

## IMPORTANT NOTICE

**NOT FOR DISTRIBUTION INTO THE UNITED STATES, TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED BELOW) OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES**

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the Offering Circular included in this electronic distribution (“**Offering Circular**”). You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any amendments or supplements to the Offering Circular or other information as a result of such access.

**NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES AND THE GUARANTEES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.**

**YOU ARE NOT AUTHORISED TO, AND YOU MAY NOT, FORWARD OR DELIVER THE OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE THE OFFERING CIRCULAR IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, THE OFFERING CIRCULAR MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED AND PROHIBITED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.**

**IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE OFFERING CIRCULAR.**

**Confirmation of Your Representation:** You will only access the Offering Circular on the basis that you have confirmed to Pacific National Finance Pty Ltd (formerly known as Asciano Finance Limited) (the “**Issuer**”), Pacific National Holdings Pty Ltd (formerly known as Asciano Limited) and each of its subsidiaries named in the Offering Circular as Subsidiary Guarantors (together, the “**Guarantors**” and, together with the Issuer, the “**Obligors**” and each an “**Obligor**”), BNP Paribas (the “**Arranger**”), the Dealers (as defined in the Offering Circular) and the Agents (as defined in the Offering Circular) that (a) you and any customers you represent are non-U.S. persons eligible to purchase the securities outside the United States in an offshore transaction in reliance on Regulation S and that the electronic mail address that you gave the Issuer and to which this e-mail has been delivered is not located in the United States and (b) you consent to the delivery of the attached Offering Circular, any amendments or supplements to the Offering Circular and other information as a result of accessing the Offering Circular, by electronic transmission.

The Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted in electronic form may be altered or changed during the process of transmission and consequently none of the Obligors, the Arranger, the Dealers, the Agents nor any of their respective affiliates, directors, officers, employees, representatives, agents nor any person who controls an Obligor, the Arranger, a Dealer, an Agent or their respective affiliates accept any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version.

You are reminded that you have accessed the Offering Circular on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to deliver this Offering Circular, electronically or otherwise, to any other person.

**Actions That You May Not Take:** If you receive the Offering Circular by e-mail, you should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

The material relating to the offering does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Dealer(s) or any affiliate of the Dealer(s) is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealer(s) or such affiliate on behalf of the Issuer in such jurisdiction.

**You are responsible for protecting against viruses and other destructive items.** Your use of any form of electronic distribution is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



## Pacific National Finance Pty Ltd

(formerly known as Asciano Finance Limited)

(ABN 90 123 180 450, incorporated with limited liability in Australia)

### A\$5,000,000,000 Medium Term Note Programme

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

## Pacific National Holdings Pty Ltd

(formerly known as Asciano Limited)

(ABN 26 123 652 862, incorporated with limited liability in Australia)

### and certain subsidiaries of Pacific National Holdings Pty Ltd

Under the A\$5,000,000,000 Medium Term Note Programme (the “**Programme**”) described in this Offering Circular, Pacific National Finance Pty Ltd (formerly known as Asciano Finance Limited) (the “**Issuer**”) may from time to time issue notes in bearer form (“**Bearer Notes**”) or registered form (“**Registered Notes**”) (collectively, the “**Notes**”) denominated in any currency agreed between the Issuer and one or more relevant Dealers (as defined below), including uncertificated Registered Notes denominated in Australian Dollars (as defined below) issued pursuant to the Australian Note Deed Poll (“**AMTNs**”). The Notes will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 5) unsecured obligations of the Issuer and will rank at least equally with all existing and future direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except for those obligations mandatorily preferred by law.

The payment of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by Pacific National Holdings Pty Ltd (formerly known as Asciano Limited) (the “**Parent**”) and certain subsidiaries of the Parent as described in the section “*Description of the Subsidiary Guarantors*” (the “**Subsidiary Guarantors**”, together with the Parent, the “**Guarantors**”, and the Issuer and the Guarantors being together referred to as the “**Obligors**” and each an “**Obligor**”) pursuant to a Guarantee Deed Poll originally dated 2 September 2013 and as amended and restated under a Supplemental Guarantee Deed Poll dated 26 February 2019 (the “**Guarantee**”). The obligations of each Guarantor under the Guarantee will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 5) unsecured obligations of each Guarantor and will rank at least equally with all existing and future direct, unconditional, unsubordinated and unsecured obligations of each Guarantor, except for those obligations mandatorily preferred by law.

The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed A\$5,000,000,000 (or its equivalent in other currencies), subject to increase as described in this Offering Circular.

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

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

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and quotation of any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the official list of the SGX-ST (the “**Official List**”). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. Admission to the Official List and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Obligors, their subsidiaries, their associated companies, the Programme and/or the Notes. Notes may also be listed and/or admitted to trading or quotation on or by a stock exchange, listing authority or quotation system other than the SGX-ST. Unlisted Notes may also be issued pursuant to the Programme. The applicable Pricing Supplement (as defined in “*Terms and Conditions of the Notes*”) in respect of the issue of any Notes will specify whether such Notes will be listed (and, if so, on which stock exchanges the Notes are to be listed) or unlisted. The Notes must be traded in a minimum board lot size of S\$200,000 (or its equivalent in another currency) for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to other Notes or to any Obligor. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) or the securities laws of any State of the United States or any other jurisdiction. The Notes may include Bearer Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes and the Guarantees may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”) (see “*Subscription and Sale*”).

**Arranger and Dealer**

**BNP PARIBAS**

## IMPORTANT NOTICE

### Documents Incorporated by Reference

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

### Responsibility

The Issuer accepts responsibility for the information contained or incorporated by reference in this Offering Circular, and each Guarantor accepts responsibility for the information contained or incorporated by reference in this Offering Circular relating to itself and the Guarantee.

To the best of each Obligor’s knowledge after having made reasonable enquiries, this Offering Circular contains all information with respect to the Obligors (taken as a whole) and the Notes that are material in the context of the issue and offering of the Notes, the statements contained in it for which it accepts responsibility are in every material particular true and accurate and not misleading in any material respect, the opinions and intentions expressed by it in this Offering Circular are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts in relation to the Obligors (taken as a whole) or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Offering Circular misleading in any material respect.

The SGX-ST takes no responsibility for the contents of this Offering Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

### No independent verification

The information contained in this Offering Circular was obtained from the Obligors and no assurance can be given by the Arranger, a Dealer or any of The Bank of New York Mellon, London Branch (as fiscal agent, principal paying agent and (if specified in the applicable Pricing Supplement) calculation agent for Notes other than AMTNs), The Bank of New York Mellon SA/NV, Luxembourg Branch (as transfer agent and registrar for Registered Notes other than AMTNs) and BTA Institutional Services Australia Limited (as registrar and issuing and paying agent for AMTNs) (each an “**Agent**”) as to the accuracy or completeness of this information. None of the Arranger, the Dealers or the Agents has independently verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, a Dealer or an Agent as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Obligors (or any of them) in connection with the Programme.

### No authorisation

No person is or has been authorised by an Obligor, the Arranger, a Dealer or an Agent to give any information or to make any representation not contained in or consistent with this Offering Circular or any other information provided by the Obligors (or any of them) in connection with the Programme or any Notes (“**Obligor Information**”) and, if given or made, such information or representation must not be relied upon as having been authorised by an Obligor, the Arranger, a Dealer or an Agent.

## **Currency of information**

Neither the delivery of this Offering Circular or any Obligor Information, nor the offering, sale or delivery of any Notes, shall in any circumstances create any implication that there has been no change in the affairs of the Obligors or that there has been no adverse change in the financial position of the Obligors since the date of this Offering Circular or that the information contained in this Offering Circular or the Obligor Information is correct at any time subsequent to its date. None of the Arranger, the Dealers or the Agents undertakes to review the financial condition or affairs of any Obligor during the life of the Programme, or to advise any recipient of this Offering Circular or any Obligor Information or any information concerning the financial condition or affairs of any Obligor coming to their attention.

## **Investors must make their own evaluation of an investment in the Notes**

Neither this Offering Circular nor any Obligor Information:

- is intended to provide the basis of any credit or other evaluation, or
- is, or is intended to be, nor should it be considered as, a recommendation or a statement of opinion (or a report of either of those things) by an Obligor, the Arranger, a Dealer or an Agent that any recipient of this Offering Circular or any Obligor Information should subscribe for, purchase or otherwise deal in any Notes.

Each prospective investor contemplating subscribing for, purchasing or otherwise dealing in any Notes should determine for itself the relevance of the information contained in this Offering Circular and make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Obligors.

## **No offer**

Neither this Offering Circular nor any Obligor Information is intended to constitute, nor constitutes, an offer or invitation by or on behalf of an Obligor, the Arranger, a Dealer or an Agent to any person to subscribe for, purchase or otherwise deal in any Notes.

## **Distribution restrictions**

**THIS OFFERING CIRCULAR IS NOT FOR DISTRIBUTION INTO THE UNITED STATES, TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES.**

**THE NOTES AND THE GUARANTEE HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOT HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

The distribution of this Offering Circular or any Obligor Information may be restricted by law in certain jurisdictions.

None of the Obligors, the Arranger, the Dealers or the Agents represent that this Offering Circular or any Obligor Information may be lawfully distributed, or that any Notes may be lawfully offered, sold or delivered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an

exemption available under such requirements, or assume any responsibility for facilitating any such distribution, offering, sale or delivery. No action has been taken by an Obligor, the Arranger, a Dealer or an Agent which would permit a public offering of any Notes or distribution of this Offering Circular or any Obligor Information in any jurisdiction where action for that purpose is required.

In particular:

- this Offering Circular is not, and is not intended to be, a disclosure document within the meaning of the Corporations Act 2001 of Australia, as amended (“**Australian Corporations Act**”). No action has been taken by the Obligors that would permit a public offering of the Notes in Australia. It is not to be provided to any “**retail client**” as defined in section 761G of the Australian Corporations Act. None of the Obligors is licensed to provide financial product advice in respect of the Notes or the Guarantee. This Offering Circular has not been, and will not be, lodged with the Australian Securities and Investments Commission (“**ASIC**”);
- neither the Notes nor the guarantees of the Guarantors under the Guarantee have been, nor will be, registered under the Securities Act or the securities laws of any State of the United States or any other jurisdiction. The Notes may include Bearer Notes, which are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the United States or to, or for the account or benefit of, U.S. persons (see “*Subscription and Sale*”); and
- no Notes may be offered, sold or delivered, directly or indirectly, and neither this Offering Circular nor any Obligor Information or any advertisement or other offering material relating to the Programme or any Notes may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Persons into whose possession this Offering Circular, any Obligor Information or any Notes may come must inform themselves about, and observe, any restrictions under applicable law on the distribution of this Offering Circular, any Obligor Information or any advertisement or other offering material relating to the Programme or any Notes, and the offering and sale of, or the solicitation of an offer to buy, Notes. In particular, there are restrictions on such distribution, offer, sale and solicitation in Australia, the United States, the European Economic Area, the United Kingdom, New Zealand, Singapore, Japan and Hong Kong set out in “*Subscription and Sale*”.

## **MiFID II Product Governance / Target Market**

The Pricing Supplement in respect of any Notes may include a legend entitled “**MiFID II Product Governance**” which may outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

## **UK MiFIR Product Governance / Target Market**

The Pricing Supplement in respect of any Notes may include a legend entitled “**UK MiFIR Product Governance**” which may outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

## **PRIIPs Regulation – Prohibition of Sales to EEA Retail Investors**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of:

- a retail client as defined in point (11) of Article 4(1) of MiFID II;
- a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended or superseded, the “**Prospectus Regulation**”).

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## **UK PRIIPs Regulation – Prohibition of Sales to UK Retail Investors**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of:

- a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”);
- a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
- not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”).

Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

### **Singapore SFA Product Classification**

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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

Each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances. An investment in Notes involves certain risks. Each prospective investor should carefully consider the risk factors described under the section “*Risk Factors*”.

In particular, each prospective investor should:

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

A prospective investor should not invest in Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the prospective investor’s overall investment portfolio. Any prospective investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent:

- Notes are legal investments for it;

- Notes can be used as collateral for various types of borrowing; and
- other restrictions apply to its purchase or pledge of any Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules. None of the Obligors, the Arranger, the Dealers or the Agents makes any representation to any prospective investor in the Notes regarding the legality of its investment under any applicable laws.

## Definitions and financial years

In this Offering Circular, unless otherwise specified or unless the context otherwise requires, all references to “**Pacific National**” or “**Pacific National Group**” refer to, collectively, the Parent and the entities it controls, including the Issuer, for the purposes of Chapter 2M (Financial Reports and Audit) of the Australian Corporations Act and accounting standards made by the Australian Accounting Standards Board in accordance with that Chapter.

The Pacific National Group’s financial years end on 30 June of each year, with the next financial year beginning 1 July. In this Offering Circular, references to the “**2020 Financial Year**” are to the financial year ended 30 June 2020 and references to the “**2021 Financial Year**” are to the financial year ended 30 June 2021. References to the six months ended 31 December 2021 are for the first half of the 2022 financial year that will end on 30 June 2022. Earlier periods are referred to in a similar manner.

## Forward-Looking Statements

Certain statements contained in this Offering Circular, including those under the sections “*Risk Factors*”, “*Description of the Pacific National Group*”, and in the documents incorporated in this Offering Circular by reference (see “*Documents Incorporated by Reference*”), constitute “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believe”, “estimate”, “anticipate”, “intend”, “may”, “will” or “should” or in each case their negative, or other variations or comparable terminology. These statements are based on assumptions regarding the Pacific National Group’s present and future business strategy and the environment in which it expects to operate in the future. Such forward-looking statements involve risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Pacific National Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, among others, general economic and business conditions, industry trends, competition, changes in government regulation, currency fluctuations, changes in business strategy or development, political and economic uncertainty and other risks described in “*Risk Factors*”. There can be no assurance that the results and events contemplated by the forward-looking statements contained in this Offering Circular will, in fact, occur. Should one or more of these or other risks or uncertainties materialise, or should any underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. Prospective investors should therefore not place undue reliance on any of these forward-looking statements.

These forward-looking statements speak only as at the date of this Offering Circular (or the date of any document incorporated in this Offering Circular by reference - see “*Documents Incorporated by Reference*”). The Obligors do not undertake any obligation to release publicly or otherwise, any updates or revisions to these forward-looking statements to reflect events, conditions, assumptions, circumstances or unanticipated events occurring after the date of this Offering Circular or the date of any document incorporated in this Offering



Circular by reference (see “*Documents Incorporated by Reference*”), except as required by law or by any appropriate regulatory authority.

## References to currencies and certain terms

All references in this document to “**Australian Dollars**” or “**AS\$**” refer to the lawful currency of the Commonwealth of Australia, to “**U.S. Dollars**” or “**US\$**” refer to the lawful currency of United States of America, to “**euro**” and “**€**” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, to “**Sterling**” and “**£**” refer to pounds sterling as the lawful currency of the United Kingdom, to “**New Zealand Dollars**” or “**NZ\$**” refer to the lawful currency of New Zealand, to “**Singapore Dollars**” and “**S\$**” refer to the lawful currency of Singapore and to “**Japanese yen**” refer to the lawful currency of Japan.

In this Offering Circular, unless otherwise specified or unless the context otherwise requires, all references to the “**PRC**” means the People’s Republic of China (excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan).

## Stabilisation

In connection with the issue of any Tranche of Notes (other than AMTNs, or in circumstances where such action could reasonably be expected to affect the price of the Notes traded within Australia or on a financial market (as defined in the Australian Corporations Act) operated within Australia), the Dealer or Dealers (if any) named as the stabilisation manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) (the “**Stabilisation Manager(s)**”) in the applicable Pricing Supplement may, outside Australia and on a financial market operated outside Australia, over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail.

However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager(s) (or any person(s) acting on behalf of the Stabilisation Manager(s)) in accordance with all applicable laws and rules.

## Credit Ratings

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

Credit ratings are for distribution only to a person:

- who is not a “retail client” within the meaning of section 761G of the Australian Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Australian Corporations Act; and
- who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located.

Anyone who is not such a person is not entitled to receive this Offering Circular and anyone who receives this Offering Circular must not distribute it to any person who is not entitled to receive it.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and issued, or which are published or issued from time to time after the date of this Offering Circular, shall be incorporated in, and form part of, this Offering Circular:

- the most recently published full year financial reports of the Parent for each of the two preceding financial years (as at the date of this Offering Circular, being for the financial years ended 30 June 2020 and 30 June 2021) as filed by the Parent with the SGX-ST, including the directors' reports and audited consolidated annual financial statements for those financial years;
- if published later than the most recently published full year financial report of the Parent, the most recently published half-year financial report of the Parent for the preceding half-financial year as filed by the Parent with the SGX-ST, including the interim consolidated financial statements for the half-financial year; and
- each supplement or amendment to this Offering Circular issued by the Issuer from time to time.

This Offering Circular shall be read and construed on the basis that such documents are incorporated in, and form part of, this Offering Circular.

**Interpretation of documents incorporated by reference:** Documents expressed to be incorporated by reference above shall be incorporated in, and form part of, this Offering Circular, save that any statement contained in a document which is incorporated by reference in this Offering Circular shall be modified or superseded for the purpose of this Offering Circular to the extent that a later statement contained in, or incorporated by reference in, this Offering Circular modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular. Any information or other documents themselves incorporated by reference, either expressly or implicitly, in the documents incorporated by reference in this Offering Circular shall not be incorporated in, and form part of, this Offering Circular.

**Forward-Looking Statements:** The section entitled "Forward-Looking Statements" applies to any forward-looking statements contained in any document incorporated by reference in this Offering Circular.

**Copies of documents incorporated by reference:** The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents incorporated by reference in this Offering Circular, unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its office. Copies of documents incorporated by reference in this Offering Circular can also be obtained from the specified office of The Bank of New York Mellon, London Branch (as Principal Paying Agent). The Issuer or the Principal Paying Agent or the Australian Agent (as the case may be) may refuse to provide a copy of the Pricing Supplement for a Tranche of unlisted Notes to any person other than a Holder of such Notes. In addition,

- for so long as any Notes are listed on SGX-ST, copies of the audited consolidated annual financial statements, and the interim consolidated financial statements of the Parent deemed to be incorporated by reference in this Offering Circular may be obtained without charge from the website of the SGX-ST ([www.sgx.com](http://www.sgx.com)); and
- copies of any supplements to this Offering Circular, and of the Pricing Supplement(s) for each Series of Notes admitted to the Official List, will be available on the website of the SGX-ST ([www.sgx.com](http://www.sgx.com)).

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

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## OVERVIEW OF THE PROGRAMME

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

*Words and expressions not previously defined have the same meanings as in “Form of the Notes” and “Terms and Conditions of the Notes”.*

<b>Issuer</b>	Pacific National Finance Pty Ltd (formerly known as Asciano Finance Limited)
<b>Parent</b>	Pacific National Holdings Pty Ltd (formerly known as Asciano Limited)
<b>Guarantors</b>	<p>The payment of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by:</p> <p>(a) Pacific National Holdings Pty Ltd, as the Parent; and</p> <p>(b) certain Subsidiaries (as defined in Condition 4) of the Parent as described in the “<i>Description of the Subsidiary Guarantors</i>”, as the Subsidiary Guarantors,</p> <p>under the Guarantee. Other Subsidiaries of the Parent may become Subsidiary Guarantors in the circumstances set out in Condition 3.4. A Subsidiary Guarantor may be released from any obligation under the Guarantee without the consent of Holders (as defined in “<i>Terms and Conditions of the Notes</i>”) in the circumstances set out in Condition 3.5.</p>
<b>Risk Factors</b>	<p>There are certain factors that may affect the Issuer’s ability to fulfil its obligations under the Notes, or a Guarantor’s ability to fulfil its obligations under the Guarantee. These are set out under “<i>Risk Factors</i>”. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Notes. These are also set out under “<i>Risk Factors</i>”.</p>
<b>Description</b>	Medium Term Note Programme
<b>Arranger</b>	BNP Paribas
<b>Dealers</b>	BNP Paribas and any other Dealers appointed in accordance with the Programme Agreement from time to time.
<b>Agents</b>	<p>The Bank of New York Mellon, London Branch will act as Fiscal Agent, Principal Paying Agent and (if specified in the applicable Pricing Supplement) Calculation Agent (each as defined in the Conditions) for Notes (other than AMTNs).</p> <p>The Bank of New York Mellon SA/NV, Luxembourg Branch will act as Registrar (as defined in the Conditions) for Registered Notes (other than AMTNs).</p>

	BTA Institutional Services Australia Limited will act as registrar and issuing and paying agent (“ <b>Australian Agent</b> ”) for AMTNs.
<b>Programme Size</b>	Up to A\$5,000,000,000 (or its equivalent in other currencies) outstanding at any time. The Issuer may increase the amount of the Programme from time to time in accordance with the terms of the Programme Agreement.
<b>Method of issue</b>	<p>The Notes will be issued in series (each a “<b>Series</b>”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series.</p> <p>Each Series may be issued in one or more tranches (each a “<b>Tranche</b>”) on the same or different issue dates. The specific terms of each Tranche will be set out in the applicable Pricing Supplement.</p>
<b>Currencies</b>	Notes may be denominated in Australian Dollars, U.S. Dollars, euro, Sterling, New Zealand Dollars, Singapore Dollars, Japanese yen and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer(s).
<b>Currency restrictions</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”) including the following restrictions applicable at the date of this Offering Circular.
<b>Maturities</b>	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the currency in which the Notes are denominated.
<b>Issue Price</b>	<p>Notes will be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.</p> <p>The price and amount of Notes to be issued will be determined by the Issuer and each relevant Dealer at the time of issue having regard to prevailing market conditions.</p>
<b>Form of Notes</b>	<p>Each Series of Notes will be issued in the form of Bearer Notes (other than AMTNs) or Registered Notes (including AMTNs) as described in “<i>Form of the Notes</i>”, and as specified in the applicable Pricing Supplement.</p> <p>Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i>.</p> <p>AMTNs will be issued in registered uncertificated form only.</p>

The Issuer may agree with one or more relevant Dealers that Notes may be issued in a form not contemplated by this Offering Circular, as described in the applicable Pricing Supplement. In addition, in the case of such Notes intended to be listed on the SGX-ST (or admitted to trading or quotation on or by another stock exchange, listing authority or quotation system) and if required by the SGX-ST (or the relevant other stock exchange, listing authority or quotation system), a supplementary Offering Circular will be made available which will also describe the effect of the agreement reached in relation to such Notes.

#### **Fixed Rate Notes**

If Notes are specified in an applicable Pricing Supplement to be Fixed Rate Notes, fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

#### **Floating Rate Notes**

If Notes are specified in an applicable Pricing Supplement to be Floating Rate Notes, such Notes will bear interest at a rate determined (as specified in the applicable Pricing Supplement):

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

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

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

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

#### **Fixed/Floating Rate Notes**

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

#### **Zero Coupon Notes**

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

## **Benchmark Discontinuation**

If a Benchmark Event (as defined in Condition 6.2(h)(vii)) occurs in relation to an Original Reference Rate (as defined in Condition 6.2(h)(vii)) when any Rate of Interest (as determined in the manner specified in the applicable Pricing Supplement) (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser (as defined in Condition 6.2(h)(vii)) as soon as reasonably practicable, to determine a Successor Rate (as defined in Condition 6.2(h)(vii)), failing which an Alternative Rate (as defined in Condition 6.2(h)(vii)) and, in either case, an Adjustment Spread (as defined in Condition 6.2(h)(vii)) and any Benchmark Amendments (as defined in Condition 6.2(h)(vii)). If the Issuer is unable to appoint an Independent Adviser or the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest.

## **Redemption**

The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default (as defined in Condition 11.1)) or that such Notes will be redeemable at the option of the Issuer and/or the Holders upon giving notice to the Holders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

## **Denomination of Notes**

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer, save that:

- (a) the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the currency in which the Notes are denominated;
- (b) the minimum denomination for Notes admitted to trading on a regulated market in a Relevant Member State or offered to the public in a Relevant Member State will be €100,000 (or its equivalent in another currency as at the date of issue of the Notes);
- (c) in the case of Notes in respect of which the issue proceeds are to be accepted by the issuer in the United Kingdom or whose issue otherwise constitutes a contravention of



Section 19 of the Financial Services and Markets Act 2000 of the United Kingdom, as amended (“FSMA”) and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies); and

- (d) in the case of Notes issued in, or into, Australia:
  - (i) the aggregate consideration payable to the Issuer by each offeree must be at least A\$500,000 (or the equivalent in another currency and disregarding monies lent by the Issuer or its associates to the purchaser) or the issue must result from an offer or invitation for such Notes which otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Australian Corporations Act; and
  - (ii) the issue complies with all other applicable laws.

#### **Taxation**

Payments in respect of the Notes are subject to any applicable fiscal and other laws, treaties, regulations, directives, administrative practices and procedures and other requirements.

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any withholding and other taxes imposed by any Relevant Taxing Jurisdiction (as defined in Condition 9) in the manner provided in Condition 9.

In the event that any such withholding or deduction is required by law to be made, the Obligors will be required to pay additional amounts to cover the amounts so withheld or deducted (subject to the qualifications in Condition 9). No Obligor or Agent will be required to pay any additional amounts on account of any withholding or deduction arising under or in connection with FATCA (as defined in Condition 7.1).

#### **Negative Pledge**

The terms of the Notes will contain a negative pledge provision as further described in Condition 5.

#### **Cross Default**

The terms of the Notes will contain a cross default provision as further described in Condition 11.1(d).

#### **Status of the Notes**

The Notes will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 5) unsecured obligations of the Issuer and will rank at least equally with all existing and future direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except for those obligations mandatorily preferred by law.

#### **Master Deed of Covenant**

Holders of Notes (other than AMTNs) will have the benefit of a Master Deed of Covenant dated 2 September 2013 executed by the Issuer and as amended and restated on 26 February 2019 and as further amended and restated on 28 February 2020 (as modified, supplemented and/or restated from time to time, the “**Master Deed of Covenant**”).

**Australian Note Deed Poll**

Holders of AMTNs will have the benefit of an Australian Note Deed Poll dated 26 February 2019 executed by the Issuer (as modified, supplemented and/or restated from time to time, the “**Australian Note Deed Poll**”).

**Status of the Guarantee**

The obligations of each Guarantor under the Guarantee will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 5) unsecured obligation of each Guarantor and will rank at least equally with all existing and future direct, unconditional, unsubordinated and unsecured obligations of each Guarantor, except for those obligations mandatorily preferred by law.

**Rating**

Notes may be rated or unrated.

Where a Series of Notes is rated, its rating (as at the time of issue) will be specified in the applicable Pricing Supplement. The rating of one Series of Notes may not necessarily be the same as the rating assigned to another Series of Notes.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

**Listing and admission to trading**

Application has been made to the SGX-ST for the permission to deal in and quotation of any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the official list of the SGX-ST. If the application to the SGX-ST to list a particular Series of Notes is approved, such Notes listed on the SGX-ST must be traded on the SGX-ST in a board lot size of at least S\$200,000 (or its equivalent in another currency).

There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved.

The Issuer may apply for Notes to be admitted to listing, trading and/or quotation on or by a stock exchange, listing authority or quotation system other than the SGX-ST.

The Pricing Supplement relating to each issue of Notes will state whether such Notes are to be listed and, if so, on which stock exchange, listing authority or quotation system the Notes are to be admitted to listing, trading and/or quotation.

Unlisted Notes may also be issued.

**Prescription**

A claim for payment in respect of the Notes is void against the Issuer unless presented for payment within five years (in the case of principal) and three years (in the case of interest) of the due date for payment.

**Use of Proceeds**

The net proceeds from the issue of any Notes will be used by the Issuer for its general corporate purposes unless stated otherwise in the applicable Pricing Supplement.

## **Governing Law**

The Euro Agency Agreement (as defined in the Conditions), Master Deed of Covenant, Notes (other than AMTNs), Guarantee (as it applies to Notes other than AMTNs) and any non-contractual obligations arising out of, or in connection with them, are governed by, and shall be construed in accordance with, English law.

The Australian Agency Agreement, Australian Note Deed Poll, AMTNs and Guarantee (as it applies to AMTNs) are governed by the laws in force in Victoria, Australia.

## **Clearing Systems**

Notes may be lodged in the clearing systems (each a Clearing System) operated by:

- (a) Euroclear Bank SA/NV (“**Euroclear**”);
  - (b) Clearstream Banking S.A. (“**Clearstream, Luxembourg**”);
  - (c) Austraclear Ltd (“**Austraclear System**”),
- and/or any other clearing system, all as may be specified in the applicable Pricing Supplement. See “*Form of the Notes*”.

## **Distribution**

Subject to any applicable selling restrictions, see “*Subscription and Sale*”, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. No action has been taken by an Obligor, the Arranger, a Dealer or an Agent which is intended to permit a public offering of any Notes or distribution of this Offering Circular or any Obligor Information in any jurisdiction where action for that purpose is required. No Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any Obligor Information or advertisement or other offering material relating to the Programme or any Notes may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

## **Selling Restrictions**

Persons into whose possession this Offering Circular, any Obligor Information or any Notes may come must inform themselves about, and observe, any restrictions under applicable law on the distribution of this Offering Circular, any Obligor Information or any advertisement or other offering material relating to the Programme or any Notes, and the offering and sale of, or the solicitation of an offer to buy, Notes.

In particular, there are restrictions on the offer, sale and transfer of the Notes in Australia, the United States, the European Economic Area, the United Kingdom, New Zealand, Singapore, Japan and Hong Kong set out in “*Subscription and Sale*”.

