

## IMPORTANT NOTICE

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**Confirmation of Your Representation.** You have accessed the attached document on the basis that you have confirmed to the applicable Dealer that you: (a) are not in the United States, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), nor acting on behalf of a person in the United States and, to the extent you purchase the securities described in the attached Offering Circular, you will be doing so pursuant to Regulation S under the Securities Act; and (b) consent to the delivery of this document by electronic transmission.

By accepting this document and accessing the attached Offering Circular, you (a) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), a relevant person as defined under Section 275(2) of the SFA or a person to whom an offer, as referred to in Section 275(1A) of the SFA is being made, and (b) agree to be bound by the limitations and restrictions described herein.

This document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Aurizon Network Pty Ltd (the “**Issuer**”), the Guarantors (if any), any Dealer or Arranger nor any of their respective affiliates, directors, officers, employees, representatives or agents accept any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version.

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of any of the Issuer or any Dealer to subscribe or purchase any of the securities described therein and access has been limited so that it shall not constitute a general solicitation in the United States or elsewhere. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein. Any securities to be issued will not be registered under the Securities Act and may not be offered or sold in the United States (as such term is defined in Regulation S under the Securities Act) unless registered under the Securities Act or pursuant to an exemption from such registration. You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. **YOU ARE NOT AUTHORISED TO, AND YOU MAY NOT, DELIVER THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON.**

By accessing the Offering Circular, you shall be deemed to have confirmed and represented to the Issuer, the Guarantors, the Arrangers and Dealers that you are not a ‘retail client’ as defined in section 761G of the Corporations Act 2001 (Cth).

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail 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.



**AURIZON**<sup>®</sup>

## Offering Circular

# Aurizon Network Pty Ltd

(ABN 78 132 181 116)

## €2,000,000,000 Debt Issuance Programme

Dated 13 May 2016

On 2 September 2014, Aurizon Network Pty Ltd (the “**Issuer**”) established a €2,000,000,000 Debt Issuance Programme (“**Programme**”) and issued an offering circular on that date describing the Programme. This Offering Circular supersedes any previous Offering Circular and any supplement thereto. Any Debt Instruments (as defined below) issued under this Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Debt Instruments issued prior to the date of this Offering Circular.

Under this Programme, the Issuer may from time to time issue medium term notes (“**MTNs**”), and other forms of debt obligations (“**Debt Instruments**”) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below) and specified in a Pricing Supplement (as defined below) for the issue of those Debt Instruments.

Debt Instruments issued by the Issuer will (if specified in the relevant Pricing Supplement for the Debt Instruments) have the benefit of an unconditional and irrevocable Deed Poll Guarantee and Indemnity (the “**Guarantee Deed Poll**”) dated 2 September 2014 made by the Issuer. From time to time, the Issuer may procure that certain of its subsidiaries (collectively, with the Issuer, the “**Guarantors**”) accede to the Guarantee Deed Poll in accordance with the terms of the Guarantee Deed Poll; however, as at the date of this Offering Circular, no such subsidiaries have acceded to the Guarantee Deed Poll.

The maximum aggregate nominal amount of all Debt Instruments from time to time outstanding will not exceed €2,000,000,000 (or its equivalent in other currencies) subject to increase as described below.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and the listing and quotation of any Debt Instruments 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 Official List of the SGX-ST. In addition, at the relevant time of issue of the Debt Instruments which are agreed at or prior to the time of issue to be listed on the Official List of the SGX-ST, a separate application will be made to the SGX-ST for the permission to deal in and the listing and quotation of such Debt Instruments on the Official List of the SGX-ST. Such permission will be granted when the Debt Instruments have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the SGX-ST for permission to deal in and quotation of the Debt Instruments of any Series (as defined in this Offering Circular) will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular. The approval in-principle from, and admission of the Debt Instruments to the Official List of, the SGX-ST and quotation of any Debt Instruments on the SGX-ST are not to be taken as an indication of the merits of the offering, the Issuer, the Guarantors and each of their respective subsidiaries, the Programme and/or the Debt Instruments. If the application to the SGX-ST to list the Debt Instruments is approved, for so long as such Debt Instruments are listed on the Official List of the SGX-ST and the rules of the SGX-ST so require, such Debt Instruments will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in other currencies). Unlisted Debt Instruments may also be issued pursuant to the Programme and the Debt Instruments may also be listed on stock exchanges other than the SGX-ST. The applicable Pricing Supplement in respect of the issue of any Debt Instruments will specify whether or not such Debt Instruments will be listed (and, if so, the stock exchange on which the Debt Instruments will be listed).

Debt Instruments issued under the Programme may be rated or unrated. Where an issue of Debt Instruments is rated, its rating will not necessarily be the same as the rating assigned to other Debt Instruments issued under the Programme. 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 Debt Instruments and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “**Securities Act**”), and may be subject to U.S. tax law requirements. Subject to certain exceptions, Debt Instruments may not be offered, sold or delivered within the United States or to U.S. persons (see “Subscription and Sale” below). Debt Instruments may be offered and sold outside the United States in reliance on Regulation S under the Securities Act (“**Regulation S**”).

### *Arrangers and Dealers*

**BofA Merrill  
Lynch**

**Credit Suisse**

**Goldman Sachs  
International**

**RBC Capital  
Markets**

## IMPORTANT NOTICE

This Offering Circular is to be read together with any amendments or supplements to this Offering Circular and with any other documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” in the General Information section below). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular. In relation to any Tranche or Series (as defined in this Offering Circular) of Debt Instruments this Offering Circular should be read and construed together with the applicable Pricing Supplement.

The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains or incorporates all information which is material in the context of itself and each of its subsidiaries (the “Group”) and the issuance and offering of Debt Instruments, that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading in any material respect, that the opinions and intentions expressed in this Offering Circular are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading in any material respect and which, in each case, is material in the context of the issuance and offering of the Debt Instruments. The Issuer accepts responsibility accordingly.

Each Guarantor accepts responsibility for the information contained in this Offering Circular in relation to itself and the Guarantee Deed Poll.

The SGX-ST takes no responsibility for the contents of this document, 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 document.

The Arrangers and the Dealers specified in this Offering Circular and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a “Dealer” and together, the “Dealers”), have not separately 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 Arrangers or the Dealers as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by an Issuer or a Guarantor in connection with the Programme or any Debt Instruments. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer and the Guarantors under the Programme.

Each recipient of this Offering Circular is deemed to acknowledge that it shall not rely on any investigation or verification undertaken by the Arrangers or Dealers in respect of the Issuer, any Guarantor or their respective financial condition and affairs, and that it has undertaken its own appraisal of the credit worthiness of the Issuer and the Guarantors.

No person is or has been authorised by the Issuer or the Guarantors, or any Arranger or Dealer, to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other document entered into in relation to the Programme or any information supplied by the Issuer or a Guarantor or any other information in the public domain and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantors, the Arrangers or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Debt Instruments (i) is intended to provide the basis of any credit or other evaluation, or (ii) should be considered as a recommendation or a statement of opinion (or a report on either of those things) or constituting an invitation or offer by, or on behalf of, any of the Issuer, the Guarantors, the Arrangers, the Principal Paying Agent, Calculation Agent, Registrar or any of the Dealers that any recipient of this Offering Circular, or any other information supplied in connection with the Programme or any Debt Instruments, should subscribe for or purchase any Debt Instruments. Each investor contemplating purchasing any Debt Instruments should make its own independent investigation of the financial condition and affairs, and its own appraisal of the credit worthiness, of the Issuer and the Guarantors. Neither this Offering Circular nor any other information supplied in connection with the Programme or the Debt Instruments constitutes an offer by, or on behalf of the Issuer, the Guarantors, the Arrangers or any of the Dealers to any person to subscribe for or to purchase any Debt Instruments.

The delivery of this Offering Circular does not at any time imply that the information contained in this Offering Circular concerning the Issuer and the Guarantors, is correct at any time subsequent to the date of this Offering Circular or that any other information supplied in connection with the Programme is correct as

of any time subsequent to the date indicated in the document containing the same. The Arrangers and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantors, during the life of the Programme or to advise any investor or potential investor in the Debt Instruments of any information coming to the attention of any of the Dealers. Investors should review, inter alia, the most recently published consolidated financial statements of the Issuer and the Guarantors, when deciding whether or not to subscribe for or purchase any of the Debt Instruments.

The distribution of this Offering Circular, any Pricing Supplement and the offer, sale or delivery of Debt Instruments may be restricted by law in certain jurisdictions. None of the Issuer, the Guarantors, the Arrangers, the Principal Paying Agent, Calculation Agent or Registrar or the Dealers represent that this document may be lawfully distributed, or that any Debt Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available under any applicable law, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantors, the Arrangers or the Dealers which would permit a public offering of any Debt Instruments or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Debt Instruments may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Offering Circular or any Debt Instruments come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Debt Instruments in Australia, European Economic Area, the United Kingdom, the United States, Hong Kong, Singapore, Japan, Canada, Switzerland, the Netherlands, the People's Republic of China and New Zealand (see "Subscription and Sale" below).

References in this Offering Circular to websites and other sources where further information may be obtained are intended to be guides as to where further public information may be obtained free of charge. Information appearing on these websites and in such other sources does not form part of this Offering Circular and neither the Issuer nor the Guarantors accept any responsibility whatsoever that any such information, if available, is accurate and/or up to date and no responsibility is accepted in relation to any such information by any person responsible for this Offering Circular.

This Offering Circular contains various forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of the Group (as defined below) to differ materially from the information presented in this Offering Circular. When used in this Offering Circular, the words "estimate", "project", "intend", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to the Group and its management, are intended to identify such forward-looking statements. Potential investors in Debt Instruments are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Offering Circular. The Issuer and the Guarantors do not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date of this Offering Circular or to reflect the occurrence of unanticipated events.

All references in this Offering Circular to "Australian dollars" and "A\$" refer to the currency of Australia, those to "Canadian dollars" and "CAD" refer to the currency of Canada, those to "Euro" and "euro" refer to the single currency of certain member states of the European Union, those to "Hong Kong Dollars" and "HKD" refer to the currency of Hong Kong, those to "Japanese yen" refer to the currency of Japan, those to "New Zealand dollars" refer to the currency of New Zealand, those to "Singapore Dollars" and "SGD" refer to the currency of Singapore, those to "Sterling" and "GBP" refer to the currency of the United Kingdom and those to "U.S. dollars" and "USD" refer to the currency of the United States of America.

All references in this Offering Circular to "Australia" refer to the Commonwealth of Australia and its territories and possessions, to "United States" refer to the United States of America and to the "United Kingdom" refer to the United Kingdom of Great Britain and Northern Ireland.

All references in this Offering Circular to the "relevant Dealer" in relation to any issue of Debt Instruments refer to the Dealer or Dealers agreeing to purchase such Debt Instruments.

The Issuer is required to prepare consolidated financial statements in accordance with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards.

In connection with the issue of any Tranche or Series of Debt Instruments under the Programme outside Australia, the Dealer (if any) which is specified in the relevant Pricing Supplement as the Stabilising Manager(s) (or any person acting for the Stabilising Manager(s)) may over-allot or effect transactions outside Australia and on a market operated outside Australia, with a view to supporting the market price of the Debt Instruments at a level higher than that which might otherwise prevail for a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

#### **Documents incorporated by reference**

The following documents shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (a) the audited consolidated annual financial statements of the Group for each of the financial years ended 30 June 2014 and 30 June 2015 (together with the audit reports prepared in connection therewith);
- (b) any unaudited interim financial statements or audited consolidated annual financial statements of the Group (together with the relevant audit or review reports prepared in connection therewith) published subsequently to the audited consolidated annual financial statements of the Group for the financial year ended 30 June 2015; and
- (c) each supplement to or amendment of this Offering Circular issued by the Issuer from time to time.

