

28 April 2016

Information Memorandum

CAPITOL HEALTH

Capitol Treasury Pty Ltd

(ACN 611 139 194)

Issue of Australian Dollar Notes

unconditionally and irrevocably guaranteed on a joint and several basis by

Capitol Health Limited

(ABN 84 117 391 812)

and certain subsidiaries of Capitol Health Limited

Lead Manager and Initial Subscriber

National Australia Bank Limited

(ABN 12 004 044 937)

Co-Manager

FIIG Securities Limited

(ABN 68 085 661 632)

Contents

Important Notice	3
Summary	8
Corporate Profile	14
Key risk factors	20
Conditions	23
Form of Pricing Supplement	52
Selling Restrictions	55
Australian Taxation	58
Directory	62

Important Notice

Introduction

This Information Memorandum relates to an issue of Australian dollar notes ("**Notes**") by Capitol Treasury Pty Ltd (ACN 611 139 194) ("**Issuer**"), a wholly owned subsidiary of Capitol Health Limited (ABN 84 117 391 812) ("**Parent Guarantor**").

References to "**Information Memorandum**" are to this Information Memorandum together with any other document incorporated by reference in it and to any of them individually. See the paragraph entitled "Documents incorporated by reference" below.

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

Terms used in this Information Memorandum but not otherwise defined have the meaning given to them in the section entitled "Conditions" below.

Issuer's responsibility

This Information Memorandum has been prepared and issued by the Issuer and the Parent Guarantor. It is provided for information only and should not be relied upon by any person as the basis for making any investment decision. The Issuer and the Parent Guarantor accept responsibility for the information contained in this Information Memorandum other than information provided by the Lead Manager and Initial Subscriber, the Trustee and the Agents (each as defined in the section entitled "Summary" below) in relation to their respective details in the sections entitled "Summary" and "Directory" below. However, to the maximum extent permitted by law, the Issuer and the Parent Guarantor disclaim all responsibility and/or liability for any direct or indirect loss or damage which may be suffered by any recipient through the use of or reliance on anything contained in or omitted from this Information Memorandum or its contents or otherwise arising in connection with it. The Co-Manager has had no involvement in the preparation of this Information Memorandum.

Guarantee

The Notes are unconditionally and irrevocably guaranteed on a joint and several basis by the Parent Guarantor and each of the other entities listed as "Initial Guarantors" in the section entitled "Summary" below (together with the Parent Guarantor, the "**Initial Guarantors**") pursuant to the guarantee ("**Guarantee**") set out in the note trust deed dated 28 April 2016 ("**Note Trust Deed**") between the Issuer, the Initial Guarantors and BNY Trust Company of Australia Limited (ABN 49 050 294 052) ("**Trustee**"). The Issuer may, from time to time, and in accordance with the terms of the Note Trust Deed appoint or procure the appointment of any subsidiary of the Parent Guarantor which is not an Initial Guarantor as an additional guarantor (each such guarantor, a "**New Guarantor**" and together with the Initial Guarantors, the "**Guarantors**") or, in accordance with the terms of the Note Trust Deed, obtain a release of the guarantee provided by a Guarantor (and such released entity shall no longer be a Guarantor).

Terms and conditions of issue

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

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

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

Documents incorporated by reference

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference as set out below. This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. Investors should review, amongst other things, the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether to purchase any Notes.

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

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

- the Note Trust Deed;
- the most recent Annual Report of the Group lodged with the Australian Securities Exchange (“**ASX**”), an electronic copy of which is available free of charge at www.asx.com.au (ASX:CAJ);
- all announcements made by the Parent Guarantor to the ASX, electronic copies of which are available free of charge at www.asx.com.au (ASX:CAJ);
- all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time and all documents stated herein or therein to be incorporated in this Information Memorandum;
- all other documents issued by the Issuer and stated to be incorporated by reference in this Information Memorandum by reference; and
- the Pricing Supplement and all documents stated therein to be incorporated in this Information Memorandum.

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

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

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

No independent verification

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

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

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

Forward looking statements

To the extent that any representations with respect to any future matter ("**forward looking statements**") are made in this Information Memorandum, those statements reflect the views of the Issuer or the Group as at the Preparation Date. Such statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of the Issuer to differ materially from the results, performance or achievements expressed, implied or projected in this Information Memorandum. Except to the extent required by law, neither the Issuer nor the Parent Guarantor can give, and neither of them gives, any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Information Memorandum will actually occur and investors are cautioned not to place undue reliance on these forward looking statements. No representation or warranty, express or implied, is made as to the fairness, accuracy, adequacy or reliability of any statements, conclusions, estimates or opinions or other information contained in this Information Memorandum. Subsequent changes in circumstances after the date of this Information Memorandum may occur at any time and may impact the accuracy of this Information Memorandum.

Prospective investors are urged to consider these factors carefully in evaluating the forward-looking statements. These forward looking statements speak only as at the date of this Information Memorandum.

None of the Issuer, the Guarantors or any of their officers or any other party associated with the preparation of this Information Memorandum makes any representation or warranty (either express or implied) as to the accuracy or likelihood of any forward looking statement or any events or results expressed or implied in any forward looking statement. None of the Issuer, the Guarantors or any of their officers or any other party associated with the preparation of this Information Memorandum guarantee that any specific objective of the Issuer or a Guarantor will be achieved.

Intending purchasers to make independent investment decision and obtain independent advice

This Information Memorandum contains only summary information concerning the Issuer, the Guarantors and the Notes. This Information Memorandum does not purport to be complete and the information contained in this Information Memorandum is not intended to provide the basis of any credit or other evaluation in respect of the Issuer, any Guarantor or any Notes and should not be considered or relied on as a recommendation or a statement of opinion (or a representation or report of either of those things) by any of the Issuer, any Guarantor, the Lead Manager and Initial Subscriber, the Trustee, the Agents or any of their officers or employees that any recipient of this Information Memorandum should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

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

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

No advice is given in respect of the legal or taxation treatment of investors or purchasers in connection with an investment in any Notes or rights in respect of them. No financial product advice or other advice or recommendation is provided in this Information Memorandum and nothing in it should be taken to constitute a recommendation or statement of opinion that is intended to influence a person or persons in making a financial product decision and each investor should consult their own professional adviser.

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

No offer

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

Selling restrictions and no disclosure

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

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

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

This Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act and has not been prepared to the same level of disclosure required for a prospectus. It does not contain all of the information that an investor or their advisers may expect or require for the purposes of making an investment decision.

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

No registration in the United States

The Notes have not been, and will not be, registered under the United States Securities Act 1933 (as amended) ("**Securities Act**"). The Notes may not be offered, sold, delivered or transferred, at any time, within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")).

No authorisation

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

Agency and distribution arrangements

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

The Issuer has also agreed to pay a fee to the Lead Manager and Initial Subscriber, and to reimburse the Lead Manager and Initial Subscriber for certain expenses properly incurred in connection with the Lead Managers and Initial Subscriber's role, and will indemnify the Lead Manager and Initial Subscriber against certain liabilities, in each case in connection with the offer and sale of Notes.

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

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

Currency of information

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

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

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

Summary

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Notes, the Note Trust Deed, the applicable Conditions and any relevant Pricing Supplement. A term used below but not otherwise defined has the meaning given to it in the Conditions.

Issuer: Capitol Treasury Pty Ltd (ACN 611 139 194).

Further information (which information is not incorporated by reference in this Information Memorandum unless so specifically incorporated by reference) regarding the Issuer can be obtained from the Parent Guarantor's website at <http://capitolhealth.com.au> or from the documents specifically incorporated by reference in this Information Memorandum.

Parent Guarantor Capitol Health Limited (ABN 84 117 391 812)

Initial Guarantors and Guarantee:

- (a) Parent Guarantor;
- (b) CHL Operations Pty Ltd (ABN 90 117 740 128);
- (c) Capital Radiology Pty Ltd (ACN 126 357 944);
- (d) Capitol Global Pty Ltd (ACN 610 119 812);
- (e) Capitol Radiology (NSW) Pty Ltd (ACN 603 234 920);
- (f) Diagnostic MRI Services Pty Limited (ACN 137 701 181) in its personal capacity and as trustee of the Diagnostic MRI Services Unit Trust (ABN 63 046 833 028);
- (g) Imaging @ Olympic Park Pty Ltd (ABN 41 132 368 524) in its personal capacity and as trustee of the Imaging @ Olympic Park Unit Trust (ABN 14 136 349 358);
- (h) Radiology One Pty. Ltd. (ABN 71 115 313 650);
- (i) MDI Group Pty Ltd (ABN 34 106 181 560);
- (j) MDI Manningham Pty Ltd (ABN 25 105 386 990);
- (k) MDI Radiology Pty Ltd (ABN 19 121 171 784); and
- (l) Eastern Radiology Services Pty Ltd (ABN 49 128 588 376) in its personal capacity and as trustee of the Eastern Radiology Services Unit Trust (ABN 53 310 564 193).

The notes are issued with the benefit of the Guarantee and the payment of principal and interest in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors as more fully set out in the Note Trust Deed.

As more fully described below, the Issuer may, from time to time, as required under Condition 5.2(d) ("Financial covenants") and in accordance with the terms of the Note Trust Deed appoint or procure the appointment of any Subsidiary of the Parent Guarantor (other than an Excluded Subsidiary) which is not an Initial Guarantor as an additional guarantor or obtain a release of a guarantor other than the Parent Guarantor (each entity from time to time appointed as a guarantor which has not been released, a "**Guarantor**").

Lead Manager and Initial Subscriber: National Australia Bank Limited (ABN 12 004 044 937).

Registrar: BTA Institutional Services Australia Limited (ABN 48 002 916 396) or such other person appointed by the Issuer under an Agency Agreement to perform registry functions and establish and maintain a Register (as defined below) on

the Issuer's behalf from time to time ("**Registrar**").

Issuing & Paying Agent:	BTA Institutional Services Australia Limited or any other person appointed by the Issuer under an Agency Agreement to act as issuing or paying agent on the Issuer's behalf from time to time (" Issuing & Paying Agent ").
Calculation Agent:	BTA Institutional Services Australia Limited or any other person appointed by the Issuer to act as calculation agent on the Issuer's behalf from time to time (" Calculation Agent ").
Agents:	Each of the Registrar, Issuing & Paying Agent, Calculation Agent and any other person appointed by the Issuer to perform other agency functions with respect to any Tranche or series of Notes (each an " Agent " and, together, the " Agents ").
Trustee:	BNY Trust Company of Australia Limited (ABN 49 050 294 052) or such other person appointed under the Note Trust Deed as trustee of the Capitol Health Note Trust from time to time (" Trustee ").
Form of Notes:	<p>Notes will be issued in registered form and will be debt obligations of the Issuer which are constituted by, and owing under, the Note Trust Deed.</p> <p>Notes take the form of entries in a register ("Register") maintained by the Registrar.</p> <p>No certificates in respect of any Notes will be issued unless the Issuer determines that certificates should be available or if certificates are required by any applicable law or directive.</p>
Negative pledge:	Notes will have the benefit of a negative pledge, as described in Condition 5.1 (" Negative pledge ").
Financial covenants:	Notes will have the benefit of certain financial covenants as described in Condition 5.2 (" Financial covenants ").
Status and ranking of the Notes:	<p>Notes will be direct, unsubordinated and (subject to Condition 5.1 ("Negative pledge")) unsecured obligations of the Issuer and will at all times rank at least equally with all other present and future direct, unsubordinated and unsecured obligations of the Issuer, except liabilities mandatorily preferred by law.</p> <p>The obligations of the Issuer to:</p> <ul style="list-style-type: none">(a) the provider of the Issuer's or the Group's senior secured debt facility; and(b) all other permitted secured creditors under the Conditions, <p>will have the benefit of the security provided by the Issuer to secure its obligations to such secured creditors. Consequently, claims of any holder of Notes will rank after claims of these secured creditors.</p>
Status and ranking of the Guarantee:	<p>The Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors, subject to the release of such Guarantors and the addition of new entities as Guarantors as set out in the Note Trust Deed.</p> <p>The obligations of each Guarantor under the Guarantee will be direct, unsubordinated and (subject to Condition 5.1 ("Negative pledge")) unsecured obligations of that Guarantor and will at all times rank at least equally with all other present and future direct, unsubordinated and unsecured obligations of that Guarantor, except liabilities mandatorily preferred by law.</p> <p>In addition, the Parent Guarantor undertakes:</p> <ul style="list-style-type: none">(a) to ensure that, at all times:<ul style="list-style-type: none">(i) the aggregate consolidated EBITDA of the Issuer and the

Guarantors is at least 90 per cent. of the aggregate consolidated EBITDA of the Australian Group; and

- (ii) the aggregate of the Net Assets of the Issuer and the Guarantors is at least 90 per cent. of the aggregate consolidated Net Assets of the Australian Group; or
- (b) to cause such Subsidiaries of the Parent Guarantor (other than Excluded Subsidiaries) to accede as Guarantors pursuant to the Note Trust Deed to ensure that, at all times:
 - (i) the aggregate consolidated EBITDA of the Issuer and the Guarantors is at least 90 per cent. of the aggregate consolidated EBITDA of the Australian Group; and
 - (ii) the aggregate of the Net Assets of the Issuer and the Guarantors is at least 90 per cent. of the aggregate consolidated Net Assets of the Australian Group,

in each case, based on the then latest Financial Statements.