Other restrictions in connection with the offering and sale of a particular Tranche of Notes may be specified in the applicable Pricing Supplement.

**United States Selling Restrictions**

Regulation S, Category 2.

TEFRA applicable or not applicable, as specified in the applicable Pricing Supplement.

## RISK FACTORS

*Each Obligor believes that the following factors may affect its ability to fulfil its obligations in respect of Notes issued under the Programme. All of these factors are contingencies which may or may not occur and none of the Obligors are in a position to express a view on the likelihood of any such contingency occurring.*

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

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

### **Factors that may affect an Obligor's ability to fulfil their obligations in respect of Notes issued under the Programme**

The key business risks that the Pacific National Group faces are set out below.

The operating results and financial position of the Pacific National Group may be adversely impacted by these and other risks, which may adversely affect the ability of the Obligors to pay principal, interest and other amounts under the Notes or the Guarantee when due, and the ability of the Obligors to fulfil their other obligations under the terms and conditions of the Notes and the Guarantee.

### **Risks and challenges facing the Pacific National Group as a whole**

***The Pacific National Group's business, results of operations, financial performance, financial position and/or future prospects may be adversely affected by the outbreak, or threatened outbreak, of COVID-19 and/or any other severe communicable disease***

The Pacific National Group's business is subject to general economic and social conditions. The outbreak, or threatened outbreak, of any severe communicable disease could materially and adversely affect supply chains, demand and business sentiment, and the overall business environment.

The outbreak in late 2019 of a novel strain of coronavirus ("COVID-19"), which was declared a pandemic by the World Health Organisation on 11 March 2020 and is ongoing at the date of this Offering Circular, has resulted in adverse impacts to supply chains, demand, and the political, socio-economic and financial situation both in Australia and globally. As of the date of this Offering Circular, the operations of the Pacific National Group have been adversely impacted, to an extent, by regional, national and global economic COVID-19 imposed shutdowns that have impacted suppliers, customers and counterparties. During the COVID-19 pandemic, rail freight was classified as an 'essential service' by various Australian State and Territory governments and, as a result, the Pacific National Group's rail services have continued to operate during the COVID-19 pandemic, albeit sometimes at reduced frequency, with the implementation of additional health and hygiene protocols in its operations. However, given the uncertainties as to the development of the COVID-19 pandemic including the emergence of new variants such as the 'Omicron' variant which became known in Australia in late 2021, it is difficult to predict how long these conditions will exist and the extent to which the Pacific National Group's business, results of operations, financial performance, financial position and/or future prospects may be impacted.

Strict health and travel changes were implemented during 2020 at all Pacific National Group sites to reduce the spread of COVID-19 and remained in place during 2021 which, as at the date of this Offering Circular, are in line with the relevant State health orders. Such changes have resulted in the deferral of some non-critical activities. Efforts to minimise entry into Pacific National Group sites, offices and facilities may lead to a disruption of business operations if prolonged. Actual or suspected contraction of COVID-19 or a severe communicable disease by employees or contractors, could require the Pacific National Group to quarantine some employees and/or disinfect the facilities used for operations. The occurrence of such events could lead to additional costs. There can be no assurance that any precautionary measures taken against infectious diseases would be effective. The ongoing COVID-19 pandemic and/or a future outbreak of a severe communicable disease or any other serious public health concerns in Australia or elsewhere, and the impact of any governmental restrictions, directives and/or orders that may be imposed as a result, could adversely affect the Pacific National Group's business, results of operations, financial performance, financial position and/or future prospects.

The spread of any severe communicable disease in Australia may also affect the operations of the Pacific National Group's customers and suppliers, which could materially and adversely affect the Pacific National Group's business, results of operations, financial performance, financial position and/or future prospects.

***The demand for Pacific National Group's services and the corresponding impact on the group's financial position, financial results and operations may be materially affected by the global economy, geopolitical events and global demand for the commodities it hauls including coal, grain and steel***

The Pacific National Group's activities and results are substantially affected by global economic activity, in particular, growth in emerging markets (including India and the PRC) and the impact on demand for Australian coal and other exports. An extended slowdown, worsening financial markets or economic conditions in emerging markets and the broader global economy may in turn adversely affect the ability of the Pacific National Group's customers to meet take-or-pay obligations.

In addition, geopolitical events (for example, a change in the relationship between Australia and the PRC or other trading partners) may affect the supply, demand, price and, consequently, the volume of the commodities the Pacific National Group hauls and therefore the Pacific National Group's financial performance. Such geopolitical events may also introduce greater uncertainty with respect to issues requiring global co-ordination (such as climate change, trade agreements, tax regulation and technology regulation), as well as raise questions on the efficacy of and trust in international institutions, including those that underpin international trade. These types of changes may result in decreased demand for the Pacific National Group's haulage services, or may result in additional costs or regulations upon the Pacific National Group's business operations.

Any of these factors could have a material adverse effect on the Pacific National Group's financial performance, increase its exchange rate risk and negatively affect its profitability and cash flow.

***The Pacific National Group faces competition from existing freight rail service providers, new entrants and alternative forms of transport***

The freight rail services industry in Australia is a competitive industry. The principal competitive factors include price, quality of service, safety track record, reputation of operators, the quality as well as the availability of the type of freight and coal services required by the customers. Any actions by the Pacific National Group's existing or new competitors to offer their services at a lower cost or engage in aggressive pricing in order to increase their market share may result in the loss of major customers by the Pacific National Group. The Pacific National Group may, therefore, have to provide more competitive pricing in order to attract new customers and retain its existing customers. A reduction in the Pacific National Group's pricing without any corresponding cost reduction could materially and adversely affect its profitability and financial position. As a result, there can be no assurance that the Pacific National Group will be able to compete successfully against its existing

competitors as well as new market entrants and alternative forms of transport, such as road or sea in the future. If the Pacific National Group fails to remain competitive it may adversely affect its business and growth, which could have a material adverse impact on its results of operations and financial position.

***The Pacific National Group's business is subject to significant operational risks***

The Pacific National Group's business relies on its active locomotives and active wagons being operationally available as well as access to rail, port, terminal and related infrastructure across Australia. Its operations could be affected by equipment or infrastructure failures, accidents, fuel supply shortages, natural disasters and security incidents resulting in major equipment and power failures, collisions and derailments, which in turn will interrupt or prevent the operation of coal or freight services. In addition, the Pacific National Group may be subject to infrastructure capacity constraints and disruptions caused by the failure of critical information technology platforms and support, including by way of security or data breaches and/or a lack of investment as critical information technology platforms change, which may result in delays or failure to achieve performance targets, and which could in turn lead to reputational issues. If any of these events occur, its operations and financial position may be materially and adversely affected.

There can be no assurance that the Pacific National Group's active locomotives and active wagons will achieve the returns expected from them due to technical risks, unforeseen operational problems, unexpectedly high operating costs, additional capital expenditure, penalty payments, accidents including those caused by human error, weather conditions, faulty construction and other risks outside of its control.

***The Pacific National Group's operations are exposed to floods, cyclones, bushfires and other natural disasters***

As a result of global climate changes, extreme weather events (for example, floods, storms and heatwaves) of increasing intensity and frequency are predicted. Extreme weather events may adversely impact the Pacific National Group's facilities and/or result in the temporary suspension of the Pacific National Group's operations, which may have an adverse effect on Pacific National Group's operations and financial performance. See also "Description of the Pacific National Group – Recent Significant Developments – East West Rail Corridor Flooding Event".

***The Pacific National Group faces risks associated with renewable energy, climate change and climatic conditions***

The continued focus in Australia and globally on the expansion of renewable and lower emission energy alternatives could reduce the demand for thermal coal over time. This could negatively impact the demand for the Pacific National Group's services, the ability of its customers to meet their take-or-pay obligations and its revenue and financial position, results of operations and/or prospects.

***The Pacific National Group faces people and safety risks***

Poor work practices resulting in fatalities (for example, a train driver working for the Pacific National Group was fatally injured as a result of a collision in December 2019), derailments and/or serious injuries to employees, contractors and other third parties, or a failure to comply with necessary health and safety regulations or requirements, could result in fines, penalties, compensation for damages, costs (associated with the repair of tracks and damage to locomotives, wagons and freight), revocation of relevant operating licences and accreditations, poor staff morale, reputational damage and industrial action. In addition, any such incident could adversely impact the Pacific National Group's ability to meet its contractual and customer expectations as well as its ability to attract and retain key senior management and operational staff and potentially attract new business. Further, the Pacific National Group may from time to time be subject to health and safety audits by regulatory bodies, a consequence of which may be implementation of policy changes, licence conditions,

finances, penalties, compensation for damages, additional compliance costs, poor staff morale, reputational damage and industrial action.

***The Pacific National Group faces the risk of disruptive industrial relations actions***

The Pacific National Group has a partly unionised workforce that could expose it to labour activism and unrest, particularly when industrial agreements expire and are renegotiated. Labour activism and unrest could disrupt operations and adversely affect Pacific National Group's financial performance. While the Pacific National Group maintains a constructive relationship with its employees there can be no assurance that future strikes or other labour activism will not have a material adverse effect on Pacific National Group's operations, profits and financial position.

***The Pacific National Group's business is subject to compliance with and changes in government policy, investment decisions and regulation as well as changes in taxation or accounting standards***

Elements of the Pacific National Group are subject to a range of industry-specific and general legal and other regulatory controls. Any breach of such laws or regulations may affect the Pacific National Group's operational and financial performance and market reputation, through penalties, liabilities, restrictions on activities and compliance and other costs. It is also subject to the usual business risk, which is that there may be changes in government policies or regulations that may impact its operating practices as a result of, for example, changes to or revocation of its existing licences, permits, registrations and certifications that it requires in order to operate its business.

In addition, the Pacific National Group's ability to take advantage of future expansion opportunities in Australia may be limited by regulatory intervention on competition or foreign investment grounds. Infrastructure capacity constraints and disruptions caused by the failure to, or restrictions upon the Pacific National Group's ability to, invest in critical infrastructure to meet the requirements of the market may have a material adverse impact on its results of operations and financial position.

Changes in taxation law including income tax, goods and services tax or stamp duties or changes in the way tax laws are interpreted may adversely affect the Pacific National Group's profit. The Pacific National Group is also subject to the usual risk around changes in accounting standards made by the Australian Accounting Standards Board that may change the basis upon which the Pacific National Group reports its financial results. For example, the Pacific National Group early adopted the Australian Accounting Standards Board ("AASB") standard AASB 16 *Leases* with a date of initial application of 1 July 2018. This introduced new requirements for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The Pacific National Group's interim financial statements for the half year ended 31 December 2018 detailed the lease asset and lease liability recognised on 1 July 2018 and also included a reconciliation between the lease commitments disclosed in the Pacific National Group's financial statements for the year ended 30 June 2018 and the lease liability recognised as at 1 July 2018. There can be no assurance that any such changes in future will not have a material adverse impact on the Parent's financial statements in future periods.

***The Pacific National Group may be subject to environmental risks and liabilities***

The Pacific National Group is subject to environmental regulations pursuant to a variety of national, state and territory laws and regulations and international conventions. Compliance with such laws and regulations can require significant expenditure and a breach may result in the imposition of fines and penalties, which may be material to the Pacific National Group. With continued social and political focus on climate change risk, both nationally and internationally, environmental legislation is expected to continue to evolve in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Compliance with any such developments in environmental laws and regulations may result in a material increase in the Pacific National Group's costs of operating its fleet and



equipment or otherwise materially and adversely affect its financial position, results of operations and/or prospects.

***Effective execution of the Pacific National Group's strategy***

The Pacific National Group's failure to deliver on or to effectively execute its stated strategy or its failure to redefine its strategy to meet changing market conditions could result in a decline in financial position and a loss of earnings. In addition, the Pacific National Group may from time to time implement a reorganisation or restructure of its business. Any such reorganisation or restructure may result in increased administrative costs and may focus the time of the Pacific National Group's senior management away from its ordinary operations. This may impact the Pacific National Group's ability to execute its stated strategy, which may adversely affect its financial position, results of operations and/or prospects.

The Pacific National Group relies on senior management and key employees. The loss of the services of any such personnel may negatively affect the Pacific National Group's business and its ability to execute its stated strategy, which may influence future earnings and its ability to comply with financing arrangements.

***The Pacific National Group is exposed to risks relating to growth and expansion***

The Pacific National Group's future operating results will depend on its management's ability to manage its growth, which includes recruiting and retaining qualified employees, controlling costs and expanding its fleet of active locomotives and active wagons. As part of the Pacific National Group's future plans, it intends to expand its business, both geographically and operationally. Any such expansion carries with it inherent risks and uncertainties and requires significant management attention and company resources, which may not yield the results the Pacific National Group expects.

***The Pacific National Group is exposed to risks in connection with past and future acquisitions and joint ventures as well as strategic partnerships***

In the past, the Pacific National Group has acquired assets and businesses in order to expand its operations. Acquisitions, joint ventures, strategic partnerships and group company reorganisations entail risks resulting from the integration of employees, processes, technologies, and products. Such transactions may give rise to substantial administrative and other expenses, and may also be subject to regulatory oversight, governmental or other approvals (for example, the acquisition of the Acacia Ridge Intermodal Terminal in Brisbane, Queensland, was subject to legal proceedings by the Australian Competition & Consumer Commission which were eventually resolved in favour of the Pacific National Group on 8 December 2020, and was also subject to FIRB approval which was received on 2 February 2021, following which the acquisition completed in March 2021).

In the future the Pacific National Group may acquire assets or businesses, or enter into joint ventures or strategic partnerships, although it expects to do so in a targeted manner. There is no guarantee however that the Pacific National Group will be able to identify suitable assets or businesses and to acquire them or enter into joint ventures or strategic partnerships on favourable terms. There is also a risk that not all material risks in connection with any such acquisition or the establishment of a joint venture or strategic partnership will be identified in the due diligence process and will not be or could not be sufficiently taken into account in the decision to acquire an asset or business and in the purchase agreement, or the decision to enter into a joint venture and the joint venture agreement. These risks could materialise only after such acquisition has been completed or a joint venture or strategic partnership has been entered into, and may not be covered by the warranties in the purchase agreement or the joint venture agreement or by insurance policies, and may result in delays, increases in costs and expenses, disputes and/or proceedings, or other adverse consequences for the Pacific National Group. Any of these factors could have a material adverse effect on the Pacific National Group's business, financial position and results of operations.

### ***General market risk and Australian gross domestic product (“GDP”) growth***

The Pacific National Group’s business and operations of the Pacific National Group will be influenced by a number of general market risk factors including:

- domestic economic growth and domestic economic outlook, and the impact on demand for the movement of consumer goods across Australia;
- domestic construction cycle and the impact on the demand and movement of a range of building materials (including steel products) around the country;
- changes in economic conditions including inflation, recessions and interest rates;
- changes in Australian Government fiscal, monetary and regulatory policies; and
- population growth and its impact on demand for goods.

The Australian domestic economy is also affected to a significant extent by the economies of the United States, the European Union, the United Kingdom, Japan and the PRC. The economies of the United States, the United Kingdom and the European Union have been experiencing volatility in recent years. Moreover, any new military conflict or outbreak of contagious disease for which there is no known cure or vaccine might also adversely affect economic growth in Australia, the United States, the European Union, as well as the United Kingdom, Japan and the PRC. Adverse economic developments in the United States, the European Union, the United Kingdom, Japan and the PRC or elsewhere could have a material adverse effect on the Pacific National Group’s financial position and results of operations.

### ***The Pacific National Group faces counterparty credit risk***

The Pacific National Group faces counterparty credit risk, which is the risk of a loss being sustained by it as a result of payment default or non-performance by the counterparty with whom the Pacific National Group has contracted, including customers and financial counterparties. For example, customers may default on the settlement of contract invoices on agreed payment terms after the services have been provided, which could affect the timing and amount of the Pacific National Group’s future cash flows and earnings.

### ***The Pacific National Group faces financial markets and refinancing risk***

Continued uncertainty and contraction in the financial and credit markets may negatively impact the Pacific National Group’s ability to access additional debt financing on reasonable terms and will affect the Pacific National Group’s cost of borrowing, its ability to refinance existing indebtedness and to expand its business. A prolonged downturn in the credit markets may potentially impact its ability to access financial markets when required at a competitive cost of capital and cause the Pacific National Group to seek alternative sources of financing that are less attractive and may require it to adjust its business plan accordingly.

The strength of the Australian dollar against other major currencies, which in turn impacts coal mine viability and competitiveness may impact customer demand for Pacific National Group services.

In addition, the Pacific National Group may also be subject to the risk of fluctuating interest rates associated with its borrowings and its results of operations may be adversely affected if hedges are not effective to mitigate any such interest rate risks.

### ***The Pacific National Group’s financial position and results of operation may be adversely affected by its current and future debt levels and the contractual terms of its debt facilities***

The Pacific National Group’s ability to pay the principal and interest on its debt depends on the future performance of its business which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors, many of which are beyond its control. The Pacific National Group’s

historical financial results have been, and it is anticipated that the Pacific National Group's future financial results will continue to be, subject to fluctuations. The Pacific National Group's business may not generate sufficient cash flow from its operations to enable it to satisfy its debt and other obligations.

In addition, the Pacific National Group may not have sufficient future financing facilities to enable it to repay its debt, including the Notes and the amounts outstanding under its financing arrangements, or to fund other liquidity needs. If the Pacific National Group is unable to meet its debt service obligations or fund other liquidity needs, it may attempt to restructure or refinance its debt or seek additional equity capital (including hybrid equity capital) or it may be required to sell assets. These financing transactions could occur at times or on terms that are disadvantageous to the Pacific National Group. Due to the terms of its other indebtedness, the Pacific National Group may not be able to restructure or refinance its debt on terms satisfactory to it.

The Pacific National Group has financial covenants in relation to certain debt facilities, including interest cover and leverage requirements. Factors such as a reduction in financial performance or cash flows or an increase in interest rates could lead to a breach in debt covenants. In such an event, the Pacific National Group's lenders may require their loans to be repaid immediately.

Other non-financial covenants relate to change of control events. In the event a change of control occurs, a review event in some facilities may be triggered and may result in debt becoming immediately due for payment.

The Pacific National Group's financial position and results of operation may be adversely affected by debt repayment requirements.

***The Pacific National Group may have inadequate insurance coverage***

The operation of the Pacific National Group's business involves inherent risks such as death or injury to personnel and third parties, damage to and loss of locomotives, wagons and cargo sustained in accidents or collisions, property loss and interruptions to operations caused by adverse weather and environmental conditions, mechanical failures, operator negligence and errors.

The occurrence of any of these events may result in damage to or loss of the Pacific National Group's active locomotives and active wagons or other property and injury to personnel on board. Such occurrences may also result in a significant increase in operating costs or liabilities to third parties. Any such events may disrupt the Pacific National Group's business and lead to a reduction in revenue, profits and increase its cost of operations, as well as reputational damage.

Although the Pacific National Group has insurance in place in respect of those inherent risks, it cannot assure investors that such insurance will be sufficient to cover losses or that such insurance will continue to be available on the same terms.

***The Pacific National Group is exposed to litigation risks***

The Pacific National Group may from time to time be subject to litigation and other claims or disputes in the ordinary course of its business, which may include but are not limited to commercial claims, contractual claims, customer claims, environmental claims, public liability matters, employee claims and health and safety claims.

To the extent claims exceed insurance levels or are not covered by the Pacific National Group's then prevailing insurance policies, such matters could adversely affect the Pacific National Group's financial results and its ability to comply with financial arrangements.

The Notes, and this Offering Circular, are governed by a complex series of legal documents and contracts. As a result, the risk of dispute or litigation over interpretation or enforceability of the documentation and contracts for such investments may be higher than for other types of investments.

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

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

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understands thoroughly the terms and conditions of the Notes and is familiar with the behaviour of financial markets; and
- is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent:

- Notes are legal investments for it;
- Notes can be used as collateral for various types of borrowing; and
- other restrictions apply to its purchase or pledge of any Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

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

A range of Notes may be issued under the Programme. Some of these Notes may have features which contain particular risks for prospective investors. Set out below is a description of the most common features and the risks relating to them.

### ***If the Issuer has the option to redeem any Notes, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return***

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

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

***If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned***

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

***Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates***

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

***Notes linked to “benchmarks” (including Floating Rate Notes)***

The Programme allows for the issuance of Notes that reference certain interest rates or other types of rates or indices which are deemed to be “benchmarks”, including the London Interbank Offered Rate (“LIBOR”), the Euro Interbank Offered Rate (“EURIBOR”) and the Bank Bill Swap Rate (“BBSW”), in particular with respect to certain floating rate Notes where the Reference Rate (as defined in the Conditions) may be LIBOR, EURIBOR, BBSW or another such benchmark. The Pricing Supplement for Notes will specify whether LIBOR, EURIBOR, BBSW or another such benchmark is applicable.

Benchmarks are the subject of ongoing national and international regulatory reform. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted.

For example, the UK Financial Conduct Authority (the “FCA”) has announced that after 2021 it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark and that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021 by the FCA. Subsequent speeches by the Chief Executive of the FCA and other FCA officials emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. On 5 March 2021, the FCA announced that:

- the publication of 24 LIBOR settings (as detailed in the FCA announcement) will cease immediately after 31 December 2021;
- the publication of the overnight and 12-month U.S. dollar LIBOR settings will cease immediately after 30 June 2023;

- immediately after 31 December 2021, the 1-month, 3-month and 6-month sterling LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consult on requiring the ICE Benchmark Administration Limited (the “**IBA**”) to continue to publish these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end 2021); and
- immediately after 30 June 2023, the 1-month, 3-month and 6-month U.S. dollar LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consider the case for using its proposed powers to require IBA to continue publishing these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end June 2023).

The elimination of any benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks:

- discouraging market participants from continuing to administer or contribute to the benchmark;
- triggering changes in the rules or methodologies used in the benchmark; or
- leading to the disappearance of the benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high-level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

The Conditions and the Euro Agency Agreement contain fallback provisions in the event that a Benchmark Event (as defined in the Conditions) occurs, including if the Original Reference Rate (as defined in the Conditions) ceases to be published for a period of at least five Business Days (as defined in the Conditions) or ceases to exist or if it has become unlawful for any Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Conditions) and, in either case, an Adjustment Spread (as defined in the Conditions) and any Benchmark Amendments. An Adjustment Spread, if applied, could be positive or negative. However, it may not be possible to determine or apply an Adjustment Spread and even if an adjustment is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to investors. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest. The use of a Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in any Notes linked to or referencing a benchmark performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, amongst other things, no Successor Rate or Alternative Rate is determined, the ultimate fallback for the purposes of calculation of (in the case of Floating Rate Notes (both as defined in the Conditions) the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for the Notes based on the rate which was last observed on the Relevant Screen Page (as specified in the Pricing Supplement). Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the benchmarks regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes linked to, or referencing, a benchmark.

### **Factors that may affect the enforceability of the Guarantees in respect of the Notes issued under the Programme**

#### ***Not all Subsidiaries of the Parent are Subsidiary Guarantors***

Notes will be structurally subordinated to the existing and future claims of the creditors of the Parent's Subsidiaries that are not a party to the Guarantee (other than to the extent provided under the Deed of Cross Guarantee dated 31 October 2007 (as amended) or any replacement guarantee issued for the purposes of ASIC Corporations (Wholly-owned Companies) Instrument 2016/785).

#### ***In the event that an Obligor becomes subject to insolvent external administration, that administration will be governed by Australian law and insolvency laws of Australia may differ from equivalent laws of another jurisdiction with which Noteholders may be familiar***

Australian insolvency laws are different from the insolvency laws of other jurisdictions. If an Obligor becomes insolvent, the treatment and ranking of Holders, other creditors of the Obligor and shareholders of the Obligor under Australian law may be different from the treatment and ranking of Holders, other creditors and shareholders if the Obligor was subject to the bankruptcy laws of other jurisdictions. In particular, in Australia some statutory claims by shareholders for breach of statutory requirements (like disclosure) can rank equally with claims of other creditors.

#### ***In certain circumstances Guarantors may be released from their obligations under the Guarantees***

A Guarantor will be released from liability under its Guarantee if it ceases to provide a guarantor under the terms of the Principal Financing Arrangement (as defined in the Conditions). In such circumstances, the released Guarantor shall cease to be a Guarantor and to be bound by, or have any obligations or liability under, the Guarantee, and all such obligations and liabilities will be discharged. The Parent has however acknowledged in the Guarantee that it shall not be released from the Guarantee or other obligations under it.

The members of the Pacific National Group that are required to act as Guarantors may be subject to amendment without the consent of the Noteholders.

#### ***The Group Members that are required to act as Subsidiary Guarantors may be subject to amendment without the consent of the Noteholders***

The Conditions provide that the Issuer and the Parent shall procure that any Group Member (as defined in the Conditions), which is not a Subsidiary Guarantor that provides a guarantee under the terms of the Principal Financing Arrangement, shall within 30 days accede to the Guarantee as a Subsidiary Guarantor by executing and delivering a Guarantor Accession Certificate (as defined in the Guarantee) to the Principal Paying Agent and the Australian Agent unless otherwise precluded by virtue of applicable law. The Conditions also provide that any Subsidiary Guarantor may be released at any time from its obligations under the Guarantee in accordance with Condition 3.5. Both accession and release of Subsidiary Guarantor mechanics are tied to the Principal Financing Arrangement which may be amended, replaced or substituted from time to time. Should the Principal Financing Arrangement be amended, replaced or substituted, it may be on terms less favourable to Noteholders in respect of Subsidiary Guarantor accession or release requirements as set out in Condition 3.

***Risks related to the enforceability of the Guarantees generally***

The enforceability of the Guarantees is subject to various limitations including:

- statutes of limitations, laws relating to administration, moratoria, bankruptcy, liquidation, insolvency, receivership, reorganisation, schemes of arrangement and similar laws affecting generally creditors' and counterparties' rights and specific court orders that may be made under such laws;
- defences such as set-off, laches, forbearance, election, abatement or counterclaim, the doctrine of frustration and the doctrine of estoppel and waiver and the fact that guarantees and certain other documents and obligations may be discharged as a matter of law in certain circumstances;
- the fact that equitable remedies will only be granted by a court in Australia in its discretion (for example, specific performance will not normally be ordered in respect of a monetary obligation and an injunction will only be granted where it would be just to do so);
- general law and statutory duties, obligations, prohibitions and limitations affecting the enforceability of, and exercise of rights under, guarantees generally; and
- the Guarantees or a transaction connected with the Guarantees may be voidable at the option of a party, or may be set aside by a court on application by a party, or a party may be entitled to rescind the Guarantees or a security interest and amounts paid or property transferred under it may be recovered by that party:
  - if that party entered into the Guarantees or transaction as a result of a mistake or another party's misrepresentation or as a result of fraud, duress or unreasonable or unconscionable conduct or misleading or deceptive conduct on the part of another party (or of a third person of which another party has actual or constructive knowledge) or as a result of a breach by another party (or of a third person of which another party has actual or constructive knowledge) of any duty owed to that party; or
  - if that party's entry into a Guarantee or a transaction in connection with it constitutes an 'insolvent transaction' or an 'unfair loan' or an 'unreasonable director-related transaction' within the meaning of sections 588FC or 588FD or 588FDA respectively of the Corporations Act and the party is subsequently wound up.

***Risks related to Notes and the Guarantees generally***

***Modification, waivers and substitution***

The Euro Agency Agreement and Australian Note Deed Poll contain provisions for calling meetings of Holders of Notes of a Series to consider matters affecting their interests generally. These provisions permit defined



majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

***The Bearer Notes may be represented by Global Notes and the Registered Notes may be represented by Global Certificates, and holders of a beneficial interest in a Global Note or a Global Certificate must rely on the procedures of the relevant clearing system(s)***

Bearer Notes may be represented by one or more Global Notes and Registered Notes may be represented by one or more Global Certificates. Such Global Notes and Global Certificates will be deposited with, or registered in the name of a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes or Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the relevant clearing systems.

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant clearing system(s) to receive payments under the relevant Notes. Neither the Issuer nor any Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued***

In relation to any issue of Bearer Notes which have denominations consisting of a minimum Specified Denomination (as specified in the applicable Pricing Supplement), plus one or more higher integral multiples of another smaller amount, it is possible that interests in such Notes may be traded through Clearing Systems in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant Clearing System at the relevant time may not receive a definitive Note in bearer form in respect of such holding (should definitive Notes be printed) and would need to purchase a nominal amount of Notes such that its holding amounts to the Specified Denomination. AMTNs will only be issued in a single denomination.

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

***The value of the Notes could be adversely affected by a change in law or administrative practice***

The Euro Agency Agreement, Master Deed of Covenant, Notes (other than AMTNs) and Guarantee (as it applies to Notes other than AMTNs) are based on English law, and the Australian Agency Agreement, Australian Note Deed Poll, AMTNs and Guarantee (as it applies to AMTNs) are based on the laws in force in Victoria, Australia in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law, Victorian law or the administrative practice of either of those laws after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

## **Risks related to the market generally**

### ***There is no established trading market for the Notes and one may not develop***

The Notes may have no established trading market when issued. There can be no assurance regarding the future development of a market for the Notes or the ability of Holders to sell their Notes or the price at which such Holders may be able to sell their Notes. If such a market were to develop, the Notes could trade at prices that may be lower than the initial offering price depending on many factors, including prevailing interest rates, the Pacific National Group's operating results and the market for similar securities. Therefore, there can be no assurance as to the liquidity of any trading market for the Notes or that an active market for the Notes will develop.

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

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

- the Investor's Currency equivalent yield on the Notes;
- the Investor's Currency-equivalent value of the principal payable on the Notes; and
- the Investor's Currency-equivalent market value of the Notes.