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

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 deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its registered office set out at the end of this Offering Circular.

Documents incorporated in this Offering Circular by reference are also available on the internet site [www.aurizon.com.au](http://www.aurizon.com.au).

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## GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Debt Instruments denominated in any currency (subject to all applicable legal and/or regulatory and/or central bank requirements) as specified in the Pricing Supplement and having a minimum maturity of one year. A summary of the terms and conditions of the Programme and the Debt Instruments appears below. The applicable terms of any Debt Instruments will be agreed between the Issuer and the relevant Dealer prior to the issue of such Debt Instruments and will be set out in the Terms and Conditions of the Debt Instruments endorsed on, or incorporated by reference into, the Debt Instruments, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Debt Instruments, as more fully described under “Form of the Debt Instruments” below.

This Offering Circular and any supplement will only be valid for the issue of Debt Instruments in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Debt Instruments previously or simultaneously issued under the Programme, does not exceed €2,000,000,000 (or its equivalent in other currencies) subject to increase as described below. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Debt Instruments issued under the Programme from time to time:

- (a) the euro equivalent of Debt Instruments denominated in a currency other than euros will be determined at the discretion of the Issuer either as of the date on which agreement is reached for the issue of Debt Instruments or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of euros against the purchase of such currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;
- (b) the euro equivalent of Dual Currency Debt Instruments, Indexed Debt Instruments and Partly Paid Debt Instruments (each as defined under “Form of the Debt Instruments” below) shall be calculated in the manner specified in (a) above by reference to the original nominal amount of such Debt Instruments (in the case of Partly Paid Debt Instruments regardless of the subscription price paid); and
- (c) the euro equivalent of Zero Coupon Debt Instruments (as defined under “Form of the Debt Instruments” below) and other Debt Instruments issued at a discount or a premium shall be calculated in the manner specified in (a) above by reference to the net proceeds received by the Issuer for the relevant issue.

**SUMMARY OF THE PROGRAMME  
AND TERMS AND CONDITIONS OF THE DEBT INSTRUMENTS**

*The following summary 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 of any particular Tranche of Debt Instruments, the applicable Pricing Supplement. Words and expressions defined in “Form of the Debt Instruments” and “Terms and Conditions of the Debt Instruments” below shall have the same meanings in this summary.*

<b>Issuer:</b> .....	Aurizon Network Pty Ltd (ABN 78 132 181 116) Wholly owned subsidiaries of the Issuer (each an “ <b>Additional Issuer</b> ”) may be added as issuers under the Programme from time to time. <sup>1</sup>
<b>Guarantee:</b> .....	Debt Instruments may be issued with the benefit of the Guarantee Deed Poll if specified as such in the relevant Pricing Supplement. The obligations of the Guarantors under the Guarantee Deed Poll rank at least equally with all other unsubordinated and unsecured obligations of the Guarantors, except for liabilities mandatorily preferred by law.  <i>As at the date of this Offering Circular, the only entity to have signed the Guarantee Deed Poll is the Issuer.</i>
<b>Guarantors:</b> .....	If specified as such in the relevant Pricing Supplement, the Issuer and certain Subsidiaries of the Issuer that have acceded to the Guarantee Deed Poll.  The Guarantee Deed Poll provides a mechanism to enable a Subsidiary of the Issuer to become a party to the Guarantee Deed Poll in the capacity as a Guarantor and for an existing Guarantor (other than the Issuer as “Original Guarantor”) to be released from their obligations as a Guarantor (subject to compliance with the terms of the relevant Pricing Supplement) and for appropriate notice to be given of the same.
<b>Description:</b> .....	€2,000,000,000 Debt Issuance Programme.
<b>Authorised Amount:</b> .....	Up to €2,000,000,000 (or its equivalent in other currencies) outstanding at any time. The Issuer may increase the authorised amount of the Programme at any time in accordance with the terms of the Programme Agreement.
<b>Arrangers:</b> .....	Credit Suisse Securities (Europe) Limited Goldman Sachs International Merrill Lynch International RBC Europe Limited
<b>Dealers:</b> .....	Credit Suisse Securities (Europe) Limited Goldman Sachs International Merrill Lynch International RBC Europe Limited  The Issuer may from time to time appoint additional Dealers in respect of a particular Tranche or Tranches or the Programme as a whole.
<b>Principal Paying Agent and Calculation Agent:</b> .....	The Bank of New York Mellon, acting through its London branch
<b>Registrar</b> .....	The Bank of New York Mellon (Luxembourg) S.A.
<b>Rating:</b> .....	Debt Instruments issued under the Programme may be rated or unrated. Where the Debt Instruments are rated, the rating will be as set out in the applicable Pricing Supplement.

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<sup>1</sup> References in this Offering Circular to “Issuer” includes, where the context requires, an Additional Issuer.

<b>Negative Pledge:</b> .....	The terms of the Debt Instruments will contain a negative pledge provision as further described in Condition 6 of the Debt Instruments.
<b>Cross Acceleration:</b> .....	The terms of the Debt Instruments will contain a cross-acceleration provision as further described in Condition 21.1(j) of the Debt Instruments.
<b>Status of the Debt Instruments:</b> .....	The Debt Instruments will be direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, except for liabilities mandatorily preferred by law.
<b>Deed of Covenant:</b> .....	Holders of the Debt Instruments will have the benefit of the Deed of Covenant dated on 2 September 2014 executed by the Issuer.
<b>Form of Debt Instruments:</b> .....	<p>Debt Instruments may be issued in bearer form or in registered form.</p> <p>Each Tranche of Debt Instruments in bearer form will initially be represented by a temporary global note or certificate which will be deposited on the relevant Issue Date with a common depositary on behalf of Euroclear Bank S.A./N.V. (“<b>Euroclear</b>”), Clearstream Banking, société anonyme (“<b>Clearstream Luxembourg</b>”) and/or any other agreed clearing system. Interests in each temporary global Debt Instrument will be exchangeable in whole, in accordance with its terms as described therein, either for (i) interests in a permanent global Debt Instrument or (ii) definitive Debt Instruments (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Debt Instruments, to such notice period as is specified in the applicable Pricing Supplement) in each case not earlier than 40 days after the Issue Date upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. A permanent global Debt Instrument will be exchangeable, in certain circumstances, in whole, but not in part, for definitive Debt Instruments upon giving not less than 60 days’ written notice to the Agent as described in “Form of the Debt Instruments” below. Any interest in a global Debt Instrument will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream Luxembourg and/or any other agreed clearance system as appropriate.</p> <p>Debt Instruments will have the benefit of the Deed of Covenant, copies of which are available for inspection at the office of the Registrar. Holders of the Debt Instruments will be entitled to the benefit of, bound by, and deemed to have notice of all the provisions of the Deed of Covenant.</p> <p>Unless otherwise specified in the relevant Pricing Supplement, where Debt Instruments are issued in registered form no certificate or other evidence of title will be issued 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 (and all other necessary amendments to the Conditions will be set out in the relevant Pricing Supplement).</p> <p>The Issuer may agree with any Dealer that Debt Instruments may be issued in a form not contemplated by the Terms and Conditions of the Debt Instruments herein. In such circumstances, a supplement to this Offering Circular will be prepared.</p>

- Dual Currency Debt Instruments:** . . . . . Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Debt Instruments will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree (as indicated in the applicable Pricing Supplement). See also “Currencies” below.
- Fixed Rate Debt Instruments:** . . . . . Interest on Fixed Rate Debt Instruments will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Pricing Supplement) and on redemption. See also “Currencies” below.  
Interest on Fixed Rate Debt Instruments will be payable in arrear according to the Day Count Fraction as specified in the applicable Pricing Supplement.
- Floating Rate Debt Instruments:** . . . . . Floating Rate Debt Instruments will bear interest at a rate determined either:
- (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the currency specified in the applicable Pricing Supplement 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 Debt Instruments of the relevant Series (as defined below)) or, if specified in the relevant Pricing Supplement, the 2000 ISDA Definitions, in each case, as published by the International Swaps and Derivatives Association Inc; or
  - (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
  - (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer,
- as indicated in the applicable Pricing Supplement.
- The Margin (if any) relating to such Floating Rate Debt Instruments will be agreed between the Issuer and the relevant Dealer for each Issue of Floating Rate Debt Instruments.
- Floating Rate Debt Instruments may also have a maximum interest rate, a minimum interest rate, or both (as indicated in the applicable Pricing Supplement).
- Interest on Floating Rate Debt Instruments in respect of each Interest Period, as selected prior to issue by the Issuer and the relevant Dealer, will be payable in accordance with Condition 11.2 and will be calculated as indicated in the applicable Pricing Supplement. See also “Currencies” below.
- Indexed Debt Instruments:** . . . . . Payments in respect of Index Linked Debt Instruments (whether in respect of principal or interest and whether at maturity or otherwise) will be calculated by reference to such index and/or formula as the Issuer and the relevant Dealer may agree (as indicated in the applicable Pricing Supplement). See also “Currencies” below.
- Zero Coupon Debt Instruments:** . . . . . Zero Coupon Debt Instruments will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment.

<b>Currencies:</b> .....	Subject to all applicable legal and/or regulatory and/or central bank requirements, such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Euro, Hong Kong dollars, Japanese Yen, New Zealand dollars, Singapore dollars, Pounds Sterling and United States dollars (as indicated in the applicable Pricing Supplement) or any other freely transferable and freely convertible currency.  Payments will be made in the currency or currencies in which a Debt Instrument is denominated as specified in the applicable Pricing Supplement.
<b>Maturities:</b> .....	Such maturities as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Pricing Supplement, subject to a minimum maturity of one year or such other minimum or maximum maturities as may be allowed or required from time to time by applicable legal and/or regulatory and/or central bank requirements or any laws or regulations applicable to the Issuer or the relevant currency.
<b>Issue Price:</b> .....	Debt Instruments may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par as specified in the Pricing Supplement.
<b>Redemption:</b> .....	The Pricing Supplement relating to each Tranche of Debt Instruments will indicate either that such Debt Instruments cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons (as specified in Condition 15.2) or following an Event of Default) or that such Debt Instruments will be redeemable prior to their stated maturity at the option of the Issuer and/or the Holders upon giving not less than 15 nor more than 60 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Pricing Supplement) 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 terms as are indicated in the applicable Pricing Supplement.
<b>Denomination of Debt Instruments:</b> . . .	Such denominations as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Pricing Supplement, save that the minimum denomination of each Debt Instrument will be such 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 relevant currency.
<b>Listing:</b> .....	Application has been made to the SGX-ST for permission to deal in and the listing and quotation for any Debt Instruments 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 Official List of the SGX-ST. In addition, at the relevant time of issue of the Debt Instruments which are agreed at or prior to the time of issue to be listed on the Official List of the SGX-ST, a separate application will be made to the SGX-ST for the permission to deal in and the listing and quotation of such Debt Instruments on the Official List of the SGX-ST. If the application to the SGX-ST to list a particular series of Debt Instruments is approved, for so long as such Debt Instruments are listed on the Official List of the SGX-ST and the rules of the SGX-ST so require such Debt Instruments will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in other currencies).