The obligations of a Guarantor to:

- (i) the provider of the Group's senior secured debt facility; and
- (ii) any other permitted secured creditors under the Conditions,

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

Interest:

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

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

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

Denomination:

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

Minimum parcel size on initial issue:

A\$50,000.

Clearing System:

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

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

Interests in the Notes traded in the Austraclear System may be held for the benefit of Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in Notes in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently HSBC

Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in Notes in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in a Note held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System. In addition, any transfer of interests in a Note, which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration as set out in the Conditions.

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

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

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

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

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

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

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

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

Notes are also redeemable prior to their scheduled maturity:

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

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

Notes entered in the Austraclear System will be redeemed through the Austraclear System in a manner that is consistent with the rules and regulations of the Austraclear System.

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

Transfer procedure:

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

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

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

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

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

Investing in the Notes entails a number of risks. This Information Memorandum does not describe the risks associated with the Group's business and the risks associated with an investment in any Notes or the market generally. As such, prospective investors or purchasers should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

Taxes, withholdings, deductions and stamp duty:

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

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

A brief overview of the Australian taxation treatment of payment of interest on Notes is set out in the section entitled “Australian Taxation” below.

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

FATCA:

The Issuer is not a Reporting Australian financial institution under the intergovernmental agreement entered into between the Australian and United States governments in relation to the Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (“**FATCA**”) on 28 April 2014.

Accordingly, the Issuer and an Agent are unlikely to be required to withhold from payments under or in connection with FATCA.

In the unlikely event that any amount is required to be withheld or deducted from a payment on the Notes as a result of FATCA, pursuant to the terms and conditions of the Notes, no additional amounts will be paid by the Issuer or an Agent as a result of the deduction or withholding.

FATCA is complex legislation and a number of important concepts in the

legislation and its application are not yet certain.

Noteholders should consult their own tax advisers to determine how FATCA may impact them in relation to their holding of the Notes.

- Listing:** It is not intended that the Notes be listed or quoted on any stock or securities exchange.
- Rating:** Neither the Issuer nor the Notes have been, nor is it intended that they will be, rated by any credit ratings agency.
- Governing law:** The Notes and all related documentation will be governed by the laws of New South Wales, Australia.
- Use of proceeds:** The Issuer will use the proceeds from the issue of the Notes to repay existing outstanding debt of the Group, including indebtedness owing to National Australia Bank Limited under the Australian Dollar Bilateral Facilities Agreement, and for the Group's general corporate purposes.

Corporate Profile

The information in this section is a brief summary only of the Issuer, the Parent Guarantor and the Group and its business and does not purport to be, nor is it, complete. Investors should review, amongst other things, this Information Memorandum and the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether to purchase any Notes.

The Issuer

Capitol Treasury Pty Ltd (ACN 611 139 194) is a wholly owned subsidiary of Capitol Health Limited (ABN 84 117 391 812) (ASX:CAJ) (“**Capitol Health**” or “**Company**”). The Company is a leading provider of diagnostic imaging and related services to the Australian healthcare market. Headquartered in Melbourne, Victoria the Company owns and operates approximately 70 clinics throughout Victoria and New South Wales.

The Company conducts more than 1 million procedures every year and employs over 700 employees and contractors, including roughly 50 radiologists (FTE basis). The Company's operational focus is on delivering a community-based infrastructure for radiologists and related medical practitioners to deliver optimal, efficient, accurate healthcare service outcomes for patients. Facilities are predominantly community-based rather than hospital-based, with priority given to service and minimisation of administrative burdens for healthcare professionals.

Trading primarily under its flagship brand Capital Radiology, the Company provides a range of diagnostic imaging services. Roughly 90% of revenue is generated through X-Ray, Ultrasound, CT and MRIs; additional offerings include nuclear medicine, mammography/breastscreen, bone densitometry, and other related services.

While not as supply-constrained as in years past, the market for high quality radiologists and related professionals is competitive in the Company's markets. Capitol Health is positioned to attract and retain radiologists through its flexible remuneration practices, which allow for both incentive-based and salaried remuneration structures.

Since listing on the ASX in 2006, Capitol Health has undertaken a series of acquisitions in Victoria and New South Wales:

Date	Acquisition	Description
Mar-12	IMI Radiology	5 locations in greater Melbourne
Mar-13	MDI Group	11 clinics in metro Melbourne; two MRI licenses
Dec-14	Southern Radiology	Entry into NSW market; 14 clinics
Jan-15	Imaging @ Olympic Park	Metro Melbourne facility; two MRI licenses
Jul-15	Eastern & Sydney Radiology	Two high visibility NSW sites with two MRI licenses
Oct-15	Liverpool Diagnostics	Expansion into Western Sydney – 5 locations

Following these acquisitions, more than 30% of the Company's total revenue is currently generated from New South Wales locations.

STRATEGIC INITIATIVES

Capitol Health continues to pursue a dual-track growth strategy, exploring strategic growth opportunities while benefitting from the historically robust organic demand growth influencing the sector. Increasingly, the focus has moved to driving cost efficiencies while maintaining or improving patient outcomes.

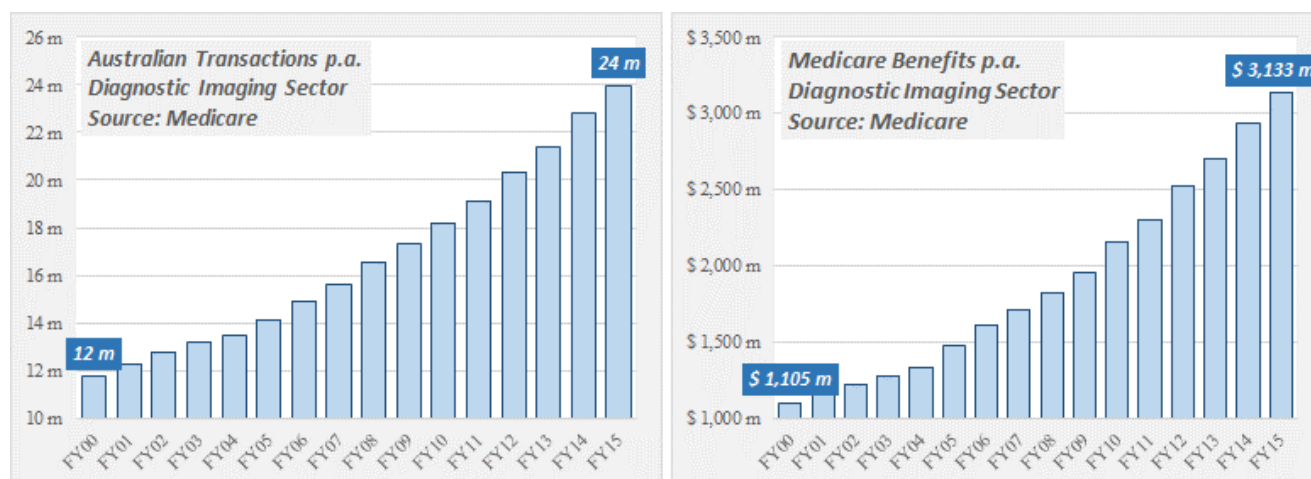
Foundational Growth

From the years 2000 through to 2015, Australia's diagnostic imaging market has maintained a consistently strong year-on-year growth profile. Key qualitative factors in this continuing growth include:

- ageing and increasingly affluent population;

- increased emphasis on early detection and prevention;
- population growth and expanding metropolitan centres;
- demand for better, more personalised health care services; and
- better understanding and track record of diagnostic imaging among medical community, generating more referrals.

The resulting demand growth is reflected in Medicare transactions and benefits reported in the sector:



Transaction volumes have increased by approximately 5% p.a. in Australia between 2000 and 2015. During the same time horizon, revenue volumes have increased by over 7% as services shift towards relatively higher-value imaging services such as MRIs.

Market share

The Victorian and New South Wales markets have historically been highly fragmented, with the top six market providers accounting for roughly half the overall market share and a sizable portion of clinics remaining independently owned and operated. Capitol Health's current share of these markets is estimated at approximately 5% to 7%. Drivers for market share improvement include:

- community-based, personalised services;
- strength of brand to both consumer and referrer community; and
- efficiency gains through targeted technology investment.

Capitol Health has aligned its strategy to these drivers.

Personalisation is a focus of the strategy – through the company's geographic footprint; recruitment and retention of leading sub specialist radiologists; in-house technological developments e.g. mobile applications, data science, and other online initiatives; and broader technical investment aimed towards delivering better patient outcomes.

Capitol Health's commitment to implementing an Enterprise Imaging Platform over a vast network will enhance the accessibility of scan information, which aims to improve distribution of scans to the appropriate specialist, ultimately resulting in a more accurate and timely patient result the first time.

The Enterprise Imaging Platform will drive loyalty and brand awareness, both among referrers and consumers.

Enlitic

In October 2015, Capitol Health announced it had entered into an agreement with Enlitic LLC, a San Francisco-based developer of "deep learning" and artificial intelligence technology for application in diagnostic imaging, to commercialise Enlitic's technology for Capitol Health's exclusive use in Australia and allow for further collaboration globally.