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

### ***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates***

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

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

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

## **Risks related to clearing systems**

### ***Where the Global Notes (as defined in "Form of the Notes") are lodged for clearance in and/or held by or on behalf of a Clearing System, investors will have to rely on the procedures of the relevant Clearing System for transfer, payment and communication with the Issuer***

Notes (other than uncertificated Registered Notes, including AMTNs) may be represented by one or more Global Notes. Such Global Notes may be deposited with a common depositary for one or more Clearing Systems ("**Common Depositary**"). Except in the circumstances described in the relevant Global Note,

investors will not be entitled to receive definitive Notes. Each Clearing System will maintain records of beneficial interests in, or rights in respect of, Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to transfer their beneficial interests in, or rights in respect of, a Global Note only through the relevant Clearing System.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under such Notes by making payments to or to the order of the Common Depositary for distribution to the account holders in the relevant Clearing System(s). A person holding a beneficial interest in, or rights in respect of, a Global Note must rely on the applicable rules, regulations and procedures of the relevant Clearing System to receive payments under the relevant Notes. The Obligors have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in, or rights in respect of, Global Notes.

A person holding a beneficial interest in, or rights in respect of, the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such persons will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

**Where the AMTNs are lodged with the Austraclear System, investors will have to rely on the procedures of Austraclear for transfers and payments**

AMTNs will be issued in registered certificated form. No certificate or other evidence of title will be issued in respect of any AMTN unless the Issuer determines that certificates should be available or it is required to do so pursuant to any applicable law or regulation. Any such certificate will be in such form as the Issuer and the Agent may agree. Title to any AMTNs is evidenced by entry in the Australian Register (as defined in Condition 1.6) and, in the event of a conflict, the Australian Register shall prevail (subject to correction for fraud or manifest or proven error).

The Issuer may procure that the AMTNs are lodged with the Austraclear System. On lodgement, Austraclear Ltd (“**Austraclear**”) will become the sole registered holder and legal owner of the AMTNs. Subject to the rules and regulations known as the “**Austraclear System Regulations**” established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System, participants of the Austraclear System (“**Austraclear Participants**”) may acquire rights against Austraclear in relation to those AMTNs as beneficial owners and Austraclear is required to deal with the AMTNs in accordance with the directions and instructions of the Austraclear Participants. Investors in AMTNs who are not Austraclear Participants would need to hold their interest in the relevant AMTNs through a nominee who is an Austraclear Participant. All payments by the Issuer in respect of AMTNs lodged with the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear System Regulations.

Where the AMTNs are lodged with the Austraclear System, any transfer of AMTNs will be subject to the Austraclear System Regulations. Secondary market sales of AMTNs cleared through the Austraclear System will be settled in accordance with the Austraclear System Regulations.

Austraclear Participants who acquire an interest in AMTNs lodged with the Austraclear System must look solely to Austraclear for their rights in relation to such Notes and will have no claim directly against the Issuer in respect of such AMTNs although under the Austraclear System Regulations, Austraclear may direct the Issuer to make payments direct to the relevant Austraclear Participants.

Where Austraclear is registered as the sole holder of any AMTN that is lodged with the Austraclear System, Austraclear may, where specified in the Austraclear System Regulations, transfer the AMTNs to the person in whose Security Record (as defined in the Austraclear System Regulations) those AMTNs are recorded and, as a consequence, remove those AMTNs from the Austraclear System.

## FORM OF THE NOTES

The Notes of each Series will be issued in bearer form (“**Bearer Notes**”) with or without interest coupons and talons for further coupons (if appropriate) attached, or registered form (“**Registered Notes**”) without interest coupons or talons attached, including uncertificated Registered Notes denominated in Australian Dollars and issued in the Australian domestic capital market (“**AMTNs**”), in each case as specified in the applicable Pricing Supplement.

### **Bearer Notes**

The following applies to Notes specified in the applicable Pricing Supplement to be in bearer form.

Each Tranche of Bearer Notes will be initially issued in the form of a temporary global note without interest coupons or talons attached (“**Temporary Global Note**”), which will be delivered on or prior to the original issue date of the Tranche to a Common Depositary (as specified in the applicable Pricing Supplement).

Bearer Notes will only be delivered outside the United States and its territories and possessions to non-U.S. persons.

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

On and after the date (“**Exchange Date**”) which is specified in the applicable Pricing Supplement, interests in a Temporary Global Note will be exchangeable (free of charge) upon a request as described in the Temporary Global Note for interests in a permanent global note without interest coupons or talons attached (“**Permanent Global Note**” and together with any Temporary Global Note, a “**Global Bearer Note**”) of the same Series against certification of non-U.S. beneficial ownership as described above, and when required, unless such certification has already been given. A person holding a beneficial interest in, or rights in respect of, a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note is improperly withheld or refused.

A Temporary Global Note may not be exchanged for definitive Bearer Notes.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made to the bearer of such Permanent Global Note through each relevant Clearing System against presentation or surrender (as the case may be) of the Permanent Global Note without any requirement for certification.

A Permanent Global Note will be exchangeable following the Exchange Date (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached either:

- (a) within 60 days following the written notice of a person holding a beneficial interest in, or rights in respect of, a Permanent Global Note of its election for such exchange delivered to the Principal Paying Agent; or
- (b) upon the occurrence of an Exchange Event.

For these purposes, “**Exchange Event**” means that:

- (i) an Event of Default has occurred and is continuing;
- (ii) the Issuer has been notified that the relevant Clearing System has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) after the relevant Issue Date or has announced an intention permanently to cease business or has in fact done so; or
- (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two directors of the Issuer is given to the Fiscal Agent (as defined in the Conditions).

Global Bearer Notes and definitive Bearer Notes will be authenticated (if applicable) and delivered by the Principal Paying Agent on behalf of the Issuer.

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

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

### **United States tax legends on Bearer Notes**

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

*“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED.”*

The sections referred to generally provide that U.S. persons (as defined for U.S. federal tax purposes), with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, interest coupons or talons and will not be entitled to capital gains treatment of any gain on any sale, other disposition, redemption or repayment of principal in respect of such Bearer Notes, interest coupons or talons.

### **Registered Notes (other than AMTNs)**

The following applies to Notes specified in the applicable Pricing Supplement to be in registered form.

Registered Notes (other than AMTNs) will be offered and sold in reliance on Regulation S to non-U.S. persons outside the United States and will initially be represented by a global note in registered form (“**Global Registered Note**” and, together with any Global Bearer Note, the “**Global Notes**”). Prior to expiry of the distribution compliance period (as defined in Regulation S), if any, applicable to each Tranche of Notes, beneficial interests in a Global Registered Note may not be offered or sold to, or for the account or benefit of,

a U.S. person save as otherwise provided in the Conditions and may not be held otherwise than through one or more Clearing Systems as specified in the applicable Pricing Supplement and such Global Registered Note will bear a legend regarding such restrictions on transfer.

Each Global Registered Note will be deposited with a Common Depositary (and/or registered in the name of, or the name of a nominee of, one or more Clearing System) as specified in the applicable Pricing Supplement. Persons holding beneficial interests in, or rights in respect of, a Global Registered Note will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Registered Notes in definitive form.

Interests in a Global Registered Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event (as defined above).

### **Direct rights under the Master Deed of Covenant**

A Note may be accelerated by the Holder in certain circumstances described in the Conditions. In such circumstances, where a Note is still represented by a Global Note and the Global Note (or any part of the Global Note) has become due and repayable in accordance with the Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note, then the Global Note will become void at 8.00 p.m. (London time) on such day.

At the same time, persons holding a beneficial interest in, or rights in respect of, such Global Note credited to their accounts with a relevant Clearing System will become entitled to proceed directly against the Issuer on the basis of statements of account provided by the Clearing System on, and subject to, the terms of the Master Deed of Covenant.

### **AMTNs**

The AMTNs will be in uncertificated registered form only, and constituted by the Australian Deed Poll.

On issue of any AMTNs, the Issuer may, as specified in the applicable Pricing Supplement, procure that the AMTNs are lodged in the Austraclear System. On lodgement, Austraclear will become the sole registered Holder and legal owner of the AMTNs. Subject to the Austraclear System Regulations, Austraclear Participants may acquire rights against Austraclear in relation to those AMTNs as beneficial owners and Austraclear is required to deal with the AMTNs in accordance with the directions and instructions of the Accountholders. Any prospective investors who are not Austraclear Participants would need to hold their interest in the relevant AMTNs through a nominee who is an Austraclear Participant. All payments by the Issuer in respect of AMTNs entered in the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear System Regulations.

On entry in the Austraclear System, interests in the AMTNs may be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the AMTNs in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear, while entitlements in respect of holdings of interests in the AMTNs in Clearstream, Luxembourg would be held in the Austraclear System by JP Morgan Nominees Australia Limited as nominee of Clearstream, Luxembourg.

The rights of a holder of interests in AMTNs held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations of Euroclear and Clearstream, Luxembourg, the arrangements between

Euroclear and Clearstream, Luxembourg and their respective nominees and the Austraclear System Regulations.

Any transfer of AMTNs will be subject to the Australian Corporations Act and the other requirements set out in the Conditions and, where the Notes are entered in the Austraclear System, the Austraclear System Regulations. Secondary market sales of AMTNs settled in the Austraclear System will be settled in accordance with the Austraclear System Regulations.

Austraclear Participants who acquire an interest in AMTNs entered in the Austraclear System must look solely to Austraclear for their rights in relation to such Notes and will have no claim directly against the Issuer in respect of such Notes although under the Austraclear System Regulations, Austraclear may direct the Issuer to make payments direct to the relevant Austraclear Participants.

Where Austraclear is registered as the Holder of any AMTNs that are lodged in the Austraclear System, Austraclear may, where specified in the Austraclear System Regulations, transfer the AMTNs to the person in whose Security Record (as defined in the Austraclear System Regulations) those AMTNs are recorded and, as a consequence, remove those AMTNs from the Austraclear System.

Potential investors should inform themselves of, and satisfy themselves with, the Austraclear Regulations and (where applicable) the rules of Euroclear and Clearstream, Luxembourg and the arrangements between the nominees in the Austraclear system.

### **Transfer of Interests**

Interests in Notes which are represented by a Global Note or are otherwise lodged for clearance in a Clearing System may, subject to compliance with all applicable restrictions, be transferred in accordance with the applicable rules, regulations and procedures of the relevant Clearing System.

### **General**

Prospective investors in the Notes should inform themselves of, and satisfy themselves with, the applicable rules, regulations and procedures of each Clearing System in which the Notes are lodged for clearance, and the arrangements between them and any participant in a relevant Clearing System.

Payments of principal, interest (if any) or any other amount in respect of the Notes will, in the absence of provision to the contrary, be made to the Holder (as defined in Condition 4). Holders of interests in such Notes through any clearing system must look solely to the relevant clearing system to receive payment. None of the Obligors or any Agent will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial interests in, or rights in respect of, a Note or for maintaining, supervising or reviewing any records relating to such beneficial interests or rights.

The Issuer will promptly give notice to Holders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, a relevant Clearing System (acting on the instructions of a person holding a beneficial interest in, or rights in respect of, such Global Registered Note) may give notice to the relevant Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) of the definition of such, the Issuer may also give notice to the relevant Agent requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the relevant Agent.

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

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a Paying Agent in Singapore (where such Notes may be presented or surrendered for payment or redemption) in the event that a Global Note representing such Notes is exchanged for definitive Notes. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the Paying Agent in Singapore, so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.



## FORM OF PRICING SUPPLEMENT

**[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET]** – *Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “MiFID II”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]*

**[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET]** – *Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]*

**PRIIPs REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**UK PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the “UK Prospectus Regulation”). Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering

or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SFA** – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]<sup>1</sup>

[Date]



**Pacific National Finance Pty Ltd**  
**(formerly known as Asciano Finance Limited)**  
*(ABN 90 123 180 450, incorporated with limited liability in Australia)*  
**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**  
**under the A\$5,000,000,000 Medium Term Note Programme**  
**unconditionally and irrevocably guaranteed on a joint and several basis by**

**Pacific National Holdings Pty Ltd**  
**(formerly known as Asciano Limited)**  
*(ABN 26 123 652 862, incorporated with limited liability in Australia)*  
**and certain subsidiaries of Pacific National Holdings Pty Ltd**

Terms used in this Pricing Supplement have the same meanings as in the Conditions set out in the Offering Circular dated 25 February 2022 (“Offering Circular”). This document contains the final terms of, and constitutes the applicable Pricing Supplement for, the above Notes and must be read in conjunction with the Offering Circular. [This Pricing Supplement, together with the information set out in the Schedule to this Pricing Supplement, supplements the Offering Circular and supersedes the information in the Offering Circular to the extent inconsistent with the information included therein.]

Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]*

- |   |                 |  |
|---|-----------------|--|
| 1 | (a) Issuer:     | Pacific National Finance Pty Ltd (formerly known as Asciano Finance Limited) |
|   | (b) Guarantors: | The Parent and each Subsidiary Guarantor, on a joint                         |

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<sup>1</sup> For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

- and several basis
- 2 (a) Series Number: *[insert number]*
- (b) Tranche Number: *[insert number]*
- [If fungible with an existing Series, insert details of that Series, including the date on which the Notes became fungible.]*
- 3 Specify Currency or Currencies: *[specify]*
- 4 Aggregate Nominal Amount:
- (a) Series: *[insert amount]*
- (b) Tranche: *[insert amount]*
- 5 Issue Price: *[insert percentage]* per cent. of the Aggregate Nominal Amount *[plus accrued interest from [insert date] [in the case of fungible issues only, if applicable]].*
- 6 (a) Specified Denomination(s): *[insert specified denomination(s)]*
- [The minimum denomination of each Note must be at least €100,000 (or, if the Notes are denominated in a currency other than euro, an equivalent minimum amount in such currency), unless the Issuer and the relevant Dealer otherwise agree a lower minimum denomination is appropriate and are satisfied that having a lower minimum denomination does not trigger a requirement for the publication of a prospectus under Regulation (EU) 2017/1129 (and amendments thereto, to the extent implemented in any relevant jurisdiction).]*
- [If the specified denomination is expressed to be €100,000 (or its equivalent in another currency) and multiples of a lower nominal amount (for example 61,000), insert the following:*
- “[€100,000] plus integral multiples of [€1,000] in excess of such amount up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”]*
- [Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in another currency).]*
- [If the Notes are AMTNs insert the following:*
- “Subject to the requirement that the amount payable by each person who subscribed for the Notes must be a least A\$500,000 (disregarding monies lent by the Issuer or its associates) or the offer or invitation does*

*not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act.”.]*

- (b) Calculation Amount: *[insert amount]*  
*[If only one Specified Denomination, insert the Specified Denomination.*  
*If more than one Specified Denomination, insert the highest common factor. There must be a common factor in the case of two or more Specified Denominations.]*
- 7 (a) Issue Date: *[insert date]*  
 (b) Interest Commencement Date: *[[insert date] / Issue Date / Not Applicable]*  
*[An Interest Commencement Date will not be relevant for Zero Coupon Notes.]*
- 8 Maturity Date: *[[insert date for Fixed Rate Notes] / [Interest Payment Date falling in [specify month for Floating Rate Notes]]]*
- 9 Interest Basis: *[[insert percentage for Fixed Rate Notes] per cent.]*  
*[[LIBOR / EURIBOR / insert other base rate] +/- [insert margin as a percentage for Floating Rate Notes] per cent.]*  
*[Specify details for Fixed/Floating Rate Interest Basis if applicable]*  
*[Zero Coupon Notes]*
- 10 Redemption / Payment Basis: *[Redemption at par / [specify other]]*
- 11 Change of Interest Basis or Redemption / Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*  
*[Not Applicable]*
- 12 Put / Call Options: *[Investor Put]*  
*[Issuer Call]*  
*[(See paragraphs [19 / 20] below)]*  
*[specify other]*  
*[Not Applicable]*
- 13 Method of distribution: *[Syndicated / Non-syndicated]*

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

- 14 Fixed Rate Note Provisions: *[Applicable / Not Applicable / Applicable in respect of the period from [the Interest Commencement Date] / [insert date]] to [insert date]]*  
*[If not applicable, delete the remaining subparagraphs of this paragraph).]*
- (a) Rate(s) of Interest: *[insert percentage] per cent. per annum [payable [annually / semi-annually / quarterly / [specify other]] in arrear on each Interest Payment Date].*

- (b) Interest Payment Date(s): *[insert date]* [and *[insert date]*] in each year up to and including the Maturity Date.  
*[This will need to be amended in the case of long or short coupons.]*
- (c) Fixed Coupon Amount(s): *[[insert amount] per Calculation Amount]* [Not Applicable]
- (d) Broken Amount(s): [In respect of the [Short/Long] [First/Final] Coupon, *[insert amount]* per Calculation Amount, payable on *[insert date for Fixed Rate Notes]* / [Interest Payment Date falling in *[specify month for Floating Rate Notes]*]] / Not Applicable]
- (e) Day count Fraction: [Actual/Actual (ICMA)]  
[30/360 or 360/360 or Bond Basis]  
[RBA Bond Basis]  
*[specify other]*
- (f) Determination Date(s) *[[insert date] in each year / Not Applicable]*  
*[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. This will need to be amended in the case of regular interest payment dates which are not of equal duration (only relevant where Day Count Fraction is Actual/Actual (ICMA)).]*
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None / Give details]
- 15 Floating Rate Note Provisions [Applicable / Not Applicable / [Applicable in respect of the period from [the Interest Commencement Date] / *[insert date]*] to *[insert date]*]  
*[If not applicable, delete the remaining subparagraphs of this paragraph 15).]*
- (a) Specified Period(s) / Specified Interest Payment Dates: *[specify]*
- (b) First Interest Payment Date: *[insert date]*
- (c) Business Day Convention: [Floating Rate Convention]  
[Following Business Day Convention]  
[Modified Following Business Day Convention]  
[Preceding Business Day Convention]  
*[specify other]*
- (d) Additional Business Centre(s): *[specify]*
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination]  
[ISDA Determination]  
*[specify other]*

- (f) Party responsible for calculating the Rate of Interest and Interest Amount: [The Bank of New York Mellon, London Branch, acting as the Calculation Agent / *[insert details]*]
- (g) Screen Rate Determination:
- Reference Rate: [LIBOR]  
[EURIBOR]  
*[specify other]*  
*[If other, insert any additional information which is required, e.g. fall-back provisions.]*
  - Interest Determination Date(s): *[insert date(s)]*  
*[Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET 2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR.]*
  - Relevant Screen Page: *[[insert details] / Not Applicable]*  
*[In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fall-back provisions appropriately.]*
- (h) ISDA Determination:
- Floating Rate Option: *[insert details]*
  - Designated Maturity: *[insert details]*
  - Reset Date: *[insert details]*
- (i) Margin(s) *[+/-] [insert margin as a percentage] per cent. per annum*  
*[In respect of the period from (and including) [the Interest Commencement Date] / [insert date]] to (but excluding) [insert date], [+/-] [insert margin as a percentage] per cent. per annum.]*
- (j) Minimum Rate of Interest: *[insert percentage] per cent. per annum*
- (k) Maximum Rate of Interest: *[insert percentage] per cent. per annum*
- (l) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/360]  
[30/360 or 360/360 or Bond Basis]  
[30E/360 or Eurobond Basis]  
[30E/360 (ISDA)]  
*[specify other]*
- (m) Fall-back provisions, rounding provisions and any other terms *[[insert details] / Not Applicable]*

relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:

- |    |  |  |
|----|--|--|
| 16 | Fixed / Floating Rate Interest Basis Provisions:                                 | [Applicable / Not Applicable]  |
|    | (a) First Interest Basis:  | [[Fixed Rate/Floating Rate] [in accordance with paragraph [15 / 16] above and Condition 6.3] |
|    | (b) Second Interest Basis:   | [[Fixed Rate/Floating Rate] [in accordance with paragraph [15 / 16] above and Condition 6.3] |
|    | (c) Interest Basis Conversion Date:  | [insert date]  |
| 17 | Zero Coupon Note Provisions:   | [Applicable / Not Applicable]  |
|    | (a) Accrual Yield:   | [insert percentage] per cent. per annum  |
|    | (b) Reference Price:   | [insert details]   |
|    | (c) Day Count Fraction in relation to Early Redemption Amounts and late payment: | [Conditions [8.5(c)] and [8.8] apply]  |

#### PROVISIONS RELATING TO REDEMPTION

- |    |  |  |
|----|--|--|
| 18 | Issuer Call:   | [Applicable / Not Applicable]                              |
|    | (a) Optional Redemption Date(s):   | [insert date(s)]   |
|    | (b) Optional Redemption Amount:  | [[insert amount] / [insert amount] per Calculation Amount] |
|    | (c) If redeemable in part:   |  |
|    | (i) Minimum Redemption Amount:   | [[insert amount] / [insert amount] per Calculation Amount] |
|    | (ii) Maximum Redemption Amount   | [[insert amount] / [insert amount] per Calculation Amount] |
| 19 | Investor Put:  | [Applicable / Not Applicable]                              |
|    | (a) Optional Redemption Date(s):   | [insert date(s)]   |
|    | (b) Optional Redemption Amount:  | [[insert amount] / [insert amount] per Calculation Amount] |
| 20 | Final Redemption Amount:   | [[insert amount] / [insert amount] per Calculation Amount] |
| 21 | Early Redemption Amount payable on redemption for taxation reasons or on event of default: | [[insert amount] per Calculation Amount]                   |

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- |    |                |  |
|----|----------------|--|
| 22 | Form of Notes: | [Bearer Notes]<br><br>[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes in the limited circumstances as |
|----|----------------|--|

described in “Form of the Notes” of the Offering Circular (including upon the occurrence of an Exchange Event))]

*[The exchange upon notice / at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: “[€100,000] plus integral multiples of [€1,000] in excess of such amount up to and including [€199,000].” Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by temporary Global Note exchangeable for Definitive Notes.]*

[Registered Notes: Global Registered Note ([insert amount] nominal amount) registered in the name of a common depositary for [Euroclear Bank SA/NV and Clearstream Banking S.A. / [specify Clearing Systems]] [exchangeable for Registered Notes in definitive form]]

[Registered Notes: The Notes are AMTNs as referred to in the Offering Circular and will be issued in registered certificated form, constituted by the [Australian Note Deed Poll] and take the form of entries on a register to be maintained by the Australian Agent (as defined below).]

[The Notes are AMTNs as referred to in the Offering Circular and will be issued in registered uncertificated form, constituted by the Australian Note Deed Poll and take the form of entries on the register to be maintained by the Australian Agent]

- |    |   |                                     |
|----|---|-------------------------------------|
| 23 | Additional Financial Centre(s) or other special provisions relating to Payment Days:                  | [Not Applicable / [insert details]] |
| 24 | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes and [insert date(s)] / No]     |
| 25 | Other terms or special conditions:  | [Not Applicable / [insert details]] |

#### **ADDITIONAL INFORMATION**

- |    |   |                                   |
|----|---|-----------------------------------|
| 26 | [Managers / Dealers]:                           |                                   |
|    | (a) If syndicated, names of Managers:           | [Not Applicable / [insert names]] |
|    | (b) Stabilisation Manager:                      | [Not Applicable / [insert names]] |
|    | (c) If non-syndicated, name of relevant Dealer: | [Not Applicable / [insert names]] |
| 27 | Listing and admission to trading:               | [Not Applicable]                  |



- [Application [has been / will be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the SGX-ST and listing on the Official List with effect from [insert date].]
- [Specify details of any other application for the Notes to be listed and/or admitted to trading or quotation on or by a stock exchange, listing authority or quotation system other than the SGX-ST.]
- 28      Ratings:
- [The Notes to be issued [have been/are expected to be] rated:
- [S&P Global Ratings Australia Pty. Ltd.: [insert details]]
- [Moody's Investors Service Inc.: [insert details]]
- [Fitch Ratings: [insert details]]
- [Not Applicable]
- [If credit ratings are included insert the following:
- "Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Australian Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Australian Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this document and anyone who receives this document must not distribute it to any person who is not entitled to receive it."*]
- 29      Operational information:
- (a)    ISIN: [insert details]
- (b)    Common Code: [insert details]
- (c)    Legal Entity Identifier (LEI): 213800SSTRDXLWWVF948
- (d)    Clearing System and the relevant identification number(s): [Euroclear and Clearstream, Luxembourg]
- [Austraclear System]
- [Not Applicable]
- [insert details]
- (e)    Delivery: Delivery [against / free of] payment
- (f)    Names and addresses of additional Paying Agent(s) (if any): [insert details/Not Applicable]
- (g)    Calculation Agent: [insert details/Not Applicable]
- 30      Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: Regulation S compliant, Category 2; [TEFRA D / TEFRA C / TEFRA not applicable]

[TEFRA only applicable in relation to Bearer Notes.]

31 Additional selling restrictions:

[Not Applicable / *specify*]

### Responsibility

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

SIGNED by )

)

as attorney for **PACIFIC NATIONAL** )

**FINANCE PTY LTD**

under power of attorney dated )

in the presence of: )

.....

Signature of witness

.....

Name of witness (block letters)

.....

By executing this agreement the attorney states that this agreement is not an “Excluded Document” as defined under the power of attorney nor has the attorney received notice of revocation of the power of attorney

## TERMS AND CONDITIONS OF THE NOTES

*The following (subject to completion in the applicable Pricing Supplement as defined below) are the terms and conditions (**Conditions**) of the Notes which (i) will be incorporated by reference into each Global Note (as defined below) and, if permitted by the Stock Exchange (as defined below), each definitive Note, and if not so permitted, will be attached to, endorsed on, each definitive Note, and (ii) will apply to AMTNs (as defined below).*

This Note is one of a Series (as defined below) of Notes issued by Pacific National Finance Pty Ltd (formerly known as Asciano Finance Limited) (the “**Issuer**”).

The final terms for this Note (or the relevant provisions of those terms) are set out in the Pricing Supplement incorporated by reference into, attached to, or endorsed on this Note which complete these terms and conditions (the “**Conditions**”). References to the “**applicable Pricing Supplement**” are to the Pricing Supplement (or the relevant provisions of the Pricing Supplement) incorporated by reference into, attached to, or endorsed on this Note.

References in these Conditions to the “**Parent**” shall be a reference to Pacific National Holdings Pty Ltd (formerly known as Asciano Limited). References in these Conditions to the “**Subsidiary Guarantors**” shall be references to those Subsidiaries of the Parent from time to time party to, and bound by, the Guarantee Deed Poll originally dated 2 September 2013 entered into by the Parent and the Subsidiary Guarantors named in it (as modified, supplemented and/or restated from time to time, most recently by the Supplemental Guarantee Deed Poll dated on or about 26 February 2019, the “**Guarantee**”). In these Conditions, the Subsidiary Guarantors and the Parent are together referred to as “**Guarantors**”, and the Issuer and the Guarantors are together referred to as “**Obligors**”.

References in these Conditions to the Notes shall be references to the Notes of the relevant Series and shall mean:

- (a) in relation to any Notes (other than AMTNs) represented by a Note in temporary or permanent global form (**Global Note**), units of each Specified Denomination in the Specified Currency (each as specified in the applicable Pricing Supplement);
- (b) any Global Note;
- (c) any definitive Notes issued in exchange for a Global Note; and
- (d) any Note in uncertificated registered form denominated in Australian dollars, being the lawful currency of the Commonwealth of Australia (“**Australian Dollars**”), and pursuant to the Australian Note Deed Poll (“**AMTNs**”).

The provisions of these Conditions relating to Notes in bearer form, Notes in definitive form, Coupons and Talons (each as defined below) do not apply to AMTNs.

The Notes (other than AMTNs), the Coupons and the Talons have the benefit (to the extent applicable) of an amended and restated Euro Agency Agreement dated on or about 28 February 2020 (as amended, supplemented and/or restated from time to time, the “**Euro Agency Agreement**”) and made between the Issuer, the Parent (for itself and as agent for the Subsidiary Guarantors) and The Bank of New York Mellon, London Branch, as fiscal agent, principal paying agent and calculation agent (“**Fiscal Agent**”, “**Principal Paying Agent**” and (if specified in the applicable Pricing Supplement) “**Calculation Agent**” respectively and each expression shall include any successor in that capacity) and The Bank of New York Mellon SA/NV, Luxembourg Branch (formerly known as The Bank of New York Mellon (Luxembourg) S.A.) as transfer agent and registrar (in both capacities, the “**Registrar**”, which expression shall include any successor in that the relevant capacity). The

AMTNs have the benefit of an Australian Agency and Registry Services Agreement dated 26 February 2019 (as amended, supplemented and/or restated from time to time, the “**Australian Agency Agreement**” and, together with the Euro Agency Agreement, the “**Agency Agreements**”) and made between the Issuer, the Parent (for itself and as agent for the Subsidiary Guarantors) and BTA Institutional Services Australia Limited as the Australian registrar and issuing and paying agent (the “**Australian Agent**”, which expression shall include any successor in that capacity and, together with the Principal Paying Agent and any additional paying agents, the “**Paying Agents**”).

The Holders (as defined in Condition 4, which expression includes the holders of Coupons and Talons) of Notes (other than AMTNs) will be entitled to the benefit of, bound by, the provisions of the amended and restated Master Deed of Covenant dated on or about 28 February 2020 executed by the Issuer (as modified, supplemented and/or restated from time to time, the “**Master Deed of Covenant**”). The original of the Master Deed of Covenant is held by a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”).