The Issuer may apply for Debt Instruments issued under the Programme to be admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system.

The Pricing Supplement relating to each issue will state whether or not and, if so, on which listing authority(ies), stock exchange(s) and/or quotation system(s) the Debt Instruments are to be admitted to listing, trading and/or quotation. Unlisted Series of Debt Instruments may also be issued pursuant to the Programme.

- Clearing Systems:** ..... In respect of any Debt Instruments, Euroclear and/or Clearstream Luxembourg and/or, in relation to any Tranche of Debt Instruments, any other clearing system as may be specified in the relevant Pricing Supplement.
- Time limit:** ..... A claim for payment in respect of the Debt Instruments 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.
- Distribution:** ..... Subject to any applicable selling restrictions, Debt Instruments may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
- Selling Restrictions:** ..... There are selling restrictions in relation to Australia, the European Economic Area, the United Kingdom, the United States of America, Hong Kong, Singapore, Japan, New Zealand and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Debt Instruments. See “Subscription and Sale”.
- Taxation:** ..... All payments in respect of the Debt Instruments will be made free and clear of withholding taxes imposed by the Commonwealth of Australia or any political subdivision thereof, unless required by law. In that event, the Issuer will (subject to the certain exceptions as provided in Condition 20 of the Debt Instruments) pay such additional amounts as will result in the relevant Holders receiving such amount as they would have otherwise received had no withholding or deduction been required to be made subject to certain customary exceptions. For the avoidance of doubt, the Issuer and Agent will not be required to pay any additional amounts on account of any withholding or deduction arising under or in connection with FATCA (as defined in the Conditions).
- TFN and ABN withholding tax:** ..... The Issuer will deduct amounts from payments of interest to be made under the Debt Instruments at the prescribed rate if an investor is an Australian resident or otherwise holds the Debt Instrument or an interest therein in carrying on a business in Australia at or through a permanent establishment in Australia and that investor has not supplied an appropriate Tax File Number (“TFN”), (if applicable) Australian Business Number (“ABN”) or exemption details as may be necessary to enable the payment to be made without withholding or deduction.
- Stamp duty:** ..... Any stamp duty incurred at the time of issue of the Debt Instruments will be for the account of the Issuer. Any stamp duty incurred on a transfer of Debt Instruments will be for the account of the relevant investors.

As at the date of this Offering Circular, no ad valorem stamp duty is payable in any Australian State or Territory on the issue, transfer or redemption of the Debt Instruments. However, investors are advised to seek independent advice regarding any stamp duty or other taxes imposed by any jurisdiction upon the issue, transfer or redemption of Debt Instruments, or interests in Debt Instruments.

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

**Governing Law**:..... The Debt Instruments will be governed by, and construed in accordance with, English law.

## FORM OF THE DEBT INSTRUMENTS

Debt Instruments may be issued in bearer form or in registered form.

### Debt Instruments in bearer form

Each Tranche of Debt Instruments in bearer form will initially be represented by a temporary global Debt Instrument without receipts, interest coupons or talons, which will be deposited on the relevant Issue Date with a common depository on behalf of each relevant Clearing System (as specified in the Pricing Supplement for the relevant Tranche). Any reference in this section to the Clearing Systems shall, wherever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Agent (as defined below). Whilst any Debt Instrument is represented by a temporary global Debt Instrument, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made against presentation of the temporary global Debt Instrument only to the extent that certification (in a form to be provided) as required by U.S. Treasury regulations, has been received by each relevant Clearing System, as applicable, and a like certification (based on the certifications it has received) has been given to the Agent.

On and after the day falling after the expiry of 40 days after the completion of the distribution of the relevant Tranche, as notified by the Agent to the relevant Dealer (“**Exchange Date**”), interests in such temporary global Debt Instrument will be exchangeable (free of charge), in accordance with its terms as described therein, for either interests in a permanent global Debt Instrument without receipts, interest coupons or talons or for definitive Debt Instruments with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Debt Instruments, to such notice period as is specified in the applicable Pricing Supplement) in each case upon certification of non-U.S. beneficial ownership as described in the third sentence of the immediately preceding paragraph. The Holder of a temporary global Debt Instrument will not be entitled to collect any payment of interest or principal due on or after the Exchange Date. Pursuant to the Agency Agreement (as defined under “Terms and Conditions of the Debt Instruments” below) the Agent shall arrange that, where a further Tranche of Debt Instruments is issued, the Debt Instruments of such Tranche shall be assigned a common code and ISIN by each relevant Clearing System which are different from the common code and ISIN assigned to Debt Instruments of any other Tranche of the same Series until the day falling after the expiry of 40 days after the completion of the distribution of the relevant Tranche, as notified by the Agent to the relevant Dealer.

Payments of principal and interest (if any) on a permanent global Debt Instrument will be made through each relevant Clearing System against presentation or surrender (as the case may be) of the permanent global Debt Instrument without any requirement for certification. A permanent global Debt Instrument will be exchangeable in certain circumstances in whole, but not in part, for security printed definitive Debt Instruments with, where applicable receipts, interest coupons and talons attached upon the relevant Clearing System, acting on the instructions of the permanent global Debt Instrument Holder, giving not less than 60 days’ written notice (expiring at least 30 days after the Exchange Date) to the Agent. Unless additional circumstances are specified in the applicable Pricing Supplement a notice requiring exchange as aforesaid may only be given if an Exchange Event has occurred. “**Exchange Event**” means (i) an Event of Default has occurred and is continuing or (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. The Issuer will promptly give notice to the Holders in accordance with the Conditions if an Exchange Event occurs. Temporary and permanent global Debt Instruments and definitive Debt Instruments in bearer form will be authenticated (if applicable) and delivered by the Agent on behalf of the Issuer.

The following legend will appear on all global Debt Instruments, definitive Debt Instruments, receipts, interest coupons and talons in bearer form:

**“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 Internal Revenue Code.”**

The sections referred to provide that Holders that are United States persons (as defined in the United States Internal Revenue Code of 1986, as amended), with certain exceptions, will not be entitled to deduct any loss on Debt Instruments, receipts or interest coupons and will not be entitled to capital gains treatment

of any gain on any sale, disposition, redemption or payment of principal in respect of Debt Instruments, receipts or interest coupons.

A Debt Instrument may be accelerated by the Holder thereof in certain circumstances described in “Terms and Conditions of the Debt Instruments—Events of Default”. In such circumstances, where any Debt Instrument is represented by a global Debt Instrument or Definitive Debt Instruments have not been delivered, unless within a period of 15 days from the giving of notice of acceleration payment has been made in full of the amount due in accordance with the terms of such global Debt Instrument, such global Debt Instrument will become void. At the same time, Holders of interests in such global Debt Instruments credited to their accounts with each relevant Clearing System will become entitled to proceed directly against the Issuer on the basis of statements of account provided by each relevant Clearing System, on and subject to the terms of Deed of Covenant.

#### **Debt Instruments in registered form**

Debt Instruments in registered form will be constituted by the Deed of Covenant, copies of which are available for inspection at the office of the Registrar. Holders of the Debt Instruments in registered form will be entitled to the benefit of, bound by, and deemed to have notice of all the provisions of the Deed of Covenant.

Unless otherwise specified in the relevant Pricing Supplement, where Debt Instruments are issued in registered form no certificate or other evidence of title will be issued 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.

## RISK FACTORS

*Prospective investors should carefully consider the risks and uncertainties described below and the other information contained in this Offering Circular before making an investment in the Debt Instruments.*

*The risks described below are not the only ones relevant to the Issuer, the Guarantors, or the Debt Instruments. The business, financial condition and results of operations of the Issuer, the Guarantors and their respective subsidiaries (“Group”) could be materially adversely affected by any of these risks. There are a number of factors, including those described below, that may adversely affect the ability of the Issuer and the Guarantors to make payment on the Debt Instruments. Additional risks not presently known to the Issuer or the Guarantors or that they currently deem immaterial may also impair their business operations.*

### 1. General market risk

Prospective investors should be aware that the rail infrastructure operated by the Group and the returns from their investments will be influenced by a number of factors that are common to most listed investments. At any point in time, these may include:

- the Australian and international economic outlook;
- movements in the general level of prices on international and local stock markets;
- changes in economic conditions including inflation, recessions and interest rates; and
- changes in Australian Government fiscal, monetary and regulatory policies.

### 2. Primary business risks

#### **Change in general economic conditions or a reduction in the export demand for coal and steel**

As a substantial amount of the coal that is carried over the Issuer’s network is metallurgical coal, which is used principally in steel production, global demand for metallurgical coal and, to a lesser extent, thermal coal, which is used principally in energy generation, are the main drivers of demand for the provision of the below rail services. In the event that general economic conditions deteriorate in Australia or in the Asian countries upon which the Australian coal export industry is dependent (including, in particular, China and India, as well as Japan, South Korea and Taiwan), demand for Australian coal exports, particularly metallurgical coal exports, may be reduced. Any change in general economic conditions may have an adverse effect on business and financial results. In addition, factors that may impact the global demand for, and price of, thermal coal include, among other things, increased production of gas from unconventional sources (including shale gas, coal seam gas and tight oil).

While the regulatory regime under which the Issuer operates is structured such that revenue mechanisms ensure cash flows are largely independent of coal volumes hauled on the network, cash flows, liquidity and financial results for a particular period may be adversely affected by a reduction in coal volumes hauled on the network. In addition, a significant and sustained decrease in metallurgical and thermal coal prices below historical levels may result in certain mines becoming uneconomic and hence unable to support the operations of the Central Queensland Coal Network (“CQC”). If these conditions are encountered on a sustained basis, the Issuer may experience asset stranding risk (see the risk entitled “Asset stranding risk”).

#### **Severe weather and natural disasters**

The Issuer’s network is exposed to severe weather conditions and other natural phenomena, including floods, earthquakes, cyclones, fires, mudslides or landslides, extreme temperatures, and significant precipitation that may cause business interruptions, including infrastructure outages on the network, unavailability of a workforce and derailments or other incidents that may damage the network. Each of these events can adversely affect all or a portion of the rail network and result in increased costs and increased liabilities, which could have a material adverse effect on business, operational performance and financial results.

With the exception of a small number of components of the network, the Issuer does not benefit from insurance coverage against any potential damage to the network or associated business interruptions resulting directly from severe weather conditions and other natural phenomena, or “force majeure” events. However, the access undertaking provides a framework that enables the Issuer to recover associated costs by requesting a variance to the reference tariffs (being the applicable regulated tariffs approved by the Queensland Competition Authority (“QCA”) following a “review event,” which can be triggered by a force majeure event which is beyond the Issuer’s control and which results in the Group incurring additional costs of

greater than A\$1.0 million. The access charges that the Issuer may charge users of the CQCN are determined in accordance with these reference tariffs. If the network is damaged or operations are interrupted by a force majeure event, and the associated costs are not eligible for recovery under the terms of the access undertaking, or the recovery amount approved by the QCA is inadequate to cover the costs of repairing the network and/or any revenue shortfall resulting from related business interruptions, business, operational performance and financial results may be adversely affected.

The Issuer is not insured against all foreseeable risks for its business and it is covered against business interruption losses only in limited circumstances, which do not include interruptions caused by damage to the network or derailments. The ability to claim under any existing insurance policies will always depend on the terms of the relevant policy and, in particular, any exclusions. There is a risk that the policies under which the Issuer is insured will not be sufficient to cover damages when they arise which could have a material adverse effect on business, operational performance and financial results. Even with insurance, if any material interruption of service on the network occurs, the Issuer may not be able to restore service without a significant interruption to operations which could have an adverse effect on business, operational performance and financial results.

