



**Mothercare Australia Limited**

**ABN 26 060 199 082**

Registered Office: Level 1, Building 220/2A, The Entertainment Quarter  
122 Lang Road, Moore Park NSW 2021

**MOTHERCARE AUSTRALIA LIMITED**

**ABN 26 060 199 082**

**CLEANSING STATEMENT**

16 March 2012

Issued under section 708A(12C)(e) of the *Corporations Act 2001* (Cth) (as inserted by ASIC Class Order [CO 10/322])

This Cleansing Statement has been prepared for the purposes of section 708A(12C)(e) of the *Corporations Act 2001* (Cth) (as inserted by ASIC Class Order [CO 10/322]) to enable fully paid ordinary shares in the capital of Mothercare Australia Limited (**Company**) to be issued on conversion of mandatorily converting notes issued by the Company to The Myer Family Company Holdings Pty Ltd to be onsold to retail investors without a prospectus.

This is an important document and requires your immediate attention. It should be read in its entirety.

**1. EFFECT OF THE ISSUE OF THE NEW MANDATORILY CONVERTING NOTES ON MOTHERCARE**

**1.1 Background**

On or about 18 October 2011, the Noteholder and the Company agreed that in consideration of the payment by the Noteholder of \$1,500,000 and the agreement by the Noteholder to subscribe for the New Mandatorily Converting Notes, the Company would issue the New Mandatorily Converting Notes to the Noteholder on a date to be agreed, such date being no later than six months after the date of such agreement. The agreement between the Company and the Noteholder was announced by the Chairman of the Company at the Company's Annual General Meeting held on 30 November 2011.

On 16 March 2012, the Noteholder, the Company and each of the Guarantors entered into the Subscription Deed recording and confirming the terms of the agreement reached on or about 18 October 2011, pursuant to which the Company agreed to issue and the Noteholder agreed to acquire 8,333,334 New Mandatorily Converting Notes each at an issue price of \$0.18 for a total subscription price of \$1,500,000.

A summary of the rights and liabilities attaching to the New Mandatorily Converting Notes is set out in section 2 of this Cleansing Statement. A summary of the key terms of the Subscription Deed is set out in section 3.1 of this Cleansing Statement.

Each New Mandatorily Converting Note may be converted into one Share in the Company at the election of the Noteholder at any time by written notice to the Company and shall convert automatically on 5 October 2014 or earlier if the Company's share price exceeds \$0.35 for any consecutive 90 day period provided that the Company exercises this right within 30 days.

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Each New Mandatorily Convertible Note will, up until the date of conversion, bear interest at 8% per annum (in respect of interest payments that carry a franking credit) or 11.45% per annum (in respect of interest payments that do not carry a franking credit). Interest on the New Mandatorily Converting Notes is to accumulate and be paid by the Company biannually in arrears within 30 days of the due date (with the first interest period commencing on the date of issue of the New Mandatorily Converting Notes). The Company may elect to accumulate the first three interest payments on the New Mandatorily Converting Notes and pay them within 30 days of the second anniversary of the date of issue of the New Mandatorily Converting Notes. If the Company elects to do so, the effective rate of return on the New Mandatorily Converting Notes for the first eighteen month period (assuming they are not converted) will be the same as if the Company had not elected to accumulate such interest payments.

The New Mandatorily Converting Notes issued by the Company will be secured by a third ranking fixed and floating charge over all of the Guarantors' assets in favour of the Noteholder.

## **1.2 Purpose of the Issue of the New Mandatorily Converting Notes**

The issue of the New Mandatorily Converting Notes will raise \$1,500,000.

The Directors consider that the raising of capital by the issue of the New Mandatorily Converting Notes is in the best interests of the Company as it secures funding required by the Company on acceptable terms. The funds from this capital raising strategy will be predominantly used to:

- (a) provide additional working capital for:
  - finalising the conversion of stores acquired in Western Australia to the Mothercare and Early Learning Centre brands (as relevant);
  - completing the required upgrade of business IT systems as the final stage of the post-merger integration process;
  - the continued development of the Company's online and loyalty management platforms; and
  - increasing inventory holdings and expanded logistics requirements.

The working capital funding is required mainly due to pressure on sales levels as a result of the challenging retail environment.