The AMTNs will be constituted by an Australian Note Deed Poll dated 26 February 2019 executed by the Issuer (as modified, supplemented and/or restated from time to time, the “**Australian Note Deed Poll**”) and the Holders of AMTNs will be entitled to the benefit of, bound by, the provisions of the Australian Note Deed Poll. The original of the Australian Note Deed Poll is held by the Australian Agent.

References in these Conditions to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer and the Principal Paying Agent (Euroclear, Clearstream, Luxembourg, the Austraclear System (as defined below) and any such additional or alternative clearing system, each a “**Clearing System**”).

Interest bearing definitive Notes have interest coupons (“**Coupons**”) and, if indicated in the applicable Pricing Supplement, talons for further Coupons (“**Talons**”) attached on issue. Any reference in these Conditions to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons. Global Notes do not have Coupons or Talons attached on issue.

As used in these Conditions, “**Tranche**” means Notes which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are:

- (a) expressed to be consolidated and form a single series; and
- (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Guarantee, Euro Agency Agreement and Master Deed of Covenant are available for inspection during normal business hours at the specified office of the Principal Paying Agent. Copies of the Guarantee, Australian Agency Agreement and Australian Note Deed Poll are available for inspection during normal business hours at the specified office of the Australian Agent. If required in connection with any legal proceedings, claims or actions brought by a Holder, the Issuer must procure that a certified copy of the Master Deed of Covenant or Australian Note Deed Poll is provided to such Holder within 14 days of a written request to the Issuer to so provide.

Copies of the applicable Pricing Supplement may also be obtained at the specified office of the Principal Paying Agent (in the case of Notes other than AMTNs) or the Australian Agent (in the case of AMTNs).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Guarantee, Agency Agreements, Master Deed of Covenant and Australian Note Deed Poll and Holders are

deemed to have notice of, and are entitled to the benefit of, all the provisions of each of those documents and the Pricing Supplement which are applicable to them.

Words and expressions defined in the Guarantee, Agency Agreements, Master Deed of Covenant and Australian Note Deed Poll, or used in the applicable Pricing Supplement, shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the:

- (a) the Master Deed of Covenant and the Euro Agency Agreement, the Master Deed of Covenant will prevail;
- (b) the Australian Note Deed Poll and the Australian Agency Agreement, the Australian Note Deed Poll will prevail; and
- (c) either Agency Agreement, the Master Deed of Covenant or the Australian Note Deed Poll and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

## **1 FORM, DENOMINATION, TITLE, TRANSFER AND EXCHANGE**

### **1.1 Form of Notes**

The Notes (other than AMTNs) may be issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), or in the case of AMTNs, registered uncertificated form as specified in the applicable Pricing Supplement.

Bearer Notes may not be exchanged for Registered Notes and vice versa.

### **1.2 Types of Notes**

Notes may be:

- (a) a Fixed Rate Note;
- (b) a Floating Rate Note;
- (c) a Fixed/Floating Rate Interest Basis Note;
- (d) a Zero Coupon Note; or
- (e) a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

### **1.3 Denomination**

Notes are in the Specified Currency and the Specified Denomination(s) specified in the applicable Pricing Supplement. Notes in definitive form are serially numbered. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and holders of Coupons in these Conditions are not applicable.

### **1.4 Title**

Subject as set out in these Conditions, title to Bearer Notes in definitive form and Coupons will pass by delivery and title to Registered Notes in definitive form will pass upon registration of transfers in the register which is kept by the Registrar in accordance with the provisions of the Euro Agency Agreement.

Subject to Condition 1.5, the Obligors and the relevant Agents will (except as otherwise required by law) deem and treat the bearer of any Bearer Note in definitive form or Coupon, and the registered holder of any Registered Note in definitive form as the absolute owner of the Note or Coupon (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft of the Note or Coupon) for all purposes.

Subject to Conditions 1.5, 1.6 and 1.7, Notes which are represented by a Global Note, or otherwise lodged for clearance or held in a Clearing System, will be transferable only in accordance with the applicable rules, regulations and procedures of the relevant Clearing System.

#### **1.5 Cleared Bearer Notes and Registered Notes (other than AMTNs)**

For so long as any Notes (other than AMTNs) are represented by a Global Note held on behalf of a Clearing System, each person (other than another Clearing System) who is for the time being shown in the records of the Clearing System as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by the Clearing System as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Obligors and the relevant Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note (if in bearer form), or the registered holder of the relevant Global Note (if in registered form, a **“Global Registered Note”**) shall be treated by the Obligors and the relevant Agents as the holder of such nominal amount of such Notes in accordance with, and subject to the terms of, the relevant Global Note and the expression **“Holder”** and related expressions shall be construed accordingly.

In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, an Obligor or Agent may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest or proven error, be conclusive and binding on all concerned.

#### **1.6 AMTNs**

In the case of AMTNs, the following provisions shall apply in lieu of the foregoing provisions of Condition 1 in the event of any inconsistency.

AMTNs will be debt obligations of the Issuer owing under the Australian Note Deed Poll and will take the form of entries in a register to be established and maintained by the Australian Agent in Sydney (the **“Australian Register”**) unless otherwise agreed with the Australian Agent pursuant to the Australian Agency Agreement. The Euro Agency Agreement is not applicable to the AMTNs.

AMTNs will not be serially numbered. Each entry in the Australian Register constitutes a separate and individual acknowledgement to the relevant Holder of the indebtedness of the Issuer to the relevant Holder. The obligations of the Issuer in respect of each AMTN constitute separate and independent obligations which the Holder is entitled to enforce in accordance with these Conditions and the Australian Note Deed Poll. No certificate or other evidence of title will be issued by or on behalf of the Issuer unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

No AMTN will be registered in the name of more than four persons. AMTNs registered in the name of more than one person are held by those persons as joint tenants. AMTNs will be registered by name only, without reference to any trusteeship and an entry in the Australian Register in relation to an AMTN constitutes conclusive evidence that the person so entered is the registered owner of such AMTN, subject to rectification for fraud or manifest or proven error.

Upon a person acquiring title to any AMTNs by virtue of becoming registered as the owner of that AMTN, all rights and entitlements arising by virtue of the Australian Note Deed Poll in respect of that AMTN vest absolutely in the registered owner of the AMTN, such that no person who has previously been registered as the owner of the AMTN has or is entitled to assert against an Obligor, the Australian Agent or the registered owner of the AMTN for the time being and from time to time any rights, benefits or entitlements in respect of the AMTN.

In respect of AMTNs, references to the relevant Clearing System shall be a reference to the clearing system operated by Austraclear Ltd (the “**Austraclear System**”). Where the AMTNs are lodged with the Austraclear System, any transfer of AMTNs must be in accordance with the rules and regulations for the time being established to govern the use of the Austraclear System (the “**Austraclear Regulations**”).

## **1.7 Transfers of Registered Notes**

- (a) **Transfers of interests in Global Registered Notes:** Transfers of beneficial interests in, or rights in respect of, Global Registered Notes will be effected by the relevant Clearing System and, in turn, by other participants and, if appropriate, indirect participants in such Clearing System acting on behalf of the transferors and transferees of such interests or rights.

If applicable, a beneficial interest in a Global Registered Note will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Registered Notes in definitive form, or for a beneficial interest in another Global Registered Note, only in the Specified Denominations set out in the applicable Pricing Supplement and in accordance with the rules, regulations and procedures for the time being of the relevant Clearing System and the requirements specified in the relevant Agency Agreement.

Transfers of a Global Registered Note registered in the name of a nominee for one or more Clearing Systems shall be limited to transfers of such Global Registered Note, in whole but not in part, to another nominee of the Clearing System(s), or a successor of the Clearing System(s) or such successor's nominee.

- (b) **Transfer of Registered Notes in definitive form (other than AMTNs):** This Condition 1.7(b) does not apply to AMTNs. Subject to Condition 1.7(h) and the requirements specified in the relevant Agency Agreement, one or more Registered Notes in definitive form may be transferred in whole or in part (in the Specified Denominations indicated in the applicable Pricing Supplement).

In order to effect any such transfer:

- (i) the Holder must:
- (A) surrender the Registered Note for registration of the transfer of such Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar, with the form of transfer on the Registered Note (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly executed by the Holder or by its attorney(s) duly authorised in writing; and
  - (B) complete and deposit with the Registrar such other certifications as may be required by the Registrar; and
- (ii) the Registrar must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the written request.

Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe. The regulations may be changed by the Issuer, with the prior written approval of the Registrar. A copy of the current regulations will be made available by the Registrar to any Holder upon request.

In the case of the transfer of part only of a Registered Note, a new Registered Note in definitive form in respect of the balance of the Registered Notes not transferred will be authenticated and delivered or (at the risk of the transferor) sent to the transferor. In the case of a transfer of Registered Notes to a person who is already a registered holder of Registered Notes, a new Registered Note in definitive form representing the enlarged holding shall only be issued against surrender of the Registered Note representing the existing holding.

- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes in definitive form:** In the case of an exercise of the Issuer or Holder option in respect of, or a partial redemption of, a holding of Registered Notes in definitive form, a new Registered Note shall be issued to the Holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Registered Notes in definitive form shall be issued in respect of those Registered Notes of that holding that have the same terms. New Registered Notes shall only be issued against surrender of the existing Registered Notes in definitive form to the Registrar.
- (d) **Delivery of new Registered Notes in definitive form:** Subject as provided above, the Registrar will, within five business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) of receipt of notice and the other required certifications and surrender of the Registered Note in definitive form for transfer, exercise or redemption (or such longer period as may be required to comply with any applicable fiscal and other laws, treaties, regulations, directives, administrative practices and procedures and other requirements), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or Holder or (at the risk of the transferee or Holder) send by uninsured mail, to such address as the transferee or Holder may request, a new Registered Note in definitive form.
- (e) **Transfers of AMTNs:** AMTNs may be transferred in whole but not in part. Unless lodged in the Austraclear System, the AMTNs will be transferable by duly completed and (if applicable) stamped transfer and acceptance forms in the form specified by, and obtainable from, the Australian Agent or by any other manner approved by the Issuer and the Australian Agent. Each transfer and acceptance form must be accompanied by such evidence (if any) as the Australian Agent may require to prove the title of the transferor or the transferor's right to transfer the AMTNs and be signed by both the transferor and the transferee.

AMTNs may only be transferred within, to or from Australia if:

- (i) the aggregate consideration payable by the transferee at the time of transfer is at least A\$500,000 (or its equivalent in any other currency and, in either case, disregarding moneys lent by the transferor or its associates) or the offer or invitation giving rise to the transfer otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia, as amended (the “**Australian Corporations Act**”);
- (ii) the transfer is not to a “retail client” for the purposes of section 761G of the Australian Corporations Act;



- (iii) the transfer is in compliance with all applicable laws, regulations or directives (including, without limitation, in the case of a transfer to or from Australia, the laws of the jurisdiction in which the transfer takes place); and
- (iv) in the case of a transfer between persons outside Australia, if a transfer and acceptance form is signed outside Australia.

AMTN's entered in the Austraclear System will be transferrable only in accordance with the Austraclear Regulations. While an AMTN is lodged in the Austraclear System neither the Issuer nor the Australian Agent will recognise any such interest other than the interest of Austraclear as the Noteholder.

A transfer to an unincorporated association is not permitted.

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

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

- (f) **Transfers Free of Charge:** Transfers of Notes and Registered Notes in definitive form shall be effected without charge by or on behalf of the Issuer, the Registrar or the Australian Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the Australian Agent may require).
- (g) **Closed Periods:** No Holder may require the transfer of a Registered Note (including AMTNs) to be registered by the Issuer, the Registrar or the Australian Agent:
  - (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 8.3;
  - (ii) after any such Note has been called for redemption; or
  - (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7.4 for Notes other than AMTNs and in Condition 7.7 for AMTNs).

## 2 STATUS AND RANKING OF THE NOTES

The Notes and Coupons constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 5) unsecured obligations of the Issuer and rank at least equally with all existing and future direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except for those obligations mandatorily preferred by law.

## 3 GUARANTEE

### 3.1 Guarantee

Pursuant to the Guarantee, the Guarantors have jointly and severally, guaranteed the due payment of all amounts expressed to be payable by the Issuer under or pursuant to the Notes.

### **3.2 Status and ranking of the Guarantee**

The obligations of each Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 5) unsecured obligation of each Guarantor and ranks at least equally with all existing and future direct, unconditional, unsubordinated and unsecured obligations of the Guarantor, except for those obligations mandatorily preferred by law.

Furthermore, each Guarantor shall be subrogated to all rights of each Holder against the Issuer in respect of any amounts paid to such Holder by such Guarantor pursuant to the provisions of the Guarantee. No Guarantor can enforce or receive payments based upon such subrogation right until all guaranteed obligations then due and payable have been paid in full in cash. If the Issuer pays an amount to a Guarantor, but does not pay amounts which are then due and payable to the Holders, then such Guarantor shall pay over to the relevant Holder all such amounts until the obligations in respect of the Notes guaranteed under the Guarantee are discharged in full and until such payments are made shall hold such money on trust for the benefit of Holders in an amount not exceeding such guaranteed obligations then outstanding. For the avoidance of doubt, this Condition 3.2 is not intended to create a security interest for the purposes of the Personal Property Securities Act 2009 of Australia, as amended, or any other applicable law.

### **3.3 Limitation of liability of Subsidiary Guarantor trustees**

A Subsidiary Guarantor may have entered into the Guarantee in its capacity as trustee of a trust (**Guarantor Trustee**). Any liability arising under or in connection with the Guarantee provided by each Guarantor Trustee can be enforced against each such Guarantor Trustee only to the extent that it can be satisfied out of the property of the trust for which it acts as trustee from which it is actually indemnified for the liability.

This limitation of liability of each Guarantor Trustee extends to all liabilities and obligations in any way connected with the Guarantee and any other representation, warranty, agreement or transaction related to the Guarantee or the Notes. A Guarantor Trustee is not entitled to indemnification out of the assets of the relevant trust if the Guarantor Trustee acts fraudulently, negligently or breaches its duty with respect to the relevant trust (whether or not such breach is in respect of the Guarantee of the Notes given by the Guarantor Trustee).

### **3.4 Springing Guarantee**

The Issuer and the Parent undertake that, so long as any Group Member which is not a Subsidiary Guarantor provides a guarantee under the terms of the Principal Financing Arrangement (as defined in Condition 4), then the Issuer and Parent shall procure that Group Member shall, within 30 days, accede to the Guarantee as a Subsidiary Guarantor by executing and delivering a Guarantor Accession Certificate (as defined in the Guarantee) to the Principal Paying Agent and the Australian Agent provided, however, that if such Group Member is precluded from becoming a Subsidiary Guarantor by virtue of applicable law, such Group Member shall not be required to become a Subsidiary Guarantor.

### **3.5 Release of Subsidiary Guarantor**

Any Subsidiary Guarantor may be released at any time from its obligations under the Guarantee and other obligation related to the Guarantee or the Notes without the consent of any Holder. The release of a Subsidiary Guarantor will occur at such time the Issuer delivers the following certificates to the Principal Paying Agent and the Australian Agent:

- (a) a certificate signed by an Authorised Officer of the Subsidiary Guarantor certifying that the Subsidiary Guarantor will not, upon release of its obligations under the Guarantee and other

obligation related to the Guarantee or the Notes and any other obligations released concurrently with such release, provide a guarantee under the terms of the Principal Financing Arrangement; and

- (b) a certificate signed by an Authorised Officer of the Issuer certifying that no Event of Default is continuing in respect of the Notes.

#### 4 DEFINITIONS

For the purposes of these Conditions:

**“Accounting Standards”** means accounting principles and practices applying by law or otherwise generally accepted in Australia, consistently applied.

**“Authorised Officer”** means, in relation to an Obligor:

- (a) any person who is:
  - (i) a chief financial officer, general counsel, treasurer or a group general manager; or
  - (ii) a director or company secretary,  
of the Pacific National Group; and
- (b) any other person appointed by such Obligor as an Authorised Officer for the purposes of the Programme.

**“Consolidated Total Assets”** means, at any time, the aggregate book value of all assets of the Parent and its Subsidiaries as reported (or would be reported) in the consolidated financial statements of the Parent at such time, but excluding any intangible assets, all as determined in accordance with Australian accounting standards (as defined in the Australian Corporations Act) as in effect from time to time.

**“Finance Debt”** means any monetary liability or indebtedness (whether present or future, actual or contingent) of that person for or in respect of financial accommodation including:

- (a) money borrowed or raised and debt balances at banks or financial institutions;
- (b) amounts raised under or in connection with any bill acceptance, endorsement or discounting arrangement;
- (c) amounts raised under or in connection with any bond, debenture, note, loan stock or similar instruments;
- (d) an indemnity obligation in respect of any guarantee, indemnity, bond or letter of credit or similar instrument issued by a financial institution but not in respect of any trade or other performance obligations;
- (e) its obligations as lessee under any lease or hire purchase contract which in accordance with the Accounting Standards would be treated as a finance or a capital lease;
- (f) any amount payable in connection with the redemption of any redeemable preference share issued by that person (except where the redemption is solely at the option of the issuer);
- (g) receivables sold or discounted (other than to the extent they are sold on a non-recourse basis);
- (h) any derivative contract which hedges currency, interest rate, commodity price or similar risk;
- (i) the acquisition cost of any asset to the extent payable more than 90 days after the later of delivery or commissioning;

- (j) amounts raised under any other transaction or series of transactions having the commercial effect of a borrowing and is required to be accounted for as a borrowing in accordance with the Accounting Standards; and
- (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above,

but excluding any Operating Lease and any obligation under a lease which is classified as an Operating Lease, to the extent such obligations become, as a result of any change to the Accounting Standards, Finance Debt or an interest-bearing liability of the Pacific National Group.

**“Group Member”** means a member of the Pacific National Group.

**“Holder”** means, subject to Condition 1.5 in relation to Notes (other than AMTNs) represented by a Global Note:

- (a) the bearer of any Bearer Note in definitive form or any Coupon;
- (b) the registered holder of any Registered Notes (other than AMTNs) in definitive form; and
- (c) the registered owner of any AMTNs.

**“Indebtedness”** means any indebtedness for money borrowed now or hereafter existing and any liabilities under any bond, note, bill, loan, stock or other security in each case issued for cash or in respect of acceptance credit facilities or as consideration for assets or services.

**“Insolvency Event”** means any of the following:

- (a) an application or order is made for the winding up or dissolution of a body corporate (unless, in the case of an application, it is dismissed, stayed, withdrawn or set aside within 60 Business Days of it being commenced or, in either case, for the purposes of a Permitted Reorganisation);
- (b) any corporate action, legal proceedings or other procedure or step is taken in relation to a resolution being passed or a resolution is passed (except where the action, proceeding or other procedure or step is frivolous or vexatious) for the winding up or dissolution of a body corporate (other than for the purpose of a Permitted Reorganisation);
- (c) a body corporate is wound up or dissolved or any corporate action, legal proceedings or other procedure or step is taken by a competent person to wind up or dissolve a body corporate (other than for the purpose of a Permitted Reorganisation);
- (d) an application or an order is made for the appointment of a liquidator or a provisional liquidator in respect of a body corporate (unless, in the case of an application, the application is frivolous or vexatious and the application is dismissed, stayed, withdrawn or set aside within 60 Business Days or otherwise for the purpose of a Permitted Reorganisation);
- (e) an official manager or administrator, trustee in bankruptcy or any similar official is appointed to a body corporate or any corporate action, legal proceedings or other procedure or step is taken in relation to such appointment or any of the assets of a body corporate (other than for the purpose of a Permitted Reorganisation);
- (f) a body corporate enters into or resolves to enter into any arrangement, composition or compromise with or assignment for the benefit of its creditors generally or any class of its creditors (other than for the purposes of a Permitted Reorganisation);

- (g) anything analogous, or having substantially similar effect, to any of the above occurs in relation to a body corporate in any jurisdiction under or in respect of any existing or future law; and
- (h) a body corporate:
  - (i) is presumed or deemed to be unable or admits inability to pay its debts as they fall due or suspends making payments on any of its debts generally; or
  - (ii) states that it is insolvent.

**“Lien”** means any mortgage, charge, pledge, lien or other security interest or other encumbrance or other security arrangement of any kind, whether or not filed, recorded or otherwise perfected under applicable law.

**“Material Indebtedness”** means any Indebtedness of any Group Member which in the aggregate has an aggregate principal amount outstanding greater than US\$50,000,000 or its equivalent in other currencies.

**“Non-Recourse Debt”** means any Project Debt if, and for so long as:

- (a) the person to whom the Project Debt is owed does not have recourse (whether by way of execution, set-off or otherwise) to:
  - (i) an Obligor or its assets; or
  - (ii) any other Group Member or its assets for the payment or repayment of the Project Debt other than to assets which the Lien (**“Project Securities”**) securing that Project Debt is a Lien in existence as at the Issue Date of a Tranche of Notes (that person, and any agent or trustee on that person’s behalf, being a **“Non-Recourse Financier”**);
- (b) the Non-Recourse Financier may not seek to wind up or place into administration, or pursue or make a claim in the winding up or administration of, any Obligor or another Group Member to recover or to be repaid that Project Debt;
- (c) the Non-Recourse Financier cannot obtain specific performance or a similar remedy with respect to any obligation of any Obligor or another Group Member to pay or repay that Project Debt; and
- (d) the Non-Recourse Financier and any receiver, receiver and manager, agent or attorney appointed under the Project Securities, may not incur a liability on behalf of, or for the account of, any Obligor or another Group Member which liability itself is not subject to the above paragraphs as if references to Project Debt in those paragraphs included that liability.

For the avoidance of doubt, if Project Debt is incurred or owed by a Group Member which is not a Project Vehicle, then the tests above must also be satisfied in respect of that Group Member in order for the Project Debt to qualify as Non-Recourse Debt.

**“Operating Lease”** means a lease constituting an operating lease under the Accounting Standards as at the Issue Date of a Tranche of Notes.

**“Pacific National Group”** means the Parent and its Subsidiaries, taken as a whole.

**“Permitted Reorganisation”** means:

- (a) a solvent reconstruction, amalgamation, merger, consolidation or re-organisation involving the business or assets of, or shares of (or other interests in), any member of the Pacific National Group where all or substantially all of the business, assets, and shares of (or other interests in) the relevant member of the Pacific National Group continue to be owned directly or indirectly by the Parent or other Obligors in the same or a greater percentage as prior to such re organisation provided that none of the assets of the

relevant member of the Pacific National Group becomes owned by a Group Member that has incurred Non-Recourse Debt or is a Subsidiary of that Group Member;

- (b) any other solvent reconstruction, amalgamation, merger, consolidation or re-organisation involving one or more members of the Pacific National Group approved by an Ordinary Resolution of Noteholders;
- (c) an asset becoming held on trust by a trustee entity where at the time of the re-organisation there is no change in the ultimate beneficial ownership of the asset and, if the entity originally holding the asset was a Guarantor, the trustee entity becomes a Guarantor; and
- (d) in the case of a Trustee, where the Trustee of a Trust is replaced by another trustee that is also an Obligor, where, in each case, the requirements of Conditions 3.4 and 3.5 continue to be met.

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

“**Principal Financing Arrangement**” means:

- (a) initially, the Common Terms Deed Poll granted by the Issuer, the Parent and other members of the Pacific National Group, originally dated 18 October 2011, and as amended from time to time (the “**Common Terms Deed Poll**”);
- (b) any replacement or substitute for the Common Terms Deed Poll; or
- (c) failing the existence of (a) or (b) above, the agreement in respect of Material Indebtedness that has the largest principal amount outstanding at the relevant time.

“**Project Activity** or **Project Activities**” means the acquisition, development, construction, extension, expansion or improvement of any asset.

“**Project Debt**” means with respect to a project or development:

- (a) Finance Debt in relation to the acquisition and/or cost of Project Activities;
- (b) Finance Debt incurred before or at the time of carrying out Project Activities solely for the purpose of financing or refinancing the acquisition and/or cost of the Project Activities;
- (c) any Finance Debt incurred solely to refinance any Finance Debt referred to above or incurred under any successive refinancing;
- (d) any liabilities under hedging transactions entered into in connection with any Finance Debt referred to above or any Project Activity;
- (e) interest or amounts in the nature of interest, charges, fees, costs of any nature (including break costs or costs arising from changes in law), duties, expenses, currency indemnities, withholding taxes, indirect taxes and other similar indebtedness (however described) which, in any case, is or are incurred or payable in connection with any of the above; or

any guarantee or indemnity securing payment or repayment of any of the above amounts (but not any other Finance Debt).

“**Project Property**” means a Group Member’s assets used or predominantly used in, or generated by, any Project Activities for a project or development including:

- (a) assets forming part of or connected with or derived from that project or development; and

(b) proceeds derived from other assets relating to that project or development.

**“Project Vehicle”** means an entity, which is established for the purposes of, and confines its business operations solely to, owning or producing Project Property, carrying out Project Activities and incurring Project Debt.

**“Property”** means any asset, revenue or any other property, whether tangible or intangible, real or personal, including, without limitation, any right to receive income.

**“Stock Exchange”** means any stock exchange, listing authority or quotation system on which the Notes of a Series are listed, admitted to trading or quoted.

**“Subsidiary”** has the meaning given in the Australian Corporations Act, but as if “body corporate” includes any entity. It also includes an entity whose profit and loss are required by GAAP to be included in the consolidated annual profit and loss statements of that entity or would be so required if that entity were a corporation.

## **5 NEGATIVE PLEDGE**

So long as any Note remains outstanding, none of the Issuer, the Parent or any Guarantor will create, or have outstanding any Lien upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, unless in any such case, simultaneously with, or prior to, the creation of such Lien, any and all action necessary is taken to procure that such Lien is extended equally and rateably to all amounts payable under the Notes by the Issuer, the Parent and any Guarantor under its guarantee of the Notes or such other Lien is provided which is not less beneficial to the Noteholders.

In this Condition 5, **“Relevant Indebtedness”** means:

- (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) of the Issuer, Parent or a Guarantor which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market; and
- (ii) any guarantee or indemnity in respect of such indebtedness.

## **6 INTEREST**

### **6.1 Interest on Fixed Rate Notes**

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

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

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

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

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

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

In these Conditions:

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

- (a) if **“Actual/Actual (ICMA)”** is specified in the applicable Pricing Supplement:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (**“Accrual Period”**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of:
    - (I) the number of days in such Determination Period; and
    - (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (I) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of: (x) the number of days in such Determination Period; and (y) the number of Determination Dates that would occur in one calendar year; and
    - (II) the number of days in such Accrual Period falling in the next Determination Period divided by the product of: (x) the number of days in such Determination Period; and (y) the number of Determination Dates that would occur in one calendar year;
- (b) if **“30/360”, “360/360”** or **“Bond Basis”** is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date divided by 360, calculated on a formula basis as follows:

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

where:



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

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

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

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

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

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

- (c) if RBA Bond Basis is specified, one divided by the number of Interest Payment Dates in a year (or, where the calculation period does not constitute an Interest Period, one divided by the number of Interest Payment Dates in each twelve-month period multiplied by the actual number of days in the calculation period divided by the number of days in the Interest Period ending on the next Interest Payment Date);

“**Determination Period**” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“**sub unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

## 6.2 Interest on Floating Rate Notes

### (a) Interest Payment Dates

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

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

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

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date

should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

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

In these Conditions, “**Business Day**” means a day which is both:

a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Sydney and Melbourne and each Additional Business Centre specified in the applicable Pricing Supplement; and

either:

- (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian Dollars shall be Sydney and Melbourne, and if the Specified Currency is New Zealand dollars, being the lawful currency of New Zealand (“**New Zealand Dollars**”), shall be Auckland); or
- (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET2) System (“**TARGET2 System**”) is open.

**(b) Rate of Interest**

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

- (i) **ISDA Determination for Floating Rate Notes:** Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (i), “**ISDA Rate**” for an Interest Period means a rate

equal to the Floating Rate determined by the Calculation Agent under an interest rate swap for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (“**ISDA Definitions**”) and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (C) the relevant Reset Date is either: (a) if the applicable Floating Rate Option is based on the London interbank offered rate (“**LIBOR**”) or on the Euro-zone interbank offered rate (“**EURIBOR**”) or on the Bank Bill Swap Rate (“**BBSW**”), the first day of that Interest Period; or (b) in any other case, as specified in the applicable Pricing Supplement.

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

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

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

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (as specified in the Pricing Supplement) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (as specified in the Pricing Supplement, if any), all as determined by the Calculation Agent. If five or more of such offered quotations or bid rates are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation or bid rate, one only of such quotations or bid rates) and the lowest (or, if there is more than one such lowest quotation or bid rate, one only of such quotations or bid rates) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations or bid rates.

If the Relevant Screen Page is not available or if, in the case of (ii)(A) above, no such offered quotation or bid rate appears or, in the case of (ii)(B) above, fewer than three such offered quotations or bid rates appear, in each case as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR), or such other time specified in the applicable Pricing Supplement, the Reference Rate shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum

Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

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

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

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

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

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

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

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

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

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

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

- (iv) if “**Actual/360**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Holders and each relevant Stock Exchange (if any) and notice of those details to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each relevant Stock Exchange (if any) in accordance with Condition 14. For the purposes of this paragraph, the expression “**Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Singapore, Sydney and Melbourne.

**(f) Calculation Agent**

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the applicable Pricing Supplement and for so long as any relevant Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Principal Paying Agent) appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the counter index options market) that is most closely

connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

**(g) Certificates to be final**

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

**(h) Benchmark Discontinuation**

**(i) Independent Adviser**

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6.2(h)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 6.2(h)(iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 6.2(h) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents or the Holders for any determination made by it, pursuant to this Condition 6.2(h).

