

NOTICE TO NOTEHOLDERS ISSUED ON 29 MAY 2015

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (UNITED KINGDOM) IMMEDIATELY.

NOVION RE LIMITED

(FORMERLY COMMONWEALTH MANAGED INVESTMENTS LIMITED)
(ABN 33 084 098 180 and AFSL 235 384)

in its capacity as Responsible Entity of Novion Trust

(formerly CFS Retail Property Trust 1)
(ARSN 090 150 280)

Level 39, MLC Centre, 19 Martin Place
Sydney NSW 2000
Australia

(Incorporated under the laws of the Commonwealth of Australia)
(the **Issuer**)

NOTICE TO HOLDERS

of the
A\$300,000,000 5.75 per cent. Convertible Notes Due 2016
ISIN XS0641119812
of the Issuer presently outstanding
(the **Noteholders** and the **Notes** respectively)

We refer to the A\$300,000,000 5.75 per cent. Convertible Notes due 2016 issued by the Issuer constituted by the trust deed dated 4 July 2011 (as amended from time to time including on 30 June 2014) between The Bank of New York Mellon (the **Trustee**) and the Issuer (the **Trust Deed**) (containing the terms and conditions of the Notes (the **Conditions**)) constituting the Notes. As at the date of this Notice the aggregate principal amount outstanding of the Notes is A\$299,500,000.

All capitalised terms used but not defined herein shall have the meanings given to such terms in the Trust Deed.

BACKGROUND

We refer to the notice given by the Issuer dated 12 May 2015 in connection with the implementation agreement dated 3 February 2015 entered into between, amongst others, the Issuer (as part of Novion Property Group) and Federation Centres (the **Implementation Agreement**), pursuant to which Novion Property Group and Federation Centres agree to merge by way of Novion scheme of arrangement subject to certain conditions set forth in the Implementation Agreement.

NOTICE IS HEREBY GIVEN to the Noteholders that on 29 May 2015, the scheme of arrangement became unconditional in all respects and Federation Centres has acquired a relevant interest in more than 50 per cent. of the Novion Securities in issue. Therefore, a Change of Control Event has occurred on 29 May 2015 for the purposes of the Conditions of the Notes.

Noteholders may exercise their Conversion Rights pursuant to Condition 6(A)(i) of the Notes or as a result of the Change of Control Event may exercise their right to require redemption of their Notes pursuant to Condition 8(D) of the Notes.

ADJUSTMENT TO CONVERSION PRICE

Pursuant to Condition 6(C)(10) of the Notes, we hereby notify Noteholders that:

- (a) the Conversion Price in effect immediately prior to the Change of Control Event described herein was A\$2.40 per Novion Security;
- (b) the Change of Control Conversion Price applicable pursuant to Condition 6(C)(10) of the Notes during the Change of Control Event Period shall be A\$2.2625 per Novion Security;
- (c) the closing price of the Novion Securities as derived from the ASX as at 28 May 2015 (being the latest practicable date prior to the publication of this Notice) was A\$2.49; and
- (d) the first day of the Change of Control Event Period is 29 May 2015 and the last day of the Change of Control Event Period will be 29 June 2015.

Noteholders should be aware that the Change of Control Conversion Price specified in (b) above only applies to valid Conversion Notices received during the Change of Control Event Period.

If a Noteholder elects to exercise its Conversion Right within the Change of Control Event Period described herein, the Issuer intends to exercise its option (the **Cash Settlement Option**) under Condition 6(B)(vi) of the Notes by delivery to the Noteholder of a Cash Settlement Notice to pay to the relevant Noteholder an amount of cash in Australian dollars equal to the Cash Settlement Amount in order to satisfy such Conversion Right in respect of the entire amount of Novion Securities which would otherwise be issued on conversion of the Notes the subject of such Conversion Notice.

Pursuant to Condition 6(B) of the Notes, to exercise the above conversion right, the holder of the relevant Note must deposit at the specified office of any Paying, Transfer and Conversion Agent a duly completed and signed notice of conversion in duplicate, in the form for the time being current, obtainable from the specified office of each Agent (a **Conversion Notice**), together with the Global Certificate.

A Conversion Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent.

REDEMPTION AT THE OPTION OF NOTEHOLDERS

A Change of Control Event is a Relevant Event conferring upon Noteholders the right to require the Issuer to redeem some or all of the Notes at their Early Redemption Amount (100 per cent. of the principal amount of those Notes) together with accrued but unpaid interest under Condition 8(D) of the Notes. The first date on which Noteholders may exercise their right to require redemption of those Notes pursuant to Condition 8(D) of the Notes is 29 May 2015 and the last day will be 28 July 2015, and the Relevant Event Redemption Date will be 11 August 2015.

Pursuant to Condition 8(D) of the Notes, to exercise the above redemption right, the holder of the relevant Note must deposit at the specified office of any Paying, Transfer and Conversion Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying, Transfer and Conversion Agent), together with the Global Certificate. The Issuer shall redeem the Notes the subject of the Relevant Event Redemption Notice as aforesaid on 11 August 2015.

A Relevant Event Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent.

So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, the option referred to above may be exercised by the holder of the Global Certificate giving notice to the Principal Agent of the principal amount of Notes in respect of which the option is exercised and presenting the Global Certificate for endorsement of exercise within the period specified above.

This Notice is given by:

Novion RE Limited

(ABN 33 084 098 180)

in its capacity as Responsible Entity of Novion Trust

(ARSN 090 150 280)

Level 39, MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

Dated 29 May 2015

THE INFORMATION CONTAINED IN THIS NOTICE HAS BEEN ENTIRELY PREPARED BY THE ISSUER. NONE OF THE TRUSTEE OR AGENTS IS PROVIDING ANY TAXATION, LEGAL OR OTHER ADVICE REGARDING THE CONTENTS OF THIS NOTICE. NONE OF THE TRUSTEE OR THE AGENTS MAKES ANY RECOMMENDATION TO THE NOTEHOLDERS AS TO HOW TO EXERCISE THEIR RIGHTS UNDER THE NOTES AND THE TRUSTEE AND AGENTS RECOMMEND THAT NOTEHOLDERS SEEK THEIR OWN LEGAL, FINANCIAL, TAX AND OTHER SIMILAR ADVICE.

Contact details:

Trustee

THE BANK OF NEW YORK MELLON

One Canada Square
40th Floor, London E14 5AL
United Kingdom
Fax: +44 207 964 6369
Attention: Global Trust Services

Principal Agent

THE BANK OF NEW YORK MELLON

One Canada Square
40th Floor, London E14 5AL
United Kingdom
Fax: +44 207 964 6369
Attention: Global Trust Services

Registrar

THE BANK OF NEW YORK MELLON (LUXEMBOURG) S.A.

Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg
Fax: +352 24 524 204
Attention: New Issues Department

in the case of any notices or communications to any of the Trustee, the Principal Agent or the Registrar, with a copy to:

THE BANK OF NEW YORK MELLON

Level 2, 35 Clarence Street
Sydney NSW 2000
Australia
Fax: +612 9551 5009
Attention: Relationship Management Group