zealand shopping centres*" below).

### **Master Negative Pledge and Master Guarantee**

Scentre Group's unsecured bank debt is underpinned by the Master Guarantee and the Master Negative Pledge. Both are amendments of previous arrangements in respect of Westfield Retail Trust, which were amended to reflect the Scentre Group structure on implementation of the Restructuring. The arrangements were entered into (in respect of Westfield Retail Trust) on 2 November 2010 and took effect on 16 December 2010. They were amended on 20 March 2014 to take effect on implementation of the Restructuring. On the implementation date of the Restructuring, SGL and SGT 1 executed accession deeds to become party to the arrangements.

The Master Negative Pledge is between SGL, SGT 1, SGT 2 and SGT 3 and contains the representations and warranties, undertakings, financial covenants, review events and events of default which are intended to be common, to the extent practicable, across all unsecured bank loan facilities provided to Scentre Group which have the benefit of the structure. Each lender who benefits as a finance party under the Master Negative Pledge is able to enforce it. The Master Negative Pledge may be amended and waived on the instructions of the majority of these lenders (with certain exceptions, where the consent of all such lenders will be required).

In addition to standard events of default relating to non-payment, breach of undertaking or warranty, cross-default, insolvency and ceasing business, it is an event of default if a trustee or responsible entity of SGT 1, SGT 2 and SGT 3 ceases to be sole trustee or responsible entity and is not replaced within 60 business days by an entity which is a member of Scentre Group or one which is approved by the requisite majority of the applicable lenders. It is a review event (which can lead to demand for repayment) if, except in limited circumstances, the Scentre Group equity securities cease to be listed on Australian Securities Exchange. The holders of the Notes will not be designated as finance parties under the Master Negative Pledge and, therefore, will not be entitled to the benefits of the Master Negative Pledge.

The Master Guarantee contains the guarantee for substantially all of Scentre Group's unsecured bank debt borrowing facilities. Under the Master Guarantee, SGL, SGT 1, SGT 2 and SGT 3 (and their respective treasury subsidiaries), on a joint and several basis, agree to guarantee the obligations of certain debtors within Scentre Group. Each lender which has the benefit of the Master Guarantee may enforce it. The holders of Notes will not have the benefit of the Master Guarantee and accordingly will have no claim against those finance subsidiaries which are bound by the Master Guarantee but are not Issuers or Subsidiary Guarantors.

## **Recent developments**

### *Sale of New Zealand shopping centres*

On 27 November 2015, Scentre Group announced the sale of three shopping centres located in New Zealand with combined gross proceeds of NZ\$549 million. Westfield Glenfield was sold to the Ladstone Holdings group of companies, with completion taking place on 30 November 2015. Scentre Group signed an agreement to sell Westfield Queensgate and Westfield Chartwell to Diversified NZ Property Fund Limited, a fund managed by Stride Property Limited. The sale of Westfield Queensgate and Westfield Chartwell is subject to the approval of the Overseas Investment Office, New Zealand and is expected to close in the first half of 2016.

## MANAGEMENT

### Directors and senior management

The board of directors of Scentre Group comprises the boards of directors of Scentre Group Limited and the Responsible Entities, each of which has a common membership.

The business address of all directors and members of senior management is c/-Company Secretary, Level 30, 85 Castlereagh Street, Sydney, New South Wales 2000, Australia.

<b>Name</b>	<b>Position(s)</b>	<b>Based in</b>
<b>Directors</b>		
Mr Frank Lowy AC	Chairman	Australia
Mr Brian Schwartz AM	Deputy Chairman	Australia
Mr Peter Allen	Chief Executive Officer	Australia
Mr Richard Egerton Warburton AO, LVO	Non-Executive Director	Australia
Mr Andrew Harmos	Non-Executive Director	New Zealand
Mr Michael Ihlein	Non-Executive Director	Australia
Ms Carolyn Kay	Non-Executive Director	Australia
Ms Aliza Knox	Non-Executive Director	Singapore
Mr Steven Lowy AM	Non-Executive Director	Australia
Ms Margaret Seale	Non-Executive Director	Australia
<b>Senior management</b>		
Mr Peter Allen	Chief Executive Officer	Australia
Mr Mark Bloom	Chief Financial Officer	Australia
Mr Andrew Clarke	Director, Finance & IT	Australia
Mr John Batistich	Director, Marketing	Australia
Ms Janine Frew	Director, Human Resources	Australia
Mr Paul Giugni	General Counsel	Australia
Mr Ian Irving	Director, Design & Construction	Australia
Mr Peter Leslie	Director, Leasing	Australia
Mr Greg Miles	Chief Operating Officer	Australia
Mr John Papagiannis	Director, Development	Australia
Mr Stewart White	Director, Development	Australia
Mr Richard Williams	Treasurer	Australia

The directors of SGL, RE1 Limited, RE2 Limited and Scentre Management Limited respectively have no potential conflicts of interest between their duties to SGL, RE1 Limited, RE2 Limited and Scentre Management Limited respectively and their private and/or other duties. If a conflict of interest arose, that director would be excluded from participating in discussions or voting on the matter unless expressly permitted by law.

**Mr Frank P Lowy AC, Chairman** Mr Lowy is the non-executive Chairman of Scentre Group. He served as the Westfield Group's Chief Executive Officer for over 50 years before assuming a non-executive role in May 2011. Mr Lowy also serves as the Chairman of Westfield Corporation. He is the founder and Chairman of the Lowy Institute for International Policy. In November 2015 he retired as Chairman of Football Federation Australia Limited.

**Mr Brian M Schwartz AM, Deputy Chairman and Chairman-elect** Mr Schwartz is a non-executive Director and Chairman-elect of Scentre Group. He is Chairman of Insurance Australia Group Limited and a non-executive Director and Deputy Chairman of Westfield Corporation. Mr Schwartz is Chairman of Scentre Group's Human Resources Committee and a member of the Audit and Risk and Nomination Committees. In a career with Ernst & Young Australia spanning more than 25 years, he rose to the positions of Chairman (1996 - 1998) and then CEO of the firm from 1998 to 2004. From 2005 to 2009, Mr Schwartz was the CEO of Investec Bank (Australia) Limited. He is a fellow of the Australian Institute of Company Directors and the Institute of Chartered Accountants. In November 2015 he retired as Deputy Chairman of Football Federation Australia Limited.

**Mr Peter K Allen, Chief Executive Officer** Mr Allen is an executive Director and Chief Executive Officer of Scentre Group. He has more than 20 years of global experience in senior financial, property and commercial roles. Mr Allen worked for Citibank in Melbourne, New York and London before joining Westfield in 1996 as Director for Business Development. He was Westfield's CEO of United Kingdom/Europe from 1998 to 2004 and was responsible for establishing Westfield's presence in the United Kingdom. From 2004 to 2014, Mr Allen was the Chief Financial Officer of Westfield Group. He is Chairman of the Shopping Centre Council of Australia, a Director of the Victor Chang Cardiac Research Institute and sits on the Board of the Kolling Foundation. Mr Allen is also a member of the President's Council of the Art Gallery of NSW.

**Mr Richard F Egerton-Warburton AO, LVO** Mr Egerton-Warburton is a non-executive Director of Scentre Group. Before becoming a professional director, he was the Chairman and Chief Executive Officer of DuPont Australia and New Zealand where he was responsible for DuPont's petro-chemical business operations in Australia and New Zealand. He is currently Chairman of Magellan Flagship Fund Limited and previously Chairman of Citigroup Pty Limited, David Jones Limited, AurionGold Limited, Caltex Australia Limited and the Board of Taxation, and a Director of Tabcorp Holdings Limited, Southcorp Limited, Nufarm Limited and the Reserve Bank of Australia. Mr Warburton is a Fellow (and former National President) of the Australian Institute of Company Directors. Mr Warburton is Chairman of Scentre Group's Nomination Committee and a member of the Audit and Risk Committee.