If:

- (A) the Issuer is unable to appoint an Independent Adviser; or
- (B) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 6.2(h)(ii) prior to the date which is 10 business days prior to the relevant Interest Determination Date,

the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 6.2(h)(i).

**(ii) Successor Rate or Alternative Rate**

If the Independent Adviser determines that:

- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 6.2(h)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 6.2(h)).

(iii) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 6.2(h) and the Independent Adviser determines:

- (A) that amendments to these Conditions and/or the Euro Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”); and
- (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 6.2(h)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Euro Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 6.2(h)(iv), the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 6.2(h)(iv) to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Euro Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 6.2(h)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6.2(h) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 14, the Noteholders.



Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Fiscal Agent, the Calculation Agent and the Paying Agents a certificate signed by an Authorised Officer of the Issuer:

- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 6.2(h); and
- (B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case), the applicable Adjustment Spread.

The Fiscal Agent shall display such certificate at its offices, for inspection by the Noteholders at all reasonable times during normal business hours.

Each of the Fiscal Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Fiscal Agent's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 6.2(h)(i), 6.2(h)(ii), 6.2(h)(iii) and 6.2(h)(iv), the Original Reference Rate will continue to apply unless and until a Benchmark Event has occurred.

(vii) Definitions

As used in this Condition 6.2(h):

**“Adjustment Spread”** means either (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (B) the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread is customarily applied); and

- (C) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

**“Alternative Rate”** means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 6.2(h)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

**“Benchmark Amendments”** has the meaning given to it in Condition 6.2(h)(iv).

**“Benchmark Event”** means:

- (A) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (B) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally or in respect of the Notes; or
- (E) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that, with effect from a date after 31 December 2021, the Original Reference rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market); or
- (F) it has become unlawful for any Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (x) in the case of sub-paragraphs (B) and (C) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (y) in the case of sub-paragraph (D) above, on the date of the prohibition of use of the Original Reference Rate and (z) in the case of sub-paragraph (E) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Fiscal Agent, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Fiscal Agent, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

“**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Calculation Agent.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 6.2(h)(i).

“**Original Reference Rate**” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (x) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (y) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (z) a group of the aforementioned central banks or other supervisory authorities or (aa) the Financial Stability Board or any part thereof.

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

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

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

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

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

The Rate of Interest for any Interest Period, and the amount of interest payable on each Interest Payment Date in respect of such Interest Period, shall be determined by the Calculation Agent, in accordance with:

- (i) if the relevant Interest Basis is specified in the applicable Pricing Supplement to be Fixed Rate, Condition 6.1; or
- (ii) if the relevant Interest Basis is specified in the applicable Pricing Supplement to be Floating Rate, Condition 6.2.

If an Interest Basis for an Interest Basis Period is specified in the applicable Pricing Supplement as being Floating Rate, the notification and publication requirements of Condition 6.2(e) shall apply in respect of each Interest Period falling within such Interest Basis Period.

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

For the purposes of this Condition 6.3:

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

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

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

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

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

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

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

#### **6.4 Accrual of interest**

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

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) seven days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Calculation Agent and notice to that effect has been given to the Holders in accordance with Condition 14 (except to the extent that there is failure in the subsequent payment to the Holders).

### **7 PAYMENTS**

#### **7.1 Method of payment**

Subject as provided below:

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

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

Payments in respect of the Notes are subject to: (i) any applicable fiscal and other laws, treaties, regulations and directives and the administrative practices and procedures of any taxing authority or other authority in relation to Taxes (as defined in Condition 9), or in the place of payment, but without prejudice to the payment of Additional Amounts in accordance with Condition 9; and (ii) any anti-money laundering or other requirements which may apply to payments of amounts in respect of the Notes.

No Obligor or Agent shall be liable to any Holder or other person for delay, or any costs, losses or expenses, as a result of complying with any such laws, regulations, directives, administrative practices and procedures or requirements.

#### **7.1A Payments subject to laws**

Payments will be subject in all cases to:

- (a) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9; and
- (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the Code) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9) any law implementing an intergovernmental approach thereto.

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

Payments of principal in respect of definitive Notes will (subject as provided below and to the provisions of Condition 7.5) be made in the manner provided in Condition 7.1 only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent (other than the Australian Agent).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall

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

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

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect of the Note. A “**Long Maturity Note**” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

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

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below and to the provisions of Condition 7.5) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent (other than the Australian Agent). A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent (other than the Australian Agent) to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

### **7.4 Payments in respect of Registered Notes in definitive form and Global Registered Notes**

This Condition 7.4 does not apply to AMTNs.

Payments of principal in respect of each Registered Note in definitive form and each Global Registered Note will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note in definitive form or Global Registered Note at the specified office of a Paying Agent. Such payments will be made by transfer to the Designated Account (as defined below) of the Holder (or the first named of joint Holders) of the Note appearing in the register of Holders in registered form maintained by the Registrar (“**Register**”):

- (a) where in global form, at the close of the business day (being for this purpose a day on which the relevant Clearing System is open for business) before the relevant due date; and

- (b) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date.

Notwithstanding the previous sentence, if:

- (i) a Holder does not have a Designated Account; or
- (ii) the principal amount of the Notes held by a Holder is less than US\$250,000 (or its approximate equivalent in any other Specified Currency),

payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, “**Designated Account**” means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a Holder with a “**Designated Bank**” and identified as such in the Register and Designated Bank means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which if the Specified Currency is Australian dollars shall be Sydney or Melbourne, and if the Specified Currency is New Zealand Dollars shall be Auckland) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest (other than on redemption) in respect of each Registered Note in definitive form and each Global Registered Note will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the Holder (or the first named of joint Holders) of the Note in registered form appearing in the Register: (I) where in global form, at the close of the business day (being for this purpose a day on which the relevant Clearing System is open for business) before the relevant due date; and (II) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (“**Record Date**”) at its address shown in the Register on the Record Date and at its risk. Upon application of the Holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Notes which become payable to the Holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such Holder.

Payment of the interest due on redemption will be made in the same manner as payment of the principal amount of such Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Note in registered form as a result of a cheque posted in accordance with this Condition 7.4 arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such Holder by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Obligors or Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial interests in, or rights in respect of, Global Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests or rights.

## **7.5 General provisions applicable to payments (other than AMTNs)**

The Holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Obligors will be discharged by payment to, or to the order of, the Holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular nominal amount of Notes represented by such Global Note must look solely to the relevant Clearing System, for its share of each payment so made by an Obligor to, or to the order of, the Holder of such Global Note.

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

Notwithstanding the foregoing provisions of this Condition 7.5, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. Dollars, being the lawful currency of United States of America, such U.S. Dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. Dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Parent, adverse tax consequences to any Obligor.

## **7.6 Payment Day**

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

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



- (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

## **7.7 Payments in respect of AMTNs**

The Australian Agent will act (through its office in Sydney) as paying agent for AMTNs pursuant to the Australian Agency Agreement.

Payments of principal and interest will be made in Sydney in Australian Dollars to the persons registered at the close of business in Sydney on the relevant Record Date (as defined below) as the Holders of such AMTNs, subject in all cases to normal banking practice and all applicable laws and regulations. Payment will be made:

- (i) if the AMTN is held by Austraclear and entered in the Austraclear System, by crediting on the relevant Interest Payment Date, the Maturity Date or other date on which payment is due the amount then due to the account or accounts to which payments should be made in accordance with the Austraclear System Regulations or as otherwise agreed with Austraclear; or
- (ii) if the AMTN is not held by Austraclear and entered in the Austraclear System, by cheques drawn on the Sydney branch of an Australian bank dispatched by post on the relevant payment date at the risk of the Holder or, at the option of the Holder, by the Australian Agent giving in Sydney irrevocable instructions for the effecting of a transfer of the relevant funds to an Australian Dollar account in Australia specified by the Holder to the Australian Agent (or in any other manner in Sydney which the Australian Agent and the Holder agree).

In the case of payments made by electronic transfer, payments will for all purposes be taken to be made when the Australian Agent gives irrevocable instructions in Sydney for the making of the relevant payment by electronic transfer, being instructions which would be reasonably expected to result, in the ordinary course of banking business, in the funds transferred reaching the account of the Holder on the same day as the day on which the instructions are given.

If a cheque posted or an electronic transfer for which irrevocable instructions have been given by the Australian Agent is shown, to the satisfaction of the Australian Agent, not to have reached the Holder and the Australian Agent is able to recover the relevant funds, the Australian Agent may make such other arrangements as it thinks fit for the effecting of the payment in Sydney.

Interest will be calculated in the manner specified in Condition 6 and will be payable to the persons who are registered as Holders at the close of business in Sydney on the relevant Record Date and cheques will be made payable to the Holder (or, in the case of joint Holders, to the first-named) and sent to their registered address, unless instructions to the contrary are given by the Holder (or, in the case of joint Holders, by all the Holders) in such form as may be prescribed by the Australian Agent. Payments of principal will be made to, or to the order of, the persons who are registered as Holders at the close of business in Sydney on the relevant Record Date, subject, if so directed by the Australian Agent, to receipt from them of such instructions as the Australian Agent may require.

If any day for payment in respect of any AMTN is not a Business Day, such payment shall not be made until the next following day which is a Business Day, and no further interest shall be paid in respect of the delay in such payment.

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

In this Condition 7.7 in relation to AMTNs, Record Date means, in the case of payments of principal or interest, the close of business in Sydney on the date which is the eighth calendar day before the due date of the relevant payment of principal or interest.

## **7.8 Interpretation of principal and interest**

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

- (a) any Additional Amounts which may be payable with respect to principal under Condition 9 or under any undertaking or covenant given in addition to, or in substitution for, Condition 9 pursuant to the Master Deed of Covenant;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.5); and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9.

## **8 REDEMPTION AND PURCHASE**

### **8.1 Redemption at maturity**

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

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

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to: (i) if the Notes subject of the redemption is in respect of AMTNs, the Australian Agent; or (ii) if the Notes the subject of the redemption is in respect of any other Note, the Principal Paying Agent and, in accordance with Condition 14, the Holders (which notice shall be irrevocable), if immediately prior to the giving of such notice that:

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

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

Prior to the publication of any notice of redemption pursuant to this Condition 8.2, the Issuer shall deliver to: (I) if the Notes subject of the redemption is in respect of AMTNs, the Australian Agent; or (II) if the Notes the subject of the redemption is in respect of any other Note, the Principal Paying Agent a certificate signed by two Authorised Officers of the Parent stating that the obligation referred to in (a) above cannot be avoided by the relevant Obligor taking commercially reasonable measures available to them and the Australian Agent or the Principal Paying Agent (as the case may be) shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Holders. The Australian Agent will make such certificate available to the Holders of the relevant AMTNs for inspection.

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.5 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

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

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

- (a) not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 14; and
- (b) not less than 15 days before the giving of the notice referred to in (a) above, notice to:
  - (i) if the Notes subject of the redemption are AMTNs, the Australian Agent;
  - (ii) if the Notes the subject of the redemption are other Registered Notes, the Registrar and the Principal Paying Agent; or
  - (iii) if the Notes the subject of the redemption are Bearer Notes, the Principal Paying Agent;

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

In the case of a partial redemption of Notes (other than AMTNs), the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the applicable rules, regulations and procedures of the relevant Clearing System, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being these Conditions after called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8.3 and notice to that effect shall be given by the Issuer to the Holders in accordance with Condition 14 at least five days prior to the Selection Date.

In the case of a partial redemption of AMTNs, the AMTNs to be redeemed must be specified in the notice and selected in a fair and reasonable manner.

Any redemption and, in the case of a partial redemption, selection of Notes to be redeemed must be in compliance with any applicable law, directive or requirement of each relevant Stock Exchange (if any).

#### **8.4 Redemption at the option of the Holders (Investor Put)**

If Investor Put is specified in the applicable Pricing Supplement, upon the Holder giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Note is in definitive form and held outside the relevant Clearing System, to exercise the right to require redemption of this Note the Holder must, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (Put Notice) and in which the Holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 8.4 accompanied by this Note or evidence satisfactory to the Paying Agent concerned or, as the case may be, the Registrar that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If a Note is represented by a Global Note or is in definitive form and held through the relevant Clearing System, to exercise the right to require redemption a person shown in the records of the relevant Clearing System as the holder of a particular nominal amount of Notes must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of the relevant Clearing System (which may include notice being given on its instruction by the relevant Clearing System for them to the Agent by electronic means) in a form acceptable to the relevant Clearing System from time to time.

Any Put Notice or other notice given in accordance with the applicable rules, regulations and procedures of the relevant Clearing System given by a Holder or a person shown in the records of the relevant Clearing System as the holder of a particular nominal amount of Notes pursuant to this Condition 8.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default (as defined in Condition 11) has occurred and the Paying Agent has declared the Notes to be due and payable pursuant to Condition 11, in which event such Holder or person, at its option and, if applicable in accordance with the applicable rules, regulations and procedures of the relevant Clearing System, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 8.4.

#### **8.5 Early Redemption Amounts**

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

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Issue Price of such Note;
- (b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount, at the amount specified in the applicable Pricing Supplement or, if no such amount is so specified in the applicable Pricing Supplement, at its nominal amount; or

- (c) in the case of a Zero Coupon Note, at an amount (**Amortised Face Amount**) calculated in accordance with the following formula:

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

**RP** means the Reference Price;

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

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

## 8.6 Purchases

Subject to the requirements (if any) of each relevant Stock Exchange (if any), the Issuer, the Parent or any Subsidiary of the Parent may at any time purchase Notes in the open market or otherwise at any price. Any Notes so purchased may be retained for the account of the relevant purchaser or resold or otherwise dealt with at its discretion.

The Notes so purchased, while held by or on behalf of the Issuer, the Parent or any Subsidiary of the Parent (as the case may be), shall not entitle the Holder, *inter alia*, to vote at any meetings of the Holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Holders or for the purposes of Condition 15. Such Notes may also be, at the option of the Issuer, the Parent or relevant Subsidiary (as the case may be) (i) in the case of AMTNs, cancelled at its discretion by notice to the Australian Agent, or (ii) in the case of other Notes, surrendered to any Paying Agent for cancellation.

## 8.7 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with, other in the case of AMTNs, all unmaturing Coupons and Talons attached to, or surrendered with, such Notes at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.6 and this Condition 8.7 (together with all unmaturing Coupons and Talons cancelled with such Notes) shall (other than in the case of AMTNs) be forwarded to the Principal Paying Agent and cannot be reissued or resold.

## 8.8 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8.1, 8.2, 8.3 or 8.4 or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.5(c) as though the references in

these Conditions to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent and notice to that effect has been given to the Holders in accordance with Condition 14.

## 9 TAXATION

All payments of principal and interest in respect of the Notes and Coupons, and under the Guarantee, by an Obligor shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed or levied by or on behalf of any Relevant Taxing Jurisdiction (as defined below) unless such withholding or deduction is required under the laws of a Relevant Taxing Jurisdiction. In such event, the Issuer or, as the case may be, the Guarantors will pay such additional amounts (“**Additional Amounts**”) as may be necessary in order that the net amounts received by the Holder after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction, except that no Additional Amounts shall be payable to the Holder, or a third party on behalf of, the Holder (or any beneficial owner of any interest in, or rights in respect of, the Notes or Coupons or payment under the Guarantee) (“**Relevant Person**”) in relation to any payment in respect of the Notes or Coupons, or under the Guarantee, for or on account of:

- (a) any Tax which would not have been imposed but for the fact that such person:
  - (i) was a resident (whether or not owning or holding the Note or Coupon, interest or rights in the Relevant Taxing Jurisdiction), domiciliary or national of, engaged in business or maintained a permanent establishment, or was physically present in, the Relevant Taxing Jurisdiction, as applicable, or otherwise had some connection with the Relevant Taxing Jurisdiction (other than solely owning or holding the Note or Coupon, interest or rights), as applicable, provided that a Relevant Person will not be regarded as having a connection with Australia for the reason that such person is a resident of Australia where, and to the extent that, such Tax is payable by reason of section 128B(2A) of the Income Tax Assessment Act 1936 of Australia, as amended (“**ITAA**”); or
  - (ii) presented such Note or Coupon more than 30 days after the Relevant Date (as defined below), except to the extent that the Relevant Person would have been entitled to such Additional Amounts if such Note or Coupon has been presented for payment on any day within such period of 30 days;
- (b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;
- (c) any Tax which is payable otherwise than by withholding or deduction from payments in respect of the Notes or Coupons, or under the Guarantee;
- (d) any Tax that is imposed or withheld by reason of, or that would have been avoided but for the failure by the Relevant Person:
  - (i) to comply with a request of an Obligor notified to the Holders in accordance with Condition 14 to provide an Australian Business Number or an Australian tax file number; or

- (ii) to make a declaration of non-residence or other similar claim for exemption (to which the Relevant Person is entitled at the time of the notification) to any taxing authority or satisfy any information or reporting requirement, which is required or imposed by applicable fiscal and other laws, treaties, regulations and directives and the administrative practices and procedures of any taxing authority or other authority in relation to Taxes, or in the place of payment, as a precondition to, or requirement for, an exemption (to which the Relevant Person is entitled at the time of the notification) from or non-application of all or part of such Tax.

Any declaration or similar claim for any such applicable exemption shall be given in respect of all payments to the Relevant Person in respect of the Notes or Coupons, or under the Guarantee;

- (e) any Tax that:
  - (i) is imposed or withheld by reason of section 128F(6) of ITAA on the basis of the Relevant Person being an associate of the Issuer for purposes of section 128F(9) of ITAA;
  - (ii) is imposed or withheld as a consequence of a determination having been made under Part IVA of ITAA by the Commissioner of Taxation in relation to a scheme to which Part IVA applies where an Obligor has not entered into the scheme for the purpose of enabling a taxpayer to obtain a tax benefit within the meaning of Part IVA, which determination requires that Tax is payable in respect of the payment to the Relevant Person;
  - (iii) is referred to in section 126 of the ITAA and payable by an Obligor in respect of Notes or Coupons held by persons who are residents of Australia or non-residents who are engaged in carrying on business in Australia at or through a permanent establishment or fixed base in Australia; or
  - (iv) is any combination of any of the foregoing items.

Additional Amounts will also not be paid on any payment on any Note, Coupon or Guarantee to any Holder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent that payment would, under the laws of the Relevant Taxing Jurisdiction, be treated as being derived or received for tax purposes by a beneficiary or settlor with respect to that fiduciary or a member of that partnership or a beneficial owner who would not have been entitled to those Additional Amounts had it been the actual Holder of the relevant Notes or Coupons.

Notwithstanding any other provision of these or the Guarantee, any amounts to be paid on the Notes by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

As used in these Conditions:

- (i) **Relevant Taxing Jurisdiction** means any jurisdiction under the laws of which relevant Obligor is organised, or in which it is resident for tax purposes, or any political subdivision or taxing authority of, or located in, such jurisdiction; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Holders in accordance with Condition 14.

## **10 PRESCRIPTION**

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

## **11 EVENTS OF DEFAULT**

### **11.1 Events of Default**

Any one of the following events constitutes an event of default (“**Event of Default**”) (whatever the reason for the Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) in respect of the Notes of a Series:

- (a) a default in the payment of any principal of, or any premium on, any Notes of the Series when due, whether at maturity, upon redemption or otherwise and, provided that if the default is caused by technical or administrative error, the continuance of the default for a period of three Business Days;
- (b) a default in the payment of any interest or any Additional Amounts due and payable on any Notes of the Series and the continuance of the default for a period of 30 Business Days;
- (c) a default in the performance or breach of any other covenant or warranty of an Obligor in the Notes or the Guarantee with respect to any Notes of the Series and the continuance of the default or breach for a period of 30 days after written notice of the default has been given to the Issuer and the Parent by a Holder;
- (d) a default in the payment of the principal, interest, premium or make-whole amount of any Indebtedness of an Obligor under one or more agreements or instruments having an aggregate principal amount exceeding US\$50,000,000 (or its equivalent in any other currency or currencies) when and as that Indebtedness becomes due and payable, after the expiration of any applicable grace period except where being contested in good faith;
- (e) an Insolvency Event occurs in respect of an Obligor;
- (f) a distress, attachment, execution or other legal process in any amount exceeding US\$50,000,000 (or the equivalent of such amount in any other currency or currencies) is issued, levied, enforced or sued upon or against any part of the property of the Parent or any Subsidiary and is not paid out, satisfied, withdrawn or set aside within 60 days of issue, levy or enforcement; or
- (g) the Guarantee is held to be unenforceable or invalid in a judicial proceeding, or are claimed in writing by an Obligor, or the Guarantee is denied or disaffirmed in writing by an Obligor except, in each case, as permitted in accordance with these Conditions.

### **11.2 Notice of Event of Default**

If an Event of Default occurs, the Issuer or Parent must promptly after becoming actually aware of it, notify the Holders and (a) in the case of AMTNs, notify the Australian Agent, or (b) in the case of all other Notes, notify the Principal Paying Agent (specifying details of the Event of Default).

### **11.3 Consequences of other Events of Default**

If an Event of Default occurs and is continuing in relation to the Notes of a Series:



- (a) a Holder of Notes in the Series may by written notice addressed to the Issuer and the Parent, and delivered in accordance with Condition 14, specifying details of the Event of Default (with a copy to:
  - (i) in the case of AMTNs, the Australian Agent; or
  - (ii) in the case of all other Notes, the Principal Paying Agent) declare the Notes held by the Holder to be due and payable; and
- (b) upon receipt of such notice by the Issuer and the Parent, the Notes held by the Holder then outstanding shall become due and payable immediately, or on such other date specified in the notice, at their Early Redemption Amount (together with all accrued interest (if any) and Additional Amounts).

Such notice may be rescinded by the Holder any time before payment of the amounts due to the Holder.

#### **11.4 Waiver of Events of Default**

Holders of not less than a majority in aggregate principal amount of the Notes of a Series in respect of which an Event of Default is continuing may on behalf of the Holders of all the Notes of that Series waive any Event of Default with respect to that Series and its consequences, except a default:

- (a) in the payment of the principal of, or any premium or interest on, any Notes of that Series; or
- (b) in respect of a covenant or provision which, pursuant to the terms of the Master Deed of Covenant or the Australian Note Deed Poll, as the case may be, cannot be modified or amended without the consent of the Holder of each outstanding Note of that Series.

Upon any such waiver, such Event of Default is deemed to have been cured for every purpose of these Conditions, but no such waiver shall extend to any subsequent or other default or impair any right consequent on such subsequent or other default.

### **12 REPLACEMENT AND EXCHANGE**

#### **12.1 Replacement of Notes (other than AMTNs), Coupons and Talons**

Should any Note (other than an AMTN), Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Coupons and Talons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection with such replacement, and on such terms as to evidence, security, indemnity and otherwise as the Issuer or relevant Agent may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

#### **12.2 Exchange of Talons**

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

### **13 AGENTS**

The name of the initial Agents and their initial specified office is set out in the applicable Global Note or Pricing Supplement.

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

- (a) there will at all times be a Principal Paying Agent and a Registrar for Notes (other than AMTNs);
- (b) there will at all times be an Australian Agent for the AMTNs;
- (c) there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of each relevant Stock Exchange (if any); and
- (d) in respect of Registered Notes (including AMTNs), the Register or the Australian Agent, as the case may be, maintains a register in respect of such Notes or the Issuer has appointed another person to do so.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.5.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice shall have been given to the Holders in accordance with Condition 14.

In acting under the Agency Agreements, the Agents act solely as agents of the Obligors and do not assume any obligation to, or relationship of agency or trust with, any Holder. The Agency Agreements contain provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

## 14 NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London (or, in the case of AMTNs, Sydney), expected to be the *Financial Times* (or, in the case of AMTNs, the *Australian Financial Review*), or such other newspaper as specified in the applicable Pricing Supplement. All notices regarding Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the Holders (or the first named of joint Holders) at their respective addresses recorded in the Register or the Australian Register, as the case may be, and will be deemed to have been given on the fourth day after mailing. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of each relevant Stock Exchange (if any).

Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of the relevant Clearing System, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to the relevant Clearing System for communication by them to the persons shown in the records of the relevant Clearing System as the holder of a particular nominal amount of Notes. Any such notice shall be deemed to have been given on the seventh day after the day on which such notice was given to the relevant Clearing System.

Notices to be given by any Holder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Notes, with the Principal Paying Agent (in the case of Bearer Notes), the Registrar (in the case of Registered Notes other than AMTNs) or the Australian Agent (in the case of AMTNs). Whilst any of the Notes are represented by a Global Note, such notice may be given by a person shown in the records of the relevant Clearing System as the holder of a particular nominal amount of Notes through the relevant Clearing System in accordance with the applicable rules, regulations and procedures of the

relevant Clearing System, or in such other manner as the Principal Paying Agent, the Registrar or the Australian Agent and the relevant Clearing System, as the case may be, may approve for this purpose.

## **15 MEETINGS OF HOLDERS, MODIFICATION AND WAIVER AND SUBSTITUTION OF THE PRINCIPAL DEBTOR**

The Euro Agency Agreement contains provisions for convening meetings of the Holders of Notes of a Series (other than AMTNs) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes or the Coupons, any provision of the Euro Agency Agreement or Master Deed of Covenant or any provision of the Guarantee as the provision applies to the Notes (other than AMTNs), as the case may be. The Australian Note Deed Poll contains provisions for convening meetings of the Holders of AMTNs of a Series to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes or Australian Note Deed Poll or any provision of the Guarantee as the provision applies to the Notes (other than AMTNs), as the case may be.

Such a meeting may be convened by the Issuer and any Guarantor and shall be convened by the Issuer upon request by Holders holding not less than 5 per cent. in nominal amount of the Notes of the relevant Series for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution of the Holders will be one or more persons holding or representing a clear majority in nominal amount of the Notes of the relevant Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*:

- (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes;
- (ii) to reduce or cancel the nominal amount of, or interest on, the Notes;
- (iii) to change the currency of payment of the Notes or the Coupons;
- (iv) to amend the Guarantee; or
- (v) to modify the provisions concerning the quorum required at any meeting of Holders or the majority required to pass an Extraordinary Resolution of the Holders,

in which case the necessary quorum will be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding.

An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting.

## **16 FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Holders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **17 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

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

## **18 GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **18.1 Governing law**

The Euro Agency Agreement, Master Deed of Covenant, Notes (other than AMTNs), Coupons, Guarantee (as it applies to Notes other than AMTNs) and any non-contractual obligations arising out of, or in connection with, them are governed by, and shall be construed in accordance with, English law.

The Australian Agency Agreement, Australian Note Deed Poll, AMTNs and Guarantee (as it applies to AMTNs) are governed by the laws in force in Victoria, Australia.

### **18.2 Jurisdiction of the courts of England**

- (a) Subject to Condition 18.2(b) and for the exclusive benefit of the Holders, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Euro Agency Agreement, Master Deed of Covenant, Notes (other than AMTNs), Coupons and Guarantee (as it applies to Notes other than AMTNs) (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity) and any dispute relating to any non-contractual obligations arising out of or in connection with them (“**Dispute**”).
- (b) To the extent allowed by law, the Holders may, in respect of any Dispute, take:
  - (i) proceedings in any other court with jurisdiction; and
  - (ii) concurrent proceedings in any number of jurisdictions.

### **18.3 Jurisdiction of the courts of Victoria**

In the case of the Australian Agency Agreement, Australian Note Deed Poll, AMTNs and Guarantee (as it applies to AMTNs), the courts of Victoria, Australia and the courts of appeal from them have non-exclusive jurisdiction to settle any disputes which may arise out of, or in connection with, them and any suit, action or proceedings arising out of or in connection with the Australian Agency Agreement, Australian Note Deed Poll, AMTNs and Guarantee (as it applies to AMTNs) (together referred to as **Australian Proceedings**) may be brought in such courts.

### **18.4 Submission to Jurisdiction**

The Obligors and Holders in relation to any Dispute or Australian Proceedings, as the case may be, submit to the jurisdiction of the courts noted in Condition 18.2 and 18.3 (as the case may be) and waive any objection to those courts on the grounds that they are inconvenient or inappropriate forum.

### **18.5 Appointment of Process Agent**

Each Obligor has irrevocably and unconditionally appointed Hackwood Secretaries Limited of One Silk Street, London EC2Y 8HQ, United Kingdom as its agent for service of process in England in respect of any Disputes and has undertaken that in the event of such agent ceasing so to act it agrees, on the written demand of any Holder addressed to it and delivered to it, appoint a further person in England to accept service of process on its behalf.

For so long as any AMTNs are outstanding, the Issuer agrees that its registered office in Victoria, Australia shall accept service of process on its behalf in Victoria, Australia in respect of any Australian Proceedings.