- (b) enable the Company to take advantage of opportunistic expansion into additional locations that were not included in the budget for this calendar year. The current retail environment is presenting attractive leasing opportunities of which the Company wishes to avail itself. The Board has a store network plan with key strategic areas identified that are still to be filled.
- (c) finance the ongoing investment in marketing to establish the Mothercare and Early Learning Centre brands as top of mind destinations in the Australian mother and baby retail categories. The Company's marketing expenditure will incorporate both brand building and promotional elements.

The Board anticipates that the Company's investment in marketing will contribute to the Company making progress towards achieving its growth targets.

### 1.3 Effect of the Issue of the New Mandatorily Converting Notes on Mothercare's Capital Structure

At the date of this Cleansing Statement, Mothercare had 212,920,557 Shares and 42,584,111 mandatorily converting notes on issue.

The pro-forma capital structure of Mothercare following the issue of the New Mandatorily Converting Notes (assuming all New Mandatorily Converting Notes and existing mandatorily converting notes are converted) is 263,838,002 Shares.

### 1.4 Pro-Forma Consolidated Statement of Financial Position

#### Mothercare Australia Limited Consolidated Statement of Financial Position as at 30th December 2011



#### Consolidated Entity

	December Post Con Note 2011 \$'000	December 2011 \$'000	June 2011 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6,023 *	4,553	3,064
Trade and other receivables	704	704	283
Inventories	21,718	21,718	21,297
Derivative financial instruments	8	8	-
Other assets	579	579	429
<b>Total Current Assets</b>	<b>29,032</b>	<b>27,562</b>	<b>25,073</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	13,795	13,795	11,596
Intangible assets	8,681	8,681	8,737
Deferred tax assets	1,567	1,567	1,217
<b>Total Non-Current Assets</b>	<b>24,043</b>	<b>24,043</b>	<b>21,550</b>
<b>TOTAL ASSETS</b>	<b>53,075</b>	<b>51,605</b>	<b>46,623</b>

**CURRENT LIABILITIES**

Trade and other payables	18,344	18,344	15,715
Trade finance	5,758	5,758	6,963
Provisions	2,924	2,924	2,884
Borrowings	150	150	4,513
Derivative financial instruments	-	-	184
<b>Total Current Liabilities</b>	<b>27,176</b>	<b>27,176</b>	<b>30,259</b>

**NON-CURRENT LIABILITIES**

Trade and other payables	2,143	2,143	
Provisions	2,363	2,363	
Borrowings	788	788	1,159
<b>Total Non-Current Liabilities</b>	<b>5,294</b>	<b>5,294</b>	<b>1,159</b>

<b>TOTAL LIABILITIES</b>	<b>32,470</b>	<b>32,470</b>	<b>31,418</b>
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<b>NET ASSETS</b>	<b>20,605</b>	<b>19,135</b>	<b>15,205</b>
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**EQUITY**

Issued Capital	66,702 *	65,232	57,825
Reserves	(2,305)	(2,305)	(2,303)
Accumulated losses	(43,792)	(43,792)	(40,317)
Equity attributable to members of Mothercare Australia Limited	<b>20,605</b>	<b>19,135</b>	<b>15,205</b>

\* Accounting Treatment of Convertible Note in Line with AASB 132

The post issue of convertible note Statement of Financial Position takes account of the convertible note in accordance with Australian Accounting Standard AASB 132: Financial Instruments Presentation. The convertible note issue will raise \$1.5m, with this inflow being offset by anticipated transaction costs of \$0.03m. The accounting treatment of the issued mandatorily converting notes is such that there is an increase in equity of \$1.47m.

**2. RIGHTS ATTACHING TO NEW MANDATORILY CONVERTING NOTES**

There is only one class of shares on issue in Mothercare, being fully paid ordinary shares, into which the New Mandatorily Converting Notes will convert.

The rights attaching to the Shares are:

- (a) set out in the Company's Constitution, a copy of which is available at [www.asx.com.au](http://www.asx.com.au); and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASTC Settlement Operating Rules and general law.