**Mr Andrew W Harnos** Mr Harnos is a non-executive Director of Scentre Group. He is one of the founding directors of Harnos Horton Lusk Limited, an Auckland based specialist corporate legal advisory firm, where he specialises in takeover advice and structuring, securities offerings, company acquisitions and disposals, strategic and board corporate legal advice. Mr Harnos holds a Bachelor of Commerce and a Bachelor of Laws (Honours) from The University of Auckland. He is a Director of AMP Life Limited, The National Mutual Life Association of Australasia and Elevation Capital Management Limited. Mr Harnos was formerly Chairman of the New Zealand Stock Exchange and a Trustee of the Arts Foundation of New Zealand. Mr Harnos is a member of Scentre Group's Nomination Committee and Human Resources Committee.

**Mr Michael F Ihlein** Mr Ihlein is a non-executive Director of Scentre Group. He is a highly experienced corporate and finance executive with a long career with Coca-Cola Amatil Limited (and related companies), where he was Managing Director, Poland (1995 – 1997) and Chief Financial Officer and Executive Director (1997 – 2004). Mr Ihlein joined Brambles as Chief Financial Officer and Executive Director in March 2004 and held the position of Chief Executive Officer from July 2007 until his retirement in November 2009. Mr Ihlein holds a Bachelor of Business Studies (Accounting) from the University of Technology, Sydney. He is currently a Director of CSR Limited, Snowy Hydro Limited and Murray Goulburn Co-operative Co. Limited, Chair of Australian Theatre for Young People and is a Fellow of the Australian Institute of Company Directors, CPA Australia and the Financial Services Institute of Australasia. Mr Ihlein is the Chairman of Scentre Group's Audit and Risk Committee and is a member of the Human Resources Committee.

**Ms Carolyn Kay** Ms Kay is a non-executive Director of Scentre Group. She has had more than 30 years of experience in the finance sector as an executive and non-executive director. In addition, Ms Kay has been and remains a non-executive director of enterprises across a broad range of industries. She is currently a member of The Future Fund Board of Guardians, a non-executive director of Brambles and John Swire & Sons and an

External Board Member of Allens Linklaters. In the not-for-profit sector, she is also a non-executive director of Chief Executive Women and The General Sir John Monash Foundation. As an executive Ms Kay worked as a banker and lawyer at Morgan Stanley, JP Morgan and Linklaters & Paines in London, New York and Australia. She was formally a non-executive director of a number of organisations including Commonwealth Bank of Australia and Infrastructure NSW. She holds Bachelor Degrees in Law and Arts (University of Melbourne), a Graduate Diploma in Management (AGSM) and is a Fellow of the Australian Institute of Company Directors. She was awarded a Centenary Medal for services to Australian society in business leadership.

**Ms Aliza Knox** Ms Knox is a non-executive Director of Scentre Group. Ms Knox has more than two decades of broad international marketing and management experience. She holds an MBA in Marketing (Honors) from New York University-Leonard N. Stern, School of Business, and a B.A., Applied Mathematics and Economics (Magna Cum Laude) from Brown University. Ms Knox is currently Vice President Online Sales, Asia Pacific and Latin America at Twitter, having been at the company since 2012. Previously, she was the Managing Director of Commerce and Online Sales & Operations for Asia Pacific at Google Asia Pacific Pte. Ltd. from 2007 to 2012. Ms Knox has been a non-executive Director of Singapore Post Limited since August 2013. In 2014 she was appointed to the supervisory board of GfK. In 2015, Ms Knox was appointed to ANZ's International Technology and Digital Business Advisory Panel. Her other roles include Senior Vice President, Commercial Solutions and Global Product Platforms at Visa International (from 2002 to 2007) and Senior Vice President, International Wireless and Global Expansion Asian Focus at Charles Schwab Corporation (from 1999 to 2001).

**Mr Steven M Lowy AM** Mr Lowy is a non-executive Director of Scentre Group. He holds a Bachelor of Commerce (Honours) from the University of NSW. Prior to joining Westfield in 1987, Mr Lowy worked in investment banking in the US. He is an executive Director of Westfield Corporation and currently serves as its Co-Chief Executive Officer. Mr Lowy is Chairman of Football Federation Australia Limited and is a Director of the Lowy Institute for International Policy. His previous appointments include President of the Board of Trustees of the Art Gallery of New South Wales, Chairman of the Victor Chang Cardiac Research Institute and Presiding Officer of the NSW Police Force Associate Degree in Policing Practice Board of Management.

**Ms Margaret Seale** Ms Seale is a non-executive Director of Scentre Group. She has more than 25 years' experience in senior executive roles in Australia and overseas, including in the consumer goods, health and global publishing sectors, in sales and marketing, and in the successful transition of traditional business models to digital environments. Immediately prior to her non-executive career, Ms Seale was Managing Director of Random House Australia (with managerial responsibility for New Zealand), and President, Asia Development for Random House Inc, the global company. She is currently a non-executive director of Telstra Corporation Limited, Bank of Queensland Limited and Ramsay Health Care Limited. Ms Seale is also Non-Executive Chair of Penguin Random House ANZ Pty Ltd. She has previously served on the boards of the Australian Publishers' Association, Chief Executive Women (chairing its Scholarship Committee), the Powerhouse Museum and the Sydney Writers' Festival.

**Mr Mark Bloom** Mr Bloom was appointed Chief Financial Officer of Scentre Group in June 2014. Prior to the establishment of Scentre Group, he held the role of Deputy Group Chief Financial Officer of Westfield Group since 2005. Mr Bloom has over 30 years' experience in senior finance roles at large listed financial corporations. Prior to joining Westfield Group, Mr Bloom was Finance Director and a member of the Board of Liberty Group in Johannesburg where he was responsible for all aspects of Finance including Group Strategy, Legal, Treasury, Investor Relations and Mergers and Acquisitions. At Westfield Group he was responsible for Group Treasury, Financial Reporting, Global IT and the Operational Finance functions across Westfield Group. Mr Bloom holds a Bachelor of Commerce and Bachelor of Accounting from the University of Witwatersrand and is a member of the Institute of Chartered Accountants in Australia.

**Mr Andrew Clarke** Mr Clarke was appointed Director of Finance of Scentre Group in June 2014 and is also responsible for the organisation's IT. Prior to the establishment of Scentre Group he was the CFO for Westfield Australia and New Zealand. He joined Westfield Group in 2005, holding roles within the Australian Finance division. Prior to joining Westfield Group, he worked in the UK as Financial Controller for a global eBusiness organisation. Mr Clarke holds a Bachelor of Business Commerce and Administration from the University of Victoria - Wellington, New Zealand and is a member of the Institute of Chartered Accountants in New Zealand.

**Mr John Batistich** Mr Batistich was appointed Director of Marketing of Scentre Group in June 2014. Prior to the establishment of Scentre Group, he was Director of Marketing for Westfield Australia since October 2011. Mr Batistich joined Westfield Group in 2007 as General Manager, Marketing, bringing over 20 years of experience with companies including Lion Nathan, Kimberly Clark, PepsiCo Foods and The Wrigley Company. He has led marketing communications campaigns that have won a Cannes Lion award and an Australian Effectiveness Award. He is a member of the Australian Market & Social Research Society Client Advisory Board and has been a member of the Australian Research Awards judging panel. Mr Batistich is also a member

of the Board of Governors for The Heart Research Institute. Mr Batistich holds a Masters in Management degree from MGSM, majoring in Human Resources and a Bachelor of Business degree from the University of Western Sydney majoring in Marketing.

**Ms Janine Frew** Ms Frew was appointed Director of Human Resources of Scentre Group in June 2014. Prior to the establishment of Scentre Group, she was the Director of Human Resources for Westfield Australia since December 2012. Ms Frew joined Westfield Australia in 2007 as the HR Manager for Shopping Centre Management. In 2010 her portfolio expanded to include all operational divisions, incorporating: Development, Design, Construction and Leasing. In 2011, she was appointed HR Director UK prior to the London Olympics and the opening of Westfield Stratford City. Before joining Scentre Group, Ms Frew was Head of HR, Australia and New Zealand with the Coca-Cola Company, following a long tenure with the Coles Myer Group.