## DESCRIPTION OF THE PACIFIC NATIONAL GROUP

### Overview

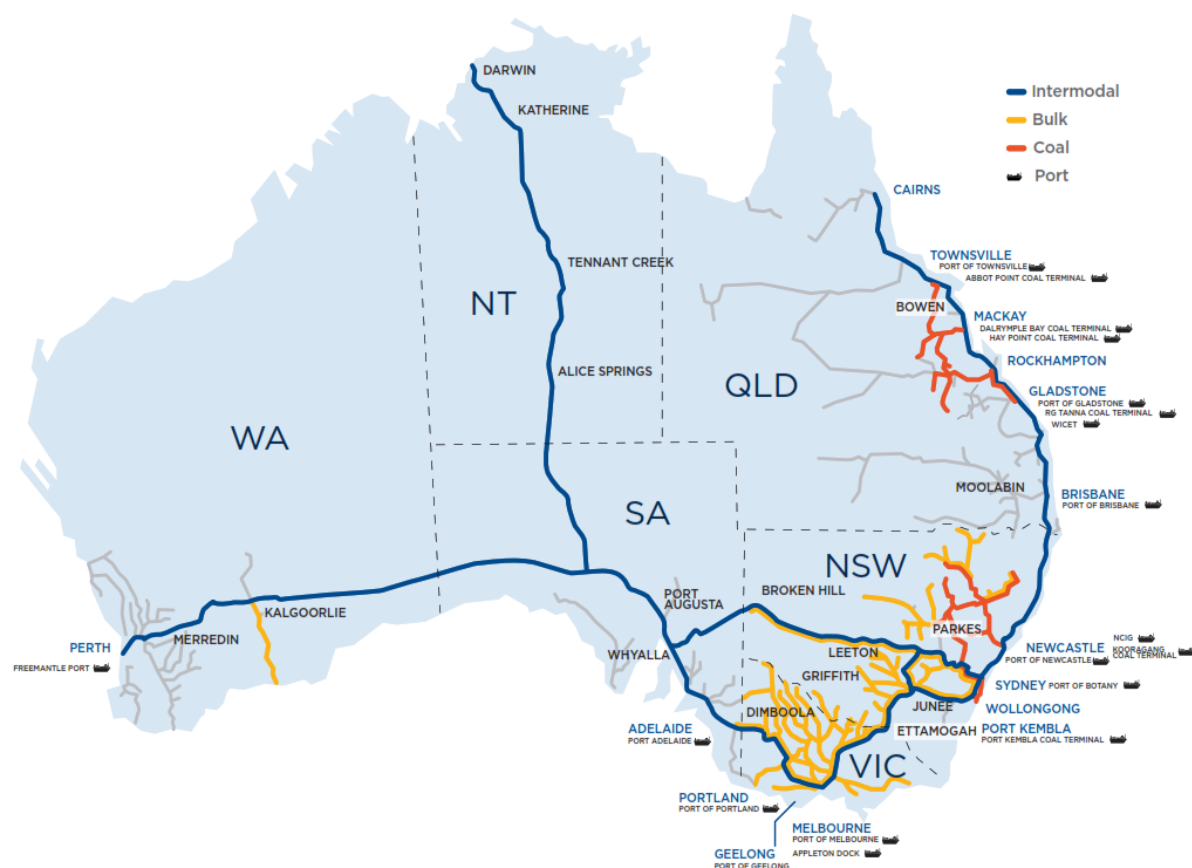
The Pacific National Group is one of the largest national rail freight operators in Australia. As at 31 December 2021, the Pacific National Group employed in excess of 3,000 full time equivalent employees across Australia.

The Pacific National Group has business operations in over 65 locations throughout Australia. As at 31 December 2021, the Pacific National Group had approximately 570 active locomotives and approximately 11,600 active wagons.

The following chart provides an overview of the Pacific National Group's operations as at 31 December 2021 and for the 12 months then ended.

### PACIFIC NATIONAL 2022 AT A GLANCE





The Pacific National Group operates in sectors which require significant capital investment to enter, has a strong market position and provides services of strategic importance to Australia's national economy. These services include transportation of a variety of imported goods for domestic use and transportation of domestic goods and resources for both domestic use and export.

The operations of the Pacific National Group comprise of:

### *Freight*

The Pacific National Group's Freight haulage operations ("Freight") encompasses:

- interstate containerised freight (intermodal) and break-bulk freight (steel) services between Sydney, Melbourne, Brisbane, Townsville, Cairns, Adelaide, Parkes and Perth;
- regional freight rail services including grain in New South Wales, Victoria, South Australia, Western Australia, Northern Territory and North Queensland, including hook and pull services for passenger trains; and
- a range of bulk goods around Australia including minerals concentrate and construction materials.

Freight represented 60% of the Pacific National Group's rail revenue for the six months ending 31 December 2021.

The Pacific National Group is the largest provider of containerised rail freight services in Australia and it estimates that it had approximately 72% and 79% share of rail freight on the long haul East-West and North-

South intermodal corridors respectively for the year to 30 June 2021. For the six months ending 31 December 2021, containerised freight represented 38% of the Pacific National Group's rail revenue.

The Pacific National Group's Freight operations include short and medium distance intrastate services in NSW, Victoria, Queensland, South Australia and Western Australia hauling bulk freight including grain for domestic and export markets, minerals and construction materials.

For the 12 months ending 31 December 2021, the Pacific National Group carried 883,000 twenty-foot equivalent units ("TEUs") of containerised freight, 2.7 million tonnes of steel and 7.5 million tonnes of grain for export and domestic use. For the six months ending 31 December 2021, the Pacific National Group had in excess of 180 average weekly revenue train services for containerised freight and in excess of 270 average weekly revenue train services for bulk freight.

The Pacific National Group's customers include large freight forwarding companies and steel manufacturers. Freight contracts vary in length but are generally within the range of three to seven years at inception. Intermodal contracts average over seven years at inception. Contract terms vary with grain and bulk contracts generally having exclusivity or volume commitments, while intermodal contracts may contain volume incentives and exclusivity. The weighted average to maturity of the Pacific National Group's Freight contracts is between two to four years.

### *Coal*

The Pacific National Group's coal haulage operations ("Coal") is the second largest in Australia, hauling metallurgical and thermal coal for export from mine to port, and for domestic use from mine to power stations and steelworks in New South Wales ("NSW") and Queensland.

Across both metallurgical and thermal coal types, the Pacific National Group hauled approximately 127.3 million tonnes of Coal in the 12 months ending 31 December 2021. For the six months ending 31 December 2021, the Pacific National Group had in excess of 350 weekly revenue train services for coal. Metallurgical and thermal coal represented 23% and 17% of rail revenue respectively for the six months ending 31 December 2021. The Pacific National Group's coal haulage contracts have a weighted average of 10.3 years in length at inception, with the weighted average to maturity as at 31 December 2021 being 5.7 years. All of the Pacific National Group's contracted coal tonnage is covered by performance-based contracts. Contract prices are determined by negotiated reference points.

The Pacific National Group entered the coal haulage market in Queensland in 2009 and currently services mines in the Bowen Basin through the Goonyella, Blackwater and Newlands coal chain systems. For the 12 months ending 31 December 2021, the Pacific National Group estimates that it hauled approximately 23% of the domestic and export railed volumes in the Queensland coal haulage market.

The Pacific National Group is the largest provider of coal haulage services in NSW with an estimated market share in domestic and export railed volumes in NSW of around 44% for the 12 months ending 31 December 2021. It services mines in the NSW Hunter Valley, Illawarra, Lithgow, Mudgee and Gunnedah regions hauling export coal into the ports of Newcastle and Port Kembla as well as domestic coal to power stations and steelworks located in NSW.

## **Recent Significant Developments**

### *East West Rail Corridor Flooding Event*

In late January 2022 there was a significant flooding event that caused major damage to several sections of the East-West rail corridor between Adelaide and Perth which resulted in the rail line being closed for 24 days. There were no injuries to Pacific National Group employees and no assets were impacted as a result of the

flooding event. The closure of the rail line caused significant disruption to all rail service providers, including the Pacific National Group, and impacted their ability to provide rail services on this corridor throughout this period. As at the date of this Offering Circular, it remains too early to determine the full extent of the disruption, however it is not expected to have a material impact on the Pacific National Group's financial position given the Pacific National Group's ability to mitigate losses through increased railings and business interruption insurance recoveries.

### *Environment, Social and Governance*

In February 2022, the Pacific National Group released its Financial Year 2021 Environment, Social, Governance ("ESG") Report. This is the Pacific National Group's second ESG report and sets out the Pacific National Group's ESG Strategy and alignment with six United National Sustainable Development Goals. The Pacific National Group's ESG Strategy has three pillars supported by commitments:

- *Operational responsibility* – the Pacific National Group's people and the environment and communities in which it operates are integral to the operations of the Pacific National Group which strives to conduct its business in a way that cares more for its stakeholders and minimises its environmental impact.
- *Driving enduring prosperity* – as an organisation with a significant regional presence, the Pacific National Group is committed to enhancing and caring for the communities in which it operates. The Pacific National Group will engage with and invest in those communities to support and sustain their long-term prosperity.
- *Futureproofing services* – the Pacific National Group delivers what matters to its people, customers, and stakeholders. It is committed to continuing to service those needs as they evolve, particularly as the economy transitions to a lower carbon future. It will strive to reduce the carbon emissions of its business and to enable the reduction of carbon emissions in the broader supply chain. The Pacific National Group will build climate resilience into its business and implement sustainable long-term strategies to futureproof its operations.

The Pacific National Group's Financial Year 2021 ESG Report can be found at [www.pacificnational.com.au](http://www.pacificnational.com.au).

### *Growth projects*

In April 2021, the Pacific National Group announced it had partnered with Linfox through a strategic co-location sale agreement of seven hectares of land at its Adelaide Freight Terminal. This partnership in Adelaide will provide Linfox with a hub for the Northern Territory, Western Australia and the east coast. Moving freight from road to rail where viable also supports Linfox's journey to zero net emissions and helps meet the carbon emission targets of its customers.

The Pacific National Group completed construction of its St Marys freight hub in November 2021, with the freight hub commencing operations in December 2021. Building works involved the construction of hardstand and pavement areas, existing rail siding upgrades, vehicle parking, internal access roads, operational buildings and facilities. The terminal will move containerised freight via rail from Port Botany to St Marys and the Pacific National Group believes that the terminal will be a key freight hub for the region and will result in fewer trucks on Sydney's roads, easing traffic congestion, improving safety and reducing emissions. The new freight hub will service major retail distribution centres and warehouses in the St Marys and Penrith areas and across the Greater Western Sydney region. The Pacific National Group expects that approximately 300,000 freight containers, underpinned by take-or-pay contracts, will be transported by rail between Port Botany and St Marys annually once the freight hub is operating at full capacity.

In December 2021, it was announced that the Pacific National Group had reached an agreement with Wagner Corporation to develop a major rail freight terminal at Wellcamp Business Park in Toowoomba, Queensland.



Under the agreement, Wagner Corporation will construct the intermodal terminal while the Pacific National Group will operate daily freight services under a long-term lease arrangement. Once integrated with Inland Rail, the intermodal terminal will be a key part of the Pacific National Group's strategy to grow its intermodal business on the Melbourne to Brisbane route.

In December 2021, the Pacific National Group also announced that it has secured an option for a 540-hectare site in Little River, Victoria to construct an intermodal container terminal and develop a surrounding logistics precinct on the existing interstate rail corridor west of Melbourne's Central Business District ("CBD") and port.

#### *Results and key developments for the six months ended 31 December 2021*

During the six months ended 31 December 2021:

- strong intermodal containerised freight results were driven by yield improvements and better slot utilisation. Volumes were largely flat compared to the six months ended 31 December 2020 due to a combination of COVID-19 pandemic related impacts on customers and La Nina related weather disruptions impacting the rail network;
- a strong and extended grain harvest resulted in increased regional volumes, with regional tonnes and net tonne kilometres ("NTKs") both growing by 75% compared to the six months ended 31 December 2020;
- coal volumes were down overall by 2% with NSW (mainly thermal coal) volumes down 7% due to discontinued contracts, while Queensland volumes (mainly metallurgical coal) grew by 7% driven by improved customer production;
- the Pacific National Group delivered A\$23 million in earnings before net finance costs, tax, depreciation, amortisation and material items ("EBITDA") benefits from transformation initiatives;
- EBITDA for the six months ended 31 December 2021 increased by 11% on the comparative period largely driven by yield improvements and higher grain volumes;
- net debt (inclusive of lease liabilities) increased by 4.9% or A\$148.2 million since 30 June 2021;
- on 8 September 2021 the Pacific National Group issued A\$400 million 3.80% 10-year bonds with a maturity date of 8 September 2031;
- on 11 October 2021 the Pacific National Group completed the A\$900 million refinance of all three of its cash advance facilities in its syndicated facility agreement. The tranches now mature in October 2024, October 2025 and July 2026, respectively;
- the Pacific National Group continued to maintain existing locomotives and wagons through sustaining and operating capital expenditure. The Pacific National Group's sustaining and operating capital expenditure moves with the cyclical nature of the overhaul programs. Sustaining capital expenditure totalled A\$165.1 million for the six months ended 31 December 2021, representing a 56.8% increase from the six months ended 31 December 2020;
- the Pacific National Group remained committed to improving safety with a 6% improvement in the Recordable Injury Frequency Rate ("RIFR") to 3.1 in the six months ended 31 December 2021 from 3.3 in six months ended 31 December 2020 and a 7% reduction in Significant Incidents to 13 in the six months ended 31 December 2021 from 14 in the six months ended 31 December 2020;
- the Pacific National Group continued to manage the COVID-19 pandemic developments in Australia with a robust and well supported 'COVID safe plan' which has helped to minimise impacts in its business relative to others in the supply chain. The Pacific National Group has supported employee vaccinations, provided incentives for employees to get vaccinated and has introduced Rapid Antigen Testing ("RAT"),

all of which has reduced the effect on operations as the ‘Omicron’ variant spread in late 2021 and 2022 led to an increase in the number of positive COVID-19 cases across Australia. The operational leadership team continues to meet regularly as the Incident Management Team to deal with COVID-19 pandemic related issues and operational impacts. The Emergency Management Team has also been set up to provide support for the transition from pandemic to endemic, including detailed work on RAT and other key recommendations that support community and business reopening as vaccine levels in the community reach levels in excess of 90% for persons over 16 years of age.

*Continued emphasis on projects and initiatives focused on safety, innovation and sustainability*

The Pacific National Group has continued its commitment to improving environmental performance and minimising its environmental impact through the following projects:

- in October 2021, the Pacific National Group announced that it had executed an A\$297 million contract with UGL Limited to design, manufacture and supply 50 new fuel-efficient C44 Evolution diesel electric locomotives. The C44 Evolution locomotives will be among the most technologically advanced, fuel efficient, and environmentally compatible diesel electric locomotives in Australia and will be designed and manufactured in Newcastle, NSW. The C44 Evolution Series locomotives will form part of the Pacific National Group’s ongoing fleet rejuvenation program providing ESG benefits to the Pacific National Group and its customers. The new locomotives feature technology that will reduce emissions and fuel consumption, reduce maintenance costs and increase the reliability of Pacific National’s operations;
- in July 2021, the Pacific National Group completed the implementation of a condition monitoring project. The project was focused on automating the ingestion of data from numerous wayside monitoring systems maintained by both Pacific National and the Rail Infrastructure Managers (Australian Rail Track Corporation and Aurizon). Wayside monitoring data provides the Pacific National Group’s Reliability Engineering Team with the ability to track, monitor and predict irregularities and defects with its rolling stock. The project had two important productivity and efficiency outcomes:
  - the collection, consolidation and automated ingestion of all available condition monitoring data into Pacific National Group’s data warehouse environment (Datahub). The condition monitoring data is supplied from two different wayside system data providers, along with all available internal data sources (the Pacific National Group’s own wheel profile monitors and locomotive telemetry where available). The data is then processed and cleansed ready for advanced analytics. Wayside system data is also automatically ingested into Pacific National’s Track IQ FleetOne system for analysis. The Track IQ system now detects out of bounds conditions and is configured to semi-automatically generate maintenance service requests in the asset management system; and
  - the acceleration of equipment service life optimisation and forecast material usage rates focused on wheelsets, bogies and brake blocks. The consolidated data is now being used by the Pacific National Group’s Data Scientist in the Reliability Engineering team on a range of models including optimisation of wheelset service life, predictive bearing performance and locomotive wheelset service.

*Appointment of Managing Director and Chief Executive Officer*

On 16 March 2021 it was announced by the Pacific National Group that Mr. Paul Scurrah had been appointed as the new Managing Director and Chief Executive Officer of the Pacific National Group. Mr. Scurrah commenced the role on 19 April 2021. Prior to the commencement of this role, Mr. Scurrah was Managing Director and CEO of Virgin Australia.

## Pacific National Group Executive Announcements

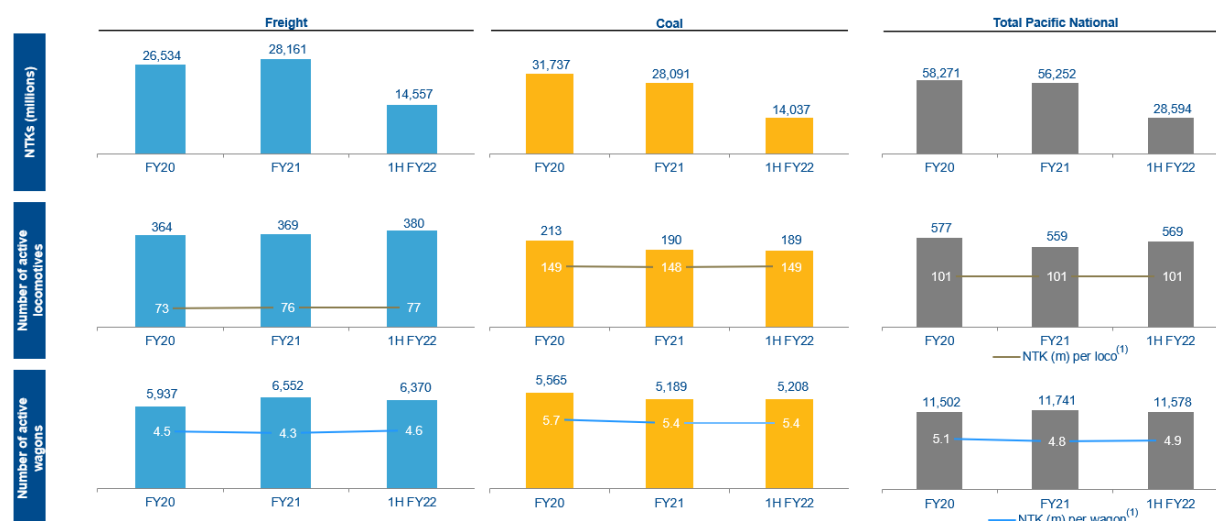
In July 2021, Mr. Paul Donaldson, resigned from his role as Chief Technology & Transformation Officer and left the organisation in August 2021.

In August 2021, it was announced that Mr. Keith Neate had been appointed as Executive Advisor – Strategy and Projects. Mr Neate joined Pacific National on 1 September 2021. Mr Neate is an experienced Executive bringing more than 30 years’ experience, most notably from his recent role in aviation as Chief Financial Officer (“CFO”) for Virgin Australia (including Executive responsibility for their IT and OT divisions) and prior senior roles in rail at Aurizon, including as CFO.

In September 2021, it was announced that Mr. Patrick O’Donnell had been appointed Chief Operating Officer of the Pacific National Group. Mr. O’Donnell joined the Pacific National Group on 18 October 2021. Mr. O’Donnell is an experienced Australian Executive with a deep understanding of the Rail Industry having worked in senior executive positions for both railways and railway service providers across Australia and Asia Pacific. Prior to the commencement of this role, Mr. O’Donnell was Senior Vice President – Asia Pacific for Caterpillar in their Rail division. He has also previously held senior roles with Aurizon.

## Key operating metrics

	Year ended 30 June		Half year ended 31 December		
	2020	2021	2019	2020	2021
Total NTKs (millions) .....	58,270.9	56,252.2	30,468.4	28,881.2	28,593.7
Total Tonnes (millions) .....	178.7	156.2	95.9	81.3	80.8
TEUs (*000).....	840.8	881.0	432.2	463.0	464.8



Note:

- (1) 1H 2022 Financial Year (the six months ended 31 December 2021) NTK (m) per locomotive and NTK (m) per wagon figures are presented on an annualised basis. The number of active locomotives and wagons presented above are an average across the six month period ended 31 December 2021

## Revenue and other income

The table below provides information on revenue and other income, EBITDA contributions and other financial information on the Pacific National Group.

The historical financial information for the Pacific National Group has been prepared to give effect to the transactions as described in “*Description of the Parent*”.

The Pacific National Group’s business is subject to compliance with and changes in accounting standards.

	Year ended 30 June		Half Year ended 31 December		
	2020	2021	2019	2020	2021
	(A\$ in millions)				
<b>Revenue and other income</b>	2,464.6	2,315.4	1,300.2	1,139.5	1,226.1
- Pacific National Group (access revenue) .....	253.4	178.1	135.9	82.1	68.6
EBITDA <sup>1</sup> .....	783.7	820.3	434.6	383.6	425.8
Depreciation .....	323.6	341.7	151.6	151.8	155.7
Amortisation .....	16.5	19.2	7.7	7.7	8.1
EBIT <sup>2</sup> .....	443.6	459.4	275.3	224.1	262.0
Net interest and finance costs .....	211.3	168.7	99.8	92.0	83.3
Profit before material items and tax .....	232.3	290.7	175.5	132.1	178.7
Material items before tax .....	13.3	8.8	0.5	0.8	13.2
Tax expense .....	67.2	83.4	52.7	39.7	49.5
Net Profit after tax and material items .....	151.8	198.5	122.3	91.6	116.0
Profit attributable to owners of Pacific National Holdings Pty Ltd .....	151.8	198.5	122.3	91.6	116.0
Full time equivalent employees at year / half year end .....	3,401.0	3,294.0	3,391.0	3,228.0	3,254.0
EBITDA Margin net of Pacific National Group access revenue (%) .....	35.4	38.4	37.3	36.3	36.8
EBIT margin net of Pacific National Group access revenue (%) .....	20.1	21.5	23.6	21.2	22.6
Issued shares (millions) .....	975.4	975.4	975.4	975.4	975.4
Free Cash Flow after Capital Expenditure <sup>3</sup> .....	370.6	49.2	141.0	74.3	55.5
Net Debt <sup>4</sup> .....	3,031.4	3,021.0	3,213.9	2,974.5	3,169.2
Net Debt to EBITDA <sup>5</sup> .....	3.9x	3.7x	3.6x	4.1x	3.7x
EBITDA to Net Interest <sup>5</sup> .....	3.7x	4.9x	4.4x	3.6x	5.4x
Repairs and maintenance expenditure .....	156.9	138.3	89.1	81.5	72.2
Growth Capital Expenditure .....	31.8	219.0	23.5	9.0	24.3
Sustaining Capital Expenditure .....	219.0	242.6	104.9	105.3	165.1

### Notes:

(1) Earnings before net finance costs, tax, depreciation, amortisation and material items.

(2) Earnings before net finance costs, tax and material items.

- (3) Calculated as Net Operating Cash Flow less Growth Capital Expenditure less Sustaining Capital Expenditure.
- (4) Net Debt is reflected as external debt at hedged values. It includes lease liabilities and is net of cash held.
- (5) EBITDA and Net Interest based on the rolling 12-month period. Net Debt as at the relevant date. The Net Debt to EBITDA and EBITDA to Net Interest ratios are both calculated from amounts disclosed in the table above.
- (6) These measures provide useful information to understand the performance of the Pacific National Group, and management considers these measures and metrics in measuring its performance. However, these measures should not be considered to be an indication of, or alternative to, corresponding measures determined in accordance with Australian Accounting Standards. In addition, such measures may not be comparable to similar measures presented by other companies.

## **Competitive strengths**

The Pacific National Group believes that it is well positioned to achieve its strategic objectives by building on its strength as one of the major rail freight haulage companies in Australia, which makes it an integral part of Australia's transportation infrastructure with strong market shares in the major Australian haulage segments.

## **Strong positions in core markets**

The Pacific National Group is a leader or holds strong positions in the markets in which it operates.

The Pacific National Group believes that it runs the most intermodal train services over the most comprehensive rail network in Australian interstate rail freight, which is complemented by specialised service offerings, distinguishing the Pacific National Group from its competitors. It also estimates that it is the largest coal rail haulage provider in NSW and the second largest in Australia.

## **Provider of essential services of strategic importance to the Australian economy**

The Pacific National Group is a major national rail freight operator in Australia, and one of Australia's leading providers of logistics services within essential infrastructure-based supply chains. The Pacific National Group offers a diverse freight service offering and continues to pursue opportunities to provide integrated supply chain infrastructure solutions, leveraging its rail capabilities. During the COVID-19 pandemic, the various Australian State and Territory governments' COVID-19 related public health orders allowed rail freight to operate with additional health precautions and, as a result, the Pacific National Group's rail services have continued to operate during the COVID-19 pandemic, albeit sometimes at reduced frequency, with the implementation of additional health and hygiene protocols in its operations. For further information, please refer to "*Risk Factors – Risks and challenges facing the Pacific National Group as a whole – The Pacific National Group's business, results of operations, financial performance, financial position and/or future prospects may be adversely affected by the outbreak, or threatened outbreak, of COVID-19 and/or any other severe communicable disease*".

## **Distinctive combination of long-life transport infrastructure assets and facilities**

The Pacific National Group owns its Sydney, Brisbane, Adelaide and Parkes intermodal rail freight terminals and has long-term lease concessions on its rail freight terminals in Melbourne (expiring 2031) and Perth (expiring 2057). The Pacific National Group completed the acquisition of the Acacia Ridge Intermodal Terminal in Brisbane, Queensland, on 26 March 2021 and prior to the acquisition had a long-term agreement for access to that terminal. In addition, the Pacific National Group owns and operates strategically positioned freight terminals along the Queensland coastline, from Brisbane to Cairns. Of these terminals, Tennyson, Rockhampton, Mackay, Townsville and Cairns provide the supply chain link from Australia's southern and western states to the Queensland operational hub based at the Brisbane Freight Terminal.

The Pacific National Group operates two rolling stock maintenance and provisioning facilities at Greta in NSW and Nebo in Queensland. Greta was designed to provide provisioning and "on train" maintenance together as a

hybrid and has delivered benefits through increased Hunter Valley coal chain capacity, reduced congestion at Port Waratah, improved crewing options, improved maintenance delivery and improved maintenance management through condition monitoring. Nebo is a train support facility which enables full length provisioning and maintenance of the Pacific National Group's trains, ensuring their reliability and efficient operation. As the first facility of its design in Australia, it includes some of the most innovative design and maintenance techniques seen within the rail industry. With eight bays for locomotives and two main tracks for wagon maintenance, Nebo has the capacity to support up to 25 coal trains. Recent expansion has further grown its capacity and enables the Pacific National Group to provide maintenance and daily servicing for both its own fleet, and BHP Billiton Mitsubishi Alliance's four train sets.

In addition to the Nebo Train Support Facility, the Pacific National Group also operates various levels of maintenance and provisioning activities at facilities around Australia for managing the Pacific National Group's various rolling stock fleet requirements.

As at 31 December 2021, the Pacific National Group's active rolling stock fleet consisted of approximately 570 active locomotives and approximately 11,600 active wagons. The Pacific National Group also owns land and buildings, including leasehold improvements. The carrying amount of property, plant and equipment was A\$3.1 billion as at 31 December 2021. As at the date of this Offering Circular, the Pacific National Group's accounting policy is to depreciate its locomotives over 30 years.

Historical sustaining capital expenditure has been in the range of A\$150 million to A\$250 million and growth capital expenditure has been linked to new revenue opportunities and customer demand. Historical sustaining capital expenditure may not be representative of future sustaining capital expenditure.

### **Stable and resilient earnings, featuring substantial organic growth opportunities**

The Pacific National Group's strong position in essential infrastructure and transportation services underpin the stability and resilience of its earnings. The Pacific National Group's rail operations serve a diversified customer base, including major global mining companies and some of Australia's largest industrial companies. The stability of the Pacific National Group's operations is underpinned by:

- diversification of operations;
- strong customer relationships;
- long-term take-or-pay contracts;
- ability to pass on a substantial portion of its largest variable operating costs (fuel and track access costs); and
- proven capacity to realise cost savings and the improved capacity utilisation it has achieved under its group-wide business improvement/transformation programme.

A majority of the Pacific National Group's Coal revenue is generated under "take-or-pay" contracts where the downside volume risk to the Pacific National Group is generally limited to its own operational performance. All Coal contracts are performance-based. Contract terms in Freight vary and while they are not underpinned by 'take-or-pay' volumes, grain and bulk contracts generally having exclusivity or volume commitments, while containerised freight contracts may contain volume incentives and exclusivity.

Due to the historical expansion of its Coal operations, the Pacific National Group has seen the stability and predictability of its earnings increase over time, as the proportion of its revenues generated under such contracts has increased. Furthermore, the Coal operation has historically been able to pass on to its customers substantially all of two of the largest operating costs of its business, fuel and track access costs. In the Freight

operation these costs are recovered through pricing. Rail access and fuel costs represented 30.2% and 11.6% respectively of the Pacific National Group's consolidated underlying operating expenses before depreciation, amortisation and material items for the 2021 Financial Year and 27.2% and 16.9% respectively for the six months ended 31 December 2021. These cost pass-through arrangements have historically contributed to the Pacific National Group's earnings stability. Network access charges are regulated.

Labour costs represented 39.2% of the Pacific National Group's consolidated underlying operating expenses before depreciation, amortisation and material items for the 2021 Financial Year and 38.5% for the six months ended 31 December 2021.

The Pacific National Group's top 10 and top 20 customers comprise 50% and 71% of revenue respectively, for the six months ended 31 December 2021. The Pacific National Group's largest customer represents 9% of total revenue.