The New Mandatorily Converting Notes are to be issued on substantially similar terms as the Initial Notes. The terms of the New Mandatorily Converting Notes are as follows:

- (a) each New Mandatorily Converting Note may be converted into one Share in the Company at the election of the Noteholder at any time by written notice of conversion to the Company, and shall convert automatically on 5 October 2014 or earlier if the Company's share price exceeds \$0.35 for any consecutive 90 day period provided that the Company exercises this right within 30 days;
- (b) interest will be payable by the Company at the rate of 8% per annum (in respect of interest payments that carry a franking credit) or 11.45% per annum (in respect of interest payments that do not carry a franking credit) on the amount subscribed for each New Mandatorily Converting Note during the period from the date of issue until the conversion of each New Mandatorily Converting Note. Such interest will accumulate and be paid by the Company biannually (with the first interest period commencing on the date of issue of the New Mandatorily Converting Notes) in arrears within 30 days of the due date. The first three interest payments will, at the Company's option, accumulate and be paid within 30 days of the second anniversary of the date of issue of the New Mandatorily Converting Notes. If at the time the New Mandatorily Converting Notes are converted, interest has accumulated or accrued but has not yet been paid by the Company, the Company must pay the Noteholder such accumulated or accrued but unpaid interest on the date of the conversion;
- (c) the New Mandatorily Converting Notes shall have no voting rights;
- (d) the New Mandatorily Converting Notes will be secured by a third ranking fixed and floating charge granted by the Company in favour of the Noteholder. The security granted by the Company in favour of the Noteholder is subject to the terms of the Intercreditor Deed;
- (e) subject to paragraph (d), the New Mandatorily Converting Notes will rank equally with all mandatorily converting notes issued under the Prospectus lodged by the Company on 1 September 2011, including all rights, entitlements and benefits attaching to those notes;
- (f) the Noteholder may prove in any winding-up of the Company for the face value of each New Mandatorily Converting Note held by the Noteholder which had not been converted into Shares in accordance with paragraph (a) by the date of commencement of such winding-up together with all accumulated but unpaid interest in respect of the New Mandatorily Converting Notes as at the date of such winding up;
- (g) all Shares issued pursuant to the conversion of each New Mandatorily Converting Note will be allotted within 2 Business Days after the conversion of the relevant New Mandatorily Converting Notes and will rank pari passu in all respects with the Company's then existing Shares. The Company will apply for official quotation by ASX of all Shares issued upon conversion of each New Mandatorily Converting Note on or before the third Business Day on which ASX is open after the date of allotment

of the Shares. The Company will procure that a holding statement for the Shares is given to the Noteholder in accordance with the ASX Settlement Operating Rules;

- (h) there are no participating rights or entitlements inherent in the New Mandatorily Converting Notes and the Noteholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Mandatorily Converting Notes;
- (i) the Company may only reorganise its capital if, the number of New Mandatorily Converting Notes or the conversion price or both are reorganised so that the Noteholder will not receive a benefit that Shareholders do not receive. The Company will comply with Listing Rule 7.22 (as at the date of the Subscription Deed) in respect of any transaction to reorganise, restructure, dilute, expand, or otherwise alter its issued capital, such that each reference in that Listing Rule to "options" will be deemed to be a reference to the "Notes" and each reference to "exercise price" will be deemed to be a reference to "conversion price". This clause does not prevent a rounding up of the number of Shares to be received on conversion if the rounding up is approved at a meeting of the Shareholders of the Company which approves the reorganisation;
- (j) if and to the extent any of the preceding terms and conditions are inconsistent with the Listing Rules, such rules will prevail in all respects to the extent of the inconsistency; and
- (k) the terms and conditions of each New Mandatorily Converting Note are governed by the laws of the State of New South Wales and the Noteholder unconditionally submits to the jurisdiction of the courts of that State and courts of appeal from them.

### **3. MATERIAL CONTRACTS**

#### **3.1 Subscription Deed**

On 16 March 2012, the Noteholder, the Company and each of the Guarantors entered into the Subscription Deed, pursuant to which the Company is to issue and the Noteholder is to acquire 8,333,334 New Mandatorily Converting Notes each at an issue price of \$0.18 for a total subscription price of \$1,500,000.

Completion of the issue of the New Mandatorily Converting Notes and the Noteholder's obligations to subscribe for the New Mandatorily Converting Notes are conditional on the satisfaction of all of the following conditions precedent by 23 March 2012 or such later date nominated in writing by the Subscriber:

- (a) the Company announcing its results for the Financial Half Year ending 31 December 2011;
- (b) the execution and exchange of the Intercreditor Deed by all parties to it;
- (c) the execution and exchange of the Noteholder Security by all parties to it; and
- (d) the Company issuing this Cleansing Statement in a form approved by the Noteholder (such approval not to be unreasonably withheld).