### **Capital expenditure plans**

When deciding which opportunities for expansion and improvement to pursue, the Issuer must predict the rate of return associated with each project. Calculations are based on certain estimates and assumptions that may not be realised. Accordingly, the calculation of a potential rate of return may not be reflective of the actual returns. If the estimates and assumptions used in calculating the rate of return are inaccurate, the Issuer's capital may be inefficiently allocated which may ultimately impact the Regulated Asset Base, or "**RAB**," which is the estimated economic value of the Issuer's regulated assets, used in determining part of the Issuer's regulated revenue and the determination of access charges, and could have an adverse impact on business, operational performance and financial results.

The Issuer's operating and financial performance is also dependent on the Issuer's ability to effectively manage any significant capital projects that the Issuer decides, or is required pursuant to the Issuer's access undertaking, to undertake within budgets and timeframes and on sufficient funding being available for such projects. Completion of construction on capital projects may be delayed, or may require the expenditure of funds in excess of budgeted amounts, because of factors within or outside of the Issuer's control, including delayed or inadequate performance by third-party contractors. In addition, once complete, capital projects may not achieve their targeted revenues due to unfavorable pricing or underutilisation, and the Issuer's future financial results may be impacted. Target revenues are also dependent on the inclusion of the Issuer's annual capital expenditure in to the RAB which is predicated on the review and approval of the QCA. The QCA may elect to include only a portion of the capital spend in the RAB or allow the infrastructure into the RAB and defer a return on it until a later time.

### **Reliance on Aurizon Holdings**

The Issuer is substantially dependent on Aurizon Holdings Limited (ABN 14 146 335 622), the Issuer's ultimate parent company ("**Aurizon Holdings**"), and its subsidiaries (together the "**Aurizon Holdings Group**"). Aurizon Operations Limited (ABN 47 564 947 264), formerly known as QR Limited, the Issuer's immediate parent company ("**Aurizon Operations**") is the primary above rail customer and the Issuer expects to continue to derive the majority of its regulatory revenues from access agreements with that entity for the foreseeable future. In the fiscal year ended 30 June 2015 and the half-year ended 31 December 2015, approximately 67.5% and 66.0% respectively of regulated coal access revenue was derived from access agreements with Aurizon Operations Limited. As a result, any event that adversely affects the Aurizon Holdings Group, including its financial condition, leverage, liquidity, results of operations, cash flows or market reputation, may adversely affect operations, revenues and liquidity of the Issuer.

In addition, the Issuer is dependent on Aurizon Holdings Group with respect to a number of intercompany agreements, including the Operations Master Rail Services Agreement, Master Equipment Lease, Secondment Agreement and Real Property Licenses, pursuant to which it relies on members of the Aurizon Holdings Group to provide it with a range of services, equipment, personnel and property and infrastructure access, which are integral to the Issuer's operations. The termination of, the failure to renew or any material non-performance of these agreements could adversely affect business, operational performance and financial results.

Further, due to the relationship with the Aurizon Holdings Group, including its shareholding in the Issuer, the Issuer's ability to access the capital markets, or the pricing or other terms of any financing or capital markets transactions that it agrees may be adversely affected by any impairments to Aurizon Holdings' financial condition or adverse changes in its credit ratings. Any material limitations on the Issuer's ability to access capital as a result of such adverse changes affecting Aurizon Holdings could limit its ability to obtain future financing on favourable terms, or at all, or could result in increased financing costs in the future. In addition, as the Issuer is a subsidiary of Aurizon Holdings, Aurizon Holdings may require (subject to compliance with the Corporations Act and funding agreements) that the Issuer pay a dividend or distribution to it or direct that the Issuer's cash flows otherwise be used in support of the Aurizon Holdings Group. Similarly, Aurizon Holdings could direct the Issuer to undertake and fund capital investment projects. In addition, material adverse changes affecting the Aurizon Holdings Group could negatively impact the Issuer's ability to engage in, expand or pursue its strategy and business activities, and could also prevent it from engaging in certain transactions that might otherwise be considered beneficial to the Issuer, including capital projects for the expansion of the Issuer's network.

### **Regulatory pricing resets**

The central Queensland coal network is declared for third party access in accordance with the *Queensland Competition Authority Act 1997* (Qld) (the "**QCA Act**"). The process for gaining access to the network is governed by the Issuer's access undertaking which is approved, from time to time, by the QCA. The Issuer's current access undertaking is known as "UT3" and came into effect on 1 October 2010. The UT3 access undertaking sets the terms and conditions of access to the CQCN until approval of the Issuer's new access undertaking (which is known as "UT4"), including pricing for the period 1 July 2009 to 30 June 2016.

The Issuer is subject to regulatory pricing resets by the QCA. The Issuer's Maximum Allowable Revenue ("**MAR**"), and the nominal (vanilla) weighted average cost of capital ("**WACC**") used in deriving the Issuer's MAR, is typically reset every four years as part of the access undertaking approval process with the QCA, and the reference tariffs are reset annually based on projected system volumes and other variables. The WACC decided by the QCA may not adequately compensate the Issuer for its business and operational risks which could lead to a material adverse impact on the Issuer's business, operational performance and financial results.

As part of the Issuer's submission to the QCA on UT4, the Issuer proposed a reduction in its WACC to 8.18% from the approved UT3 WACC of 9.96%, which it believes reflects current market conditions, including historically low yields on Commonwealth Government bonds, which are referred to in determining the risk free rate, a key determinant of the cost of equity assumed in the WACC. The WACC is decided by the QCA to determine the regulated rate of return, and is the most significant building block component of the MAR. The QCA determined a nominal (vanilla) WACC of 7.17% in its Draft UT4 Decision on MAR published on 30 September 2014. On 16 December 2015, the QCA issued a UT4 Consolidated Draft Decision on Policy and Pricing in which the QCA reconfirmed the nominal (vanilla) WACC of 7.17%. In its Final Decision on UT4 published on 28 April 2016 ("**UT4 Final Decision**"), the QCA reconfirmed the nominal (vanilla) WACC of 7.17%.

### **Changes to UT3 and approval of UT4 submission**

The Issuer's current access undertaking, UT3, was due to expire on 30 June 2013. It has been subsequently extended by the QCA to the earlier of 30 June 2016 or the date on which the UT3 access undertaking is withdrawn in accordance with the QCA Act. This extension is to allow for stakeholder consultation on the Issuer's new UT4 access undertaking which was first submitted to the QCA on 30 April 2013. While the Issuer's UT4 submission retained the intent and structure of UT3, it was the first submission made by the Issuer since it ceased to be government owned and contained several significant changes from previous undertakings, including the removal of the mandatory investment threshold, which requires the Issuer to invest in regulated projects up to a threshold of A\$300 million, which has been approved in the Final Decision. The Issuer worked collaboratively with all key stakeholders since its initial submission of UT4 and reached agreement on a number of key issues. This resulted in the Issuer's original UT4 submission being withdrawn and replaced on 11 August 2014 by a revised UT4 submission which encapsulates key items on which consensus had been reached. The QCA issued an Initial Draft Decision on UT4 on 30 January 2015 (Policy and Pricing) which the Issuer responded to on 17 April 2015. A detailed consultation process ensued and a Consolidated Draft Decision on UT4 was issued by QCA on 16 December 2015 ("**2015 Consolidated Draft Decision**").

The UT4 Final Decision follows Australian regulatory norms, by being essentially a decision to reject the Issuer's UT4 proposal, and to indicate the ways in which the proposal should be amended. Interested stakeholders (including the Issuer) have 28 days from the date of the UT4 Final Decision to seek judicial review of the decision and commence proceedings. Importantly, judicial review is a limited form of review which largely addresses the process by which the decision was made, rather than the merits of the decision itself.

There is a risk that a person aggrieved by the QCA's decision to approve an access undertaking may apply for judicial review. If the UT4 Final Decision is set aside or remitted for reconsideration, there is a risk that the QCA may require, and ultimately impose, more onerous terms of access on the Issuer. Either of these outcomes with respect to UT4 could have a material impact on business and operations, including by, among other things, imposing new or more onerous compliance obligations on the Issuer, setting an unfavorable rate of return on capital assets, reducing the cost allowance for service delivery to sub-optimal levels and setting risk allowances which are inadequate to compensate for actual risk exposure. The Issuer is currently reviewing the UT4 Final Decision to assess the impact on the business.

The Issuer received an Initial Access Undertaking notice on 11 May 2016 from the QCA in accordance with the QCA Act. The notice provides that the Issuer has until 9 September 2016 to submit a Draft Access Undertaking to the QCA to apply for the regulatory period commencing on 1 July 2017 (known as "UT5"). In its ASX announcement on 12 May 2016, the Issuer acknowledged that it welcomes the timely commencement for the next regulatory period and will consider appropriately its response to the QCA and reiterated that it remains committed to the finalisation of outstanding matters relating to the UT4 regulatory period. Any inability to successfully secure QCA approval for the UT5 submission, or for any future access undertaking, on terms which are favorable to the Issuer could therefore impact the commercial rate of return and impact its ability to fund future network expansions.

### **Changes to the regulatory access regime**

The provision of access to rail transport infrastructure, including the CQCN, is highly regulated. The Queensland Access Regime administered by the QCA, which governs the access charges that the Issuer is permitted to charge, and covers matters such as capacity allocation and non-discrimination between access seekers, expansions and investment, and ringfencing obligations, has been certified as effective for a period of ten years from 19 January 2011, by the National Competition Council (the "NCC") under the national third party access regime in the Competition and Consumer Act 2010 (Cth) (previously Trade Practices Act 1974 (Cth)) ("**National Access Regime**") administered by the Australian Competition and Consumer Commission (the "ACCC"). This means that access to the CQCN and certain extensions within the CQCN will continue to be regulated under the Queensland Access Regime for the duration of the certification, unless the declaration is revoked earlier or if the relevant Commonwealth Minister believes there have been substantial modifications to the Queensland Access Regime, in which case access to the CQCN could be declared under the National Access Regime. In addition, extensions to a new coal basin are not currently declared under either the Queensland or national access regime. If the National Access Regime were to apply to either the CQCN or future extensions, it is possible that terms and conditions imposed by the ACCC in respect of the CQCN could be less favorable than the terms and conditions imposed by the QCA, which in turn could have a material adverse effect on business, operational performance and financial results.

### **Impairment Risk**

The Issuer's RAB is used by the QCA to determine its allowable regulated revenues, from which reference tariffs and its regulated rate of return are calculated. Under UT4, the QCA requires the Issuer to undertake a condition-based assessment of the below rail assets in the CQCN six months prior to the end of UT4. If there is evidence that the condition of the below rail network has deteriorated over the term of UT4 at a rate greater than a rate that would be expected under accepted good operating practice, the QCA may reduce the value of assets in the RAB by the estimated value of the deterioration of the assets. Any such reduction in the RAB could have a material adverse effect on business, operational performance and financial results. As at the date of this Offering Circular, the Issuer is not aware of any issues which would enable the QCA to reduce the value of assets in the RAB.