**Mr Paul Giugni** Mr Giugni was appointed General Counsel of Scentre Group in June 2014. Prior to the establishment of Scentre Group, he was General Counsel, Australia and New Zealand, Westfield Group. Mr Giugni joined Westfield Group in September 1998 and holds a Bachelor of Economics and a Bachelor of Laws (Honours) from the University of Sydney. Prior to joining Westfield Group, he was a solicitor at Freehill Hollingdale and Page (now Herbert Smith Freehills).

**Mr Ian Irving** Mr Irving was appointed Director of Design & Construction (D&C) of Scentre Group in June 2014. Prior to the establishment of Scentre Group he was Director D&C of Westfield Australia since 2009. He holds a Bachelor of Science (Building) degree from the Australian University of Technology Sydney and a MBA (executive) from the Australian Graduate School of Management (AGSM). Mr Irving joined Westfield Group in 2004 as a General Manager of D&C, responsible for the delivery of a number of major Westfield Centre Projects throughout Australia including the management of the Westfield Sydney Project. He brings 25 years working experience in the construction industry to the business. Prior to joining Westfield Group, Mr Irving held a number of senior management positions in national construction companies in Australia.

**Mr Peter Leslie** Mr Leslie was appointed Director of Leasing of Scentre Group in June 2014. Prior to the establishment of Scentre Group, he was the Director of Leasing for Westfield Australia. Mr Leslie joined Westfield in 2001 as General Manager - Leasing, and in March 2002 was promoted to Director of Leasing. He transferred to the Westfield Group's United States business as Senior Executive Vice President, Leasing in 2008 for four years. In early 2013, he returned to the Australian business to lead the Australian Leasing division as Director. Prior to Westfield, Mr Leslie was employed at Gandel Group as General Manager – Leasing. He completed a Bachelor of Commerce degree at the University of Queensland.

**Mr Greg Miles** Mr Miles was appointed Chief Operating Officer of Scentre Group in November 2015. In June 2014 he was appointed Chief Operating Officer of Westfield Corporation, and prior to its establishment, was the Chief Operating Officer for Westfield Group's US business since 2012. Mr Miles joined Westfield in 1997 as Asset General Manager, New South Wales. Prior to joining Westfield, he was Property Investment Manager for Colonial First State Property, responsible for the development, management and acquisition of retail, commercial and industrial assets.

**Mr John Papagiannis** Mr Papagiannis was appointed Director of Development of Scentre Group in January 2015. Prior to the establishment of Scentre Group he was General Manager, Development for Westfield Group in Australia and was Director, Leasing from 2009 to 2013. Prior to joining Westfield, Mr Papagiannis was the National Network Development Manager for Tricon Restaurants (now Yum Brands) responsible for the property portfolio of Pizza Hut, KFC and Taco Bell.

**Mr Stewart White** Mr White was appointed Director of Development of Scentre Group in January 2015. Prior to the establishment of Scentre Group, he was General Manager, Development for Westfield Australia. Mr White joined Westfield Australia in July 2002 as an Asset General Manager in Development. He has over 19 years' experience developing and managing shopping centres in Australia and has been involved in developments for a number of iconic centres in the Australian portfolio. He also assisted with the Westfield Group acquisition of Almeida Junior in Brazil in 2011.

**Mr Richard Williams** Mr Williams was appointed Head of Treasury of Scentre Group in June 2014. Prior to the establishment of Scentre Group, he joined Westfield Group in 2005 and held the position of Group Treasurer from 2007. Mr Williams previously held senior treasury roles at AMP, where he was Head of Capital Markets, and Australian Industry Development Corporation. Mr Williams holds a Bachelor of Commerce degree from University of NSW and a Master of Business (Banking & Finance) from UTS.

### **Retirement of Frank Lowy and appointment of Brian Schwartz and retirement of Richard F Egerton-Warburton AO, LVO**

On 23 October 2015 Scentre Group announced that Mr Frank Lowy AC would retire as Chairman at the company's Annual General Meeting in May 2016. The Scentre Group board appointed Mr Brian Schwartz AM to succeed him as Chairman with effect from the date of Mr Lowy's retirement. On 14 March 2016 Scentre Group also announced that Mr Richard F Egerton-Warburton AO, LVO would retire as a Director at the conclusion of the company's Annual General Meeting in May 2016.

## DESCRIPTION OF THE ISSUERS

### General

One or more of SGT 1, SGT 2 or RE (NZ) Finance will be the Issuer(s) of the Notes. Each Series of the Notes will be the obligation of an Issuer or the joint and several obligations of the relevant Issuers, as specified in the applicable Pricing Supplement.

### *RE1 Limited*

RE1 Limited (ABN 80 145 743 862) was incorporated and registered in Australia as a public company limited by shares on 12 August 2010.

The principal activity of RE1 Limited as responsible entity and trustee of Scentre Group Trust 2 is to own properties (including interests in properties) of Scentre Group. RE1 Limited as responsible entity of Scentre Group Trust 2 will also undertake financing activities for Scentre Group. Scentre Group Trust 2 is a managed investment scheme registered under the Australian Corporations Act. Its Australian Registered Scheme Number (ARSN) is 146 934 536.

The principal legislation under which RE1 Limited and Scentre Group Trust 2 operate is the Australian Corporations Act. The registered office of both of RE1 Limited and Scentre Group Trust 2 is located at Level 30, 85 Castlereagh Street, Sydney, New South Wales 2000, Australia, telephone number +61 2 9358 7000. RE1 Limited is a wholly owned subsidiary of SGL. The relationship between RE1 Limited and SGL is governed by the applicable statutes and regulations of Australia.

### *Scentre Management Limited*

Scentre Management Limited (ABN 41 001 670 579) was incorporated and registered in Australia as a public company limited by shares on 11 January 1979. It was originally named Westfield P T M Limited and changed its name to Westfield Management Limited on 4 October 1985. It was renamed Scentre Management Limited in connection with the Restructuring.

The principal activity of Scentre Management Limited as responsible entity and trustee of Scentre Group Trust 1 is to own properties (including interests in properties) of Scentre Group. Scentre Management Limited as responsible entity of Scentre Group Trust 1 will also undertake financing activities for Scentre Group. Scentre Group Trust 1 is a managed investment scheme registered under the Australian Corporations Act. Its Australian Registered Scheme Number (ARSN) is 090 849 746.

The principal legislation under which Scentre Management Limited and Scentre Group Trust 1 operate is the Australian Corporations Act. The registered office of both Scentre Management Limited and Scentre Group Trust 1 is Level 30, 85 Castlereagh Street, Sydney, New South Wales 2000, Australia, telephone number +61 2 9358 7000. Scentre Management Limited is a wholly owned subsidiary of SGL. The relationship between Scentre Management Limited and SGL is governed by the applicable statutes and regulations of Australia.

### *RE (NZ) Finance Limited*

RE (NZ) Finance Limited was incorporated and registered in New Zealand as a New Zealand company on 1 November 2010 with registered number 3183148. The principal legislation under which RE (NZ) Finance operates is the Companies Act 1993 of New Zealand. Its registered office is located at Level 2, Office Tower, 277 Broadway, Newmarket, Auckland, New Zealand, telephone number +64 9 978 5004. RE (NZ) Finance is a wholly owned finance subsidiary of SGT 3. The relationship between RE (NZ) Finance and SGT 3 is governed by the applicable statutes and regulations of New Zealand.

The principal activity of RE (NZ) Finance is to undertake Scentre Group's New Zealand financing activities and advance net proceeds of borrowings to the Parent Guarantors or subsidiaries of the Parent Guarantors.

### Directors

The directors or executive officers of each Issuer are as follows:

### *RE1 Limited*

In such capacities, each having their business address at Level 30, 85 Castlereagh Street, Sydney, New South Wales 2000, Australia.

<b>Name</b>	<b>Title</b>
Mr Frank Lowy AC	Chairman
Mr Brian Schwartz AM	Deputy Chairman
Mr Peter Allen	Chief Executive Officer
Mr Richard Egerton Warburton AO, LVO	Non-Executive Director
Mr Andrew Harmos	Non-Executive Director
Mr Michael Ihlein	Non-Executive Director
Ms Carolyn Kay	Non-Executive Director
Ms Aliza Knox	Non-Executive Director
Mr Steven Lowy AM	Non-Executive Director
Ms Margaret Seale	Non-Executive Director

***Scentre Management Limited***

In such capacities, each having their business address at Level 30, 85 Castlereagh Street, Sydney, New South Wales 2000, Australia.