The Subscription Deed contains a number of covenants given by the Company in favour of the Noteholder including covenants to:

- carry on and conduct its business in a proper and efficient manner;
- maintain its corporate existence;
- maintain proper accounts;
- provide information to the Noteholder;
- notify the Noteholder if the Subscription Deed has not been complied with; and
- comply with the terms of issue of the New Mandatorily Converting Notes.

One of the Company's obligations under the Subscription Deed is to report to the Noteholder as required under section 283BF of the Corporations Act on a quarterly basis. The report must include a statement as to whether an event has occurred, which would cause the Noteholder Security referred to below to become enforceable or the New Mandatorily Converting Notes to be repayable.

The Subscription Deed also provides for the method of transfers of New Mandatorily Converting Notes and other usual provisions.

### **3.2 Noteholder Security**

Each Guarantor is party to a Group Deed of Charge and Mortgage dated 16 March 2012, pursuant to which that Guarantor has agreed to grant the Noteholder Security in to secure the payment of all debts and monetary liabilities of each Guarantor to the Noteholder under or pursuant to the terms and conditions applicable to the New Mandatorily Converting Notes set out in paragraph 2 above and the Subscription Deed.

### **3.3 Trust Deed**

The Company and the Trustee entered into the Trust Deed on 31 August 2011.

The Trust Deed sets out the terms on which the Trustee represents the rights of the holders of Initial Notes, including the right to enforce the Company's obligation to repay the amount of the Initial Notes together with all accumulated but unpaid interest, if the Company is wound up.

The covenants given by the Company to the Trustee for the benefit of holders of Initial Notes in the Trust Deed are in all material respects identical to the covenants given by the Company to the Noteholder referred to in paragraph 3.1 above.

The Trust Deed provides that the Trustee may only enforce the Trustee Security referred to paragraph 3.4 on the winding-up of the Company, subject to the Intercreditor Deed, which document is described in paragraph 3.6.

The Trust Deed also provides for the method of transfers of the Initial Notes, the procedures for noteholder meetings and other usual provisions. Pursuant to an Amending Deed – Convertible Note Trust Deed dated 16 March 2012, the Trust Deed was amended to delete the existing definition of "Intercreditor Deed" and substitute a new definition which makes reference to the Intercreditor Deed described in paragraph 3.6.

Subject to the Trustee's duties under the Corporations Act, the Trustee has no obligation to monitor compliance by the Company with its covenants and obligations under the Trust Deed or under the Trustee Security or keep itself informed about the circumstances of the Company.

### 3.4 **Trustee Security**

Each Guarantor is party to a Group Deed of Charge and Mortgage dated 31 August 2011, pursuant to which that Guarantor agreed to grant the Trustee Security to secure the payment of all debts and monetary liabilities of each Guarantor to the Trustee under or pursuant to the terms and conditions applicable to the Initial Notes and the Trust Deed.

### 3.5 **ANZ Facility and Security**

Pursuant to the ANZ Facility, ANZ agreed to provide certain financing facilities of up to in aggregate \$11,700,000.00 (as adjusted from time to time), subject to the terms and conditions of the ANZ Facility (each a **Facility** and together the **Facilities**).

Each Guarantor has agreed to grant the ANZ Security in favour of ANZ to secure the payment of all debts and monetary liabilities of each Guarantor to ANZ on any account and in any capacity, including under the ANZ Facility.

### 3.6 **Intercreditor Deed**

ANZ, the Trustee, the Noteholder and each Guarantor are party to an Intercreditor Deed dated 16 March 2012 pursuant to which:

- (a) the rights and claims of the Trustee to all amounts payable by the Company to the Trustee pursuant to the Trust Deed and Trustee Security (referred to in the Intercreditor Deed as the **Second Debt**) are subordinated and postponed to the rights and claims of ANZ in respect of any amount payable by the Guarantors under the ANZ Facility (referred to in the Intercreditor Deed as the **First Debt**);
- (b) the rights and claims of the Noteholder to all amounts payable by the Company to the Noteholder pursuant to the Subscription Deed and Noteholder Security (referred to in the Intercreditor Deed as the **Third Debt**) are subordinated and postponed to the First Debt and the Second Debt;
- (a) the ANZ Security (and any other security) granted by the Guarantors to ANZ (referred to in the Intercreditor Deed as the **First Securities**) will rank in priority to the Trustee Security and any other security granted by the Guarantors to the Trustee (referred to in the Intercreditor Deed as the **Second Securities**); and
- (b) the First Securities and the Second Securities will rank in priority to the Noteholder Security and any other security granted by the Guarantors to the Noteholder (referred to in the Intercreditor Deed as the **Third Securities**),

until the later of the date on which the First Debt is fully and finally paid and the First Securities are fully discharged or until the Intercreditor Deed is terminated.