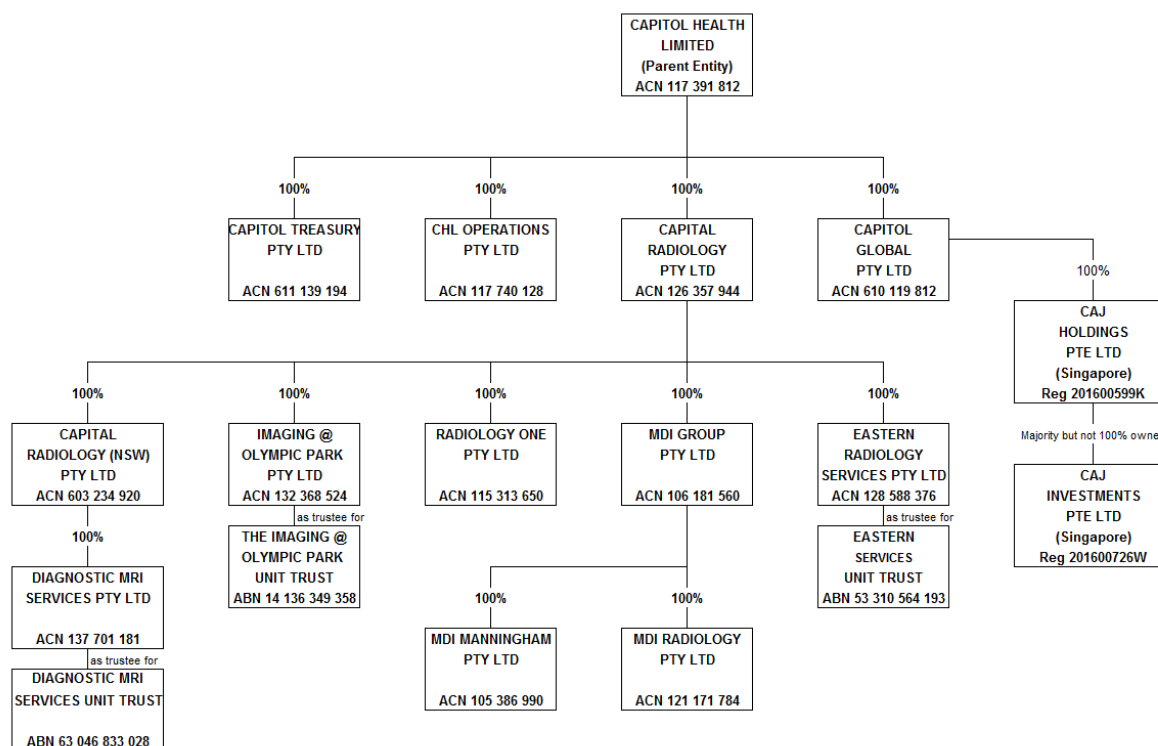
Selected as one of the “50 Smartest Companies 2015” by *MIT Technology Review*, Enlitic’s data-driven tools will assist in making Capitol’s radiology diagnostics faster, more accurate, and more accessible. Testing has demonstrated material improvements in accuracy of lung cancer and bone fracture detection, with application across multiple modalities and areas of the body expected to drive accuracy and efficiency for radiologists and the best possible outcomes for patients.

Total consideration for this investment is USD\$10 million, comprising an initial USD\$5 million (paid in February 2016); and a commitment of two further payments of USD \$2.5 million on 15 April 2016 and 15 August 2016. Refer to the ASX announcements of 11 February 2016 and 28 October 2015 for further information.

Growth through Acquisition

Capitol Health will continue to explore acquisition opportunities as they arise, noting the potential gains from scale, brand enhancement opportunities, expansion of the geographic footprint, and general network efficiencies.

GROUP STRUCTURE AND BOARD



Andrew Demetriou **Chairman and Non-Executive Director** **Appointed 17 November 2014**

Mr Demetriou was Chief Executive Officer of the Australian Football League from 2003 until June 2014, and has been the Managing Director of the Ruthinium Group (of which he remains a board member). Andrew has also served as Non-Executive Chairman of the Baxter Group, and is a former Chairman of the Australian Multicultural Advisory Council.

Mr Demetriou is a Director of Crown Resorts Limited (ASX:CWN), Executive Chairman of Acquire Learning, Director of the sports marketing firm Bastion Group and is a Non-Executive Director of Crown Bet Pty Ltd.

John Conidi, BBus, FCPA
Managing Director
Appointed 30 August 2007

Mr Conidi currently manages the consolidated entity's operations. Mr Conidi has over 14 years of experience in developing, acquiring and managing businesses in the healthcare industry with a focus on diagnostic imaging and his role in strategy, management and business development has driven the rapid expansion of the Group.

Mr Conidi is a Non-Executive Director of Total Face Group Limited, Oz Brewing Limited and Kibaran Resources Limited (appointed to each in 2015) and was previously a Non-Executive Director of Lithex Resources Limited (resigned in 2013). He graduated in 1995 from the Royal Melbourne Institute of Technology with a Bachelor of Business degree and is a CPA.

Peter Lewis
Executive Director
Appointed 28 August 2015

Mr Lewis has extensive experience in both executive and financial roles including at Network Ten, Sydney Olympic Broadcasting Organisation and the Seven and Seven West Media Groups. He is also a Fellow of the Institute of Chartered Accountants in Australia, a member of the Australian Society of Certified Practicing Accountants and a Fellow of the Governance Institute of Australia.

Peter is currently a non-executive director of Australian Broadcasting Corporation and a member of the Advisory Board for Anacacia Capital and Acquire Learning & Careers.

Andrew Harrison, BCom (Hons)
Non-Executive Director
Appointed 1 December 2005

Mr Harrison has significant experience in both senior management and board positions in publicly listed companies, including strategic and day-to-day management in addition to IPO activities. He was a Non-Executive Director of ASX listed companies Neptune Marine Services Limited until February 2006 and a Non-Executive & Executive Director of Draig Resources Limited until November 2012.

Nicole Sheffield
Non-Executive Director
Appointed 23 December 2015

Ms Sheffield is the Chief Executive Officer of NewsLifeMedia, a wholly owned business of News Corp Australia, which includes the brands Taste.com.au, Donna Hay, Vogue, GQ, Body+Soul, Kidspot.com.au and News.com.au. Her previous experience includes General Manager of Foxtel's LifeStyle Channels Group, senior executive roles at Seven West Media's Pacific Magazines and management roles in the multimedia division of Telstra. Ms Sheffield is a member of and Chair of Marketing and Communications of Chief Executive Women (CEW) and is a director of Interactive Advertising Bureau Australia Limited. She has a Masters of Business (UTS) and a Bachelor of Arts/Bachelor of Laws (Macquarie University).

Kim Hogg, BCom
Joint Company Secretary
Appointed 1 December 2005

Mr Hogg is a principal of a public practice providing specialist services to clients seeking to raise capital and list on the ASX. He has predominantly been involved in the preparation of prospectuses and in compliance work as company secretary for both listed and unlisted entities. Mr Hogg completed a Bachelor of Commerce degree in 1984 at the University of Western Australia. He is currently the company secretary of a number of companies listed on the ASX.

Jennifer Currie, B.Com LLB (Hons), LLM(IP), GAICD
Joint Company Secretary
Appointed 22 December 2015

Ms Currie is an experienced corporate counsel and company secretary, with a background in the health and medical research sector. Her previous roles include General Counsel & Company Secretary for Baker IDI Heart & Diabetes Institute and PRB Foods. Other in-house legal experience includes Medibank, Telstra and the University of Melbourne.

Ms Currie is a graduate of the Australian Institute of Company Directors Course 2011 and is currently a non-executive director of the Intensive Care Foundation and Summer Infant Australia. She is currently completing a Graduate Diploma in Applied Corporate Governance through the Governance Institute of Australia.

HISTORICAL FINANCIAL PERFORMANCE

The following is an abridged presentation of recent financial results only. Prospective investors should read this section in conjunction with recent company presentations, audited financial reports, and other market announcements.

Capitol Health's first half FY2016 and full year FY2015 results are available at: www.capitolhealth.com.au and www.asx.com.au.

CAJ Profit & Loss (A\$000) (Abridged*)			
For the Financial Year Ended	FY15	1H FY16	LTM
Total Revenue	111,223,672	77,372,983	139,212,120
Net Profit After Tax	3,863,653	2,218,511	1,448,136
Tax	(3,923,400)	(1,277,725)	(3,304,800)
Net Profit Before Tax	7,787,053	3,496,236	4,752,936
Borrowing Costs	(1,544,525)	(2,349,525)	(3,438,873)
Adjustment for Acquisition Costs	(7,947,562)	(1,513,499)	(8,655,600)
EBIT	17,279,140	7,359,260	16,847,409
Depreciation & Amortisation	(4,929,070)	(3,403,437)	(6,390,700)
EBITDA**	22,208,210	10,762,697	23,238,109

* The full Consolidated Interim Statement of Profit or Loss can be obtained at www.asx.com.au.

** Further normalisation adjustments have been made in presentations for FY15 and 1HFY16. Refer to www.asx.com.au.

Commentary on the first half of FY16:

The successful integration of acquisitions across the last twelve months have continued to drive growth in revenue. Revenue performance has accelerated at the New South Wales sites, which now comprise over a third of Capitol's total turnover.

Underlying revenue performance experienced disruption in 1HFY16. In November, the company announced a 4-6% decline from expectations, with general softening observed across both Victoria and New South Wales. This systemic weakness has been driven by regulatory uncertainty related to

the ongoing Medicare Benefits Schedule review process and the subsequent disruption to referral patterns.

Statement of Financial Position

CAJ Balance Sheet (A\$000) (Abridged*)	31-Dec-15	31-Dec-14
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	20,569,418	48,488,376
Trade and other receivables	3,707,673	1,945,829
Other assets	1,860,515	933,197
Total Current Assets	26,137,606	51,367,402
<u>NON-CURRENT ASSETS</u>		
Property, plant & equipment	41,279,347	22,541,349
Intangible assets	138,161,521	30,223,473
Other assets	6,460,689	2,300,901
Total Non-Current Assets	185,901,557	55,065,723
TOTAL ASSETS	212,039,163	106,433,125
<u>CURRENT LIABILITIES</u>		
Loans and borrowings	1,571,268	3,911,499
Trade and other payables	9,024,126	4,350,442
Employee benefits	9,918,036	5,208,897
Income tax liability	425,521	685,416
Total Current Liabilities	20,938,951	14,156,254
<u>NON-CURRENT LIABILITIES</u>		
Loans and borrowings	96,076,733	12,743,193
Employee benefits	1,558,271	895,799
Deferred tax liabilities	1,095,306	737,728
Total Non-Current Liabilities	98,730,310	14,376,720
TOTAL LIABILITIES	119,669,261	28,532,974
NET ASSETS	92,369,902	77,900,151

** The full Consolidated Interim Statement of Financial Position can be obtained at www.asx.com.au.*

Key risk factors

The activities of the Company, as in any business, are subject to risks which may impact on its future performance. The future performance of the Company may be influenced by a range of factors, many of which are outside the control of the Board and the Company. Neither the Company nor the Directors warrant the future performance of the Company or any investment made pursuant to this Information Memorandum.

Prior to making any decision relating to subscription to the Notes, prospective investors should carefully consider the risk factors which the Company has previously disclosed (many of which are listed below), as well as those risks of which the prospective investor is aware, or should be aware of through their own knowledge and enquiries.

Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. However, as noted above and previously, some of the risks are outside the control of the Company and are not capable of mitigation. There are also general risks associated with any investment in an entity trading in variable market conditions.

The risks listed below (and previously disclosed by the Company) should not be taken as exhaustive of the risks faced by the Company. Factors other than those listed may in the future materially affect the financial performance of the Company and its ability to service its obligations with respect to the Notes. Prospective investors should read this Information Memorandum in its entirety together with the Company's previous disclosures to the ASX and the public documents of the Company, including its most recent audited financial statements and consult a professional advisor without delay before deciding whether to become a subscriber to the Notes.

Regulatory risk and changes in government policy

The healthcare industry is highly regulated and constantly changing. There are risks relating to changes to Federal and State policies and regulations to the general business of the Company including:

- changes to the Federal Government initiatives which promote private health insurance and encourage health fund membership, including the health insurance rebate and lifetime health cover;
- changes to regulations relating to health funds which presently restrict the level of premium increases and regulate the scope of coverage;
- policy direction changes to State owned public hospitals which encourages them to compete with private hospitals for private patients, and also to compete with private diagnostic imaging providers; and
- changes to the Medicare regime, including any reduction in Medicare rebates for diagnostic imaging.

In addition, the Company may become subject to other regulations which could increase the regulatory and compliance obligations. These may adversely impact on the financial performance, position and future prospects of the Company

Competition

The market for the provision of diagnostic imaging services is competitive and dynamic. Competitors as yet unknown to the Company may emerge from time to time. The introduction of new competitors or a more aggressive competitive response from existing participants may affect the Company's operating performance.

Future costs may rise and prices that the Company is able to charge for its services may fall in response to the actions of its competitors, which may or may not restrict the Company's ability to compete profitably.

The ability to attract and retain key personnel

The Company's businesses are reliant on the continued performance and expertise of key personnel, including radiologists. Specifically, a significant component of the Company's revenues are dependent on radiologists providing services to patients. There is a risk that the Company may fail to attract, retain or develop key employees or consultants (particularly radiologists) and this would have the effect on the development of the Company, the revenue earned and the cost structure of the business. This in turn may have an adverse impact on the financial performance, position and future prospects of the Company.