The Issuer's ability to effectively manage asset values, through strategies such as effectively passing on liability for third party-caused asset deterioration through customer contract provisions, impacts its return on capital. For example, the Issuer has limited direct control over the wagon loading practices of third parties. As a result of poor wagon loading practices by the coal miners that use the network, the Issuer incurs significant ballast fouling which requires additional operational expenditure to rectify in order to ensure the

value of the asset is not impaired. The condition-based assessment for UT3 saw the QCA impair the Issuer's assets, for the first time, by approximately A\$107 million as a result of ballast undercutting costs. To effect this impairment, the QCA decided to reduce the Issuer's MAR over a seven year period by A\$107 million in present value terms rather than reducing (impairing) the RAB. This decision was reviewed as part of the UT4 submission. In the UT4 Final Decision, the QCA approved the removal of the ballast impairment charge associated with the UT4 period, but refused to remove the impairment charge for the UT3 period. Accordingly, failure to appropriately manage asset deterioration may impact future return on capital for UT4 and subsequent regulatory periods.

The Issuer provides customers with the option to utilise electric traction services in the Blackwater and Goonyella systems of the CQCN. In the event that there is a sustained material decline in the usage of electric traction services by customers in these electrified systems, this service could become uneconomic and could result in an impairment of the Issuer's electric infrastructure. This could have a material adverse effect on business, operational performance and financial results.

### **Changes in government policy, regulation or legislation and compliance risks**

The Issuer is subject to the jurisdiction of various regulatory agencies, including the QCA and other state and federal regulatory agencies for a variety of economic, health, safety, labour, environmental, tax, mining, legal and other matters. New rules or regulations by these agencies, and any additional changes they may impose could increase operating costs or reduce operating efficiencies. In addition, any non-compliance with these and other applicable laws or regulations can subject the Issuer to fines, penalties and other legal or regulatory sanctions.

### **Rail safety accreditations**

Rail safety accreditation is essential for the Issuer to conduct business and is subject to removal and expiration. Any loss of, failure to maintain or inability to renew the rail accreditation necessary for the Issuer to carry on its rail operations would have a material adverse effect on business, operational performance and financial results.

### **Strategic maintenance planning or asset renewal and investment plans**

If the Issuer fails to successfully execute its asset renewal and investment strategies, the reliability and performance of the CQCN may be impacted, which in turn could have an adverse impact on business, operational performance and financial results.

### **Failure to safely conduct operations**

As of 31 December 2015, the Issuer had 923 employees and/or secondees, of which 577 undertake a range of operational tasks. A number of the rail operational tasks involve the use of heavy machinery on the Issuer's infrastructure, on infrastructure provided by third parties and on infrastructure that interacts with the public at road crossings and within operational yards. Any failure by the Issuer, or third parties who own infrastructure on which the Issuer operates, to safely conduct operations or to otherwise comply with the necessary occupational health and safety requirements could result in death or injury to staff, contractors or members of the public, and could lead to criminal prosecution, fines, penalties and compensation for damages as well as reputational damage to the Issuer, which may have a material adverse effect on the Issuer's business, operational performance and financial results.

### **Environmental regulations**

The Issuer's operations are subject to numerous environmental laws and regulations. Hazardous materials are transported on the network. Failure to comply with applicable environmental laws and regulations, including the terms and conditions associated with the Issuer's environmental permits, licenses and approvals, may cause the Issuer to cease or be restricted in its operations, incur fines, penalties or other liabilities or require the carrying out of remedial work or the installation of additional equipment at substantial cost. In certain circumstances, there may be obligations to remediate and rehabilitate current and former facilities and locations where the Issuer's operations are, or were, conducted (whether or not the contamination or emissions were permitted under law at the time they occurred or whether or not the Issuer is responsible). There may also be requirements that third parties that suffer loss or damage by reason of a breach by the Issuer of its legal obligations be compensated or indemnified. Further, if a breach of these laws or

regulations is established, then the person in breach may also be exposed to criminal prosecution and penalty.

Pursuant to indemnities in favour of the State of Queensland under the Issuer's rail corridor leases, the Issuer may be responsible for past and future environmental liabilities relating to the rail corridor, including environmental liabilities that are presently unknown or unquantifiable.

No assurances can be given that existing environmental laws and regulations, or any changes thereto or the imposition of new laws and regulations may not have a material adverse effect on business, operational performance and financial results.

### **Relationships with the Issuer's stakeholders**

The Issuer derives the substantial majority of its regulatory revenue from access fees charged to Aurizon Operations, Pacific National Pty Ltd (ABN 39 098 060 550) ("**Pacific National**"), a wholly-owned subsidiary of Asciano Limited (ABN 26 123 652 862) and BM Alliance Coal Operations Pty Ltd (ABN 67 096 412 752) ("**BMA**"). These above rail operators contract with coal miners that use the network in the Bowen Basin to provide coal haulage services, and typically pass through all or a portion of the regulated network access fees to these customers. In the fiscal year ended 30 June 2015 and half-year ended 31 December 2015, approximately 67.5% and 66.0% respectively of the regulated coal access revenue was derived from access agreements with Aurizon Operations, while approximately 19.5% and 21.9% respectively of the Issuer's regulated coal access revenue was derived from access agreements with other above rail operators including Pacific National and BMA, and 13.0% and 12.1% respectively from access agreements held directly with miners.

In addition, the Issuer's business is highly regulated and the regulatory framework requires extensive consultation with stakeholders. If unable to successfully maintain relationships with above rail customers or the coal miners that use the network, or if one or more of the above rail customers are unable to meet their obligations under, or fail to renew, their access agreements, business, operational performance and financial results may be materially adversely affected.

Any failure by the Issuer to reliably deliver network performance and services to the Issuer's customers could adversely affect the Issuer's business and financial results.

If the Issuer is unable to successfully manage and maintain the Issuer's network, the Issuer may experience network difficulties, including congestion, scheduling delays, access conflicts, derailments or signal or communications failures that could compromise the level of service the Issuer provides to the Issuer's customers. Any such difficulties may also compound the impact of weather and weather-related events on the Issuer's operations. The Issuer may also experience other operational or service difficulties related to network capacity, dramatic and unplanned increases or decreases of demand for rail service, or other events that could have a negative impact on the Issuer's operational efficiency, any of which could have a material adverse effect on the Issuer's business, operational performance and financial results.

### **Capacity constraints in the coal supply chain**

The long term strategy for the expansion of the rail infrastructure network assumes a demand for Australian coal exports. It also assumes that coal supply chains, particularly key export port terminals and third party above rail haulers, are able to maintain and expand capacity to accommodate future anticipated export volumes. Potential capacity constraints in these supply chains could have an adverse impact on the business, operational performance and financial results.

### **Failure to successfully negotiate bargaining agreements**

A significant proportion of the Issuer's employees and/or secondees belong to labour unions and are covered by two different enterprise agreements. The enterprise agreements provide for certain employee entitlements and create obligations on the employer beyond statutory requirements. The Aurizon Staff Enterprise Agreement 2014 will nominally expire on 28 January 2018 and the Aurizon Construction and Maintenance Enterprise Agreement 2015 will nominally expire on 28 August 2018. During the process of bargaining for replacement agreements, there is potential for adverse impacts on operational performance and financial results. This could arise from lawful or unlawful industrial action or an adverse finding from a Court or Fair Work Australia arising out of a material dispute with labour unions. Financial and operational performance may also be impacted by not being able to negotiate terms that are no less favourable than those contained in the existing enterprise agreements.

### **Disruptions in, or escalations in the price of, electricity supply**

The Issuer relies upon the continuous supply of electricity, including traction electricity which is procured predominantly from a single supplier, for the network operations. If there is a large-scale or prolonged disruption to, or if the Issuer is unable to effectively pass through the effects of any significant increase in the cost associated with this electrical supply, business, operational performance and financial results may be materially adversely impacted. The Issuer relies on the provision of Transmission Services from Powerlink and Ergon Energy in order to supply the requisite power to its electricity distribution Network. These services are governed by two long-term contractual agreements. Any adverse impact on the ability of Powerlink or Ergon to provide these transmission services to the Issuer may have a material adverse impact on the supply, business, operational performance and financial results of the Issuer.

### **Management and key personnel**

The Issuer's success is heavily dependent on the continued services and performance of its current management and other key personnel. The Issuer does not have key person insurance on any personnel. The loss of key personnel, particularly in the Issuer's executive team and in the areas of the Issuer's business that are responsible for managing the Issuer's relationship with key regulators and other stakeholders, could affect the Issuer's ability to run the Issuer's business effectively. Although the Issuer has entered into employment agreements with certain of the Issuer's key personnel, these agreements do not ensure that the Issuer's key personnel will continue in their present capacity with the Issuer for any particular period of time. The loss of any key personnel could require one or more remaining key personnel to divert substantial attention to seeking a replacement or performing the duties of the departed executive. An inability to find a suitable replacement for any departing executive officer on a timely basis could have an adverse effect on the Issuer's operations.

### **Employee retirement funds**

If future cash funding requirements of approximately 94 employees in the QSuper defined benefit superannuation fund is higher than currently estimated, these funding requirements could have an adverse impact on business, operational performance and financial results.

### **Risk of failure of control room infrastructure**

The centralised control room located in Rockhampton, Australia, manages all rail traffic on the network. If the control centre were to suffer a failure, network rail services would cease for the duration of any such failure which may result in delays or disruptions to the Issuer's services. The Issuer's disaster recovery alternate control room is situated in Mackay, Australia, and currently requires 24 hours to be activated. If the disaster recovery plans and secondary systems are not sufficient to cure any control room failures in a timely manner, any delay in the ability to recover control centre operations or operate from an alternative site may materially impact business, operational performance and financial results.

### **Risks relating to litigation and regulatory actions**

The Issuer may be subject to litigation and other claims or disputes in the course of business, including employment disputes, contractual disputes or property damage and occupational and personal claims by third parties and employees with respect to its operations. Due to the nature of the Issuer's operations, it is also possible that claims against the Issuer could arise from the Issuer's regulators.

### **Disruptions to information technology and telecommunications systems**

The Issuer is heavily reliant on the operational capability and reliability of information technology and telecommunications systems and staff in its business operations and of Aurizon Holdings. Disruptions to such information technology and telecommunications systems could lead to service interruptions, security breaches or other operational difficulties, which could have a material adverse effect on business, operational performance and financial results.

### **Interest rates and exchange rates**

The Issuer is subject to the risk of fluctuating interest rates associated with its borrowings and regulatory rate resets associated with each regulatory determination. In addition, the Issuer acquires goods and equipment under contracts denominated in foreign currencies from companies outside Australia. Results

of operations may be adversely affected if hedges are not effective to mitigate interest rate and exchange rate risks.

### **Repayment or refinance of debt**

The Issuer relies on bank facilities and other financing activities to fund operations and capital projects. If the Issuer is unable to refinance its indebtedness at maturity or meet its payment obligations, cash flows and financial condition may be adversely affected, and the Issuer's ability to pursue capital projects or other growth plans could be impacted.

### **Credit risk**

The Issuer has entered into contractual agreements with customers pertaining to the commercial arrangements for the Goonyella to Abbot Point Expansion (“GAPE”) and Wiggins Island Rail Project (“WIRP”) expansions. These agreements enable the Issuer to earn returns from customers in addition to the regulatory return for taking on additional risks. These returns are not socialised unlike the regulatory return and the Issuer is exposed to the credit risk of the respective customers should there be a failure to pay any fees or charges under the GAPE or WIRP arrangements.

With respect to the Issuer's regulated access agreements, its regulatory revenue (which includes access charges and Take or Pay) is protected by socialisation at a system level, whereby if a contracting party defaults under its access agreement (for example by triggering an insolvency event), the Issuer can terminate the agreement. On termination of the access agreement, all future revenues are socialised with the existing system users.