The Intercreditor Deed further provides that the Trustee must not amend, replace, vary or supplement the Trust Deed, the Second Securities or the terms of issue of the Initial Notes, and the Noteholder must not amend, replace, vary or supplement any Third Security, the Subscription Deed or the terms of issue of the New Mandatorily Converting Notes without the prior written approval of ANZ and the Trustee, if such variation would adversely affect ANZ's right or interest under the Intercreditor Deed or any "Transaction Document" as defined in the ANZ Facility.

The Intercreditor Deed terminates and replaces the Intercreditor Deed dated 31 August 2011 between ANZ, the Trustee and the Guarantors.



#### **4. ADDITIONAL INFORMATION**

##### **4.1 Continuous disclosure and documents available for inspection**

Mothercare is a “disclosing entity” for the purposes of section 111AC of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. These disclosure obligations require Mothercare to disclose to the ASX any information that a reasonable person would expect to have a material effect on the price or value of the securities of Mothercare.

Mothercare believes that it has complied with the requirements of the ASX (as applicable from time to time throughout the 12 months before this Cleansing Statement) which require Mothercare to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Copies of documents lodged with ASIC in relation to Mothercare may be obtained from, or inspected at, an office of ASIC.

Mothercare will provide a copy of the following documents free of charge, to any person who requests a copy:

- (a) the annual financial report for the financial year ended 30 June 2011 (being the last annual financial report to be lodged with ASIC by Mothercare before the issue of this Cleansing Statement);
- (b) any continuous disclosure notices given by Mothercare to ASX since the lodgement of the annual financial report referred to in paragraph (a) above and before the lodgement of this Cleansing Statement with ASX, being the following documents:

<b>Date Lodged</b>	<b>Document Description</b>
29/02/2012	Half Yearly Report and Accounts
06/02/2012	Appointment of CFO and Company Secretary
19/01/2012	Market Update – Trading Update for Q2 FY2011/12
01/12/2011	Results of Meeting
30/11/2011	Chairman's Address to Shareholders
30/11/2011	Chairman's Address to Shareholders
15/11/2011	Change in substantial holding from CAM
03/11/2011	Notice of Annual General Meeting/Proxy Form
21/10/2011	Market Update
11/10/2011	Company Secretary Appointment/Resignation
10/10/2011	Change of Director's Interest Notice
10/10/2011	Change of Director's Interest Notice
05/10/2011	Appendix 3B – Allotment of Mandatorily Converting Notes
04/10/2011	Change in substantial holding from CIW
04/10/2011	CIW: In specie distribution of MLC shares to CIW shareholders

If investors require any further information in relation to Mothercare, the Directors recommend that they take advantage of the ability to inspect or obtain copies of the documents referred to above. Requests for copies of the above documents should be made to Mothercare's Company Secretary on telephone + 61 2 9332 9900.

#### **4.2 Information excluded from continuous disclosure notice**

Other than as set out in this Cleansing Statement, there is no information about the New Mandatorily Converting Notes that has been excluded from a continuous disclosure notice in accordance the Listing Rules, which is information that investors would reasonably expect to be included in this Cleansing Statement.

#### **4.3 Consents**

Each of the parties referred to as consenting parties who are named below:

- (a) has given and has not, before the lodgement of this Cleansing Statement with ASX, withdrawn its written consent to be named in this Cleansing Statement in the form and context in which it is named;
- (b) has not made any statement in this Cleansing Statement or any statement on which a statement made in this Cleansing Statement is based; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Cleansing Statement, other than the reference to its name.

The following parties are consenting parties:

- PKF Chartered Accountants and Business Advisors; and
- the Trustee.

The Trustee:

- (a) has not made any statement or purported to make any statement in this Cleansing Statement or any statement on which a statement in this Cleansing Statement is based, other than as specified below;
- (b) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation or any statement regarding, and takes no responsibility for, any part of this Cleansing Statement, or any statements in, or omissions from the Cleansing Statement, other than the references to its name and the statement(s) and/or report(s) (if any) specified below and included in this Cleansing Statement with its written consent; and
- (c) has given and has not, before the lodgement of this Cleansing Statement with ASX, withdrawn its written consent:
  - (i) to be named in this Cleansing Statement in the form and context in which it is named; and
  - (ii) to the inclusion in this Cleansing Statement of the statement(s) and/or report(s) (if any) by that person in the form and context in which they appear in this Cleansing Statement.

