

AusGroup Limited

Summary of Principal Terms and Conditions of the
Consent Solicitation Statement dated 27 September 2018
in relation to the Series 001 S\$110,000,000 7.45% notes due 2016
(ISIN: SG6TF6000008) issued under the
S\$350,000,000 Multicurrency Debt Issuance Programme

Disclaimers

- This is a summary of the principal terms of the proposed amendments to the Trust Deed and the Notes. Noteholders should read this summary in conjunction with the Consent Solicitation Statement dated 27 September 2018 issued by AusGroup Limited (the “**Consent Solicitation Statement**”).
- The summary is for information only. If there are conflicts or inconsistencies in this presentation with the Consent Solicitation Statement, the provisions as contained in the Consent Solicitation Statement shall prevail.
- This summary and the Consent Solicitation Statement do not constitute or form part of, and should not be construed as, an offer for the sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities of AusGroup Limited or any other entity.

1. Summary of Proposal

Terms	Proposed Amended Terms
1 Maturity Date	<p>Fourth anniversary of the Effective Date</p> <p>Effective Date is defined as the date when the conditions precedent contained in 3rd Supplemental Trust Deed, including the Recapitalisation Conditions are satisfied</p>
2 Redemption of principal	<p>Cash instalment Option</p> <ul style="list-style-type: none"> i. Cash instalment: Minimum of S\$72,270 (30% of principal) per note ii. Cash Instalment Amount varies, depending on how many Notes are subject to Equity Redemption Payment Option iii. Remaining principal amount payable on Maturity Date <p><u>Or</u></p> <p>Equity Redemption Payment Option</p> <p>100% Equity redemption @ 4.2 cents per share (5,735,714 shares for each Note)</p>
3 Make Whole Premium	<p>S\$7,680.96 per Note to be paid on 22 October 2018 (i.e, before the proposed amended maturity date occurs)</p>

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4 Consent fee	<p>S\$500 per Note</p> <p>Deadline to be eligible to receive consent fee is 12 October 2018 at 5.00 p.m.</p>
5 Interest rate	<p>From the Effective Date:</p> <p>Year 1 – 5% p.a.</p> <p>Year 2 – 6% p.a.</p> <p>Years 3 to 4 – 7% p.a.</p> <p>Current interest rate continues to apply until the Effective Date</p>
6 Change in control	<p>AusGroup Limited shall redeem all the Notes at 101.0% of the outstanding Redemption Amount if any person(s) becomes the owner of more than 50% of AusGroup's shares.</p>

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7 Profit sharing	<p>50% of audited Consolidated Profit After Tax (excludes profits recognised on receipt of litigation settlement amount – see point 8 below) above AU\$10mil will be used to redeem (fully or partially) the outstanding principal</p> <p>(redemption only if sufficient to redeem at least S\$1,000 per Note)</p>
8 Litigation redemption	<p>50% of monies received in cash in excess of AU\$4mil will be used to redeem the outstanding principal</p> <p>(redemption only if funds received is sufficient to redeem at least S\$1,000 per Note)</p>
9 Rights Issue Redemption	<p>All amount in excess of S\$39mil raised from the Placement and Rights Issue will be used to redeem outstanding principal</p> <p>(redemption only if funds received is sufficient to redeem at least S\$1,000 per Note)</p>

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10 Financial and other covenants	<ul style="list-style-type: none"> i. Ratio of Consolidated Secured Debt to Consolidated Total Assets shall not at any time exceed 0.75:1 ii. Ratio of Consolidated EBITDA to Consolidated Interest Expense in respect of any Test Period shall not be less than 1.75:1 for that Test Period iii. AusGroup will not directly or indirectly pay dividends, repurchase stock or prepay subordinated debt iv. Maximum secured debt allowed under negative pledge is A\$60m (excluding bank guarantees)
11 Ezion Shareholder Loan	To extend Ezion shareholder loan to a maturity date no earlier than 31 October 2023 at interest rate of no more than 2.5% p.a.
12 Time frame for Sale of Port	If Port Assets have not been sold by 1 April 2021, to appoint a reputable independent investment bank or advisory firm to commence the process of selling the Port Assets and to establish a timetable to provide for the completion of such sale to occur no later than 1 April 2022.

2. Key Dates

Date and Time	Event
27 September 2018	Notice of Meeting given to Noteholders
12 October 2018, 5 p.m.	Consent Deadline – Latest time and date of Voting Instructions to vote in favour of the Extraordinary Resolutions in order to receive Consent Fee
17 October 2018, 10 a.m.	Expiration Time – Latest time and date for receipt of Voting Instructions and for Noteholders to request for a Voting Certificate.
19 October 2018, 10 a.m.	Meeting of Noteholders
On or around 19 October 2018	Execution of Third Supplemental Trust Deed
22 October 2018	Payment of <ul style="list-style-type: none"> <li data-bbox="721 1248 1031 1286">i. Consent Fee <li data-bbox="721 1290 1189 1329">ii. Make-Whole Premium