### **Corridor crossings**

The Issuer has an obligation under its corridor leases to provide access to the corridor to enable services to cross the land. Examples of these obligations include the installation and operation of telecommunication systems, electricity transmission lines, water pipelines and gas pipelines. Given these services are within the railway corridor, a serious incident which affects these services could potentially have serious impacts on the Issuer's business operations.

### **Infrastructure lease and corridor leases**

Termination events are generally limited to breaches by the Issuer, in which case time is provided for the cure of those breaches before termination can occur. If the leases are terminated for a breach by the Issuer, the relevant infrastructure lessor must seek to dispose of the leased infrastructure and land, with the net disposal proceeds being paid to the Issuer. In circumstances where the lessor's right to extend is not exercised and the lease expires, the relevant lessor must pay the Issuer an amount equal to the fair market value of the leased infrastructure.

### **Asset stranding risk**

The Issuer may experience asset stranding risk on its CQCN infrastructure where demand on a sustained basis has deteriorated to such an extent that maintaining the regulated prices on the existing RAB would result in a further decline in demand making the system unsustainable. In the UT4 Final Decision, the QCA has enabled the Issuer to negotiate a commercial outcome with its customers in these circumstances to ensure long term viability of the CQCN. This would likely result in a reduction or deferral of the Issuer's regulatory revenue. If the Issuer is unable to reach a commercial resolution with its customers then the QCA has the ability to apply regulatory measures potentially resulting in a reduction in regulatory revenues. The QCA in the UT4 Final Decision has said that “instead of [it] seeking to reduce [the Issuer's] RAB in the first instance, it consider[s] it reasonable for [the Issuer] to have the opportunity to rectify the demand deterioration in consultation and collaboration with its customers. This is consistent with the principles of a negotiate-arbitrate model, and mirrors the approach [the QCA has] adopted for the baseline capacity assessment.”<sup>1</sup>

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<sup>1</sup> QCA UT4 Final Decision dated 28 April 2016, Volume II—Capacity and Expansions at p331

## **WIRP Dispute**

Please refer to the section entitled “*Litigation/Dispute Descriptions*” of this Offering Circular for a description of the WIRP Dispute.

### **3. Factors which are material for the purpose of assessing the market risks associated with Debt Instruments issued under the Programme**

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

Each potential investor in the Debt Instruments must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Debt Instruments, the merits and risks of investing in the relevant Debt Instruments and the information contained or incorporated by reference in this Offering Circular or any applicable supplemental 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 relevant Debt Instruments and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Debt Instruments, including Debt Instruments with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such investor’s financial activities are principally denominated;
- understand thoroughly the terms of the relevant Debt Instruments 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.

Some Debt Instruments are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios.

A potential investor should not invest in Debt Instruments unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Debt Instruments will perform under changing conditions, the resulting effects on the value of such Debt Instruments and the impact this investment will have on the potential investor’s overall investment portfolio.

#### **Risks related to the structure of a particular issue of Debt Instruments**

A wide range of Debt Instruments may be issued under the Programme. A number of these Debt Instruments may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

##### **Debt Instruments subject to optional redemption by the Issuer**

An optional redemption feature is likely to limit the market value of Debt Instruments. During any period when the Issuer may elect to redeem the Debt Instruments, the market value of such Debt Instruments 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 Debt Instruments when its cost of borrowing is lower than the interest rate on the Debt Instruments. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Debt Instruments being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

##### **Risks related to Indexed Debt Instruments and Dual Currency Debt Instruments**

The Issuer may issue Debt Instruments with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “**Relevant Factor**”). In addition, the Issuer may issue Debt Instruments with principal

or interest payable in one or more currencies which may be different from the currency in which the Debt Instruments are denominated. Potential investors should be aware that:

- the market price of such Debt Instruments may be volatile;
- they may receive no interest;
- payment of principal or interest may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the nominal amount of such Debt Instruments or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Debt Instruments in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Indexed Debt Instruments. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Indexed Debt Instruments and the suitability of such Debt Instruments in light of its particular circumstances.

#### **Risks related to partly-paid Debt Instruments**

The Issuer may issue Debt Instruments where the issue price is payable in more than one installment. Failure to pay any subsequent installment could result in an investor losing all of its investment.

#### **Risks related to variable rate Debt Instruments with a multiplier or other leverage factor**

Debt Instruments with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be more volatile than those for securities that do not include those features.

#### **Fixed/Floating Rate Debt Instruments**

Fixed/Floating Rate Debt Instruments may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or vice versa. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Debt Instruments since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Debt Instruments may be less favourable than then prevailing spreads on comparable Floating Rate Debt Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Debt Instruments. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Debt Instruments.

#### **Debt Instruments issued at a substantial discount or premium**

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

#### **4. Risks related to Debt Instruments generally**

Set out below is a brief description of certain risks relating to the Debt Instruments generally:

## **Modification, waivers and substitution**

The Terms and Conditions of the Debt Instruments contain provisions for calling meetings of Holders 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.

## **Proposed EU Financial Transactions Tax (“FTT”)**

On 14 February 2013, the European Commission published a proposal for a directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (“**Participating Member States**”). The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Debt Instruments (including secondary market transactions) in certain circumstances.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Debt Instruments where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

A joint statement issued in May 2014 by ten of the eleven Participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Debt Instruments.

In December 2015, Estonia announced that it no longer supports the FTT.

The FTT proposal remains subject to negotiation between the Participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, and the timing of which remains unclear. Additional EU member states may decide to participate.

Prospective investors are advised to seek their own professional advice in relation to the FTT.

## **Considerations related to U.S. Foreign Account Tax Compliance Act**

The Issuer and other non-U.S. financial institutions through which payments on the Debt Instruments are made may be required to withhold at the rate of thirty per cent. on all, or a portion of, payments made after 31 December 2016 pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”), or similar law implementing an intergovernmental approach to FATCA, or in either case, any agreement entered into by the Issuer or such financial institutions pursuant thereto. This withholding by the Issuer, and other non-U.S. financial institutions through which payments on the Debt Instruments are made, may be required, inter alia, where (i) the Issuer or such other non-U.S. financial institution is a foreign financial institution (“**FFI**”) (as defined in FATCA) which enters into and complies with an agreement with the U.S. Internal Revenue Service to provide certain information on its account holders (making the Issuer or such other non-U.S. financial institution a “**Participating FFI**”), and (ii) (a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is subject to withholding under FATCA or (b) an investor (or any entity through which payment on such Debt Instruments is made) is an FFI that is not a Participating FFI or otherwise exempt from FATCA withholding.

FATCA withholding is not expected to apply if the Debt Instruments are treated as debt for U.S. federal income tax purposes and the grandfathering provisions from withholding under FATCA are applicable. The grandfathering provisions require, amongst other things, that the Debt Instruments are issued on or before the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register.

If an amount of, or in respect of, FATCA withholding were to be deducted or withheld by the Issuer from interest, principal or other payments on the Debt Instruments, neither the Issuer nor any other non-U.S. financial institution through which payments on the Debt Instruments are made would, pursuant to the applicable terms and conditions of the Debt Instruments, be required to pay additional amounts as a result of such deduction or withholding.

Australia and the United States signed an intergovernmental agreement in respect of FATCA on 28 April 2014 (“**Australian IGA**”). The Australian Government has enacted legislation amending the Taxation

Administration Act 1953 of Australia and the Income Tax Assessment Act 1997 of Australia to give effect to the Australian IGA (“**FATCA Amendments**”). Under the FATCA Amendments, Australian FFIs will generally be able to be treated as “deemed compliant” with FATCA. Depending on the nature of the relevant FFI, FATCA withholding may not be required from payments made with respect to the Debt Instruments other than in certain prescribed circumstances. Under the FATCA Amendments, an FFI may be required to provide the Australian Taxation Office with information on financial accounts (for example, the Debt Instruments) held by U.S. persons and recalcitrant account holders and on payments made to non-participating FFIs. The Australian Taxation Office is required to provide that information to the U.S. Internal Revenue Service.

FATCA is particularly complex legislation and its application is uncertain at this time. The above description is based in part on U.S. Treasury regulations issued on 17 January 2013 and 20 February 2014, official guidance and the FATCA Amendments, all of which are subject to change or may be implemented in a materially different form. Prospective investors are advised to seek their own professional advice on how these rules may apply to the Issuer and to payments they may receive under the Debt Instruments.

### **Change of law**

The Terms and Conditions of the Debt Instruments are based on English law in effect as at the date of issue of the relevant Debt Instruments. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Debt Instruments.

### **The secondary market generally**

Debt Instruments may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Debt Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

This is particularly the case for Debt Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Debt Instruments generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Debt Instruments.

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

The Issuer will pay principal and interest on the Debt Instruments and the Guarantors will make any payments under the Guarantee in the Specified Currency (as defined in the Pricing Supplement). This presents 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 (i) the Investor’s Currency-equivalent yield on the Debt Instruments, (ii) the Investor’s Currency equivalent value of the principal payable on the Debt Instruments and (iii) the Investor’s Currency-equivalent market value of the Debt Instruments.

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.

### **Interest rate risks**

Holders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Debt Instruments, resulting in a capital loss for the Holders. However, the Holders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Debt Instruments may rise. The Holders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

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

**Credit ratings may not reflect all risks**

One or more independent credit rating agencies may assign credit ratings to the Debt Instruments. The 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 Debt Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any 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 potential investor should consult its legal advisers to determine whether and to what extent (i) Debt Instruments are legal investments for it, (ii) Debt Instruments can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Debt Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Debt Instruments under any applicable risk-based capital or similar rules.

## INFORMATION ON THE ISSUER

### Aurizon Network

#### Overview

The Issuer is a subsidiary of Aurizon Operations Limited, and its ultimate parent company is Aurizon Holdings Limited (“**Aurizon Holdings**”), an Australian Securities Exchange (“**ASX**”) listed company that was listed on the ASX on 22 November 2010 and was, prior to that time, wholly-owned by the State of Queensland.

Aurizon Holdings, through its operating subsidiaries (including the Issuer) (“**Aurizon Holdings Group**”), is the world’s largest rail transporter of coal from mine to port for export markets and is also the largest rail freight haulage business in Australia by tonnes hauled, operating in key freight sectors and supply chains across the country, focused primarily on large, heavy haul rail tasks such as the transportation of coal, iron ore, other minerals, agricultural products and general freight as well as containerised freight. It also provides a range of specialist rail engineering, construction and maintenance services.

The Issuer controls, manages, operates and maintains a largely dedicated and purpose built, heavy haul, narrow gauge regulated rail infrastructure, known as the Central Queensland Coal Network (the “**CQCN**,” or the “**network**”), under 99 year lease arrangements with the State of Queensland, which commenced in July 2010. The CQCN, which spans four rail systems inclusive of a connecting system that service six export terminals, delivers rail infrastructure to over 40 operating coal mines in the Central Queensland coal region known as the Bowen Basin and is the largest coal export rail network in Australia.