<b>Name</b>	<b>Title</b>
Mr Frank Lowy AC	Chairman
Mr Brian Schwartz AM	Deputy Chairman
Mr Peter Allen	Chief Executive Officer
Mr Richard Egerton Warburton AO, LVO	Non-Executive Director
Mr Andrew Harmos	Non-Executive Director
Mr Michael Ihlein	Non-Executive Director
Ms Carolyn Kay	Non-Executive Director
Ms Aliza Knox	Non-Executive Director
Mr Steven Lowy AM	Non-Executive Director
Ms Margaret Seale	Non-Executive Director

***RE (NZ) Finance Limited***

In such capacities, Mark Bloom having his business address at Level 30, 85 Castlereagh Street, Sydney, New South Wales 2000, Australia and each of Lawrence Mayne and Andrew Harmos having their business address at Level 2, Office Tower, 277 Broadway, Newmarket, Auckland, New Zealand.

<b>Name</b>	<b>Title</b>
Mark Bloom	Director
Lawrence Mayne	Director
Andrew Harmos	Director

***Lawrence Mayne*** Mr Mayne was appointed as a director in March 2011. He was one of the founding partners of, and is now a consultant to, Mayne Wetherell, an Auckland based specialist legal advisory firm which was established in 2004. Mr Mayne specialised in corporate and commercial advice, including takeovers and acquisitions, as well as finance, restructuring and insolvency law. Prior to the establishment of Mayne Wetherell he spent 18 years as a partner at Russell McVeagh. Mr Mayne holds a Bachelor of Commerce and a Bachelor of Laws from The University of Auckland.

The directors of the Issuers have no potential conflicts of interest between their duties to the relevant Issuer and their private interests and/or other duties. If a conflict of interest arose, that director may participate in discussions or voting on the matter unless expressly prohibited by law.

For the principal activities performed by the directors or executive officers of the Issuers outside their duties to the Issuers see “*Management*” and, in the case of RE (NZ) Finance, the disclosure above.

## DESCRIPTION OF THE PARENT GUARANTORS

### General

Each Series of Notes will be guaranteed on a joint and several basis by each of RE1 Limited, in its capacity as responsible entity and trustee of Scentre Group Trust 2 and Scentre Management Limited, in its capacity as responsible entity and trustee of Scentre Group Trust 1, to the extent that the party is not named as an Issuer in relation to such Series of Notes in the applicable Pricing Supplement, as well as by SGL and RE2 Limited, in its capacity as responsible entity and trustee of Scentre Group Trust 3 (each a **Parent Guarantor** and together, the **Parent Guarantors**).

### *RE1 Limited*

RE1 Limited is described in “*Description of the Issuers*”.

### *RE2 Limited*

RE2 Limited (ABN 41 145 744 065) was incorporated and registered in Australia as a public company limited by shares on 12 August 2010.

The principal legislation under which RE2 Limited operates is the Australian Corporations Act. Its registered office is located at Level 30, 85 Castlereagh Street, Sydney, New South Wales 2000, Australia, telephone number +61 2 9358 7000. RE2 Limited is a wholly owned subsidiary of SGL. The relationship between RE2 Limited and SGL is governed by the applicable statutes and regulations of Australia.

The principal activity of RE2 Limited as responsible entity of Scentre Group Trust 3 is managing the non-property income of Scentre Group Trust 3.

### *Scentre Group Limited*

SGL (ABN 66 001 671 496) (formerly Westfield Holdings Limited) was incorporated in Australia as a public company limited by shares on 11 January 1979 as part of a corporate reorganisation of Westfield Limited (formerly Westfield Development Corporation Limited) which had been listed on the Australian Securities Exchange since 1960. The principal legislation under which SGL operates is the Australian Corporations Act. Its registered office is Level 30, 85 Castlereagh Street, Sydney, New South Wales 2000, Australia, telephone number +61 2 9358 7000.

SGL is the legal entity through which Scentre Group conducts its shopping centre development, design, construction and management, marketing and leasing operations and its funds and asset management activities.

### *Scentre Management Limited*

Scentre Management Limited is described in “*Description of the Issuers*”.

### Directors

For the principal activities performed by the directors or executive officers of the Parent Guarantors outside their duties to the Parent Guarantors see “*Management*”.

The directors of the Responsible Entities and SGL, respectively, have no potential conflicts of interest between their duties to the Responsible Entities and SGL, respectively, and their private interests and/or other duties. If a conflict of interest arose, that director would be excluded from participating in discussions or voting on the matter unless expressly permitted by law.

## DESCRIPTION OF THE ADDITIONAL SUBSIDIARY GUARANTOR

### *Scentre Finance (Aust) Limited*

Scentre Finance (Aust) Limited (ABN 37 093 642 865) was incorporated and registered in Australia as a public company limited by shares on 5 July 2000. It was previously named Mitcec Limited and Westfield Europe Management Limited. Its name was changed to Westfield Finance (Aust) Limited on 16 July 2004 and to Scentre Finance (Aust) Limited on 30 June 2014.

The principal legislation under which Scentre Finance (Aust) Limited operates is the Australian Corporations Act. Its registered office is located at Level 30, 85 Castlereagh Street, Sydney, New South Wales 2000, Australia, telephone number +61 2 9358 7000. Scentre Finance (Aust) Limited is a wholly owned finance subsidiary of SGL. The relationship between Scentre Finance (Aust) Limited and SGL is governed by the applicable statutes and regulations of Australia.

The principal activity of Scentre Finance (Aust) Limited is to act as Scentre Group's derivative counterparty (it is intended that it may only undertake limited borrowing activities).

### **Directors**

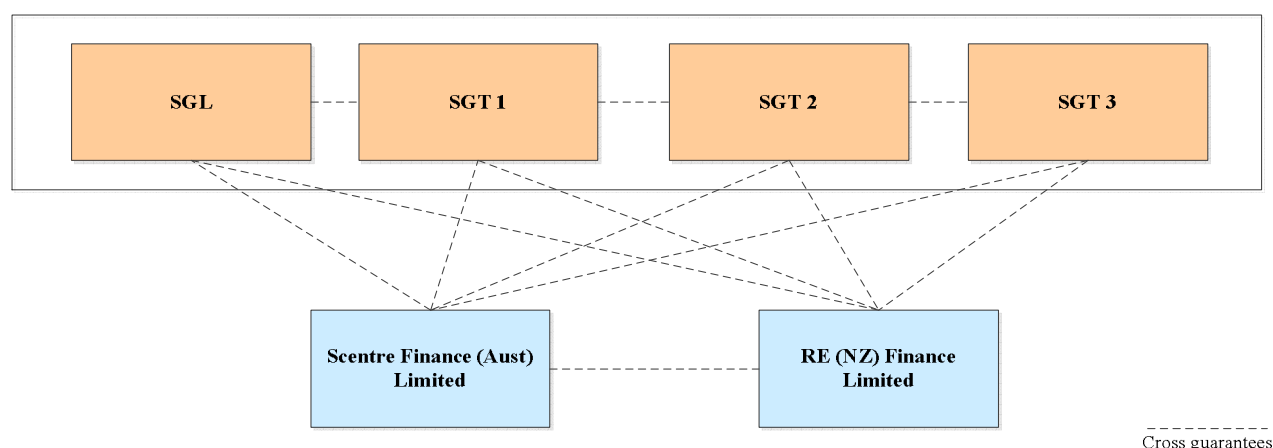
In such capacities, each having their business address at Level 30, 85 Castlereagh Street, Sydney, New South Wales 2000, Australia.

<b>Name</b>	<b>Title</b>
Peter Allen	Director
Mark Bloom	Director
Andrew Clarke	Director

The directors of Scentre Finance (Aust) Limited have no potential conflicts of interest between their duties to Scentre Finance (Aust) Limited and their private interests and/or other duties. If a conflict of interest arose, that director would be excluded from participating in discussions or voting on the matter unless expressly permitted by law.