## **Financial flexibility**

The Pacific National Group has conservative financial policies regarding its balance sheet structure and liquidity:

- as at 31 December 2021 the Pacific National Group had available three committed bank debt facilities totalling A\$900 million, with A\$200 million of those facilities drawn. The Pacific National Group targets liquidity and funding consistent with achieving an investment grade credit rating from at least two ratings agencies. As such, the Pacific National Group will target sources of cash over uses of cash of at least 1.2 times (i.e. 120% coverage) within any rolling 12-month period. As at 31 December 2021, the Pacific National Group had A\$794 million in available liquidity;
- the Pacific National Group has US\$650 million, GBP300 million and A\$1,550 million in bonds with maturities ranging from the 2023 Financial Year to the 2032 Financial Year. The Pacific National Group's prevailing policy as at the date of this Offering Circular, is that no single maturity must account for more than the lower of 25% or A\$750 million of the Pacific National Group's total facilities (whether drawn or not) and no more than 25% of total debt (whether drawn or not) may mature within a financial year; and
- as at the date of this Offering Circular, the Pacific National Group has two long-term issuer investment grade ratings of:
  - BBB- (Stable outlook) by S&P Global Ratings Australia Pty Ltd; and
  - BBB- (Outlook stable) by Fitch Ratings.

The Pacific National Group terminated its relationship with Moody's Investor Services Inc. in May 2018 and prior to the termination was rated Baa3 (Stable outlook).

In keeping with the long-term conservative approach to financial management and policies, the Pacific National Group has adopted a practice of paying distributions quarterly after all the debt service requirements are fulfilled and capital expenditure has been funded, subject to the financial performance and position of the Pacific National Group at the distribution date. The Pacific National Group believes the resilience of its earnings and its financial flexibility, in combination, support its capital structure and balance its commitment to maintaining a solid investment grade credit rating and metrics.

## **Strategic focus**

The Pacific National Group's purpose is to deliver what matters for its people, customers and shareholders.

The Pacific National Group's vision is to be Australia's most trusted and respected logistics partner. Its priorities are:

- Safety – above all else, home safely every day;
- People and leadership – Inspiring people, leadership excellence and a respectful culture;
- Customers – innovating and succeeding together;
- Community – enhancing and caring for the communities we operate in and through; and
- Financial Success – controlling our destiny and earning the right to grow.

## **Environment**

The Pacific National Group is committed to improving its environmental performance and minimising its environmental impact. For further information on the Pacific National Group's recent environmental projects and initiatives, please refer to "*Description of the Pacific National Group – Recent Significant Developments – Continued emphasis on projects and initiatives focused on safety, innovation and sustainability*" and "*Description of the Pacific National Group – Recent Significant Developments – Environment, Social and Governance*" above.



## **DESCRIPTION OF THE ISSUER**

The Issuer is a direct subsidiary of the Parent and its sole activity is to act as borrower of external funds that are provided to other members of the Pacific National Group through intercompany loan arrangements to finance the Pacific National Group's operations. The Issuer has no assets other than intercompany loans to Pacific National Holdings Pty Ltd and its subsidiaries.

The Issuer's directors are Mr. Paul Scurrah and Mr. Simon Atkinson. Ms. Kate Bowman is the Issuer's company secretary. The Issuer's corporate head office is located at Level 16, 15 Blue St, North Sydney, New South Wales 2060, Australia.

## DESCRIPTION OF THE PARENT

### Corporate History

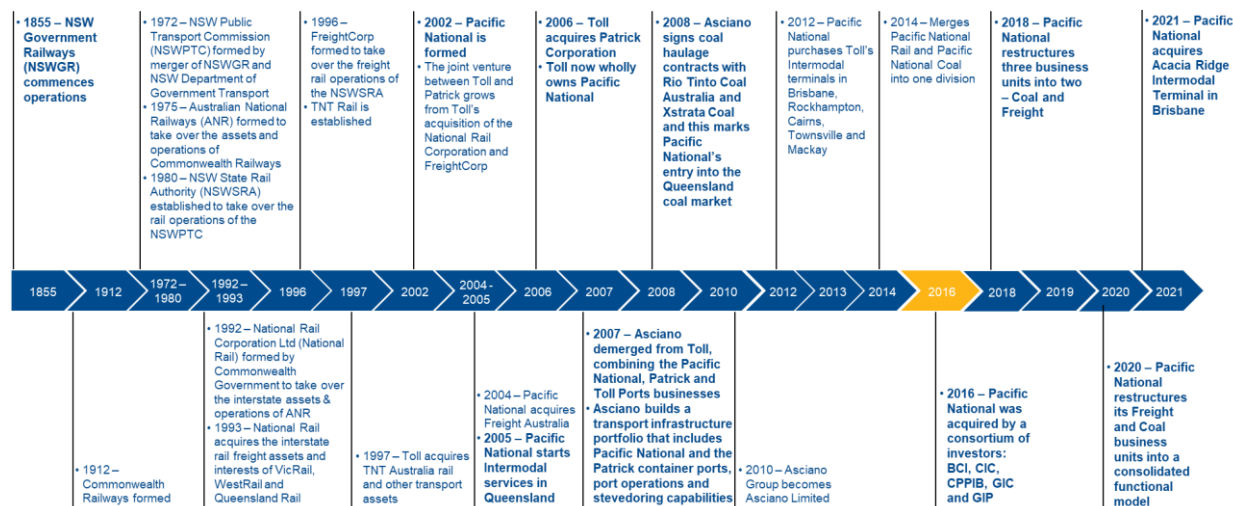
On 19 August 2016, by way of a scheme of arrangement, 100% of the issued share capital in Pacific National Holdings Pty Ltd (then Asciano Limited) was sold to a consortium comprising affiliates of Global Infrastructure Management LLC (27%), Canada Pension Plan Investment Board (“CPPIB”) (33%), CIC Capital Corporation (“CIC”) (16%), GIC Private Limited (“GIC”) (12%) and British Colombia Investment Management Corporation (“BCI”) (12%) (the “**Rail Consortium**”). Prior to the change in ownership, on 18 August 2016:

- Asciano Limited’s Patrick Bulk and Automotive Port Services business was sold to a consortium comprising affiliates of Brookfield Infrastructure Partners L.P., GIC Private Limited, BCI and Qatar Investment Authority (together, the “**Brookfield Consortium**”); and
- Asciano Limited’s Patrick Terminals and Logistics business was sold to a consortium comprising affiliates of Qube Holdings Limited, Brookfield Infrastructure Partners L.P, GIC Private Limited, BCI and Qatar Investment Authority (together, the “**Ports Consortium**”).

Following the sale of these businesses, the primary business of Pacific National Holdings Pty Ltd is the Pacific National rail business. The Pacific National Group maintains its corporate head office at Level 16, 15 Blue Street, North Sydney, New South Wales 2060, Australia.

The Pacific National Group has a long history in Australia and can trace its operational history to the NSW Government Railways, which commenced operations in 1855. This history is illustrated in the 1855 – 2021 historical timeline below.

### Historical Timeline



### Directors

Name, qualifications and independence status	Experience, special responsibilities and other directorships
<b>Mr. Russell Smith</b> BE, MBA Non-Executive Chairman and Chairman of the Remuneration and	Russell Smith joined as a Partner of Global Infrastructure Partners (“GIP”) Australia in 2015. Mr. Smith is an experienced transport infrastructure executive with 30 years’ experience in the transport infrastructure sector. His initial career was spent

Name, qualifications and independence status	Experience, special responsibilities and other directorships
Nomination Committee	<p>on the provision of port engineering, business planning and M&amp;A advisory services for the transport industry worldwide before moving into the role of Global Head of Ports for Babcock &amp; Brown, where he undertook the direct acquisition of transport infrastructure assets for Prime Infrastructure.</p> <p>Following this, Mr. Smith moved into an asset management role, with responsibility for Prime and then Brookfield's global portfolio of transport assets, including the Chairmanship of PD Ports in the UK, Euroports, Westnet Rail in Australia and DBCT in Australia, assets together encompassing 21 ports globally and over 5,000km of railway.</p> <p>From 2011 to 2015, Mr. Smith was the Chief Executive Officer ("CEO") of Port of Brisbane Pty Ltd, responsible for all elements of the transition of a newly privatised port from a Government corporation into a modern, private port company.</p> <p>Mr. Smith holds a Bachelor of Engineering and a Master of Business Administration specialising in strategic management.</p> <p>Mr. Smith is also a Non-Executive Director of the Port of Melbourne and associated entities.</p>
<p><b>Mr. Paul Scurrah</b> AssocDipBus Managing Director and Chief Executive Officer</p>	<p>Paul Scurrah was appointed as Managing Director and CEO of the Pacific National Group in April 2021.</p> <p>Prior to joining the Pacific National Group, Mr. Scurrah was CEO of Virgin Australia from March 2019 to November 2020 and CEO of DP World Australia from December 2013 to December 2018.</p> <p>Prior to his time at DP World Australia, Mr. Scurrah was Chief Marketing and Commercial Officer at Aurizon from 2012 to 2013 and was CEO of Queensland Rail from 2009 to 2011.</p> <p>Mr. Scurrah holds an Associate Diploma in Business, Travel and Tourism from William Angliss College.</p> <p>Mr. Scurrah is a non-executive director of the Gold Coast Suns Australian Football League team, a non-executive director of WHIZZ Technologies and a non-executive director of RPM Global.</p>

Name, qualifications and independence status	Experience, special responsibilities and other directorships
<b>Mr. Paul Bernath</b> BSc (Hons), LLB (Hons) Non-Executive Director	<p>Paul Bernath is a Managing Director in CPPIB's global Infrastructure team, responsible for leading the team's presence in the Asia Pacific region (ex. India). Mr. Bernath is also CPPIB's Australian Office Head and is based in Sydney, Australia, having previously been based at CPPIB's Toronto headquarters.</p> <p>Prior to joining CPPIB in 2014, Mr. Bernath worked as a corporate attorney at Allens Linklaters and as a transaction consultant, focusing on public and private mergers &amp; acquisitions, capital markets and restructuring projects, and large infrastructure transactions.</p> <p>Mr. Bernath holds a Bachelor of Science with Honours in Pharmacology from the University of Melbourne and a Bachelor of Laws with Honours from the Melbourne Law School.</p> <p>Mr. Bernath is also a non-executive director of WestConnex, NorthWestern Roads Group and is a member of the Board of Commissioners for Cikopo-Palimanan (Cipali) toll road in Indonesia.</p>
<b>Mr. Jeffrey Coates</b> BEng(Chem Eng)/BBus(Mgt) MBA Non-Executive Director	<p>Jeffrey Coates is a Portfolio Manager in BCI's Infrastructure and Renewable Resources team, based in Victoria, Canada.</p> <p>Prior to joining BCI in 2016, Mr. Coates was formerly a Vice-President, Investment Banking, at BMO Capital Markets based in Vancouver, advising companies within the metals and mining sector on a range of M&amp;A, debt and equity financing transactions. Prior to joining BMO Capital Markets, Mr. Coates worked for a number of years in the mining sector as a metallurgist and minerals processor in operations and process design, including with Fluor Corporation and Rio Tinto.</p> <p>Mr. Coates holds a Bachelor of Engineering (Chemical Engineering) and a Bachelor of Business (Management) from RMIT University, Australia and Master of Business Administration from the UBC Sauder School of Business.</p>
<b>Mr. Scott Hatton</b> BBA Non-Executive Director	<p>Scott Hatton joined GIP in 2008 as an Operating Principal and was elected a Partner in 2011. During his 13 years with GIP, Mr. Hatton served as the Chief Financial Officer of Portfolio Operations which oversees the financial performance of GIP's entire equity portfolio, while chairing the Valuation Committees for all debt and equity investments. Mr. Hatton is now a Senior Advisor to GIP and Chief Financial Officer of Eolian Energy based in San Francisco, California.</p> <p>Prior to joining GIP, Mr. Hatton spent 14 years with General Electric ("GE") in five operating divisions, including the Rail and Aircraft divisions. Having held multiple global leadership roles at GE (including a US\$12 billion integration effort for GE, Mr. Hatton then held senior financial leadership roles at Honeywell as CFO of their US\$4 billion Transportation Division and US\$10 billion Automation &amp; Control Division before assuming the CFO position of a publicly-held technology and industrial solutions provider, responsible for all facets of corporate and operating finance,</p>

Name, qualifications and independence status	Experience, special responsibilities and other directorships
	<p>information technology and investor relations.</p> <p>Mr. Hatton holds a Bachelor of Business Administration in Finance from the University of Kentucky. Mr. Hatton is a certified Six Sigma Master Black Belt and the recipient of the GE Chairman Award.</p>
<p><b>Mr. John Hextall</b> BSc (Hons) Non-Executive Director</p>	<p>John S. Hextall has had an extensive executive career in the transportation and logistics industry in North America and Europe, and Asia, most recently as CEO and Executive Director of De Well Group. Previously, Mr. Hextall served as the President and CEO of North America Region of Kuehne + Nagel International AG (“<b>Kuehne + Nagel</b>”) from October 2010 until July 2016.</p> <p>Prior to his role at Kuehne + Nagel, Mr. Hextall was a member of the founding management team of UTi Worldwide Inc., in which he held various roles including Executive Vice President and Chief Operating Officer for over 15 years.</p> <p>Mr. Hextall holds a Bachelor of Science Combined Honours degree in Transport Planning &amp; Operations from the University of Aston, Birmingham, United Kingdom and was a management graduate with Unilever.</p> <p>Mr. Hextall is also a non-executive director of Triton International Limited. Mr. Hextall has been appointed as a Director of the Parent by CPPIB, however he is not an employee of, and is otherwise independent of, CPPIB.</p>
<p><b>Mr. Colin Mugglestone</b> BE, MBA, FAICD Non-Executive Director, Chairman of the Health, Safety and Environment Committee</p>	<p>Colin Mugglestone is a Non-Executive Director of Pacific National and was previously Chairman of the Queensland Renewable Energy Expert Panel and Chairman of Intoll Group.</p> <p>Mr. Mugglestone has nearly 40 years of experience in the infrastructure sector with 22 years of investment banking and nine years of heavy industrial engineering experience. Mr. Mugglestone spent 22 years at Macquarie Group, where he was a Senior Managing Director at the time of his retirement in 2014. While at Macquarie, Mr. Mugglestone led a significant number of transactions including acquisitions &amp; divestments, public markets M&amp;A, senior &amp; mezzanine debt financings, public market M&amp;A, equity &amp; hybrid raisings and general corporate advice.</p> <p>Mr. Mugglestone holds a Master of Business Administration from the London Business School and a Bachelor of Engineering from the University of Queensland. He is a Fellow of the Australian Institute of Company Directors. Mr. Mugglestone has been appointed as a Director of the Parent by CPPIB, however he is not an employee of, and is otherwise independent of, CPPIB.</p>

Name, qualifications and independence status	Experience, special responsibilities and other directorships
<b>Ms. Deborah O'Toole</b> LLB Non-Executive Director, Chairperson of the Audit and Risk Committee	<p>Deborah O'Toole has extensive experience and expertise as a Chief Financial Officer for listed companies in a range of industries, including most recently at Aurizon.</p> <p>Ms. O'Toole was appointed as Aurizon's (formerly Queensland Rail) CFO in December 2007 after a career that included 20 years in the mining industry.</p> <p>Ms. O'Toole was CFO of MIM Holdings Limited for six years and is a former CFO of Queensland Cotton. Ms. O'Toole was a Director and Chair of the Audit Committee for CSIRO until mid-2011.</p> <p>Ms. O'Toole is a former Director of companies including Boral Limited, Boart Longyear, Pacific Aluminium and Norfolk Group Ltd and has served as a member of the Queensland Biotech Advisory Council and the Advisory Committee for the Banking and Finance School of the Queensland University of Technology. She has also been a Member of the Workers Compensation Board of Queensland.</p> <p>Ms. O'Toole holds a Bachelor of Laws from the University of Queensland.</p> <p>Ms. O'Toole is the Chair of Transurban Queensland also a non-executive director of Sims Limited, Credit Union Australia and Alumina Limited.</p> <p>Ms. O'Toole has been appointed as a Director of the Parent by CPPIB, however she is not an employee of, and is otherwise independent of, CPPIB.</p>
<b>Mr. Rob Stewart</b> BCom, MBA Non-Executive Director	<p>Rob Stewart was appointed the Managing Partner of GIP Australia in 2015 and was the CEO of Credit Suisse Australia before he joined GIP.</p> <p>Mr. Stewart joined Credit Suisse in 1990 in the New York office. He spent nine years as a banker in the United States, including four years with Merrill Lynch, before returning to Australia in 1999 with Credit Suisse. He was appointed head of the Australia Investment Banking department in 2000 and CEO in February 2013.</p> <p>Mr. Stewart holds a Bachelor of Commerce from the University of Melbourne and a Master of Business Administration from the University of Chicago.</p> <p>Mr. Stewart is a non-executive director (or alternate director) of entities associated with the Port of Melbourne, Lochard Energy, Queensland Curtis LNG Common Facilities, Pluto LNG Train 2, and GLNG Infrastructure.</p>

## Management team

In addition, the Pacific National Group's management team has significant experience in supply chain logistics and the management of capital-intensive essential transport services. The Pacific National Group's management team has demonstrated its ability to deliver operational and financial performance by maintaining and then growing earnings despite certain challenging market conditions. The Pacific National Group believes the experience and expertise of its management team will enable it to maintain its competitive advantage, deliver superior operational performance, and successfully capitalise on the organic growth opportunities available to the Pacific National Group.

## Key Management personnel

Name, qualifications and independence status	Experience, special responsibilities and other directorships
<b>Mr. Paul Scurrah</b> AssocDipBus Managing Director and Chief Executive Officer	<p>Paul Scurrah was appointed as Managing Director and CEO of the Pacific National Group in April 2021.</p> <p>Mr. Scurrah is a Director of the Parent and Issuer and his overview is included in the Directors section above.</p>
<b>Mr. Simon Atkinson</b> BCom, CA Chief Financial Officer	<p>Simon Atkinson was appointed Chief Financial Officer in June 2020. He joined the Pacific National Group in June 2019 and in the role of President Freight.</p> <p>Mr. Atkinson joined the Pacific National Group after 16 years with Incitec Pivot Limited where he was most recently President of Dyno Nobel Asia Pacific and President Incitec Pivot Fertilisers. In the last eight years with Incitec Pivot Limited, Mr. Atkinson's experience has included four years leading the Dyno Nobel International business based in the USA, three years leading the Dyno Nobel Asia Pacific (DNAP) business in Brisbane, and for the last two years he led Incitec Pivot's (IPL) Asia Pacific Downstream business based in Brisbane and Melbourne. Since 2009 his responsibilities included international commercial and operational leadership in the USA, South Africa, Asia, Europe and Australia.</p> <p>Mr. Atkinson's diverse experience spans Investor relations, M&amp;A, strategic planning, finance leadership, business restructuring, project management, people development and systems design and implementation.</p> <p>Mr. Atkinson holds a Bachelor of Commerce from Deakin University and is a Chartered Accountant. Mr. Atkinson has also completed the Harvard Business School Advanced Management Program.</p>
<b>Ms. Kate Bowman</b> LLB (Hons), BEcon (Social Science) Chief Corporate Services Officer, Group General Counsel and Company Secretary	<p>Kate Bowman was appointed Chief Corporate Services Officer, Group General Counsel and Company Secretary in June 2020. Prior to that Ms. Bowman had held the role of Chief Legal Officer and Company Secretary since 2018. She has been with the Pacific National Group since 2007, having held roles with both Asciano and Patrick as well as Pacific National and has led the legal function at Pacific National since 2015.</p> <p>Ms. Bowman leads a multi-disciplinary team delivering human resources, legal, company secretarial, corporate governance services, government relations, external affairs and communications to the business. In this role Ms. Bowman is responsible for advising the Pacific National Group Board and senior executives on a broad range of matters including people and culture, legal, corporate governance and corporate affairs.</p> <p>A practising lawyer, Ms. Bowman has 15 years broad experience in in-house and private practice roles, advising on all aspects of commercial, corporate, occupational health and safety and competition law. She has extensive experience working in regulated industries, including rail and ports. Ms. Bowman is also a director on a number of not-for-profit and industry boards.</p> <p>Ms. Bowman began her career at Clayton Utz. She holds a Bachelor of Laws (Hons) and a Bachelor of Economics (Social Science) from the University</p>

Name, qualifications and independence status	Experience, special responsibilities and other directorships
	of Sydney.
<b>Mr. Keith Neate</b> BA, FCA Executive Advisor – Strategy and Projects	<p>Keith Neate was appointed Executive Advisor, Strategy &amp; Projects of the Pacific National Group in September 2021.</p> <p>Prior to joining Pacific National, Mr. Neate was CFO of Virgin Australia from August 2019 to March 2021, Group CFO of Aurizon from November 2012 to December 2016 and CFO of Aurizon’s Coal Division from August 2011.</p> <p>Mr. Neate was the founding CFO of Virgin Blue from March 2003 to March 2011, and prior to that spent 15 years at KPMG in various roles including Transaction services and Corporate Advisory.</p> <p>Mr. Neate holds a Bachelor of Arts from Huddersfield University and is a Chartered Accountant (FCA ICAEW). Mr. Neate is a director of the Financial Executives Institute.</p>
<b>Mr. Patrick O’Donnell</b> MBA Chief Operating Officer	<p>Patrick O’Donnell was appointed as Chief Operating Officer of the Pacific National Group in October 2021.</p> <p>Prior to joining the Pacific National Group, Mr. O’Donnell was Senior Vice President of Caterpillar’s Rail Division, Progress Rail, and was responsible for China, India, South-East Asia and Australia. Progress Rail is a global rail supplier of rollingstock and infrastructure with approximately 10,000 employees globally and is part of the Energy and Transportation group within Caterpillar. Mr. O’Donnell joined Caterpillar in July 2017.</p> <p>Prior to his time at Caterpillar, Mr. O’Donnell was Senior Vice President at Aurizon from 2009 to 2017. He held a number of operational, engineering and planning roles across both above and below rail operations driving significant transformation following the privatisation of Aurizon. Mr. O’Donnell has worked across rail, ports and logistics with companies including Asciano, Toll and P&amp;O Ports and has a deep understanding of rail and logistics within Australia.</p> <p>Mr. O’Donnell holds an MBA from Swinburne University, completed the Caterpillar Duke University executive development program and has studied finance and strategy at the London School of Economics.</p>
<b>Mr. Andrew Thomson</b> BAcc Chief Commercial Officer	<p>Andrew Thomson was appointed Chief Commercial Officer in February 2020. He has been with the Pacific National Group since October 2018.</p> <p>Mr. Thomson joined the Pacific National Group from Ferrovial, a listed Spanish infrastructure and construction business, where he was Head of Investment Analysis for the International Services business, based in Austin, Texas. Prior to the takeover of Broadspectrum (formerly Transfield) by Ferrovial, he was CFO of Broadspectrum’s Americas business comprising Infrastructure, Oil &amp; Gas and Mining Services in the USA, Canada and Chile. During his career, Mr. Thomson also worked for BHP in Singapore, the USA and Australia in roles covering strategy and M&amp;A in coal and exploration and spent twelve years as an investment banker in the resources and services sectors for Rothschild &amp; Co. and Caliburn (now Greenhill).</p>



**Name, qualifications and  
independence status**

**Experience, special responsibilities and other directorships**

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Mr. Thomson has a Bachelor of Accounting from the University of Glasgow, and qualified as a Chartered Accountant (Institute of Chartered Accountants of Scotland) with Arthur Anderson & Co.

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## SELECTED FINANCIAL INFORMATION

*The capitalisation table, selected consolidated income statement data, consolidated balance sheet data and consolidated cash flow statement data set out below have been derived from the Pacific National Group's audited consolidated financial statements, and should be read in conjunction with the Pacific National Group's financial statements which are incorporated in this Offering Circular by reference (see "Documents Incorporated by Reference") and the interim financials for the period ending 31 December 2021 set out in this Offering Circular.*

*The financial statements referred to above have been prepared in accordance with Australian Accounting Standards as at the reporting date. The selected consolidated financial information set out below is not necessarily indicative of the Pacific National Group's future results of operations or financial position.*

### Capitalisation table

The following table sets forth long-term loans and borrowings and capitalisation of the Pacific National Group as at 31 December 2021.

	<b>Actual</b>
	(A\$ in millions)
<b>Lease liabilities<sup>(1)</sup></b>	
Current lease liabilities <sup>(1)</sup> .....	20.6
Non-current lease liabilities <sup>(1)</sup> .....	225.1
<b>Total lease liabilities<sup>(1)</sup> .....</b>	<b>245.7</b>
<b>Long-term loans and borrowings</b>	
Syndicated bank loans .....	200.0
US\$ denominated bonds <sup>(1)</sup> .....	892.1
GBP denominated bonds <sup>(1)</sup> .....	558.7
A\$ denominated bonds .....	1545.3
Capitalised borrowing costs .....	(12.4)
<b>Total long-term loans and borrowings<sup>(2)</sup> .....</b>	<b>3,183.7</b>
<b>Total loans and borrowings<sup>(2)</sup> .....</b>	<b>3,183.7</b>
<b>Total lease liabilities, loans and borrowings<sup>(2)</sup> .....</b>	<b>3,429.4</b>
<b>Equity</b>	
Contributed equity .....	4,351.2
Reserves .....	(4,943.3)
Retained Earnings .....	1,400.5
<b>Total equity .....</b>	<b>808.4</b>
<b>Total capitalisation<sup>(3)</sup> .....</b>	<b>4,237.8</b>

Notes:

- (1) US\$ and GBP denominated bonds are carried at their mark-to-market ("MTM") balance per the financial statements.
- (2) As of 31 December 2021, none of Pacific National Group's loans and borrowings were secured borrowings.

(3) Total capitalisation represents lease liabilities, long-term loans and borrowings plus total equity.

As at the date of this Offering Circular and except as otherwise disclosed above, there has been no material adverse change in the Pacific National Group's capitalisation and indebtedness since 31 December 2021.