General claims and litigation

Legal proceedings and claims may arise from time to time in the ordinary course of the Company's operations. There is a risk that material or costly claims or litigation could impact on the Company's financial performance either directly, as a result of meeting the costs of defending litigation and paying damages awards, or indirectly, as a result of damage suffered to the Company's brands and reputation. In particular, healthcare providers are exposed to the risk of medical indemnity or like claims and litigation. Current or former patients may, in the normal course of business, start or threaten litigation for medical negligence not only against the health service provider in question but also against the Company. Subject to medical insurance arrangements which the Company has in place at the relevant time, future medical malpractice litigation, or threatened litigation, may have an adverse impact on the financial performance, position and prospects of the Company.

Reliance on referrals

The Company is heavily reliant on doctors continuing to refer cases to the Company for diagnostic services. There is a risk that doctors may reduce or end their level of requesting such services from the Company (which may or may not be the result of actions taken by the Company's competitors). These actions may result in a material decline in the Company's financial performance.

MRI licensing

The provision of MRI services and revenue generation from MRI machines is impacted by whether the machine is fully or partially licensed. Licences are issued by the Australian government's Department of Health on an indefinite basis and are not subject to any particular operational test or review to maintain currency. A change to license status, revocation of a license, or the granting of licenses to competitors may impact the Company's ability to generate revenue at facilities with MRI capability.

IT systems

The Company is reliant on the capability and reliability of its information technology systems and backup systems and those of its external service providers (such as communication carriers). The failure of any IT systems could have a significant impact on the ability to conduct its business in the ordinary course. Such failures may have an adverse effect on the Company's future financial performance.

Performance risk

The financial performance of the Company in any given year may have an adverse effect on the carrying value of the Company's intangible assets (including intellectual property) as well as the Company's capacity to achieve an acceptable financial result and cash flow balance.

Financial Markets Risk

The Company maintains an exposure to a number of financial market risks on an ongoing basis, including (but not limited to) the following:

- *Currency risk:* The Company has operations and investments in multiple jurisdictions. Accordingly, its revenues, profitability, liabilities and asset carrying values may be affected by adverse movements in the value of various foreign currencies.
- *Interest rate risk:* The Company currently has significant debt facilities on which it pays a variable interest rate. There is a risk in the future that interest rates may rise materially which may force the company to fall short of target or the Company's target rate of return
- *Financing risk:* The company currently relies on funding provided by various financiers. There is a risk that acceptable financing or refinancing facilities may not be available to the company in the future.
- *Credit risk:* The Company provides its services on various credit terms and as such is exposed to credit risk on payment of its invoices. This risk is managed and mitigated by internal policies to collect outstanding invoices within credit terms and established procedures for collection enforcement of overdue amounts.
- *Counterparty risk:* The Company may be affected by a counterparty such as a lessor, financial institution, vendor, or service provider failing to meet its contractual obligations.

Liquidity Risk

The Company may be affected by deterioration in its cash flows, including during seasonal low periods or periods of unanticipated disruption. Liquidity Risk is monitored on an ongoing basis with cash kept on hand to mitigate against potential shortfalls.

Financing Risk

The Company will face re-financing risk or debt covenant compliance risk under the terms of its agreed debt facilities at any time. A breach of debt covenants could require an immediate repayment of debt or other consequences under the facility agreement.

General Economic Conditions

Changes in the general economic climate may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, inflation, supply and demand, industrial disruption, geopolitical factors and other economic factors. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company.

Taxation risk

Future changes in taxation law in Australia, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the Company's ability service its financial obligations.

Conditions

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

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

1 Interpretation

1.1 Terms defined in Pricing Supplement

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

1.2 Definitions

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

Accepted Accounting Practices means:

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

in each case as applicable as at the Issue Date;

Additional Amount means an additional amount payable by the Issuer under Condition 11.2 ("Withholding tax");

Agency Agreement means:

- (a) the agreement entitled Agency and Registry Services Agreement between the Issuer, the Initial Guarantors, the Registrar, the Issuing & Paying Agent and the Calculation Agent dated 28 April 2016;
- (b) any other agreement between the Issuer and a Registrar in relation to the establishment and maintenance of a Register (and/or the performance of any payment or other duties) for any issue of Notes; and/or
- (c) any other agency agreement entered into between the Issuer and an agent in connection with any issue of Notes;

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

ASIC means the Australian Securities and Investments Commission;

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

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

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

Australian Group means each member of the Group other than an Excluded Subsidiary;

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

Available Secured Financial Indebtedness means the aggregate amount of Secured Financial Indebtedness of the Australian Group that has been drawn or which is otherwise unconditionally available to be drawn down;

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

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and **Following Business Day Convention**, where specified in the Pricing Supplement in relation to any date applicable to any Note, means that the date is postponed to the first following date that is a Business Day;

Calculation Agent means BTA Institutional Services Australia Limited (ABN 48 002 916 396) or any other person appointed by the Issuer to act as calculation agent on the Issuer’s behalf from time to time;

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

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

Corporations Act means the Corporations Act 2001 of Australia;

Day Count Fraction means, in respect of the calculation of interest on a Note for any period of time (“**Calculation Period**”), the day count fraction specified in the Pricing Supplement and, if **RBA Bond Basis** is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:

- (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
- (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365));

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

Distribution means any dividend, charge, interest, fee, payment or other distribution (whether cash or assets) or redemption, repurchase, defeasance, retirement or repayment on or in respect of any share capital or units issued by any member of the Australian Group or any other payment or distribution having the same effect but does not include dividends paid in relation to, and subject to, a dividend reinvestment plan;

EBIT means, for any Relevant Period, the consolidated earnings of the relevant entity or Australian Group for that Relevant Period:

- (a) before any deduction or contribution in respect of Taxes on income or gains during that period;
- (b) before any deduction or contribution in respect of Interest Expense;
- (c) before taking into account any items treated as individually significant or extraordinary or unusual items;
- (d) before taking into account any costs and expenses related to or resulting from any share or option issue or any other share based employee compensation plans;
- (e) before taking into account one-off costs and expense in connection with acquisition or disposal of an undertaking or business (including an interest in a joint venture) and whether or not that acquisition or disposal completes; and
- (f) before taking into account any loss against book value arising from the disposal of any asset (not being disposals made in the ordinary course of trading) and any decrement relating to the revaluation of any asset during that period which goes through the profit and loss account (net of the effect of any contribution as a result of the same),

and:

- (i) if an acquisition of an entity occurs during that Relevant Period, includes EBIT of the acquired entity prior to the date of the acquisition for that Relevant Period; and
- (ii) if an entity is disposed of during that Relevant Period, excludes EBIT of the disposed entity at any time during that Relevant Period;

EBITDA means, for any Relevant Period, EBIT for that Relevant Period after adding back any amount attributable to amortisation of any intangible assets or depreciation of tangible assets, as calculated in accordance with Accepted Accounting Practices;

Event of Default means the happening of any event set out in Condition 13.1 ("Events of Default");

Excluded Subsidiary means:

- (a) CAJ Holdings Pte Ltd;
- (b) CAJ Investments Pte Ltd; and
- (c) any other Subsidiary of the Parent Guarantor that is not incorporated or tax resident in, or otherwise carrying on business at or through a permanent establishment of itself in, Australia;

Existing Security Interests means any Security Interest granted by the Issuer or any member of the Group as at the Issue Date, including:

- (a) the security over the Parent Guarantor in favour of National Australia Bank Limited over all present and after-acquired property of the Parent Guarantor except any property which is not subject to, or has been released from, a security agreement in favour of the secured party and identified as registered charge number 201502040060105;
- (b) the security over the Issuer in favour of National Australia Bank Limited over all present and after-acquired property of the Issuer except any property which is not

subject to, or has been released from, a security agreement in favour of the secured party and identified as registered charge number 201604060062945; and

- (c) any Security Interest on the register established and maintained under the Personal Properties Securities Act 2009 of Australia registered against the Issuer or any member of the Group as at the Issue Date;

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

Financial Indebtedness of a person means any liability, obligation or indebtedness of that person for or in respect of:

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

in all cases, without double counting and excluding all such liabilities, obligations or indebtedness owed by a member of the Australian Group to another member of that group;

Financial Statements means:

- (a) an income statement;
- (b) a balance sheet;
- (c) a cash flow statement; and

- (d) (if for a Financial Year and required by law or directive) a statement of changes in equity for the year,

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

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

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

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

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

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

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

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

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

Initial Guarantors means:

- (a) the Parent Guarantor;
- (b) CHL Operations Pty Ltd (ABN 90 117 740 128);
- (c) Capital Radiology Pty Ltd (ACN 126 357 944);
- (d) Capitol Global Pty Ltd (ACN 610 119 812);
- (e) Capitol Radiology (NSW) Pty Ltd (ACN 603 234 920);
- (f) Diagnostic MRI Services Pty Ltd (ACN 137 701 181) in its own capacity and as trustee for the Diagnostic MRI Services Unit Trust (ABN 63 046 833 028);
- (g) Imaging @ Olympic Park Pty Ltd (ACN 132 368 524) in its own capacity and as trustee for The Imaging @ Olympic Park Unit Trust (ABN 14 136 349 358);
- (h) Radiology One Pty Ltd (ACN 115 313 650);
- (i) MDI Group Pty Ltd (ACN 106 181 560);
- (j) MDI Manningham Pty Ltd (ACN 105 386 990);
- (k) MDI Radiology Pty Ltd (ACN 121 171 784); and
- (l) Eastern Radiology Services Pty Ltd (ACN 128 588 376) in its own capacity and as trustee for the Eastern Radiology Services Unit Trust (ABN 53 310 564 193).

Insolvency Event means:

- (a) a controller (as defined in section 9 of the Corporations Act), receiver, receiver and manager or similar officer is appointed in respect of that person or any asset of that person;
- (b) a liquidator, provisional liquidator or administrator is appointed in respect of that person except pursuant to a Permitted Guarantor Restructure;
- (c) any application (which is not withdrawn or dismissed within 14 days or which is not vexatious or frivolous) is made to a court for an order, an order is made, a meeting is convened or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraph (a) or (b) of this definition;
 - (ii) winding up, dissolving or deregistering that person; or
 - (iii) proposing or implementing a company voluntary arrangement or a scheme of arrangement, other than with the prior approval by a Special Resolution of the Noteholders under a solvent scheme of arrangement pursuant to Part 5.1 of the Corporations Act,

except for the purpose of a solvent reconstruction or amalgamation or a Permitted Guarantor Restructure;

- (d) any application (which is not withdrawn or dismissed within 14 days or which is not vexatious or frivolous) is made to a court for an order, a meeting is convened, a resolution is passed or any negotiations are commenced, for the purpose of implementing or agreeing:
 - (i) a moratorium of any debts of that person;
 - (ii) any other assignment, composition or arrangement (formal or informal) with that person's creditors; or
 - (iii) any similar proceeding or arrangement by which the assets of that person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee,

or any agreement or other arrangement of the type referred to in this paragraph (d) is ordered, declared or agreed to, except for the purpose of a solvent reconstruction or amalgamation or a Permitted Guarantor Restructure;

- (e) as a result of the operation of section 459F(1) of the Corporations Act, that person is taken to have failed to comply with a statutory demand (as defined in the Corporations Act);
- (f) any writ of execution, garnishee order, mareva injunction or similar order, attachment or other process is made, levied or issued (and not withdrawn or dismissed within 14 days or otherwise being contested in good faith) against or in relation to any asset of that person for an amount exceeding \$2,000,000;
- (g) that person is, or admits in writing that it is, or is declared to be, or is presumed or taken under any applicable law to be (for any purpose), insolvent or unable to pay its debts as they fall due; or
- (h) anything analogous to anything referred to in paragraphs (a) to (g) inclusive of this definition, or which has a substantially similar effect, occurs with respect to that person under any law;