## DESCRIPTION OF THE BORROWING AND CREDIT STRUCTURE FOR THE NOTES

The following chart sets out Scentre Group's borrowing and credit structure for the Notes:



References in this Offering Circular to the **relevant Issuer** shall, in relation to any issue or proposed issue of Notes, be references to whichever of one or more of SGT 1, SGT 2 or RE (NZ) Finance is specified as the Issuer(s) or proposed Issuer(s) of such Notes in the applicable Pricing Supplement.

Where the applicable Pricing Supplement specifies more than one Issuer as the relevant Issuer, the obligations of such Issuers in relation to the relevant Notes shall be joint and several obligations of such Issuers. As indicated in the chart above, the obligations of the relevant Issuer(s) under the Notes will be guaranteed on a joint and several basis by one or more of SGT 1, SGT 2, to the extent that the party is not named as an Issuer in relation to such Series of Notes in the applicable Pricing Supplement, SGT 3 and SGL and on a joint and several basis by one or more of the Subsidiary Guarantors.

Scentre Group's above funding structure is designed to facilitate the financing of Scentre Group's business in Australia and New Zealand and to ensure that, as far as practicable, all of its unsecured lenders, including prospective purchasers of the Notes, rank *pari passu* with one another irrespective of which of SGT 1, SGT 2 or RE (NZ) Finance they lend into.

### *Release of Subsidiary Guarantors on notice*

In certain circumstances a Subsidiary Guarantor may, at any time, without the consent of the Noteholders, be released on notice from its Guarantee as is specified in the Conditions and the Trust Deed, and, in particular, may only be released if (i) no Event of Default under Condition 11 is continuing or will result from the release of such Subsidiary Guarantor, (ii) none of the guaranteed obligations which are guaranteed by such Subsidiary Guarantor is at that time due and payable but unpaid, and (iii) such Subsidiary Guarantor is not (or will cease to be simultaneously with such release) a guarantor of any other indebtedness of any Parent Guarantor or any of their respective subsidiaries.

The ability to release Subsidiary Guarantors on notice provides flexibility to Scentre Group in circumstances where, for example, for regulatory reasons it becomes unduly onerous for that Subsidiary Guarantor to continue to guarantee bank or capital market debt in the wider corporate financing structure of Scentre Group. Any such release is subject to compliance with the financial covenants contained in Condition 4.

## TAXATION

**This general summary is not intended to be nor should it be construed to be legal or tax advice to any particular investor. Prospective purchasers are urged to contact their tax advisers for specific advice relating to their particular circumstances.**

### AUSTRALIA TAXATION

#### Certain Australian Income Tax Consequences

##### *General*

The following is a general summary of the material Australian income tax consequences arising under the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997* (the **Tax Act**), and any relevant regulations, rulings or judicial or administrative interpretations as of the date of this Offering Circular in relation to an investment in the Notes by a holder of the Notes who:

- is not a resident of Australia for tax purposes (a **Non-Resident Investor**);
- does not carry on business in Australia or have a permanent establishment or fixed base in Australia;
- is not an associate of any relevant Issuer within the meaning of section 128FA(8) of the Tax Act; and
- purchased the Notes for cash at the original issue price pursuant to this offer.

##### *Payments of Interest under the Notes by Australian Issuer*

*Australian Interest Withholding Tax.* Payments of interest or amounts in the nature of interest on the Notes by an Australian resident Issuer (an **Australian Issuer**) to a Non-Resident Investor will be subject to a 10 per cent. interest withholding tax unless either the exemption provided by section 128FA of the Tax Act, other specific exemptions only available to entities of a particular type or a tax treaty applies. If section 128FA of the Tax Act does apply, there will be no Australian interest withholding tax on payments of interest or amounts in the nature of interest.

The Australian Issuer intends to issue the Notes in a manner which will satisfy the public offer test and which otherwise will meet the requirement of section 128FA of the Tax Act. If that is done, then based on the current legislation and administration policy of the Australian Taxation Office, the exemption will be available.

If it is ultimately determined that a Non-Resident Investor is subject to interest withholding tax or deduction on any payment to be made by the Australian Issuer, the Non-Resident Investor may be entitled to additional amounts in certain circumstances.

However, a Non-Resident Investor will not be entitled to an additional amount in the case of Notes issued by an Australian Issuer if withholding tax is payable as a consequence of a determination having been made by the Commissioner of Taxation under Part IVA of the Tax Act that withholding tax is payable and where no relevant Issuer entered into the scheme for the purpose of enabling a taxpayer to obtain a tax benefit within the meaning of Part IVA. Part IVA of the Tax Act contains general anti-avoidance rules. The Commissioner may make a determination under Part IVA where he concludes (having regard to certain legislated matters) that a person entered into or carried out a scheme for the sole or dominant purpose of enabling a taxpayer to obtain a tax benefit. The purchase of Notes that satisfy the section 128FA withholding tax exemption should not of itself constitute the entering into or carrying out of a scheme for the purpose of enabling a taxpayer to obtain a tax benefit.

*Double Tax Treaties.* Even if exemption from the 10 per cent. Australian interest withholding tax provided by section 128FA of the Tax Act does not apply, a Non-Resident Investor may be eligible for relief from such tax under a tax treaty between Australia and the Non-Resident Investor's country of residence. For example, if a Non-Resident Investor, that is unrelated to the Australian Issuer, is a U.K. resident financial institution (as defined for treaty purposes), the interest received by it on the Notes may be exempt from Australian interest withholding tax under the terms of the treaty between Australia and the United Kingdom.

### ***Profits or Gains on Disposal of the Notes***

Any profit or gain made on disposal of the Notes will not be subject to Australian income tax provided that such profit or gain does not have an Australian source (as described under “*Australian Source*” below).

To the extent that the amounts received on disposal of the Notes include amounts of interest or amounts in the nature of interest, Australian interest withholding tax may apply in certain circumstances. However, section 128FA may apply to exempt such amounts from Australian interest withholding tax (see “*Australian Interest Withholding Tax*” above).

*Australian Source.* Whether a profit or gain on disposal of the Notes has an Australian source is a question of fact that will be determined on the basis of the circumstances existing at the time of the disposal. In general, the profit or gain should not have an Australian source provided that the Notes are:

- acquired and held outside Australia;
- held in connection with a business conducted exclusively outside Australia; and
- disposed of outside of Australia to a non-resident directly or to a non-resident through a non-resident agent.

However, this is not an exhaustive list of the factors that can determine source, nor would the absence of one of these elements, of itself, mean that there is an Australian source, as it will depend on all the relevant circumstances.

*Double Tax Treaties.* If the profit or gain on disposal of a Note is deemed to have an Australian source, a Non-Resident Investor may be eligible for relief from Australian tax on such profit or gain, under a double tax treaty between Australia and the Non-Resident Investor’s country of residence. For example, under the double tax treaty between Australia and the United Kingdom, a Non-Resident Investor that qualifies for the benefits available under the treaty to a United Kingdom resident (as defined in that treaty) may be eligible for relief from Australian tax on its profit or gain on the disposal of a Note. Prospective purchasers should consult their tax advisors regarding their entitlement to benefits under a tax treaty.

### ***Payments under Guarantee***

*Australian Guarantor.* The Guarantors may be required to make payments under the Guarantee in the event of default by the relevant Issuer. Such payments by Guarantors incorporated in Australia, including SGL, RE1 Limited in its capacity as responsible entity and trustee of Scentre Group Trust 2, RE2 Limited in its capacity as responsible entity and trustee of Scentre Group Trust 3 and Scentre Management Limited in its capacity as responsible entity and trustee of Scentre Group Trust 1 (**Australian Guarantors**), may be subject to Australian interest withholding tax depending on whether or not the amounts are characterised as interest or in the nature of interest. If an amount is not characterised as interest or in the nature of interest, the Australian Guarantors would not have an obligation to deduct interest withholding tax.