The CQCN is predominantly used to carry coal mined by a diversified group of coal miners including globally recognised, established mining companies such as BHP Billiton Mitsubishi Alliance, Glencore Xstrata plc and Rio Tinto Limited. The Issuer derives most of its regulated access revenue pursuant to long term access agreements with Aurizon Operations, Pacific National and BMA, each of whom conduct above rail haulage of coal on the CQCN. In the 2015 Fiscal Year and half-year ended 31 December 2015, approximately 67.5% and 66.0% respectively of the regulated coal access revenue was derived from access agreements with Aurizon Operations, approximately 19.5% and 21.9% respectively from access agreements with other above rail operators including Pacific National, and 13.0% and 12.1% respectively from access agreements held directly with miners. These above rail operators contract with the coal miners that use the Issuer’s network to provide coal haulage services, and typically pass through all or a substantial portion of the Issuer’s regulated network access charges to these coal miners. Access charges are determined by reference to the allowable revenue approved by the QCA.

The Issuer also enters into direct contractual relationships with coal mining users regarding significant infrastructure expansion projects under which it earns fees in addition to the regulatory approved reference tariffs in consideration for assuming greater risks in relation to construction cost, counterparty credit and future contract arrangements. The last two major expansions being the Goonyella to Abbot Point Expansion (“**GAPE**”) commissioned in December 2011 and the Wiggins Island Rail Project (“**WIRP**”) commissioned in 2015 were established under these arrangements.

The Issuer operates the CQCN regulated rail infrastructure under a stable and well-established regulatory regime, being the Queensland Access Regime administered by the QCA. The regulatory access regime, which is based on the principle of non-discrimination between access seekers, also outlines processes for negotiating and managing access agreements, resolving any disputes relating to access, negotiating capacity allocations and expansions and recovering operating and capital expenditure. In addition, the regulatory access regime defines the ringfencing obligations, which are designed to ensure sufficient separation and independence between the above rail and below rail operations of the Aurizon Holdings Group.

The QCA determines the Issuer’s access pricing based on the estimated value of the Issuer’s assets, which is known as the Issuer’s “**Regulated Asset Base**” or “**RAB**”. The QCA approves the RAB on a depreciated optimal replacement cost basis, rolled-forward annually for actual inflation, capital expenditure, depreciation and asset disposals. As at 30 June 2013, the value of the Issuer’s RAB, as approved by the QCA was A\$4.9 billion including approximately A\$433 million of mine specific infrastructure which connects to the CQCN and was funded by the relevant mine owners, and those owners receive a rebate on the regulatory access charges equal to the return on capital plus return of capital. The QCA has deferred approval of RAB rollovers subsequent to June 2013 until finalisation of UT4. The UT4 Final Decision reflects an approved RAB of A\$5.1 billion for the 2013-14 year (inclusive of mine specific infrastructure).

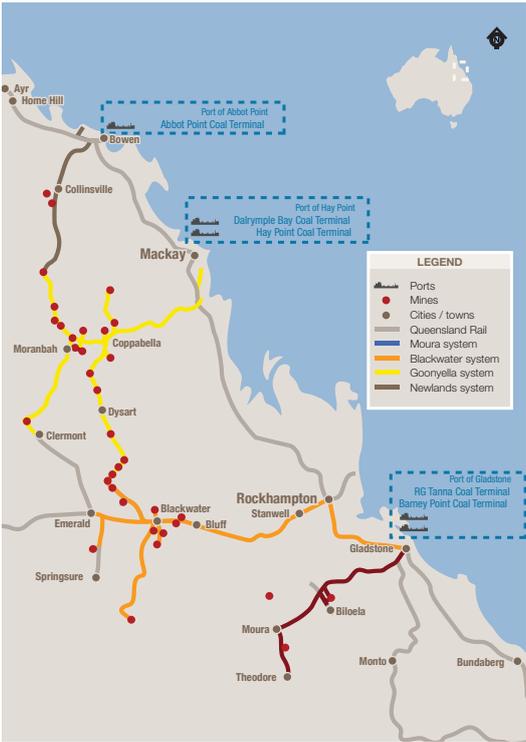
In the fiscal year ended 30 June 2015, the Issuer generated revenues of A\$1,106.4 million, EBITDA of A\$699.7 million and net profit after tax of A\$244.9 million. In the fiscal half-year ended 31 December 2015,

the Issuer generated revenues of A\$580.1 million, EBITDA of A\$362.5 million and net profit after tax of A\$117.7 million.

Information with respect to Aurizon Holdings, its subsidiaries and their businesses can also be found at [www.aurizon.com.au](http://www.aurizon.com.au). Information with respect to the CQCN regulatory regime, the QCA and all submissions made by the Issuer and interested stakeholders in relation to the Issuer and its access undertakings can also be found at [www.qca.org.au](http://www.qca.org.au). However, these internet site addresses (and other internet site addresses in this Offering Circular) are included for reference only and the information and documents that can be accessed on these internet site addresses are not incorporated by reference into, and do not form part of, this Offering Circular unless specifically identified in the section of this Offering Circular entitled “Documents incorporated by reference”.

**Asset Overview**

The CQCN, which is the largest export coal rail network in Australia, comprises four major coal systems—Newlands, Goonyella, Blackwater and Moura—together with the Goonyella to Abbot Point Extension known as “GAPE”, a connecting system link. The diagram below provides geographical context for the network:



The following table illustrates management’s estimates of certain key statistics relating to the CQCN as of 31 December 2015 (unless otherwise noted):

**Key statistics**

Contracted tonnages .....	263.9mt
Coal mines serviced .....	43
Coal export terminals .....	6
Coal domestic terminals .....	5
Export coal .....	96%
Export capacity .....	298Mtpa
Network length .....	2,667km
Electrified track length .....	1,945km

Coal mines in the central Bowen Basin rely primarily on the Goonyella coal system that connects coal mines in the central Bowen Basin to the Dalrymple Bay Coal Terminal and the Hay Point Services Coal Terminal at the Port of Hay Point. Mines in the northern Bowen Basin rely on the Newlands rail corridor to the Abbot Point Coal Terminal. The Blackwater and Moura systems link coal mines in the southern Bowen Basin to the Port of Gladstone as well as to domestic users around Rockhampton and Gladstone. The Goonyella coal system connects to the Blackwater coal system in the south and the Newlands coal system in

the north, allowing for cross system traffic. Both the Goonyella and the Blackwater coal systems operate primarily as electrified rail systems. The CQCN is also used to distribute coal to domestic users, although this comprised less than 4% of tonnage hauled during the fiscal year ended 30 June 2015 and half-year ended 31 December 2015.

The assets comprising the CQCN consist of civil structures, track structures, signal and train control systems and telecommunications systems. They also include electrical infrastructure comprising traction distribution and power systems for the Blackwater and the Goonyella coal systems.

At the commencement of the Issuer's first access undertaking, there was significant surplus capacity in the rail systems (both above and below rail), with correspondingly high flexibility and reliability of throughput. Over the last decade, strong volume growth has absorbed both the pre-existing latent capacity as well as most opportunities for incremental capacity expansion. As a result, the Issuer undertook the two main expansion projects described below as GAPE and WIRP.

### ***Recent Network Expansion Projects***

GAPE, which was commissioned in December 2011, was a A\$1.0 billion infrastructure expansion project, which included the construction of a 69km "greenfield" rail track link between the Goonyella and Newlands coal systems, extensive upgrades to existing track on the Newlands coal system and capacity enhancements within the Goonyella coal system. GAPE was the first infrastructure investment in which the Issuer negotiated specific commercial arrangements with users such that it could earn higher returns than those provided for under the regulatory access undertaking, in return for assuming greater risks in relation to construction cost, counterparty credit and future contract arrangements. GAPE was completed on time and within budget.

The Wiggins Island Rail Project ("WIRP") was designed to link mines in the Southern Bowen Basin to the new Wiggins Island Coal Export Terminal ("WICET") at the Port of Gladstone. In September 2011, a consortium of coal producers finalised its financing package and tenure arrangements allowing construction of the 27Mtpa first stage of WICET to commence. WICET will service the Blackwater and Moura coal systems with a planned capacity of more than 80Mtpa to be delivered in stages. The Issuer expects that WIRP, which has been developed for eight foundation users at a cost of A\$799 million, will support the initial 27Mtpa of coal to WICET and leverage existing rail infrastructure to increase coal exports from the southern end of the Bowen Basin by approximately 30%. WIRP construction began in March 2012 with timeframes aligned to the progress of the WICET construction and the development of related mining projects. The first rail works were commissioned on 31 March 2015, with the commencement of coal railings in March 2015. The remaining works were completed and fully commissioned by December 2015.

Draft pricing for the regulated tariff was released in July 2015. The QCA proposed that WIRP Moura and Blackwater revenues will be socialised within their existing systems with Moura and Rolleston WIRP traffic subject to a system premium, and all other WIRP traffic paying the respective system tariff. During the remaining UT4 period, the QCA has proposed that WIRP regulatory revenues will ramp up in line with the WIRP contracts. This approach has been confirmed in the UT4 Final Decision.

Subject to QCA approval, the WIRP capital expenditure claim is being submitted for inclusion in the RAB in two tranches: (a) the commissioned capital spend up to and inclusive of the fiscal year ended 30 June 2015 in the 2015 fiscal year capital claim, for inclusion in the 2015 fiscal year RAB; and (b) the remaining capital spend to be included in the 2016 fiscal year capital claim, for inclusion in the 2016 fiscal year RAB. The QCA has determined in the UT4 Final Decision that a portion of the WIRP Blackwater capital expenditure be deferred until the commencement of railings. The Issuer is compensated for any deferral of regulatory revenues on a net present value neutral basis.

The Rolleston Electrification project involved the electrification of the Rolleston branch line to support additional tonnage from Glencore's Rolleston mine to WICET. The project was commissioned in December 2014. The total cost of the project was A\$150 million.

The Goonyella System Expansion was designed to increase the Goonyella system capacity from 129Mtpa to 140Mtpa to support the expected increase in coal exports at Hay Point Services Coal Terminal, which is operated by the BHP Billiton Mitsubishi Alliance. The commissioning of this infrastructure was predicated on the commissioning of the Wotonga Feeder Station which was completed in June 2014 and was connected to the Powerlink network in July 2015. The total cost of the project was A\$121 million.

### ***Current and Future Network Expansion Projects***

In addition to the established network, the Issuer and Aurizon Holdings regularly evaluate and, where appropriate, seek to take advantage of opportunities for expansion and improvement of the CQCN in order to

maximise its use and performance, deliver improved service for the Issuer's customers and increase the Issuer's return on the Issuer's assets.

Development of rail infrastructure for the Bowen Basin to support new and expanded mine and port developments, such as expanded or new coal terminals at the port of Abbot Point, the port of Hay Point, the port of Gladstone and are at varying stages of development, with some being only at a conceptual stage. The Issuer and Aurizon Holdings will continue to investigate opportunities as they arise. Whether growth projects are developed at the Aurizon Holdings or Issuer level will be decided on a project-by-project basis, taking account of, amongst other things, the relationship of the project to the CQCN, the quantum of funding required and the risk profile of the project. The Issuer anticipates that growth projects involving coal basins or regions not currently linked to the CQCN will be funded by Aurizon Holdings. Any decision to fund growth projects at the Issuer level will be made in line with the Issuer's strategy to prudently manage capital and maintain strong investment grade credit ratings.