### Selected consolidated income statement data

	Year ended 30 June		Half year ended 31 December		
	2020	2021	2019	2020	2021
	<i>(in A\$ millions)</i>				
Revenue.....	2,436.0	2,293.6	1,279.7	1,131.8	1,216.6
Other income .....	28.6	26.2	20.5	7.7	9.5
Operating expenses excluding depreciation and amortisation .....	(1,694.2)	(1,508.3)	(866.1)	(756.7)	(813.5)
<b>Profit before depreciation, amortisation, net finance costs and tax .....</b>	<b>770.4</b>	<b>811.5</b>	<b>434.1</b>	<b>382.8</b>	<b>412.6</b>
Depreciation .....	(323.6)	(341.7)	(151.6)	(151.8)	(155.7)
Amortisation.....	(16.5)	(19.2)	(7.7)	(7.7)	(8.1)
Net finance costs .....	(211.3)	(168.7)	(99.8)	(92.0)	(83.3)
<b>Profit before tax.....</b>	<b>219.0</b>	<b>281.9</b>	<b>175.0</b>	<b>131.3</b>	<b>165.5</b>
Tax expense.....	(67.2)	(83.4)	(52.7)	(39.7)	(49.5)
<b>Net profit .....</b>	<b>151.8</b>	<b>198.5</b>	<b>122.3</b>	<b>91.6</b>	<b>116.0</b>

### Selected consolidated balance sheet data

	As at 30 June		As at 31 December		
	2020	2021	2019	2020	2021
	<i>(in A\$ million)</i>				
<b>Current assets</b>					
Cash and cash equivalents .....	871.3	78.1	101.8	70.2	94.0
Trade and other receivables .....	248.8	267.5	295.8	275.1	262.2
Contract asset.....	-	5.1	-	-	16.8
Prepayments and other assets .....	11.1	14.2	20.3	15.8	25.7
Inventories .....	20.2	23.5	29.1	23.0	22.2
Derivative financial assets .....	233.3	9.6	225.6	19.1	10.6
<b>Total current assets.....</b>	<b>1,384.7</b>	<b>398.0</b>	<b>672.6</b>	<b>403.2</b>	<b>431.5</b>
<b>Non-current assets .....</b>					
Lease assets .....	227.6	224.1	242.4	231.4	226.4
Property, plant and equipment .....	2,891.4	3,028.9	2,949.1	2,863.7	3,051.5
Intangible assets.....	956.2	978.5	939.5	955.0	975.2

	As at 30 June		As at 31 December		
	2020	2021	2019	2020	2021
	<i>(in A\$ million)</i>				
Trade and other receivable.....	10.1	-	-	34.2	-
Contract asset.....	-	88.8	-	-	111.6
Prepayments and other assets .....	-	-	0.4	-	1.7
Derivative financial assets .....	253.2	168.5	235.7	108.5	200.8
Net deferred tax assets .....	88.3	33.8	105.8	75.1	5.5
<b>Total non-current assets.....</b>	<b>4,426.8</b>	<b>4,522.6</b>	<b>4,472.9</b>	<b>4,267.9</b>	<b>4,572.7</b>
<b>Total assets .....</b>	<b>5,811.5</b>	<b>4,920.6</b>	<b>5,145.5</b>	<b>4,671.1</b>	<b>5,004.2</b>
<b>Current liabilities</b>					
Lease liabilities.....	18.7	19.8	34.9	20.9	20.6
Trade payables.....	85.1	102.1	41.8	65.1	54.5
Other payables and accrued expenses .....	237.5	234.7	230.4	222.7	247.5
Provisions .....	37.0	30.0	21.4	32.4	27.5
Employee benefits .....	93.2	95.1	91.3	93.9	95.8
Loans and borrowings.....	869.2	-	854.3	-	-
Derivative financial liabilities.....	33.7	39.6	35.7	35.0	22.3
<b>Total current liabilities.....</b>	<b>1,374.4</b>	<b>521.3</b>	<b>1,309.8</b>	<b>470.0</b>	<b>468.2</b>
<b>Non-current liabilities</b>					
Lease liabilities.....	223.3	221.8	220.1	226.4	225.1
Other payables and accrued expenses .....	149.0	203.5	141.1	166.4	232.3
Provisions .....	36.0	30.9	36.6	35.9	28.2
Employee benefits .....	78.2	44.9	72.5	75.4	38.6
Loans and other borrowings .....	3,243.2	3,013.3	2,643.8	2,915.1	3,197.5
Derivative financial liabilities.....	22.5	12.6	53.6	25.4	5.9
<b>Total non-current liabilities .....</b>	<b>3,752.2</b>	<b>3,527.0</b>	<b>3,167.7</b>	<b>3,444.6</b>	<b>3,727.6</b>
<b>Total liabilities.....</b>	<b>5,126.6</b>	<b>4,048.3</b>	<b>4,477.5</b>	<b>3,914.6</b>	<b>4,195.8</b>
<b>Total equity .....</b>	<b>684.9</b>	<b>872.3</b>	<b>668.0</b>	<b>756.5</b>	<b>808.4</b>

#### Selected consolidated statement of cash flows data

	Year ended 30 June		Half year ended 31 December		
	2020	2021	2019	2020	2021
	<i>(in A\$ millions)</i>				
<b>Operating cash flows</b>					
Receipts from customers.....	2,866.0	2,579.9	1,463.0	1,276.1	1,386.7
Payments to suppliers and employees.....	(2,046.1)	(1,889.3)	(1,098.4)	(981.2)	(1,062.2)

	Year ended 30 June		Half year ended 31 December		
	2020	2021	2019	2020	2021
	<i>(in A\$ millions)</i>				
Interest and other costs of finance paid.....	(201.6)	(186.9)	(96.2)	(109.1)	(79.7)
Interest received.....	3.1	2.7	1.0	2.8	0.1
Legal recovery on Acacia Ridge Terminal acquisition case.....	-	4.4	-	-	-
Net Operating cash flow .....	<b>621.4</b>	<b>510.8</b>	<b>269.4</b>	<b>188.6</b>	<b>244.9</b>
<b>Investing cash flows</b>					
Payments for property, plant, equipment and intangible assets .....	(246.1)	(278.3)	(120.6)	(111.3)	(202.0)
Proceeds from sale of property, plant, equipment and intangible assets.....	7.6	6.8	7.6	-	26.4
Loans to related parties .....	(1.3)	(4.2)	-	(0.2)	(0.8)
Payment for acquisition of Acacia Ridge Terminal .....	-	(174.8)	-	-	-
Net investing cash flows.....	<b>(239.8)</b>	<b>(450.5)</b>	<b>(113.0)</b>	<b>(111.5)</b>	<b>(176.4)</b>
<b>Financing cash flows</b>					
Return of capital .....	(541.6)	(20.9)	(500.0)	-	(192.9)
Proceeds from new bond issue, net of transaction costs.....	446.1	-	446.1	-	396.1
Payment of lease liabilities .....	(27.5)	(29.4)	(13.4)	(14.9)	(15.8)
Repayment of borrowings.....	(300.0)	(993.2)	(300.0)	(863.3)	(400.0)
Proceeds from borrowings.....	845.0	190.0	245.0	-	160.0
Net financing cash flows.....	<b>422.0</b>	<b>(853.5)</b>	<b>(122.3)</b>	<b>(878.2)</b>	<b>(52.6)</b>
Net increase/(decrease) in cash and cash equivalents.....	<b>803.6</b>	<b>(793.2)</b>	<b>34.1</b>	<b>(801.1)</b>	<b>15.9</b>
Cash and cash equivalents at the beginning of the financial period .....	67.7	871.3	67.7	871.3	78.1
Cash and cash equivalents at the end of the financial period .....	<b>871.3</b>	<b>78.1</b>	<b>101.8</b>	<b>70.2</b>	<b>94.0</b>

## DESCRIPTION OF THE SUBSIDIARY GUARANTORS

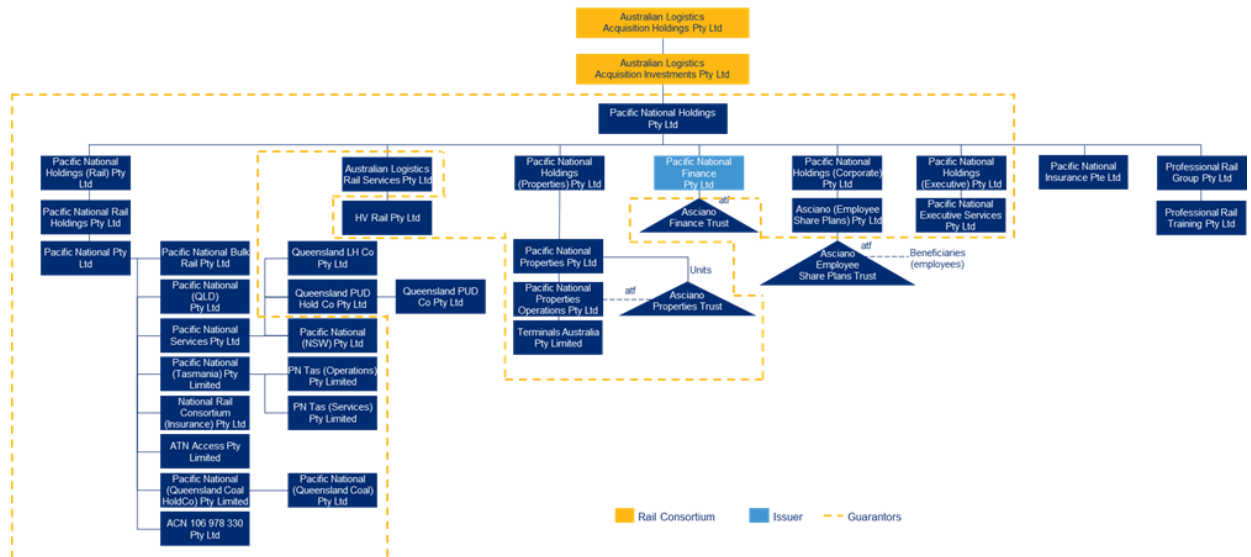
References in this Offering Circular to the “**Subsidiary Guarantors**” are references to those Subsidiaries of the Parent from time to time party to, and bound by, the Guarantee.

As at the date of this Offering Circular, each of the following is a subsidiary of Pacific National Holdings Pty Ltd and, together with the Parent, unconditionally and irrevocably guarantees on a joint and several basis the payment of all amounts due in respect of the Notes under the Guarantee:

- ACN 106 978 330 Pty Ltd
- Asciano (Employee Share Plans) Pty Ltd
- Pacific National Executive Services Pty Ltd
- Pacific National Holdings (Corporate) Pty Ltd
- Pacific National Holdings (Executive) Pty Ltd
- Pacific National Holdings (Properties) Pty Ltd
- Pacific National Holdings (Rail) Pty Ltd
- Pacific National Properties Operations Pty Ltd (in its own capacity and in its capacity as trustee of the Asciano Properties Trust)
- Pacific National Properties Pty Ltd
- Pacific National Rail Holdings Pty Ltd
- Pacific National Services Pty Ltd
- ATN Access Pty Limited
- National Rail Consortium (Insurance) Pty Ltd
- Pacific National Bulk Rail Pty Ltd
- Pacific National (NSW) Pty Ltd
- Pacific National (Qld) Pty Ltd
- Pacific National (Queensland Coal HoldCo) Pty Limited
- Pacific National (Queensland Coal) Pty Ltd
- Pacific National (Tasmania) Pty Limited
- Pacific National Pty Ltd
- PN Tas (Operations) Pty Limited
- PN Tas (Services) Pty Limited
- Terminals Australia Pty Limited
- HV Rail Pty Ltd

Other Subsidiaries of the Parent may become Subsidiary Guarantors in the circumstances set out in Condition 3.4. A Subsidiary Guarantor may be released from any obligation under the Guarantee without the consent of Holders in the circumstances set out in Condition 3.5. The Parent has however acknowledged in the Guarantee that it shall not be released from the Guarantee or other obligations under it.

The relationship of the Issuer and the Subsidiary Guarantors as at the date of this Offering Circular is illustrated in the diagram below. See “*Description of the Pacific National Group*” for more information about the Pacific National Group.



## AUSTRALIAN TAXATION

*In addition to the matters set out in this section in relation to Australian tax matters, prospective investors are advised to seek their own professional advice in relation to the matters set out in this Offering Circular under the headings “U.S. Foreign Account Tax Compliance Act and OECD Common Reporting Standard”.*

*The following is a summary of the Australian withholding tax treatment under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, “**Australian Tax Act**”), the Taxation Administration Act 1953 of Australia and any relevant regulations, rulings or judicial or administrative pronouncements, at the date of this Offering Circular, of payments of interest (as defined in the Australian Tax Act) on the Notes to be issued by the Issuer under the Programme and certain other Australian tax matters.*

*This summary applies to prospective investors that are:*

- *residents of Australia for tax purposes that do not hold their Notes in the course of carrying on a business outside of Australia, and non-residents of Australia for tax purposes that hold their Notes in the course of 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 acquire their Notes in the course of carrying on a business at or through a permanent establishment in Australia, and Australian tax residents that acquire their Notes in the course of carrying on a business outside of Australia (“**Non-Australian Holders**”).*

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

*Prospective investors 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 applicable Pricing Supplement (or another relevant supplement to this Offering Circular).*

*This summary is not intended to be, nor should it be construed as legal or tax advice to any particular holder of Notes. Each prospective investor should seek professional tax advice in relation to their particular circumstances.*

### **1 Australian interest withholding tax**

The Australian Tax Act characterises securities as either “debt interests” (for all entities) or “equity interests” (for companies) including for the purposes of interest withholding tax (“**IWT**”) and dividend withholding tax. For Australian IWT purposes, “interest” is defined to include amounts in the nature of, or in substitution for, interest (such as original issue discount) and certain other amounts.

#### ***Payments under the Notes***

Payments of interest in respect of the Notes to Australian Holders will not be subject to Australian IWT. IWT is 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.

#### ***Section 128F exemption from IWT***

An exemption from 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 the applicable Pricing Supplement (or another relevant supplement to this Offering Circular), 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:

- (a) 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;
- (b) 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, the purpose of which is to ensure that lenders in capital markets are aware that the Issuer is offering the Notes for issue.

In summary, the five methods are:

- offers to 10 or more unrelated financiers, or securities dealers or entities that carry on the business of investing in securities;
  - 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 offers to sell the Notes within 30 days by one of the preceding methods;
- (c) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes (or interests in those 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
  - (d) 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 person or entity which holds more than 50% of the voting shares of, or otherwise controls, the Issuer;
- an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, the Issuer;
- a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust; and
- a person or entity who is an “associate” of another person or company which is an “associate” of the Issuer under any of the foregoing.

However, for the purposes of sections 128F(5) and (6) of the Australian Tax Act (see paragraphs (c) and (d) above) an “**associate**” of the Issuer does not include a Non-Australian Holder that is acting in the capacity of:

- in the case of section 128F(5) of the Australian Tax Act only, 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 managed investment scheme (for the purposes of the Corporations Act); or

- in the case of section 128F(6) of the Australian Tax Act, a clearing house, paying agent, custodian, funds manager, responsible entity of a registered managed investment scheme (for the purposes of the Corporations Act).

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

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

The Australian Taxation Office has, however, published a Taxation Determination stating that payments by a guarantor in respect of debentures are entitled to the benefit of the exemption contained in section 128F of the Australian Tax Act if payments of interest in respect of those debentures by the Issuer are exempt from Australian IWT. However, there is some doubt whether the reasoning adopted in the Taxation Determination is strictly correct.

If such payments are characterised as “interest” for Australian withholding tax purposes, Australian IWT at the rate of 10% will be payable on payments of interest (as defined in section 128A(1AB) of the Australian Tax Act), or interest paid on an overdue amount, by such a Guarantor to Non-Australian Holder, unless an exemption is available.

### ***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 IWT applying to interest derived by:

- the governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and
- 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 will 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 on the Federal Treasury Department’s website.

### ***Notes in bearer form - section 126 of the Australian Tax Act***

Section 126 of the Australian Tax Act imposes a type of withholding tax (see below for the rate) on the payment of interest on Bearer Notes if the Issuer fails to disclose the names and addresses of the holders of Bearer Notes to the Australian Taxation Office (the “**ATO**”).

Section 126 of the Australian Tax Act does not apply to the payment of interest on Bearer Notes held by non-Australian residents who do not carry on business at or through a permanent establishment in Australia where the issue of those Bearer Notes has satisfied the requirements of section 128F of the Australian Tax Act or IWT is payable.

In addition, the ATO has confirmed that for the purpose of section 126 of the Australian Tax Act, the holder of debentures in bearer form is the person in possession of the debentures. Section 126 of the Australian Tax Act is, therefore, limited in its application to persons in possession of Bearer Notes who are residents of Australia or non-Australian residents who are engaged in carrying on business at or through a permanent establishment in Australia. Where interests in Bearer Notes are held through a Clearing System, the Issuer intends to treat the relevant operator of the clearing system (or its nominee) as the bearer of the Notes for the purposes of section 126 of the Australian Tax Act.

The current rate of withholding tax is 45%.

## **2 Australian income tax**

Australian Holders will be required to include any interest in respect of their Notes in their Australian assessable income. Whether the interest should be recognised as assessable income on a cash receipts or accruals basis (see also the “*taxation of financial arrangements*” summary in section 3 below) will depend on the individual circumstances of the Australian Holder.

On the basis that the Issuer satisfies the requirements of section 128F of the Australian Tax Act in respect of interest paid on the Notes, then Non-Australian Holders that are non-residents of Australia should not be subject to Australian income tax in respect of interest payments received on their Notes.

Any profit or gain made on disposal of the Notes by a Non-Australian Holder that is a non-resident of Australia will not be subject to Australian income tax provided that such profit or gain does not have an Australian source (as described below). To the extent that the amounts received on disposal of the Notes include amounts of interest or amounts in the nature of interest, IWT may apply in certain circumstances. However, section 128F of the Australian Tax Act may apply to exempt such amounts from IWT (see above).

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

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

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

## **3 Other tax matters**

Under Australian laws as presently in effect:

- *taxation of financial arrangements* – the Australian Tax Act contains tax timing rules for certain taxpayers to bring to account gains and losses from “financial arrangements”. The rules do not alter the rules relating to the imposition of IWT nor override the IWT exemption available under section 128F of the Australian Tax Act.

In addition, the rules do not apply to certain taxpayers or in respect of certain short term “financial arrangements”. They should not, for example, generally apply to Holders which are individuals and certain other entities (e.g. certain superannuation entities and managed investment schemes) which do not meet various turnover or asset thresholds, unless they make an election that the rules apply to their

“financial arrangements”. Prospective investors should seek their own tax advice regarding their own personal circumstances as to whether such an election should be made;

- *death duties* – no Notes will 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 are payable in Australia on the issue or transfer 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 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 withholding will not apply to payments to a Non-Australian Holder that is a non-resident of Australia. Payments to other classes of Holders in respect of Registered Notes may be subject to a withholding where the Australian Holder does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate).

The rate of withholding tax is 47%;

- *additional withholdings from certain payments to non-residents* – the Governor-General has power to 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 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 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 will 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 will give rise to a liability for GST in Australia on the basis that the supply of Notes will 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, would give rise to any GST liability in Australia.

## U.S. FOREIGN ACCOUNT TAX COMPLIANCE ACT AND OECD COMMON REPORTING STANDARD

### FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Australia) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are published generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional notes (as described under “Terms and Conditions of the Notes — Further Issues”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

### Australian IGA

Australia and the United States signed an IGA (“**Australian IGA**”) in respect of FATCA on 28 April 2014. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the Australian IGA (“**Australian IGA Legislation**”).

Australian financial institutions which are Reporting Australian Financial Institutions under the Australian IGA must comply with specific due diligence procedures to identify their account holders (for example, the Noteholders) and provide the Australian Taxation Office (“**ATO**”) with information on financial accounts (for example, the Notes) held by U.S. persons and recalcitrant account holders and on payments made to non-participating FFIs. The ATO is required to provide such information to the IRS. Consequently, Noteholders may be requested to provide certain information and certifications to an Obligor or an Agent and to any other financial institutions through which payments on the Notes are made in order for the Obligor or Agent and such other financial institutions to comply with their FATCA obligations.

A Reporting Australian Financial Institution that complies with its obligations under the Australian IGA will not generally be subject to FATCA withholding on amounts it receives, and will not generally be required to deduct FATCA withholding from payments it makes with respect to the Notes, other than in certain prescribed circumstances.

**No additional amounts paid as a result of FATCA withholding**

If any withholding or deduction arises under or in connection with FATCA, no Obligor or Agent will be required to pay any additional amounts on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a Holder or other person.

**FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE HOLDERS IS SUBJECT TO CHANGE. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA AND THE AUSTRALIAN IGA MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.**

**Common Reporting Standard**

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**CRS**”) applies to Australian financial institutions and requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Noteholders who hold Notes through a financial institution intermediary may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

## SUBSCRIPTION AND SALE

The Initial Dealer and any further Dealer appointed in accordance with the amended and restated programme agreement dated on or about 25 February 2022 (as modified, supplemented and/or restated from time to time, “**Programme Agreement**”), have agreed with the Issuer and the Parent a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”.

In the Programme Agreement, the Issuer (failing which, the Parent) has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any further update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection with such establishment, future update or issue.

The distribution of this Offering Circular or any Obligor Information may be restricted by law in certain jurisdictions.

No action has been taken by an Obligor, the Arranger, a Dealer or an Agent that would, or is intended to, permit a public offering of any Notes or possession or distribution of this Offering Circular, any Obligor Information or any advertising or other offering material relating to the Programme or any Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, no person may, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish this Offering Circular, any Obligor Information or any other offering circular, prospectus, form of application, advertisement or other document or information relating to the Programme or any Notes in any country or jurisdiction, except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by any person must be made on the same terms.

Without prejudice to the generality of the foregoing paragraph, the Initial Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will obtain any consent, approval or permission which is, to the best of its knowledge and belief, required for the offer, purchase or sale by it of any Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers, purchases or sales and it will, to the best of its knowledge and belief, comply with all such laws and regulations and none of the other Dealers shall have any responsibility for the actions of another Dealer.

Persons into whose possession this Offering Circular, any Obligor Information or any Notes may come must inform themselves about, and observe, any restrictions under applicable law on the distribution of this Offering Circular, any Obligor Information or any advertisement or other offering material relating to the Programme or any Notes, and the offering and sale of, or the solicitation of an offer to buy, Notes including the restrictions on such distribution, offer, sale and solicitation in Australia, the United States, the European Economic Area, the United Kingdom, New Zealand, Singapore, Japan and Hong Kong set out below.

### **Australia**

No prospectus or other disclosure document (as defined in the Australian Corporations Act) in relation to the Programme or any Notes has been or will be lodged with ASIC or ASX. The Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it:

- has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Notes in Australia (including an offer or invitation which is received by a person in Australia); and

- has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive prospectus, offering memorandum, disclosure document, advertisement or other offering material relating to the Programme or any Notes in Australia,

unless:

- (i) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies, but disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act;
- (ii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Australian Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives in Australia; and
- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

## **United States**

The Notes and the guarantees of the Guarantors under the Guarantee have not been, and will not be, registered under the Securities Act or the securities law of any state or other jurisdiction of the United States and, subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 (as amended) and regulations promulgated thereunder.

The Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the relevant issue date, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S. The Initial Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of any identifiable tranche of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

## **Prohibition of Sales to EEA Retail Investors**

The Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell



or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”); and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

#### **Prohibition of Sales to UK Retail Investors**

The Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

#### **United Kingdom**

The Initial Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- in relation to any Notes which have a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

- (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (“FSMA”) by the Issuer;
- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Obligor; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## New Zealand

No product disclosure statement or any other disclosure document under the Financial Markets Conduct Act 2013 of New Zealand (“FMC Act”) has been prepared or lodged in New Zealand in relation to the Notes. The Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes; and
- it has not distributed and will not distribute, directly or indirectly, any offering materials or advertisement in relation to any offer of Notes,

in each case in New Zealand other than:

- to wholesale investors within the meaning of clause 3(2) of Schedule 1 to the FMC Act, being a person who:
  - (i) is an “**investment business**” as defined in clause 37 of Schedule 1 to the FMC Act;
  - (ii) meets the “**investment activity criteria**” specified in clause 38 of Schedule 1 to the FMC Act;
  - (iii) is “**large**” as defined in clause 39 of Schedule 1 to the FMC Act; or
  - (iv) is a “**government agency**” as defined in clause 40 of Schedule 1 to the FMC Act;
- where all applicable provisions of the FMC Act and the Financial Markets Conduct Regulations 2014 (“**FMC Regulations**”) have been complied with, to persons that are “**eligible investors**” (as defined in clause 41 of Schedule 1 to the FMC Act) within the meaning of clause 3(3)(a) of Schedule 1 to the FMC Act;
- where all applicable provisions of the FMC Act and the FMC Regulations have been complied with, to persons within the meaning of clause 3(3)(b) of Schedule 1 to the FMC Act that either:
  - (i) pay a minimum amount on acceptance of any offer of Notes of at least NZ\$750,000 (disregarding any amount which is to be paid, or was paid, out of money lent by the offeror of the Notes or any associated person of such offeror); or
  - (ii) pay an amount on acceptance of the offer of the Notes which, when added to the amounts previously paid by the person for Notes of the same class held by the person, add up to at least

NZ\$750,000 (disregarding any amount which is to be paid, or was paid, out of money lent by the offeror of the Debt Instruments or any associated person of such offeror); or

- in any other circumstances that would not involve making a regulated offer for the purposes of the FMC Act or cause any other contravention of the FMC Act.

## Singapore

The Initial Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than:

- (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA;
- (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) 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
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) 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 made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

*Singapore SFA Product Classification: In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless*

*otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

## Japan

The Notes have not been, and will not be, registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, the Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## Hong Kong

In relation to each Tranche of Notes issued by the Issuer, the Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a “**structured product**” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”)) other than:
  - (i) to “**professional investors**” as defined in the 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 (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- 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 purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “**professional investors**” as defined in the SFO and any rules made under the SFO.

## General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Guarantors, nor any other Dealer shall have any responsibility therefor.

None of the Issuer, the Parent, any Guarantor, the Arranger and any of the Dealers appointed under the Programme represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction that would permit a public offering of any of the Notes, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

These selling restrictions may be modified by the agreement of the Issuer, the Parent and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions agreed between the Issuer, the Parent and the relevant Dealer as set out in the applicable Pricing Supplement.

## **GENERAL INFORMATION**

### **Authorisation**

Each Obligor has obtained all necessary consents, approvals and authorisations in its jurisdiction of incorporation or establishment in connection with the establishment and update of the Programme. The establishment of the Programme was authorised by resolutions of the board of directors of each Obligor passed between 20 and 30 August 2013 and resolutions of a committee of the board of directors of each Obligor passed on 30 August 2013. The 2022 update to the Programme was authorised by resolutions of the board of directors of each Obligor passed on 24 February 2022.

### **Listing of Notes**

Application has been made to the SGX-ST for the listing of Notes which are agreed at or prior to the time of issue thereof to be so listed on the Official List. Such approval will be granted when a particular Series of Notes has been admitted to the Official List. There is no assurance that any application to the SGX-ST for such approval will be granted. The Notes must be traded in a minimum board lot size of S\$200,000 (or its equivalent in another currency) for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

It is expected that each Series of Notes which is to be admitted to the Official List and to trading on the SGX-ST will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Series.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a Paying Agent in Singapore (where such Notes may be presented or surrendered for payment or redemption) in the event that a Global Note representing such Notes is exchanged for definitive Notes. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the Paying Agent in Singapore, so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

### **Corporate Information**

The registered office of each Obligor is located at Level 16, 15 Blue Street, North Sydney, New South Wales, 2060, Australia. The telephone number is +61 3 9284 4000 and the facsimile number is +61-3-9699-2869.

Pacific National's website is located at [www.pacificnational.com.au](http://www.pacificnational.com.au). The information on Pacific National's website is not part of this Offering Circular.

### **Documents Available**

Copies of the following documents will, when published, be available for inspection from the specified office of the Principal Paying Agent during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted):

- the constituent documents of each Obligor;
- the Programme Agreement;
- the Supplemental Guarantee Deed Poll and each Guarantor accession and release document specified therein;

- the Euro Agency Agreement and Master Deed of Covenant;
- the Australian Agency Agreement and Australian Note Deed Poll;
- each of the documents which are incorporated by reference in this Offering Circular (see “*Documents Incorporated by Reference*”); and
- a copy of this Offering Circular.

In addition, the following documents will be available from the times specified below for inspection from the specified office of the Principal Paying Agent and, for so long as any Notes are listed on SGX-ST, the website of the SGX-ST ([www.sgx.com](http://www.sgx.com)):

- the audited consolidated financial reports of the Parent for each financial year within 120 days after the end of that financial year; and
- the unaudited consolidated financial reports of the Parent for the first half of each financial year, within 90 days after the end of that half year.

### **Clearing Systems**

Details of the Clearing System(s) which have accepted each Tranche of Notes for clearance (or in which Notes will be lodged for clearance), and the ISIN and (if applicable) Common Code for the Tranche of Notes allocated by the relevant Clearing System(s) will be specified in the applicable Pricing Supplement.

### **Legal Entity Identifier**

The legal entity identifier of the Issuer is 213800SSTRDXLWWVF948.

### **Significant or Material Change**

Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Pacific National Group since 31 December 2021, and there has been no material adverse change in the prospects of the Pacific National Group since 31 December 2021.

### **Litigation**

Save as disclosed in this Offering Circular, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Obligor is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Pacific National Group.

### **Independent Auditors**

The auditors of Pacific National Holdings Pty Ltd (formerly known as Asciano Limited) and its controlled entities are KPMG, who have been validly appointed under the Australian Corporations Act and have audited the financial statements of Pacific National Holdings Pty Ltd and its controlled entities, without qualification, for each of the last two financial years ended 30 June 2020 and 30 June 2021. The financial statements of Pacific National Holdings Pty Ltd and its controlled entities have been prepared in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations adopted by the AASB and Corporations Act 2001. The KPMG audit signing partner for each of the last two financial years is a member of Chartered Accountants Australia and New Zealand.

The liability of KPMG, in relation to the performance of their professional services provided to Pacific National Holdings Pty Ltd including, without limitation, KPMG’s audits of the financial statements of Pacific National Holdings Pty Ltd and its controlled entities described above, is limited under the Chartered Accountants Australia and New Zealand Scheme (NSW) approved by the New South Wales Professional Standards Council or such other applicable scheme approved pursuant to the Professional Standards Act 1994 (NSW) (“**Professional Standards Act**”), including the Treasury Legislation Amendment (Professional Standards) Act (“**Accountants Scheme**”). Specifically, the Accountants Scheme limits the liability of KPMG to a maximum amount of A\$75 million. The Accountants Scheme does not limit liability for breach of trust, fraud or dishonesty. The Professional Standards Act and the Accountants Scheme have not been subject to relevant judicial consideration and, therefore, how the limitations will be applied by courts and the effect of the limitations on the enforcement of foreign judgments is untested. Prospective investors are advised to seek their own professional advice in relation to any such limitation of liability.

### **Australian exchange controls**

Regulations in Australia prohibit payments, transactions and dealings with assets or named individuals or entities subject to international sanctions or associated with terrorism.

### **Tax risk factors**

In addition to seeking their own professional advice in relation to the matters set out in “*Australian Taxation*”, prospective investors are advised to seek their own professional advice in relation to the matters set out under “*U.S. Foreign Account Tax Compliance Act and OECD Common Reporting Standard*”.

### **Dealers transacting with the Obligors**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may provide services to the Issuer, the Parent, any of the Guarantors and their respective affiliates in the ordinary course of business.



**REGISTERED OFFICE OF THE ISSUER**

**Pacific National Finance Pty Ltd**  
**(formerly known as Asciano Finance Limited)**  
Level 16  
15 Blue Street  
North Sydney  
NSW 2060

**REGISTERED OFFICE OF THE GUARANTORS**

**Pacific National Holdings Pty Ltd**  
**(formerly known as Asciano Limited)**  
Level 16  
15 Blue Street  
North Sydney  
NSW 2060

**FISCAL AGENT, PRINCIPAL PAYING AGENT AND  
CALCULATION AGENT**

**The Bank of New York Mellon, London Branch**  
One Canada Square  
London E14 5AL

**REGISTRAR**

**The Bank of New York Mellon SA/NV, Luxembourg Branch**  
2-4 rue Eugene Ruppert  
Vertigo Building – Polaris  
L-2453 Luxembourg

**AUSTRALIAN AGENT**

**BTA Institutional Services Australia Limited**  
Level 2  
1 Bligh Street  
Sydney NSW 2000

**LEGAL ADVISERS***To the Obligors as to Australian laws*

**Allens**  
Level 37, 101 Collins Street  
Melbourne VIC 3000  
Australia

*To the Obligors as to English law*

**Linklaters Singapore Pte. Ltd.**  
#17-01 One George Street  
Singapore 049145

*To the Arranger and Initial Dealer as to English law*

**Allen & Overy**  
Level 25, 85 Castlereagh Street  
Sydney NSW 2000  
Australia

**SGX-ST LISTING AGENT**

**Linklaters Singapore Pte. Ltd.**  
#17-01 One George Street  
Singapore 049145

**AUDITORS TO PACIFIC NATIONAL HOLDINGS PTY LTD  
AND ITS CONTROLLED ENTITIES**

**KPMG**  
Tower Three International Tower  
300 Barangaroo Avenue  
Sydney NSW 2000

**ARRANGER AND INITIAL DEALER**

**BNP Paribas**  
16, Boulevard des Italiens  
75009 Paris, France