The Australian income tax law does not specifically address whether or not any payment by the Australian Guarantors under the Guarantees of amounts in respect of interest on the Notes would be subject to Australian interest withholding tax. However, the Australian Taxation Office has issued a taxation determination which concludes that a payment made by a guarantor in respect of interest on a debenture (such as the Notes) will be regarded as being in the nature of interest and that the exemption in section 128FA of the Tax Act (discussed under “*Australian Interest Withholding Tax*” above) could apply to such a payment. This ruling is binding on the Australian Taxation Office unless and until it is withdrawn.

If it is ultimately determined that Australian interest withholding tax or deduction applies on any payment to be made by the Australian Guarantors, a Non-Resident Investor may be entitled under the Trust Deed to additional amounts in certain circumstances.

However, a Non-Resident Investor will not be entitled to an additional amount in the case of a payment made by an Australian Guarantor if withholding tax is payable as a consequence of a determination having been made by the Commissioner of Taxation under Part IVA of the Tax Act that withholding tax is payable and where no relevant Issuer or Guarantor entered into the scheme for the purpose of enabling a taxpayer to obtain a tax benefit within the meaning of Part IVA.

### *Garnishee directions*

The Australian Commissioner of Taxation may give a direction under section 255 of the Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 or any similar provision requiring an Issuer or Guarantor to deduct or withhold from any payment to any other party (including any Noteholder) any amount in respect of tax payable by that other party. If the Issuers or Guarantors are served with such a direction, the Issuers or Guarantors intend to comply with that direction and make any deduction or withholding required by that direction. In such a circumstance, the relevant Noteholder will not be entitled to additional amounts in respect of that deduction or withholding.

### *Taxation of Financial Arrangements*

Division 230 of the Tax Act (the **TOFA regime**) contains tax-timing rules for certain taxpayers to bring to account gains and losses from “financial arrangements”. Where it applies, the TOFA regime may impact upon the tax character and tax timing of gains and losses arising from those financial arrangements.

The rules do not apply to certain taxpayers in specified circumstances. They should not, for example, generally apply to holders of Notes who are individuals and certain other entities (for example, certain superannuation entities and managed investment schemes) which do not meet various turnover or asset thresholds, unless they make an election that the rules apply to their “financial arrangements”. Potential holders of Notes should seek their own tax advice regarding their own personal circumstances as to whether such an election should be made.

The rules in Division 230 do not alter the rules relating to the imposition of Australian interest withholding tax. In particular, the rules do not override the interest withholding tax exemption available under section 128FA of the Tax Act.

## **NEW ZEALAND TAXATION**

The following is applicable in the case of payments made under the Notes by an Issuer which is a resident of New Zealand for income tax purposes or carries on a business in New Zealand through a fixed establishment (as defined in the Income Tax Act 2007 of New Zealand) in New Zealand (a **New Zealand Issuer**) or under the Guarantee by a Guarantor which is a resident of New Zealand for income tax purposes or carries on a business in New Zealand through a fixed establishment (as defined in the Income Tax Act 2007 of New Zealand) in New Zealand (a **New Zealand Guarantor**). The following comments do not address any other New Zealand tax consequences, including the consequences for holders who are resident in New Zealand or who are acting through a business or a fixed establishment or permanent establishment in New Zealand.

The following comments reflect the law as at the date of this Offering Circular. Tax laws are subject to change.

### **Resident Withholding Tax**

A New Zealand Issuer or a New Zealand Guarantor is required by law to deduct New Zealand resident withholding tax from any payment that is, for New Zealand withholding tax purposes, a payment of interest if:

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

Prior to any date that a New Zealand Issuer or New Zealand Guarantor makes any interest payment to a New Zealand Noteholder, that New Zealand Noteholder:

- (a) must notify such New Zealand Issuer or New Zealand Guarantor, that the New Zealand Noteholder is the holder of a Note; and
- (b) must notify such New Zealand Issuer or New Zealand Guarantor, of any circumstances, and provide the New Zealand Issuer or New Zealand Guarantor with any information that may enable the New Zealand Issuer or New Zealand Guarantor to make the payment of interest to the New Zealand Noteholder without deduction on account of New Zealand resident withholding tax.

The New Zealand Noteholder must notify the New Zealand Issuer or New Zealand Guarantor prior to the date that the New Zealand Issuer or New Zealand Guarantor makes any interest payment to that Noteholder of any

change in the New Zealand Noteholder's circumstances from those previously notified that could affect the New Zealand Issuer or New Zealand Guarantor's payment or withholding obligations in respect of a Note. By accepting payment of the full face amount of a Note or any interest thereon on any date that an interest payment is made to that New Zealand Noteholder, the New Zealand Noteholder will be deemed to have indemnified such New Zealand Issuer or New Zealand Guarantor for all purposes in respect of any liability which the New Zealand Issuer or New Zealand Guarantor may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax.

If resident withholding tax is deducted from any payment of interest, the New Zealand Noteholder will not be entitled to additional amounts in respect of that deduction.

### **Non-Resident Withholding Tax**

To the extent that New Zealand law requires a deduction on account of New Zealand non-resident withholding tax to be made from the payment of interest to any holder of a Note who is not a New Zealand Noteholder (a **Non-New Zealand Noteholder**), a New Zealand Issuer or New Zealand Guarantor may, and intends (for so long as they do not incur any increased cost or detriment from so doing and are legally able to do so) to reduce the applicable rate of New Zealand non-resident withholding tax to zero per cent (in the case of Non-New Zealand Noteholders who are not associated with the New Zealand Issuer or New Zealand Guarantor for the purposes of the Income Tax Act 2007 of New Zealand and who do not hold the Note jointly with a resident of New Zealand for income tax purposes) by registering the Programme with the New Zealand Inland Revenue and paying, on its own account, a levy equal to 2 per cent. of the relevant interest payment. It is not possible to pay the levy if the relevant Non-New Zealand Noteholder is associated with such New Zealand Issuer or New Zealand Guarantor for the purposes of the Income Tax Act 2007 of New Zealand or the Non-New Zealand Noteholder holds the Note jointly with a resident of New Zealand for income tax purposes. In those circumstances, New Zealand non-resident withholding tax would be deducted from the payment of interest at the applicable rate (which may be reduced or eliminated by a relevant tax treaty between New Zealand and the Non-New Zealand Noteholder's country of residence), and the Non-New Zealand Noteholder would not be entitled to additional amounts in respect of that deduction.

### **Proposed withholding tax law changes**

In May 2015 Inland Revenue released an officials' issues paper titled "NRWT: related party and branch lending" which outlines potential future amendments to the New Zealand interest withholding tax rules. If the changes proposed in the issues paper were to be enacted, New Zealand non-resident withholding tax would, in addition to being required to be deducted from a payment of interest (including amounts deemed to be interest) by a New Zealand Issuer under the Notes (and by a New Zealand Guarantor under the Guarantee) to a Non-New Zealand Noteholder, also need to be deducted from a payment of interest (including amounts deemed to be interest) by a New Zealand Issuer under the Notes (and by a New Zealand Guarantor under the Guarantee) to a person who is a New Zealand Noteholder if that New Zealand Noteholder is not a resident of New Zealand for New Zealand income tax purposes and does not hold Notes in connection with a business carried on by that Holder through a fixed establishment in New Zealand. As set out above, a New Zealand Issuer or New Zealand Guarantor intends to utilise the approved issuer levy regime to reduce the rate of non-resident withholding tax to zero per cent. The changes proposed in the issues paper are expected to be included in a Bill to be introduced in April or May 2016 and are subject to change prior to enactment.

The changes as proposed would apply to interest paid under Notes issued on or after enactment of the amending legislation. In relation to Notes issued before enactment of the amending legislation, the changes would apply to interest payments made in financial years of the relevant New Zealand Issuer or the relevant New Zealand Guarantor commencing more than five years after enactment where the holder is a registered bank, and to interest payments made in financial years of the relevant New Zealand Issuer or the relevant New Zealand Guarantor commencing after enactment where the holder is not a registered bank.