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

Interest Expense means, for any Relevant Period, all gross interest expenses including any outgoings in the nature of interest (either paid or capitalised) for the Australian Group on a consolidated basis (including any outgoings in the nature of interest (either paid or capitalised) which may be included in the costs of goods sold (as that item is determined by reference to the most recently available applicable Financial Statements of the Group and regarded as such in accordance with Accepted Accounting Practices);

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

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

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

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

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

Issuer means Capitol Treasury Pty Ltd (ACN 611 139 194);

Issuing & Paying Agent means BTA Institutional Services Australia Limited (ABN 48 002 916 396);

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

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

Net Assets means, in relation to the entity or the Australian Group (as the case may be) at any time, the net assets of the relevant entity or the Australian Group on a consolidated basis as shown in or determined by reference to (as applicable) the most recent Financial Statements of the relevant entity or the Australian Group in respect of that time;

Note means a medium term debt obligation issued or to be issued by the Issuer which is constituted by, and owing under the Note Trust Deed, the details of which are recorded in, and evidenced by, entry in the Register. References to any particular type of "Note" or "Notes" should be read and construed accordingly. All references to Notes must, unless the context otherwise requires, be read and construed as references to the Notes of a particular series;

Note Trust Deed means the document entitled "Note Trust Deed" dated 28 April 2016 and executed by the Issuer, the Initial Guarantors and the Trustee;

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

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

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

Optional Redemption Date means the First Optional Redemption Date, the Second Optional Redemption Date, the Third Optional Redemption Date or the Fourth Optional Redemption Date;

Parent Guarantor means Capitol Health Limited (ABN 84 117 391 812);

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

Permitted Guarantor Restructure means any restructure or reorganisation of the Group (the “**Event**”), whether or not involving a solvent winding up or dissolution of any of the Guarantors (other than the Parent Guarantor) (the “**Restructured Guarantor**”), pursuant to which all assets and liabilities of the Restructured Guarantor, immediately prior to the occurrence of the Event, are transferred to the Issuer or another Guarantor;

Permitted Security Interest means:

- (a) the:
 - (i) Existing Security Interests; and
 - (ii) any other Security Interest granted to secure the amount, as at the Issue Date, of the Available Secured Financial Indebtedness under the Australian Dollar Bilateral Facilities Agreement entered into between the Parent Guarantor and National Australia Bank Limited and dated as of 5 February 2015 (as amended and restated from time to time);
- (b) any Security Interest:
 - (i) that secures any Financial Indebtedness incurred by the Issuer, a Guarantor or any other member of the Australian Group on or after the Issue Date; or
 - (ii) without limiting sub-paragraph (i) above, renewing, extending or refinancing of any Financial Indebtedness secured by an Existing Security Interest,

provided that, in all cases, at the time of such incurrence of the Financial Indebtedness or such renewal, extension or refinance of the Financial Indebtedness (as the case may be) on a pro-forma basis the ratio of the Available Secured Financial Indebtedness of the Australian Group at that time to EBITDA of the Australian Group at that time is not more than 2.50:1;
- (c) a Security Interest arising by operation of law and in the ordinary course of trading so long as the Financial Indebtedness secured by that Security Interest is paid when due or contested in good faith and appropriately provisioned;
- (d) a Security Interest arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Australian Group in the ordinary course of trading and on the supplier's

standard or usual terms and not arising as a result of any default or omission by any member of the Australian Group;

- (e) any netting and set-off arrangements arising in the ordinary course of any member of the Australian Group's banking arrangements;
- (f) any Security Interest approved by the Noteholders pursuant to the Meeting Provisions;
- (g) any Security Interest in connection with or securing a finance or operating lease or a hire purchase arrangement where the Security Interest is limited to the specific asset the subject of the finance or operating lease or the hire purchase arrangement;
- (h) any Security Interest provided for by one of the following transactions if the transaction does not secure payment or performance of an obligation:
 - (i) a transfer of an account or chattel paper;
 - (ii) a commercial consignment; or
 - (iii) a PPS Lease,(as each term is defined in the PPSA);
- (i) any Security Interest over or affecting any asset of any entity which becomes a member of the Australian Group after the Issue Date, where the Security Interest is created prior to the date on which that company becomes a member of the Australian Group if:
 - (i) it was not created in contemplation of that entity becoming a member of the Australian Group;
 - (ii) the principal amount secured has not increased in contemplation of or since that entity becoming a member of the Australian Group; and
 - (iii) it is removed or discharged within 3 months of that company becoming a member of the Australian Group;
- (j) any Security Interest over or affecting any asset acquired after the Issue Date, where the Security Interest is created prior to the date on which that asset is acquired if:
 - (i) it was not created in contemplation of the acquisition of that asset;
 - (ii) the principal amount secured has not increased in contemplation of or since the acquisition of the asset; and
 - (iii) it is removed or discharged within 3 months of that asset being acquired; and
- (k) other Security Interests that secure any Financial Indebtedness incurred by the Issuer, a Guarantor and/or any other member of the Australian Group on or after the Issue Date up to a maximum aggregate principal amount of A\$5,000,000;

PPSA means the Personal Properties Securities Act 2009 of Australia;

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

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

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

Registrar means BTA Institutional Services Australia Limited (ABN 48 002 916 396);

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

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

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

Secured Financial Indebtedness means Financial Indebtedness that is secured by a Security Interest;

Security Interest includes any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind (including under sections 12(1) and (2) and (3) of the PPSA) or any other right of, or arrangement with, any creditor to have its claims satisfied in priority to other creditors with, or from the proceeds of, any asset. It includes retention of title other than in the ordinary course of day-to-day trading and a deposit of money by way of security but it excludes a charge or lien arising in favour of a government agency by operation of statute unless there is default in payment of moneys secured by that charge or lien;

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

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

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

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

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

Test Date means:

- (a) each date on which any Security Interest has been granted by the Issuer or any Guarantor in accordance with Condition 5.1(b)(i) ("Negative pledge");
- (b) each date on which new Financial Indebtedness after the Issue Date or not otherwise available at the Issue Date has been incurred by the Issuer or any Guarantor in accordance with Condition 5.2(a) ("Financial covenants") other than Financial Indebtedness:
 - (i) described in paragraph (b) of the definition of Financial Indebtedness;
 - (ii) described in paragraph (i) of the definition of Financial Indebtedness provided that such transaction is entered into for the purpose of the Australian Group's risk management strategy and is not speculative in nature;

- (iii) drawn down under the Australian Dollar Bilateral Facilities Agreement entered into between the Parent Guarantor and National Australia Bank Limited and dated as of 5 February 2015 (as amended and restated from time to time);
 - (iv) incurred to another member of the Australian Group; and
 - (v) otherwise in the ordinary course of business if, immediately after incurrence of that Financial Indebtedness, the Financial Indebtedness under this subparagraph does not exceed A\$1,000,000 (or its equivalent in any other currency);
- (c) each date on which any Distribution or Capital Reduction has been made by the Issuer or the Parent Guarantor in accordance with Condition 5.2(b) ("Financial covenants"); and
 - (d) each date on which there is any disposal of a material part of the assets of the Issuer or any Guarantor in accordance with Condition 5.2(c) ("Financial covenants");

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

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

Trustee means BNY Trust Company of Australia Limited (ABN 49 050 294 052) in its capacity as trustee of the Capitol Treasury Note Trust constituted by the Note Trust Deed or such other person appointed under the Note Trust Deed as trustee of the Capitol Treasury Note Trust; and

Underlying NPAT means, for any Financial Year, the net profit after tax of the Group for that Financial Year after adding back:

- (a) any items treated as individually significant or extraordinary or unusual items;
- (b) any costs and expenses related to or resulting from any share or option issue or any other share based employee compensation plans;
- (c) one-off costs and expense in connection with acquisition or disposal of an undertaking or business (including an interest in a joint venture) and whether or not that acquisition or disposal completes; and
- (d) any loss against book value arising from the disposal of any asset (not being disposals made in the ordinary course of trading) and any decrement relating to the revaluation of any asset during that period which goes through the profit and loss account (net of the effect of any contribution as a result of the same).

1.3 References to certain general terms

Unless the contrary intention appears, a reference to:

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (c) a document (including these Conditions) includes any amendment, variation or replacement of it;
- (d) anything (including any amount) is a reference to the whole and each part of it;

- (e) a “**law**” includes common law, principles of equity, any decree and any statute or other law made by a parliament (and a statute or other law made by parliament includes any regulation or other instrument under it, and any consolidation, amendment, re-enactment or replacement of it);
- (f) a “**directive**” includes a treaty, official directive, request, regulation, guideline or policy (whether or not in any case having the force of law) with which responsible participants in the relevant market generally comply;
- (g) “**Australian dollars**” or “**A\$**” is a reference to the lawful currency of Australia;
- (h) a time of day is a reference to Sydney time;
- (i) a “**person**” includes an individual, a firm, a body corporate, an unincorporated association, a trust and an authority;
- (j) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns; and
- (k) the words “**including**”, “**for example**” or “**such as**” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

1.4 Number

The singular includes the plural and vice versa.

1.5 Headings

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

1.6 Calculation of period of time

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

2 Introduction

2.1 Pricing Supplement

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

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

2.2 Currency and denomination

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

2.3 Issue restrictions and tenor

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

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

2.4 Clearing systems

Notes may, but need not, be held in the Austraclear System, in which case the rights of a person holding an interest in the Notes lodged in the Austraclear System are subject to the rules and regulations of the Austraclear System. Neither the Issuer nor any Guarantor is responsible for anything the Austraclear System does or omits to do.

3 Form

3.1 Constitution under the Note Trust Deed

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

3.2 Form

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

3.3 No certificates

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

3.4 Effect of entries in Register

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

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

3.5 Register conclusive as to ownership

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

3.6 Non-recognition of interests

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

3.7 Joint Noteholders

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

4 Status and Guarantee

4.1 Status of Notes

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

4.2 Ranking of Notes

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

4.3 Guarantee

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

5 Negative pledge and financial and other covenants

5.1 Negative pledge

- (a) Subject to paragraph (b) below, the Issuer will not (and the Parent Guarantor will ensure that none of the Issuer or any Guarantor will) create any Security Interest upon the whole or any part of its (or any Guarantor's) present or future assets or revenues other than a Permitted Security Interest.
- (b) The Issuer or a Guarantor may create a Security Interest (which is not a Permitted Security Interest) or a Security Interest may also be created if at the same time, either the same Security Interest as is granted by the Issuer or a Guarantor or such other security is also granted in favour of the Noteholders:
 - (i) securing the Issuer's or Guarantor's obligations to the Noteholders, equally and rateably in all respects so as to rank *pari passu* with the Financial Indebtedness relating to the applicable Security Interest; or
 - (ii) as shall be approved by a Special Resolution of Noteholders.

5.2 Financial covenants

- (a) The Issuer will not (and the Parent Guarantor will ensure that each other Guarantor will not) incur any Financial Indebtedness after the Issue Date, unless at the time the Issuer or such Guarantor incurs any such Financial Indebtedness and immediately after giving pro-forma effect to the incurrence of such Financial Indebtedness and the application of the proceeds thereof the ratio of the aggregate total Financial Indebtedness of the Australian Group (less the total of any cash or cash equivalents held by the Australian Group) at that time to the EBITDA of the Australian Group at that time (expressed as a percentage) is less than 4.25:1.
- (b) The Issuer will not (and the Parent Guarantor will ensure that each other Guarantor will not) make a Distribution, or reduce, return, purchase, repay, cancel or redeem any of its share capital or buy back any of its shares ("**Capital Reduction**") under Chapter 2J of the Corporations Act (or an equivalent provision under any legislation in another jurisdiction applicable to that to that Guarantor) except:
 - (i) where the recipient of the proceeds of such Distribution or Capital Reduction is the Issuer or another Guarantor; or
 - (ii) where:
 - (A) the source of the funds to effect such Distribution or Capital Reduction has not been raised by way of Financial Indebtedness secured by a Security Interest (or in a transaction or series of transactions having substantially the same effect); or
 - (B) the amount of the Distribution is only paid out of Underlying NPAT (excluding asset revaluations) of the Group, up to a maximum aggregate amount equal to 75 per cent. of Underlying NPAT for that Financial Year,

provided that, in any case, a Distribution and/or Capital Reduction is no greater than an amount lawfully permitted under applicable law.