## 5. DEFINED TERMS AND INTERPRETATION

### 5.1 Definitions

The following definitions apply in interpreting this Cleansing Statement, except where the context makes it clear that a definition is not intended to apply:

<b>ANZ</b>	means Australia and New Zealand Banking Group Limited ABN 11 005 357 522.
<b>ANZ Facility</b>	means the Secured Facility Agreement dated 14 December 2010 and amended by an Amendment Deed dated 31 August 2011 between the Guarantors as Borrowers and Initial Guarantors and ANZ as Financier.
<b>ANZ Security</b>	means a first ranking fixed and floating charge over all of the assets and undertaking of the Group.
<b>ASIC</b>	means Australian Securities & Investments Commission.
<b>ASX Settlement</b>	means the ASX Settlement Pty Limited (ABN 49 008 504 532), the body which administers the CHESS system in Australia.
<b>ASX Settlement Operating Rules</b>	means the operating rules of the settlement facility provided by ASX Settlement.
<b>ASX</b>	means ASX Limited ABN 98 008 624 691 or the market conducted by that company.
<b>Board</b>	means board of Directors of Mothercare.
<b>Business Day</b>	has the meaning given to that term in the Listing Rules.
<b>CHESS</b>	means the Clearing House Electronic Sub-register System established and operated by ASX Settlement for the clearing, settlement, transfer and registration of securities in Australia.
<b>Cleansing Statement</b>	means this cleansing statement to be lodged with ASX on 16 March 2012.
<b>Company or Mothercare</b>	means Mothercare Australia Limited ABN 26 60 199 082.
<b>Constitution</b>	means the Constitution of the Company.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Corporations Regulations</b>	means <i>Corporations Regulations 2001</i> (Cth).
<b>Director</b>	means a director of Mothercare.
<b>Group</b>	means the Company and its subsidiaries.

<b>Guarantors</b>	Mothercare, Skansen Pty Limited, A.C.N. 000 950 649 Pty Limited, BK World Online Pty. Limited, Skansen KCG Pty Limited and Baby on a Budget Pty Ltd.
<b>Intercreditor Deed</b>	means the Intercreditor Deed between the Guarantors, the Noteholder, the Trustee and ANZ dated 16 March 2012.
<b>Initial Notes</b>	means the mandatorily converting notes issued by the Company pursuant to a prospectus dated 1 September 2011.
<b>Listing Rules</b>	means the official listing rules of ASX.
<b>New Mandatorily Converting Notes</b>	means the secured mandatorily converting notes issued by the Company to the Noteholder pursuant to the Subscription Deed the terms of which are set out in section 2 of this Cleansing Statement.
<b>Noteholder</b>	means The Myer Family Company Holdings Pty Ltd ABN 32 004 116 296.
<b>Noteholder Security</b>	means a third ranking fixed and floating charge over all of the assets and undertaking of the Group.
<b>Prospectus</b>	means the prospectus issued by the Company dated 1 September 2011.
<b>Share</b>	means a fully paid ordinary share issued in the capital of Mothercare.
<b>Shareholder</b>	means a shareholder whose details appear on the Company's register of Shareholders from time to time.
<b>Subscription Deed</b>	means the subscription deed between Noteholder, the Company and each of the Guarantors dated 16 March 2012.
<b>Trust Deed</b>	means the Convertible Note Trust Deed between the Guarantors and the Trustee as amended by an Amending Deed – Convertible Note Trust Deed between the Noteholder, the Company and the Guarantors dated 16 March 2012.
<b>Trustee</b>	means Australian Executor Trustees Limited ACN 007 869 794.
<b>Trustee Security</b>	means a second ranking fixed and floating charge over all of the assets and undertaking of the Group.

## **5.2 Interpretation**

In this Cleansing Statement, unless the context otherwise requires:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any Company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a section is a reference to a section of this Cleansing Statement;
- (f) a reference to a statute, regulation, proclamation, ordinance, by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another government agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (g) headings and boldings are for convenience only and do not affect the interpretation in this Cleansing Statement;
- (h) a reference to time, unless otherwise stated, is a reference to Australian Eastern Time;
- (i) a reference to \$ or dollar is to Australian currency; and
- (j) a reference to writing includes email and facsimile transmissions.