## THE PROPOSED FINANCIAL TRANSACTION TAX (FTT)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced in the form proposed by the European Commission, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (i) by transacting with a person established in a participating Member State or (ii) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The proposed Directive remains subject to negotiation between the participating Member States and may therefore be altered prior to any implementation, the timing of which remains unclear. Prospective Noteholders should note that Member States may cease to participate and additional Members States may decide to participate.

## THE US FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, (**FATCA**) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to any foreign financial institution (**FFI**) or non-financial foreign entity (each as defined by FATCA) that (i) does not provide to the U.S. Internal Revenue Service (or other applicable authority pursuant to an intergovernmental agreement) certain information in respect of its account holders or (ii) is not otherwise exempt from FATCA.

If the relevant Issuer or the relevant Guarantor is treated as an FFI and becomes a “participating FFI” (as defined by FATCA), the relevant Issuer or the relevant Guarantor may be required to withhold on foreign passthru payments (a term not yet defined by FATCA) made to (i) any FFI that is not a participating FFI or otherwise exempt from FATCA or (ii) an investor that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a “U.S. account” (as defined by FATCA) of the relevant Issuer or the relevant Guarantor as applicable, or is otherwise exempt from FATCA. This withholding would apply to any foreign passthru payments made on or after the later of 1 January 2019 or the date the U.S. Treasury regulations defining foreign passthru payments are finalised with respect to (i) any Notes characterised as debt for U.S. federal tax purposes that are issued or materially modified six months after the date the U.S. Treasury regulations defining foreign passthru payments are finalised and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued.

SGT1 and SGT2 are registered with the U.S. Internal Revenue Service as FFIs for FATCA purposes. Australia and New Zealand have entered into intergovernmental agreements (**IGAs**) with the United States which modify the way in which FATCA applies in those jurisdictions. For example, pursuant to the Australian IGA (and the laws implementing the IGA), SGT1 and SGT2, as Reporting Australian Financial Institutions, are required to report certain information to the Australian Taxation Office on their U.S. account holders and Non-participating Financial Institutions in order (i) to obtain an exemption from FATCA withholding on payments they receive and/or (ii) to comply with applicable law in their jurisdiction. It is not yet certain how the United States and the jurisdictions which enter into intergovernmental agreements will address withholding on “foreign passthru payments” (which may include payments on the Notes) or if such withholding will be required at all. However, under the current Australian IGA and law implementing the Australian IGA, SGT1 and SGT2 are not required to withhold under FATCA from payments they make in respect of the Notes.

If an amount in respect of FATCA were to be deducted or withheld from interest, principal or other payments on the Notes, neither the relevant Issuer, the relevant Guarantor, as the case may be, nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding of such tax.

RE (NZ) Finance, Scentre Finance (Aust) Limited, SGT3 and SGL are not FFIs for FATCA purposes and should therefore not be required to withhold under FATCA on any payments they make in respect of the Notes.

Notwithstanding that the Issuers or Guarantors may not be required to withhold under FATCA from payments they make in respect of the Notes, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUERS, THE GUARANTORS, THE NOTES AND THE NOTEHOLDERS IS SUBJECT TO CHANGE. EACH HOLDER OF NOTES SHOULD CONSULT ITS TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT SUCH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (the **Programme Agreement**) dated 14 March 2016, agreed with the Issuers and the Guarantors a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Issuers (failing which, the Guarantors) have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### United States

The Notes and the guarantees thereof have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to, or for the benefit of, a United States person, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells any Notes during the distribution compliance period, as defined in Regulation S under the Securities Act, a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, US persons.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus

Directive in that Member State, the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year from the date of issue, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the relevant Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Obligors; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **Ireland**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer, sell, underwrite the issue of, or act in Ireland in respect of the Notes, other than in conformity with:

- (a) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) of Ireland and any rules issued by the Central Bank pursuant to section 1363 of the Companies Act 2014 of Ireland;
- (b) the provisions of the Central Bank Acts 1942 to 2015 of Ireland (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 (as amended) of Ireland;
- (c) the provisions of the European Communities (Markets in Financial Instruments) Regulations, 2007 (Nos. 1, 2 and 3) (as amended) of Ireland including, without limitation, Parts 6, 7 and 12 thereof and the provisions of the Investor Compensation Act 1998; and
- (d) the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank of Ireland pursuant to section 1370 of the Companies Act 2014 of Ireland.

### **Japan**

The Notes have not been, and will not be, registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### **Australia**

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (**Australian Corporations Act**)) in relation to the Programme or any Notes has been or will be lodged with the Australian

Securities and Investments Commission (**ASIC**). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it:

- (a) has not offered or invited applications, and will not offer or invite applications, for the issue sale or purchase of the Notes in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive prospectus, offering memorandum, disclosure document, advertisement or other offering material relating to the Notes in Australia,

unless

- (i) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies, but disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act;
- (ii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Australian Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives in Australia; and
- (iv) such action does not require any document to be lodged with ASIC.

### **New Zealand**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not and will not offer, directly or indirectly the Notes for sale or transfer, and it has not distributed and will not distribute, publish, deliver or disseminate any offering memorandum or any other information or other material than may constitute an advertisement in relation to the Notes, in each case in New Zealand other than to “wholesale investors” as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the Financial Markets Conduct Act 2013 (**FMCA**), being a person who is:

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

in each case as defined in Schedule 1 to the FMCA. For the avoidance of doubt, the Notes may not be offered or transferred to, among others, any “eligible investors” (as defined in the FMCA).

### **Hong Kong**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue nor have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

## Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular 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 (the **Securities and Futures Act**). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to section 274 of the Securities and Futures Act, (b) to a relevant person pursuant to section 275(1), or to 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 Notes are subscribed or purchased under section 275 of the Securities and Futures Act by a relevant person which is:

- (a) 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
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interests (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:

- (1) to an institutional investor or to a relevant person as defined in section 275(2) of the Securities and Futures Act, or to any person arising from an offer referred to in section 275(1A) or section 276(4)(i)(B) of the Securities and Futures Act;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in section 276(7) of the Securities and Futures Act; or
- (5) as specified in regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

## France

This Offering Circular has not been prepared and is not being distributed in the context of a public offering of financial securities in France within the meaning of Article L. 411-1 of the French *Code monétaire et financier* and Title I of Book II of the *Règlement Général of the Autorité des marchés financiers* (the French financial markets authority) (the **AMF**). Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France ("*offre au public de titres financiers*"), and neither this Offering Circular nor any offering or marketing materials relating to the Notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France.

The Notes may only be offered or sold in France to qualified investors ("*investisseurs qualifiés*") acting for their own account and/or to providers of the investment service relating to portfolio management for the account of third parties ("*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*"), all as defined in and in accordance with Articles L. 411-1, L. 411-2, D. 411-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code monétaire et financier*.

Prospective investors are informed that:

- (i) this Offering Circular has not been and will not be submitted for clearance to the AMF;
- (ii) any qualified investors as referred to in Article L. 411-2, II, 2° of the French *Code monétaire et financier* may only subscribe for the Notes acting for their own account in the conditions provided for by Articles D. 411-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code monétaire et financier*; and
- (iii) the direct and indirect distribution or sale to the public of the Notes acquired by them may only be made in compliance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 through L. 621-8-3 of the French *Code monétaire et financier*.

## Switzerland

None of the Issuers has been licensed for distribution with the Swiss Financial Market Supervisory Authority (**FINMA**) as a foreign collective investment scheme pursuant to Article 120 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended (**CISA**). Also, the Issuers have not appointed a Swiss paying agent and representative. Accordingly, investors in the Notes do not benefit from the specific investor protection provided by CISA and the supervision by the FINMA. Each Dealer has acknowledged and agreed to the foregoing, and each further Dealer appointed under the Programme will be required to so acknowledge and agree.

Each Dealer has accordingly represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (i) in Switzerland, the Notes will be offered and sold by it exclusively to prudentially regulated financial institutions pursuant to Article 10 para. 3 lit. a and b of CISA; and (ii) neither this Offering Circular, any Pricing Supplement, nor any other information supplied in connection with the Programme or the offer of any Notes will be taken or transmitted into, or distributed, directly or indirectly in Switzerland by it, save that any such documents or information may be handed out or made available in Switzerland exclusively to prudentially regulated financial institutions pursuant to Article 10 para. 3 lit. a and b of CISA.