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

So long as an Event of Default is subsisting, neither the Issuer nor the Parent Guarantor will declare, make or pay any Distribution and neither the Issuer nor any Guarantor will pay any interest or other amounts in respect of any debt security issued which ranks behind the Notes in priority for payment of principal or interest.

- (c) The Issuer will ensure that it will not (and the Parent Guarantor will ensure that each Guarantor will not) (whether in a single transaction or a series of related transactions) sell, assign, transfer, lease, or otherwise dispose of all or a material part of its assets or the assets of a Guarantor, other than:
 - (i) as permitted under Condition 5.1 ("Negative pledge");
 - (ii) disposals or partings with possession (including sub-leases):
 - (A) in the ordinary course of business at arm's length and on arm's length commercial terms;
 - (B) where the assets are, in the opinion of the Parent Guarantor, waste, obsolete and are not required for the efficient operation of its business;
 - (C) in exchange for other assets comparable or superior as to type, value and quality; or
 - (D) from one member of the Group to another member of the Group;
 - (iii) where an amount equal to the net proceeds of the disposal is used within 180 days after such disposal to:
 - (A) purchase, acquire, develop, redevelop or construct productive assets for use by the Issuer or a member of the Group in its business(es); or
 - (B) prepay or repay any secured or unsecured Financial Indebtedness incurred by the Issuer or incurred by a member of the Group;
 - (iv) any novation of any lease of a motor vehicle by the Issuer or a Guarantor to an employee of a member of the Group;
 - (v) as shall be approved by a Special Resolution of Noteholders; or
 - (vi) any disposal of assets or partings with possession not otherwise described in paragraphs (i) to (v) above provided that:
 - (A) each such disposal is for cash consideration on arm's length terms and at fair market value; and
 - (B) the aggregate fair market value of the assets disposed of by the Issuer or any Guarantor during any 12 month period does not, in aggregate, exceed A\$5,000,000.
- (d) The Issuer and the Parent Guarantor undertake:
 - (i) to ensure that, at all times:
 - (A) the aggregate consolidated EBITDA of the Issuer and the Guarantors is at least 90 per cent. of the aggregate consolidated EBITDA of the Australian Group; and

- (B) the aggregate of the Net Assets of the Issuer and the Guarantors is at least 90 per cent. of the aggregate consolidated Net Assets of the Australian Group; or
- (ii) to cause such Subsidiaries of the Parent Guarantor (other than Excluded Subsidiaries) to accede as a Guarantor pursuant to the Note Trust Deed to ensure that, at all times:
 - (A) the aggregate consolidated EBITDA of the Issuer and the Guarantors is at least 90 per cent. of the aggregate consolidated EBITDA of the Australian Group; and
 - (B) the aggregate of the Net Assets of the Issuer and the Guarantors is at least 90 per cent. of the aggregate consolidated Net Assets of the Australian Group,

in each case, based on the then latest Financial Statements, and provided that the Parent Guarantor is a Guarantor at all times and subject to, in the case of a Subsidiary which has become a member of the Australian Group:

- (iii) the completion of any financial assistance whitewash procedures, if required, under Part 2J.3 of the Corporations Act (or equivalent laws in any other applicable jurisdictions) within 45 days of the shareholders general meeting of the Parent Guarantor held after the relevant Subsidiary (which is required to become a Guarantor) becomes a member of the Australian Group; or
- (iv) if Condition 5.2(d)(iii) does not apply, a period of 60 days having expired since that Subsidiary became a member of the Australian Group.

5.3 Other covenants

- (a) Except in the case of a Permitted Guarantor Restructure, the Issuer will (and the Parent Guarantor will ensure that the Issuer and each Guarantor will) do everything necessary to maintain its corporate existence.
- (b) The Issuer will comply (and the Parent Guarantor will ensure that the Issuer and each member of the Australian Group complies) with all applicable laws or directives binding on it where a failure to comply would have a material adverse effect on the ability of the Issuer or a Guarantor (as the case may be) to comply with its obligations under the Notes or the Guarantee.
- (c) The Parent Guarantor will provide to the Trustee not later than 30 days after each applicable Test Date, a certificate signed by either two directors or a director and the company secretary or a director and the chief financial officer of the Parent Guarantor which certifies whether, in the opinion of the directors, the chief financial officer and/or the company secretary of the Parent Guarantor (as appropriate) and after having made all reasonable enquiries, the Issuer the Parent Guarantor and each other Guarantor have complied with:
 - (i) in the case of a Test Date on which any Distribution or Capital Reduction has been made by the Issuer or the Parent Guarantor, the covenant set out in Condition 5.2(b) ("Financial covenants") as at the Test Date; and
 - (ii) in the case of any other Test Date, each of the covenants set out in Conditions 5.1 ("Negative pledge"), 5.2 ("Financial covenants"), 5.3(a) and 5.3(b) ("Other covenants") as at the Test Date.

In the event the Issuer, the Parent Guarantor or another Guarantor is not in compliance with any such covenant, such certificate will give reasonable detail of such

non-compliance (including any relevant figures and calculations) and the steps being taken to remedy the same.

- (d) At the request of the Trustee (acting either on its own discretion or upon receipt of a written request of a Noteholder) the Parent Guarantor will provide (at its own cost), any document or other information that the Trustee may reasonably request that is necessary or desirable to allow the Trustee or a Noteholder to determine whether or not the Issuer, the Parent Guarantor or another Guarantor is in compliance with each of the covenants set out in Conditions 5.2 ("Financial covenants"), 5.3(a) and 5.3(b) ("Other covenants").

6 Title and transfer of Notes

6.1 Title

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

6.2 Transfer

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

6.3 Transfers in whole

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

6.4 Estates

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

6.5 Unincorporated associations

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

6.6 Transfer of unidentified Notes

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

6.7 Compliance with law

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

- (a) in Australia:
 - (i) only if the minimum aggregate consideration payable at the time of the transfer is at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the transferor or its associates to the transferee) or the Notes are transferred in circumstances that do not otherwise require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act and the transfer complies with all applicable laws and directives; and

- (ii) the offer or invitation (including any resulting transfer) does not constitute an offer or transfer to a “retail client” as defined for the purposes of section 761G of the Corporations Act; and
- (b) if, in a jurisdiction outside Australia, the transfer complies with all other applicable laws and directives in the jurisdiction in which the transfer takes place.

6.8 Restrictions on transfer

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

7 Fixed Rate Notes

7.1 Interest on Fixed Rate Notes

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

7.2 Fixed Coupon Amount

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

7.3 Calculation of interest payable

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

8 General provisions applicable to interest

8.1 Calculation of other amounts

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

8.2 Notification of Interest Rate, interest payable and other items

- (a) The Calculation Agent must notify the Issuer, the Registrar, the Noteholders, the Trustee and each other Agent of each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the Interest Payment Date.
- (b) The Calculation Agent must give notice under this Condition as soon as practicable after making its determination.

- (c) The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must promptly notify the Issuer, the Registrar, the Noteholders, the Trustee and each other Agent of any such amendment.

8.3 Determination final

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

8.4 Rounding

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

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

9 Redemption

9.1 Redemption on maturity

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

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

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

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

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

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

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

The Issuer may redeem all or some of the Notes before their Maturity Date as follows:

- (a) on the First Optional Redemption Date by payment of 103.0 per cent. of the outstanding principal amount of each Note being redeemed;
- (b) on the Second Optional Redemption Date by payment of 102.0 per cent. of the outstanding principal amount of each Note being redeemed;
- (c) on the Third Optional Redemption Date by payment of 101.0 per cent. of the outstanding principal amount of each Note being redeemed and
- (d) on the Fourth Optional Redemption Date by payment of 100.5 per cent. of the outstanding principal amount of each Note being redeemed,

in each case, together with any accrued but unpaid interest, if any, to the date of redemption.

However, the Issuer may only do so if:

- (i) the amount of Notes to be redeemed is a whole multiple of their Denomination; and
- (ii) the Issuer has given at least 30 days (and not more than 60 days) notice to the Registrar, the Trustee, the Noteholders and each other Agent.

9.4 Early redemption for taxation reasons

The Issuer may redeem all (but not some) of the Notes of a series in whole before their Maturity Date at the outstanding principal amount of each Note being redeemed (together with any accrued interest, if any, to the date of redemption) if, as a consequence of an amendment to or a change in, or announced amendment to or prospective change in:

- (a) the law or a binding juridical decision, directive, ruling or determination; or
- (b) an administrative decision (with which the Issuer is required to comply, or habitually complies) interpreting, applying or clarifying those laws or judicial decisions, directives, rulings or determinations,

occurring after the Issue Date of the first Tranche of a series of Notes, the Issuer is required, or likely to be required, to pay an Additional Amount in respect of the Notes of that series under Condition 11.2 (“Withholding tax”).

However, the Issuer may only do so if:

- (c) the Issuer has given at least 30 days’ and no more than 60 days’ notice to the Registrar, the Trustee, the Noteholders and each Agent;
- (d) at the same time as the Issuer gives the notice under paragraph (a), the Issuer has also delivered to the Trustee:
 - (i) a certificate signed by an authorised signatory of the Issuer on behalf of the Issuer stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective) describing the facts

leading thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures available to it; and

- (ii) accompanying that certificate, an opinion of independent legal advisers of recognised standing in Australia addressed to, and for the benefit of, the Trustee to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective); and
- (e) no notice of redemption is given earlier than 90 days before the earliest date on which the Issuer would be obliged to pay such Additional Amounts under Condition 11.2 ("Withholding tax").

9.5 Partial redemptions

If only some of the Notes are to be redeemed under Condition 9.3 ("Early redemption at the option of the Issuer (Issuer call)"), the Notes to be redeemed will be specified in the notice and selected:

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

9.6 Effect of notice of redemption

Any notice of redemption given under this Condition 9 ("Redemption") is irrevocable.

9.7 Late payment

If an amount payable is not paid under this Condition 9 ("Redemption") when due, then interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the default rate specified in the Pricing Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Noteholder.

9.8 Purchase

The Issuer and any of its Related Bodies Corporate may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased under this Condition 9.8 may be held, resold or cancelled at the discretion of the purchaser and (if the Notes are to be cancelled, the Issuer), subject to compliance with any applicable law or directive.

10 Payments

10.1 Payments to Noteholders

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

10.2 Payments to accounts

Payments in respect of a Note will be made:

- (a) if the Note is held in the Austraclear System, by crediting on the Payment Date, the amount due to:

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

10.3 Payments by cheque

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

10.4 Payments subject to law

All payments are subject to applicable law but without prejudice to the provisions of Condition 11 ("Taxation").

10.5 Payments on Business Days

If a payment:

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

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

10.6 Unsuccessful attempts to pay

Subject to applicable law, where the Issuer:

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

then, in each case and subject to Condition 12 ("Time limit for claims"), the amount is to be held by the Issuer for the Noteholder in a non-interest bearing deposit with a bank selected by the Issuer until the Noteholder or any legal personal representative of the Noteholder claims the amount or the amount is paid by the Issuer according to the legislation relating to unclaimed moneys.

10.7 Payment to joint Noteholders

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

11 Taxation

11.1 No set-off, counterclaim or deductions

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

11.2 Withholding tax

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

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

11.3 Gross-up exceptions

No Additional Amounts are payable under Condition 11.2 ("Withholding tax") in respect of any Note:

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

- (f) where such withholding or deduction is required to be made pursuant to a notice or direction issued by the Commissioner of Taxation under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of Australia or any similar law;
- (g) where such withholding or deduction is made for, or on account of, FATCA (as withheld or deducted by the Issuer, an Agent or any other party);
- (h) in such other circumstances as may be specified in the Pricing Supplement; or
- (i) in respect of any combination of any or all of paragraphs (a) to (h) above.

Notwithstanding any other provision of these Conditions, if the Issuer, any Agent or any other person through whom payments on the Notes are made, is required to withhold or deduct amounts under or in connection with, or in order to ensure compliance with FATCA, the Issuer or that other person shall be permitted to make such withholding or deductions, and Noteholders and beneficial owners of Notes will not be entitled to receive any gross up, Additional Amount or other amount for such withholding or deduction.

12 Time limit for claims

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

13 Events of Default

13.1 Events of Default

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

- (a) **(non-payment of principal)** the Issuer fails to pay any principal in respect of the Notes when due or, if the failure to pay when due is caused by an administrative or technical error beyond the control of the Issuer, within 2 Business Days after the due date;
- (b) **(non-payment of interest)** the Issuer fails to pay any interest in respect of the Notes of the relevant series when due and the failure to pay continues for a period of 7 days;
- (c) **(other non-compliance)** the Issuer or a Guarantor:
 - (i) fails to comply with any of its obligations in connection with a Note (other than in relation to the payment of money referred to in paragraphs (a) and (b) above); and
 - (ii) if the non-compliance is capable of remedy, it is not remedied within 10 Business Days after notice of such default shall have been given to the Issuer by the Trustee or any Noteholder;
- (d) **(cross acceleration)** any Financial Indebtedness of the Issuer or a Guarantor for amounts totalling (whether pursuant to a single default or a number of aggregate defaults subsisting at that time) more than A\$5,000,000 (or its equivalent in any other currency):
 - (i) is not satisfied on the later of their due date or the end of any applicable grace period; or
 - (ii) has become due and payable before its scheduled maturity by reasons of a default, event of default or potential event of default (howsoever described);

- (e) **(insolvency)** an Insolvency Event occurs in relation to the Issuer or a Guarantor;
- (f) **(no arrangement with creditors)** the Issuer or any Guarantor makes a general assignment for the benefit of creditors, or any proceeding shall be instituted by or against the Issuer or a Guarantor (which, in the case of a proceeding instituted against the Issuer or a Guarantor, is not set aside or withdrawn within 14 days after the date that the application was made for such proceeding to be instituted) seeking to adjudicate it insolvent, or seeking liquidation, winding up, reorganisation, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganisation or relief of debtors, seeking the entry of any order for relief or the appointment of a receiver, trustee, administrator or other similar official over the Issuer or Guarantor, its activities or any substantial part of its property;
- (g) **(obligations unenforceable)** any Note or the Note Trust Deed (including, for the avoidance of doubt, the Guarantee) is or becomes (or is claimed to be by the Issuer, a Guarantor or anyone on their behalf) wholly or any part of a material provision of it void, voidable or unenforceable or any Note, the Note Trust Deed or the Guarantee ceases to wholly or in relation to any part of a material provision of it have full force and effect or the whole or any part of a material provision of it is declared by any court of competent jurisdiction to be void or unenforceable;
- (h) **(no litigation)** a judgement or award in an amount exceeding A\$5,000,000 (or its equivalent in any other currency) is obtained against the Issuer or a Guarantor or any of their assets and is not set aside or satisfied within 30 days unless the Issuer or the Guarantor is diligently and in good faith pursuing an appeal;
- (i) **(cessation of business)** the Issuer or a Guarantor ceases to carry on business generally and no other body corporate assumes the business of that person; and
- (j) **(enforcement against assets)** any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Issuer or a Guarantor with a value of more than A\$5,000,000, or the amount of any compensation paid or to be paid is A\$5,000,000 less than the market value of the asset.

13.2 Consequences of an Event of Default

- (a) If an Event of Default occurs and continues unremedied in relation to the Notes, then a Noteholder may, or the Trustee must (if requested in writing by Noteholder who hold in aggregate 25 per cent. or more of the outstanding principal amount of all Notes then outstanding), declare by notice to the Issuer (with a copy to the Registrar and the Trustee (if notice is given by a Noteholder)) that each Note held by it is (or, if the Trustee has given the declaration, all Notes are) to be redeemed by the Issuer paying to the Noteholder the outstanding principal amount of each Note (together with any accrued but unpaid interest and Additional Amounts, if any) in which case those amounts become immediately due and payable.
- (b) If an Event of Default occurs, then interest continues to accrue on any amounts that have become due but remain unpaid (both before and after any demand or judgment) at the sum of the Interest Rate plus a default rate of 2.00 per cent. per annum until the date on which payment is made to the Noteholder.

13.3 Notification

If an Event of Default occurs (or, in the case of Condition 13.1(c) ("Event of Default"), an Event of Default would occur with the lapse of time if notice were to be given to the Issuer), the Issuer must promptly (and in any event within 5 days) after becoming aware of it notify the Trustee, the Registrar and the Noteholders of the occurrence of the Event of Default (specifying details of it).

13.4 Enforcement

- (a) Subject to Condition 13.4(c), at any time after the occurrence of an Event of Default, and for so long as it subsists, the Trustee may, either at its discretion or pursuant to a direction of Noteholders in accordance with paragraph (c)(i) below and, in either case, without further notice, institute such proceedings and/or take such other action as it may think fit against or in relation to the Issuer to enforce the Issuer's obligations under the Notes. The Issuer shall, as a result of the bringing of any such proceedings, be obliged to pay any sums representing or measured by reference to principal or interest on the Notes sooner than the same would otherwise have been payable by it.
- (b) Without prejudice to Condition 13.4(a) but subject to Condition 13.4(c), if the Issuer or a Guarantor breaches any of its obligations under the Note Trust Deed, the Trustee may, either at its discretion or pursuant to a direction of Noteholders in accordance with paragraph (c)(i) below and, in either case, without further notice, take such action as it may think fit to enforce such obligations.
- (c) The Trustee must not take any of the actions referred to in paragraphs (a) or (b) above to enforce the obligations of the Issuer in respect of the Notes or take any other enforcement action pursuant to or in connection with the Note Trust Deed or the Notes unless:
 - (i) it shall have been so requested in writing by Noteholders who hold in aggregate 25 per cent. or more of the outstanding principal amount of all Notes then outstanding; and
 - (ii) it shall have been indemnified to its satisfaction in accordance with the terms of the Note Trust Deed.

If, prior to acting on a direction received pursuant to paragraph (a), the Trustee receives further directions to take any action pursuant to this paragraph (c)(i) that are, in its reasonable opinion, materially inconsistent or conflicting in any material respect with the initial directions, the Trustee must call a meeting of Noteholders in accordance with the terms of these Conditions, the Note Trust Deed and the Meeting Provisions in order to resolve the inconsistency or conflict and shall act in accordance with any resolutions passed at that meeting or in accordance with any direction by Noteholders who hold in aggregate 50 per cent. or more of the outstanding principal amount of all Notes then outstanding.
- (d) No Noteholder is entitled to proceed directly against the Issuer or a Guarantor to enforce any right or remedy under or in respect of any Note or the Note Trust Deed unless expressly entitled to do so under these Conditions or the Note Trust Deed or the Trustee, having become bound to proceed, fails to do so within five days from the date that the Trustee is notified by a Noteholder of the failure, and such failure is continuing.

14 Agents

14.1 Role of Agents

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

14.2 Appointment and replacement of Agents

Each initial Agent for a series of Notes is specified in the Pricing Supplement. Subject to Condition 14.4 ("Required Agents"), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

14.3 Change of Agent

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

14.4 Required Agents

The Issuer must at all times maintain a Registrar, an Issuing & Paying Agent and a Calculation Agent.

15 Meetings of Noteholders

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

16 Variation

16.1 Variation with consent

Unless Condition 16.2 ("Variation without consent") applies, any Note may be varied by the Issuer in accordance with the Meeting Provisions.

16.2 Variation without consent

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

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

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

17 Further issues of Notes

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

18 Notices

18.1 Notices to Noteholders

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

18.2 Notices to the Issuer, the Trustee and the Agents

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

18.3 Receipt - publication in newspaper

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

18.4 Deemed receipt - postal

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

18.5 Deemed receipt - general

Despite Condition 18.4 ("Deemed receipt - postal"), if notices or other communications are received after 5.00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00 am on the next Business Day.

19 Governing law

19.1 Governing law

These Conditions are governed by the law in force in Victoria, Australia.

19.2 Jurisdiction

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

19.3 Serving documents

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

Form of Pricing Supplement

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

Series No.: [●]

Tranche No.: [●]

CAPITOL HEALTH

Capitol Treasury Pty Ltd
(ACN 611 139 194)
("Issuer")

a wholly owned subsidiary of

Capitol Health Limited
(ABN 84 117 391 812)
("Parent Guarantor")

Issue of
A\$[●] [●]% Fixed Rate Notes due [●]
("Notes")

irrevocably and unconditionally guaranteed on a joint and several basis by the

Parent Guarantor
and
certain of its subsidiaries
(together, the "Initial Guarantors")

The date of this Pricing Supplement is [●].

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

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

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

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

1	Issuer	: Capitol Treasury Pty Ltd (ACN 611 139 194)
2	Initial Guarantors	: The Parent Guarantor and each other entity as set out in the Information Memorandum
3	Type of Notes	: Fixed Rate Notes
4	Lead Manager and Initial Subscriber	: National Australia Bank Limited (ABN 12 004 044 397)
5	Registrar	: BTA Institutional Services Australia Limited (ABN 48 002 916 396)
6	Issuing & Paying Agent	: BTA Institutional Services Australia Limited
7	Calculation Agent	: BTA Institutional Services Australia Limited
8	Trustee	: BNY Trust Company of Australia Limited (ABN 49 050 294 052)
9	Aggregate principal amount of Tranche	: A\$[●]
10	Issue Date	: [●]
11	Issue Price	: 100%
12	Denomination	: A\$1,000
13	Minimum parcel size on initial issue	: A\$50,000
14	Maturity Date	: [Issue Date + 4 year]
15	Record Date	: As per the Conditions
16	Condition 7 (Fixed Rate Notes) applies	: Yes
	Fixed Coupon Amount	: A\$[●] per A\$1,000 denomination, payable semi-annually in arrear
	Interest Rate	: [+/-][●]% per annum.
	Interest Commencement Date	: Issue Date
	Interest Payment Dates	: [●] and [●] of each year, commencing on [●] up to, and including, the Maturity Date or, if redeemed earlier, an Optional Redemption Date
	Business Day Convention	: [Following Business Day Convention]
	Day Count Fraction	: [RBA Bond Basis]
17	Noteholder put	: Yes, the Notes may be redeemable before their Maturity Date at the option of the Noteholders on a Change of Control as set out in Condition 9.2 ("Early redemption at the option of Noteholders (Noteholder put)")

- 18 Issuer call : Yes, the Notes may be redeemable before their Maturity Date at the option of the Issuer as set out in Condition 9.3 ("Early redemption at the option of the Issuer (Issuer call)") and:
- (a) First Optional Redemption Date means [●];
 - (b) Second Optional Redemption Date means [●];
 - (c) Third Optional Redemption Date means [●] and
 - (d) Fourth Optional Redemption Date means [●].
- 19 Clearing system : Austraclear System.
- Interests in the Notes may also be traded through Euroclear and Clearstream, Luxembourg as set out on page [●] of the Information Memorandum.
- 20 ISIN : [●]
- 21 Common Code : [●]
- 22 Austraclear I.D. : [●]
- 23 Australian interest withholding tax : It is the Issuer's intention that the Notes will be issued in a manner which will comply with the public offer test under section 128F of the Australian Tax Act.
- 24 Listing : Not applicable

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

Date: [●]

CONFIRMED

For and on behalf of
CAPITOL TREASURY PTY LTD

By:

Name:

Title:

By:

Name:

Title:

For and on behalf of
CAPITOL HEALTH LIMITED

By:

Name:

Title:

By:

Name:

Title:

Selling Restrictions

*Under the Subscription Agreement dated 28 April 2016 between the Issuer, the Initial Guarantors and the Lead Manager and Initial Subscriber ("**Subscription Agreement**") and subject to the Conditions contained in the Information Memorandum, the Notes will be offered by the Issuer through the Lead Manager and Initial Subscriber. The Issuer will have the sole right to accept any offers to purchase Notes and may reject any such offer in whole or (subject to the terms of such offer) in part.*

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

The following selling restrictions apply to Notes.