## Offer and Marketing of Notes within the European Union

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not engage in the offer or marketing of the Notes in any jurisdiction in which Directive 2011/61/EU (the **AIFM Directive**) has been implemented, save that they may, notwithstanding the foregoing but without prejudice to any other matter contained in this section “*Subscription and Sale*”, engage in the offer or marketing of the Notes in Germany, France, The Netherlands, the United Kingdom, Norway, Denmark, Finland, Italy, Spain, Belgium, Austria, Luxembourg, Portugal, Ireland and such further jurisdictions as agreed in writing between the relevant Issuer and the relevant Dealer prior to any such marketing or offer taking place (each such jurisdiction in which such marketing or offer is permitted pursuant to this paragraph being a **Relevant AIFMD Jurisdiction**).

For the avoidance of doubt, and notwithstanding the foregoing or the generality of the matters set out under “*Subscription and Sale – General*”, no Dealer has made any representation, warranty, undertaking or agreement that it has complied with the provisions of the AIFM Directive, as such directive is implemented into, and interpreted in accordance with, the laws of each Relevant AIFMD Jurisdiction.

## General

No action has been taken by the Issuers, the Guarantors or any of the Dealers that would, or is intended to, permit a public offering of any Notes or possession or distribution of this Offering Circular or any other offering or publicity material relating to the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Dealer has undertaken, and each further Dealer appointed under the Programme will be required to undertake, that it will not, directly or indirectly, offer or sell or deliver any Notes or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms

Without prejudice to the generality of the foregoing paragraph, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will obtain any consent, approval or permission which is, to the best of its knowledge and belief, required for the offer, purchase or sale by it of any Notes under

the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers, purchases or sales and it will, to the best of its knowledge and belief, comply with all such laws and regulations.

None of the Issuers, the Guarantors, the Trustee and any of the Dealers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

## GENERAL INFORMATION

### Authorisation

Each of the Issuers and each of the Guarantors has obtained all necessary consents, approvals and authorisations in its jurisdiction of incorporation or establishment in connection with the establishment and update of the Programme. The establishment of the Programme was authorised by resolution of the board of directors of Scentre Management Limited in its capacity as responsible entity and trustee of Scentre Group Trust 1 on 28 May 2014, the board of directors of RE1 Limited in its capacity as responsible entity and trustee of Scentre Group Trust 2 on 24 June 2014 and the board of directors of RE (NZ) Finance on 26 June 2014. The giving of the Guarantees with respect of the Notes (and where applicable, the establishment of the Programme) was authorised by the board of directors of SGL on 28 May 2014, the board of directors of Scentre Management Limited in its capacity as responsible entity and trustee of Scentre Group Trust 1 on 28 May 2014, the board of directors of RE1 Limited in its capacity as responsible entity and trustee of Scentre Group Trust 2 on 24 June 2014, the board of directors of RE2 Limited in its capacity as responsible entity and trustee of Scentre Group Trust 3 on 24 June 2014, the board of directors of RE (NZ) Finance on 26 June 2014 and the board of directors of Scentre Finance (Aust) Limited on 27 June 2014. The update of the Programme was authorised by a duly established committee of SGL and the Responsible Entities on 14 March 2016, by the board of directors of RE (NZ) Finance on 14 March 2016 and by the board of directors of Scentre Finance (Aust) Limited on 14 March 2016.

Each issue of Notes under the Programme will require authorisation(s) for the relevant Issuer. Details of such authorisation(s) will be set out in the applicable Pricing Supplement.

### Corporate Information

The registered office of each of the Parent Guarantors is located at Level 30, 85 Castlereagh Street, Sydney, New South Wales 2000, Australia, telephone number +61 2 9358 7000 and facsimile number +61-2-9358-7241. The registered office of Scentre Finance (Aust) Limited is Level 30, 85 Castlereagh Street, Sydney, New South Wales 2000, Australia, telephone number +61 2 9358 7000 and facsimile number +61-2-9358-7241. The registered office of RE (NZ) Finance Limited Level 2, Office Tower, 277 Broadway, Newmarket, Auckland, New Zealand, telephone number +64 9 978 5004 and facsimile number +64 9 978 5070.

Scentre Group's telephone number is +61-2-9358-7000 and its facsimile number is +61-2-9358-7241. Its web site will be located at [www.scentregroup.com](http://www.scentregroup.com). The information on Scentre Group's web site will not form part of this Offering Circular.

### Documents Available

Copies of the following documents will be available for physical inspection from the specified office of the Agent during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted):

- (a) the constituent documents of the Issuers and the Guarantors;
- (b) each of the documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*");
- (c) a copy of the Trust Deed; and
- (d) a copy of this Offering Circular and any supplement to the Offering Circular.

### Clearing and Settlement

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. The reference name in Euroclear and Clearstream for an issue of a Tranche of Notes by a single Issuer will be "Scentre Group Trust 1", "Scentre Group Trust 2" or "RE (NZ) Finance Limited" (which will depend on which Programme Number such Tranche of Notes is issued under). The domicile of any particular Tranche of Notes for the purposes of the Clearing Systems and the Issuer under whose Programme Number such Tranche of Notes is issued will be specified in the applicable Pricing Supplement.

In the event that the issue (whether by a single Issuer or by multiple Issuers) of a specific Tranche of Notes is carried out under the Programme Number of SGT 1 or SGT 2, the domicile for the purposes of the Clearing

Systems shall always be specified as “Australia” in the applicable Pricing Supplement and in the event that the issue (whether by a single Issuer or by multiple Issuers) of a specific Tranche of Notes is carried out under the Programme Number of RE (NZ) Finance the domicile for the purposes of the Clearing Systems shall always be specified as “New Zealand” in the applicable Pricing Supplement.

If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 3 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

### **Conditions for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

### **Significant or Material Change**

There has been no significant change in the financial or trading position of each of the Obligors since 31 December 2015 which may have a significant effect on the financial position or profitability of Scentre Group as a whole, and there has been no material adverse change in the prospects of any of the Obligors since 31 December 2015 which may have a significant effect on the financial position or profitability of Scentre Group as a whole.

### **Litigation**

There are no governmental, legal or arbitration proceedings against any of the Obligors (including any such proceedings which are pending or threatened of which the Issuers or the Guarantors are aware) in the 12 months preceding the date of this Offering Circular which may have or have in such period had a significant effect on the financial position or profitability of Scentre Group as a whole.

### **Yield on Fixed Rate Notes**

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Fixed Rate Notes will be specified in the applicable Pricing Supplement. The yield is calculated at the Issue Date of the Fixed Rate Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Fixed Rate Notes and will not be an indication of future yield.

### **Dealers transacting with the Issuers and the Guarantors**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may provide services to any of the Issuers, the Guarantors and their respective affiliates in the ordinary course of business.

## REGISTERED OFFICES OF THE ISSUERS AND GUARANTORS

**RE1 Limited in its capacity as responsible entity and trustee of Scentre Group Trust 2**  
Level 30, 85 Castlereagh Street  
Sydney  
New South Wales 2000  
Australia

**RE2 Limited in its capacity as responsible entity and trustee of Scentre Group Trust 3**  
Level 30, 85 Castlereagh Street  
Sydney  
New South Wales 2000  
Australia

**RE (NZ) Finance Limited**  
Level 2, Office Tower  
277 Broadway  
Newmarket  
Auckland  
New Zealand

**Scentre Management Limited in its capacity as responsible entity and trustee of Scentre Group Trust 1**  
Level 30, 85 Castlereagh Street  
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New South Wales 2000  
Australia

**Scentre Group Limited**  
Level 30, 85 Castlereagh Street,  
Sydney, New South Wales 2000,  
Australia

**Scentre Finance (Aust) Limited**  
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Australia

## TRUSTEE

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London EC2N 2DB United Kingdom

## ISSUING AND PRINCIPAL PAYING AGENT

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