Australia

The Lead Manager and Initial Subscriber has acknowledged that:

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

The Lead Manager and Initial Subscriber has represented and agreed that it:

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

unless:

- (A) the offer or invitation falls within the exemption for offers to sophisticated investors set out in section 708(8) of the Corporations Act or the offer or invitation does not otherwise require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act;
- (B) such action does not require any document to be lodged with ASIC or ASX Limited;
- (C) the offer or invitation is not made to a person who is a "retail client" as defined for the purposes of section 761G of the Corporations Act; and

- (D) the offer or invitation and all conduct in connection with it complies with all applicable laws and directives.

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

Hong Kong

The Lead Manager and Initial Subscriber has agreed 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) (as amended) of Hong Kong ("**SFO**") and any rules made under the SFO; or
 - (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) (as amended) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) unless it is a person permitted to do so under the applicable securities laws of Hong Kong, it has not issued or had in its possession for the purposes of issue, and will not issue, or have in its possession for the purpose of issue, (in each case, whether in Hong Kong or elsewhere) any advertisement, invitation, other offering material or other 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" within the meaning of the SFO and any rules made under the SFO.

Singapore

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

The Lead Manager and Initial Subscriber has agreed that, unless the relevant Pricing Supplement (or another supplement to this Information Memorandum) otherwise provides, the Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes has not been and will not be circulated or distributed by it nor have the Notes been, nor will the Notes be, offered or sold by it, or be subject to an invitation for subscription or purchase by it, whether directly or indirectly, to persons in Singapore other than:

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

Where the Notes are subscribed or purchased in reliance on an exemption under Section 274 or 275 of the Securities and Futures Act, the Notes shall not be sold within the period of six months from the date of the initial acquisition of the Notes, except to any of the following persons:

- (A) an institutional investor (as defined in Section 4A of the Securities and Futures Act);
- (B) a relevant person (as defined in Section 275(2) of the Securities and Futures Act); or
- (C) any person pursuant to an offer referred to in Section 275(1A) of the Securities and Futures Act,

unless expressly specified otherwise in Section 276(7) of the Securities and Futures Act or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

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

- (1) a corporation (which is not an accredited investor) (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

that securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor (under Section 274 of the Securities and Futures Act) or to a relevant person (as defined in Section 275(2) of the Securities and Futures Act) and in accordance with the conditions specified in Section 275 of the Securities and Futures Act;
- (ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the Securities and Futures Act or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the Securities and Futures Act;
- (iii) where no consideration is or will be given for the transfer;
- (iv) where the transfer is by operation of law;
- (v) as specified in Section 276(7) of the Securities and Futures Act; or
- (vi) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Australian Taxation

1. INTRODUCTION

The following is a summary of the Australian withholding tax treatment under the Australian Tax Act and the Taxation Administration Act 1953 of Australia, at the date of this Information Memorandum, of payments of interest (as defined in the Australian Tax Act) by the Issuer on the Notes and certain other Australian tax matters.

A term used below but not otherwise defined has the meaning given to it in the Conditions.

This summary applies to Noteholders that are:

- residents of Australia for tax purposes that do not hold their Notes, and do not derive any payments under the Notes, in carrying on a business at or through a permanent establishment outside of Australia, and non-residents of Australia for tax purposes that hold their Notes, and derive all payments under the Notes, in carrying on a business at or through a permanent establishment in Australia ("**Australian Holders**")*; and
- non-residents of Australia for tax purposes that do not hold their Notes, and do not derive any payments under the Notes, in carrying on a business at or through a permanent establishment in Australia, and residents of Australia for tax purposes that hold their Notes, and derive all payments under the Notes, in carrying on a business at or through a permanent establishment outside of Australia ("**Non-Australian Holders**").*

The summary is not exhaustive and, in particular, does not deal with the position of certain classes of Noteholders (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of any person).

Prospective Noteholders should also be aware that particular terms of issue of any Series of Notes may affect the tax treatment of that Series of Notes. Information regarding taxes in respect of Notes may also be set out in the relevant Pricing Supplement.

This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular Noteholder. Each Noteholder should seek professional tax advice in relation to their particular circumstances.

2. AUSTRALIAN INTEREST WITHHOLDING TAX

The Issuer intends to issue Notes which should be characterised as "debt interests" (and returns paid in relation thereto are intended to constitute "interest") for Australian tax purposes. On this basis:

Australian Holders

Payments of interest in respect of the Notes to Australian Holders should not be subject to Australian Interest Withholding Tax ("**Australian IWT**"), although a liability to TFN/ABN withholding tax can apply as discussed below.

Non-Australian Holders

Australian IWT should be payable at a rate of 10% of the gross amount of interest paid by the Issuer to a Non-Australian Holder, unless an exemption is available.

(a) *Section 128F exemption from Australian IWT*

An exemption from Australian IWT is available in respect of interest paid on the Notes if the requirements of section 128F of the Australian Tax Act are satisfied.

Unless otherwise specified in any relevant Pricing Supplement (or another relevant supplement to this Information Memorandum), the Issuer intends to issue the Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

In broad terms, the requirements are as follows:

- (i) the Issuer is a resident of Australia and a company (as defined in section 128F(9) of the Australian Tax Act) when it issues the Notes and when interest is paid;
- (ii) the Notes are issued in a manner which satisfies the “public offer” test in section 128F of the Australian Tax Act.

In relation to the Notes, there are five principal methods of satisfying the public offer test. In summary, the five methods are:

- offers to 10 or more unrelated financiers, securities dealers or entities that carry on the business of investing in securities in the course of operating in financial markets;
 - offers to 100 or more investors of a certain type;
 - offers of listed Notes;
 - offers via publicly available information sources; or
 - offers to a dealer, manager or underwriter who makes an offer to sell the Notes within 30 days by one of the preceding methods.
- (iii) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes (or interests in the Notes) were being, or would later be, acquired, directly or indirectly, by an “associate” of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act (see below); and
 - (iv) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an “associate” of the Issuer, except as permitted by section 128F(6) of the Australian Tax Act (see below).

An “associate” of the Issuer for the purposes of section 128F of the Australian Tax Act includes:

- a) a person or entity which holds more than 50% of the voting shares of, or otherwise controls, or sufficiently influences, the Issuer;
- b) an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, or is sufficiently influenced by, the Issuer;
- c) a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust; and
- d) a person or entity who is an “associate” of another person or company which is an “associate” of the Issuer under paragraph (a) above.

However, for the purposes of sections 128F(5) and (6) of the Australian Tax Act (see paragraph (iii) and (iv) above), an “associate” of the Issuer does not include:

- (A) an Australian Holder; or
- (B) a Non-Australian Holder that is acting in the capacity of:

- (I) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme (for the purposes of the Corporations Act 2001 of Australia); or
- (II) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme (for the purposes of the Corporations Act 2001 of Australia).

(b) Exemptions under certain double tax conventions

The Australian government has signed new or amended double tax conventions (“**New Treaties**”) with a number of countries (each a “**Specified Country**”). The New Treaties apply to interest derived by a resident of a Specified Country.

Broadly, the New Treaties effectively prevent Australian IWT applying to interest derived by:

- governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and / or
- a “financial institution” resident in a Specified Country which is unrelated to and dealing wholly independently with the Issuer. The term “financial institution” refers to either a bank or any other enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest paid under a back to back loan or an economically equivalent arrangement should not qualify for this exemption.

The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation. This listing is available to the public on the Federal Treasury’s Department website.

(c) Domestic exemptions

Under the Australian Tax Act, offshore pension plans that are exempt from tax in their home jurisdiction, and specified offshore charities and not-for-profit organisations that are exempt from tax in their home jurisdiction are exempt from Australian IWT

(d) Sovereign entity exemption

Investment bodies owned by foreign governments are, in specified circumstances, exempt from Australian IWT under the doctrine of sovereign immunity.

(e) Payments under the Guarantee

It is unclear whether or not any payment by Guarantors under the Guarantee on account of interest owing by the Issuer in respect of the Notes would be subject to Australian IWT. Arguments exist that such payments (other than interest paid on an overdue amount) should not constitute “interest” for Australian withholding tax purposes, and, if so, should not be subject to Australian IWT.

The Australian Taxation Office takes the view that a guarantee payment made in respect of unpaid interest is subject to Australian IWT if the interest payment would have been subject to Australian IWT.

Where interest paid on the Notes is exempt from Australian IWT because the public offer test in section 128F of the Australian Tax Act has been satisfied, a guarantee payment on the Notes is also exempt from Australian IWT.

(f) *Payment of additional amounts*

As set out in more detail in the Conditions for the Notes, if the Issuer is at any time required by law to withhold or deduct an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia in respect of the Notes, an additional amount may be payable by the Issuer to a Noteholder in respect of the withholdings or deductions required to be made. No withholding tax applies to that gross-up amount, as an amount of gross-up is not considered to be interest for Australian IWT purposes.

3. **OTHER TAX MATTERS**

Under Australian laws as presently in effect:

- *death duties* – Notes should not be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes should be payable in Australia on the issue, transfer or redemption of any Notes;
- *TFN/ABN withholding* - withholding tax is imposed (see below in relation to the rate of withholding tax) on the payment of interest on certain registered securities (such as the Notes) unless the relevant payee has quoted an Australian tax file number (“**TFN**”), (in certain circumstances) an Australian Business Number (“**ABN**”) or proof of some other exception (as appropriate).

Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, then such withholding should not apply to payments to a Non-Australian Holder that is a non-resident of Australia for Australian tax purposes.

The rate of withholding tax is 49% for the 2015-16 and 2016-17 income years and, under current law, will be reduced to 47% following the 2016-17 income year;

- *additional withholdings from certain payments to non-residents* - the Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia (other than payments of interest and other amounts which are already subject to the current Australian IWT rules or specifically exempt from those rules). Regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The possible application of any future regulations to the proceeds of any sale of the Notes will need to be monitored;
- *garnishee directions by the Commissioner of Taxation* – the Commissioner may give a direction requiring the Issuer to deduct from any payment to a holder of the Notes any amount in respect of Australian tax payable by the holder. If the Issuer is served with such a direction, then the Issuer will comply with that direction and make any deduction required by that direction;
- *supply withholding tax* - payments in respect of the Notes can be made free and clear of any “supply withholding tax”; and
- *goods and services tax (GST)* - neither the issue nor receipt of the Notes should give rise to a liability for GST in Australia on the basis that the supply of Notes should comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Notes, should give rise to any GST liability in Australia.

Directory

Issuer

Capitol Treasury Pty Ltd

(ACN 611 139 194)

Level 3
81 Lorimer Street
Docklands VIC 3008

Telephone: + 61 3 9348 3333
Email: Treasury@capitolhealth.com.au
Attention: Treasurer

Parent Guarantor

Capitol Health Limited

(ABN 84 117 391 812)

Level 3
81 Lorimer Street
Docklands VIC 3008

Telephone: + 61 3 9348 3333
Email: Treasury@capitolhealth.com.au
Attention: Treasurer

Lead Manager and Initial Subscriber

National Australia Bank Limited

(ABN 12 004 044 937 and AFSL No.230686)

Level 25
255 George Street
Sydney NSW 2000

Telephone: + 61 2 9237 9518
Attention: Head of Hybrid & Structured Capital Origination

Registrar, Issuing & Paying Agent and Calculation Agent

BTA Institutional Services Australia Limited

(ABN 48 002 916 396)

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Sydney NSW 2000

Telephone: + 61 2 9551 6069
Facsimile: + 61 2 9551 6001
Attention: Transaction Management Group Australia

Trustee**BNY Trust Company of Australia Limited**

(ABN 49 050 294 052)

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Sydney NSW 2000

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Facsimile: + 61 2 9551 6001
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