#### ***Transactions and balances with entities of the Aurizon Holdings Group***

The following transactions occurred and balances are recognised with related parties for the years ended, and as at 30 June 2015 and 30 June 2014:

	<u>2015</u> <u>\$'000</u>	<u>2014</u> <u>\$'000</u>
Trade and other receivables from:		
- Parent .....	75,525	80,744
- Other related parties .....	586	482
Trade and other payables to:		
- Ultimate parent .....	577	1,719
- Parent .....	43,128	104,507
Tax loan payable to/(receivable from):		
- Ultimate parent .....	30,398	(15,359)
Access revenue received from:		
- Parent .....	638,373	581,585
- Other related parties .....	6,483	5,951
Other revenue received from:		
- Parent .....	5,230	2,225
- Joint ventures .....	—	—
Expenses paid to:		
- Parent .....	332,958	359,474
- Other related parties .....	—	—

#### ***Industry***

In 2015, Australia was the largest seaborne exporter of metallurgical coal, which is used principally in steel production, and the second largest exporter of thermal coal, which is used principally in electricity generation. Coal exports have grown at 5 per cent a year over the past decade as strong global demand (particularly from China) has stimulated investment in numerous expansions and new mine infrastructure capacity.

According to the Australian Bureau of Statistics, Australia exported approximately 388mt of coal in the 2015 calendar year including record high annual exports to each of Japan, South Korea, Taiwan and India. In terms of country exposure, for metallurgical coal, India, Japan, China and South Korea (in order over volume) make up approximately 77% of Australia's export volume. For thermal coal, Japan, South Korea and China make up 78% of Australia's export volume. Based on Wood Mackenzie forecasts for the year ending 2015, Australian metallurgical coal supply dominance was reinforced as seaborne market share is expected to have increased to 65%. Similarly, seaborne thermal coal market share is expected to have increased to over 22%.

Queensland has the largest coal resource in Australia, with more than 78bt of coal resources, including 39bt located in the Bowen Basin region serviced by the CQCN. According to reported port data, Queensland is the largest contributor to the Australian coal export industry in terms of tonnes shipped (approximately 220mt in 2015 calendar year) representing approximately 55% of all Australia export volume. The Queensland coal industry is involved predominantly in the export of high quality metallurgical coal, almost entirely from the Bowen Basin.

### ***Environmental regulation and performance***

The Issuer is committed to managing its operational activities and services in an environmentally responsible manner to meet legal, social and moral obligations. In order to deliver on this commitment, the Issuer seeks to comply with all applicable environmental laws and regulations.

As part of commitments made to the Queensland Department of Environment and Heritage Protection (the Queensland Government's environmental regulator) associated with legal requirements under the Environmental Protection Act 1994 (Qld), the Issuer has implemented the requirements outlined in the Central Queensland Coal Dust Management Plan ("CDMP"). This includes the Issuer being responsible for the operation, maintenance and reporting associated with the coal dust opacity monitoring system and the inclusion of relevant requirements in the CDMP into operating plans with above rail operators and transfer facilities licences with mines e.g veneering requirements at the loading point.

The National Greenhouse and Energy Reporting Act 2007 (Cth) ("NGER") requires the Issuer to report its annual greenhouse gas emissions and energy use. The Issuer has implemented systems and processes for the collection and calculation of the data required and is registered under NGER.

The National Pollutant Inventory ("NPI") requires the Issuer to report its emissions of different chemical substances to air, land and water. The Issuer has implemented systems and processes for the collection and calculation of the data required and has relevant facilities registered with the NPI.

### ***Litigation/Dispute Descriptions***

Issues relating to common law claims are dealt with as they arise.

In September 2015, the Issuer received notices from seven of the eight Wiggins Island Rail Project customers, purporting to exercise a right under the relevant agreements to reduce their financial exposure of those customers to the Issuer in respect of the Wiggins Island Rail Project.

The Issuer and eight coal companies are parties to Wiggins Island Rail Project Deeds ("**Project Deeds**"), which were executed on 5 September 2011. Under the Project Deeds the Issuer is to receive certain payments, which would deliver an above regulatory return on its investment in the A\$799 million Wiggins Island Rail Project, in return for the Issuer agreeing to develop the project on time and for a lower than forecast cost (both of which were achieved). The Issuer delivered first coal railings for the project in March 2015.

Regrettably discussions with the customers to resolve the dispute commercially did not produce a resolution and the Issuer issued proceedings in the Supreme Court of Queensland to assert its contractual rights under the Project Deeds on 17 March 2016.

The Issuer estimates that the annual impact of the dispute notices, if valid, would be in a range from A\$0 to A\$27 million in Earnings Before Interest and Tax per annum over the 19.5 year life of the above regulatory return component.

There are currently no other material issues.

### ***Operational Overview***

The Issuer operates as a separate business unit within the Aurizon Holdings Group. The Issuer's board of directors comprises five directors and is responsible for the review and oversight of administration, management, strategic direction and governance. All of the Issuer's directors other than the Executive Vice President, Network are also directors of Aurizon Holdings. The Issuer's board does not currently operate separate committees. As a subsidiary of Aurizon Holdings, the Issuer is subject to the oversight of the committees of the Aurizon Holdings board.

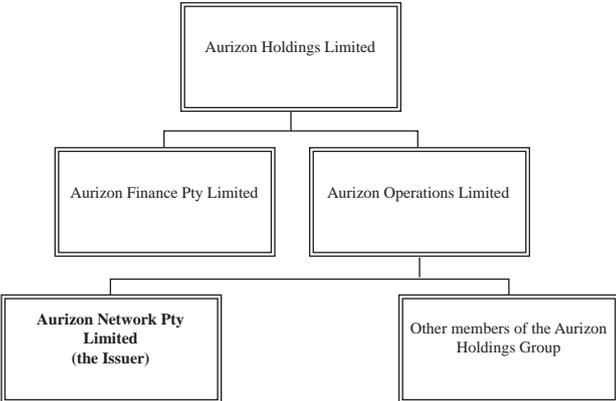
Aurizon Holdings, through its operating subsidiaries (including the Issuer), is vertically integrated in that it supplies access to the regulated CQCN, which the Issuer manages, operates and maintains, and also provides, through its other operating subsidiaries which are not the Issuer's subsidiaries, unregulated above rail services as well as a range of specialist rail engineering, construction and maintenance services. To ensure sufficient separation and independence between the below rail and above rail operations of the Aurizon Holdings Group, the Issuer is subject to ringfencing obligations under the QCA Act and the access undertakings the Issuer provides to the QCA from time to time. The Issuer's board of directors is responsible for monitoring compliance with the applicable ringfencing obligations.

The Issuer's operations consist solely of the provision of access to, and operation and management of, the CQCN. In order to ensure that Aurizon Holdings and its subsidiaries, including the Issuer, can manage its business as an integrated rail service provider and that the Issuer can service customers and fulfill the regulatory obligations, the Issuer has entered into a number of agreements with members of the Aurizon

Holdings Group, under which members of the Aurizon Holdings Group will provide each other with ongoing operational services on commercial terms.

**Corporate Structure and Information**

The diagram below illustrates the Issuer’s position within the corporate structure of Aurizon Holdings:



**Capital Structure**

The Issuer operates as a separate standalone entity to Aurizon Holdings with a separate board and management team and separate statutory financial reporting. Dedicated debt facilities are in place at the Issuer level and target gearing is broadly consistent with the regulator’s assumption of 55% Debt to RAB. This capital structure provides financial flexibility and the ability to introduce a minority equity interest in the Issuer in the future.

The Issuer’s debt is currently comprised of:

- 1) Senior syndicated bank debt facilities;
- 2) A working capital facility;
- 3) A\$ Medium Term Note programme; and
- 4) € Medium Term Note programme.

The debt facilities of Aurizon Holdings are separate from those of the Issuer.

**Access Regulation and Reference Tariffs**

The provision of access to users of the CQCN, including the terms of access and the access charges that the Issuer is permitted to levy, is regulated by the Queensland Access Regime established under the QCA Act and administered by the QCA. Under the QCA Act, access undertakings may be either voluntarily submitted to the QCA by the owner or operator of the rail network infrastructure, or required to be submitted by the QCA. An access undertaking is a detailed document covering a range of matters, including the access negotiation framework, the terms and conditions of access, access charges, pricing principles, ringfencing requirements, network capacity, interface arrangements, reporting, expansions and dispute resolution. The Issuer has historically submitted voluntary access undertakings to the QCA at regular intervals (historically, every four years) to seek approval for components of network access pricing and other terms for the following regulatory period. UT3, the Issuer’s current access undertaking is the third access undertaking that the Issuer has submitted to the QCA.

While the UT3 regulatory period was due to expire on 30 June 2013, due to the lengthy consultation period that has taken place in relation to UT4, UT3 has been extended by the QCA to the earlier of 30 June 2016 or the date on which the UT3 access undertaking is withdrawn in accordance with the QCA Act. During this period, the QCA approved a set of transitional reference tariffs for each coal system.

The access charges that the Issuer is permitted to levy on users of the CQCN, which are the Issuer’s primary source of revenue, are determined by reference to the applicable regulated reference tariffs approved by the QCA and regulated within the framework of a conventional revenue cap that permits the Issuer to earn an approved return on its RAB over the regulatory period covered by an access undertaking.

Under UT4, the approved revenue allowance is set using the “building blocks” approach, which uses different components, including return on capital, depreciation, operating cost allowance, tax allowance

(including an adjustment for the estimated value of imputation credits) and maintenance allowance, to determine the Issuer's System Allowable Revenue (or SAR) for each individual rail system, with the total of all SARs being known as the MAR. The return on capital, which is determined by estimating a WACC and applying it to the value of the assets used to deliver the regulated services to determine the regulated rate of return, is the most significant component in the assessment of the MAR. WACC, which in the UT4 Final Decision has been set by the QCA at 7.17% for the period of UT4, accounts for approximately 38% of the MAR for the UT4 regulatory period. The Issuer's MAR, and the WACC used in deriving the Issuer's MAR, are typically reset every four years as part of the access undertaking approval process.

The MAR, which determines how much revenue the Issuer can earn each year, is converted into reference tariffs through the application of a system tonnage forecast for each individual rail system. There are different reference tariffs for each of the Newlands, Goonyella, Blackwater and Moura coal systems, with different components to each reference tariff. Tariffs and access contracts with the Issuer's customers are then negotiated within the framework provided by the access undertaking. The reference tariffs are reset annually based on projected system volumes and other variables.

As part of UT3, the QCA approved a set of principles that governs the ownership, construction and financing of new rail infrastructure and modifications to existing rail infrastructure in the CQCN to the extent they are used in the provision of services regulated by the access regime. The investment framework provides for multiple funding options and also allows the Issuer and the Issuer's network users to commercially negotiate the terms of access (including additional risk or cost adjusted returns) in respect of certain major network expansion projects. Negotiated terms are subject to approval by the QCA based on defined criteria. These principles will continue to apply until the approval of UT4.

Key elements of UT3 were retained in the Issuer's UT4 submission to ensure continuity and stakeholder confidence in the regulatory regime; however, the Issuer also sought various changes including with regard to the scope of the revenue cap mechanism, the quantum of the components used in the determination of reference tariffs and certain aspects of the investment framework currently in place under UT3.

The UT4 Final Decision provides that the difference between the transitional tariffs collected in the year ended 30 June 2014 and the MAR for that period as approved under UT4 will be smoothed over the 2014-15, 2015-16 and 2016-17 years, and the difference between the transitional tariffs collected in the year ended 30 June 2015 and the MAR for that period as approved under UT4 will be smoothed over the 2015-16 and 2016-17 years and reconcile the difference between the approved allowable and transitional revenues.

The Standard User Funding Agreement ("SUFA") framework facilitates customers with an alternative mechanism to fund the expansion and growth of the CQCN. SUFA enables a customer(s) to directly fund the requisite expansion. In response to an obligation to develop SUFA in UT3, the Issuer has worked collaboratively with stakeholders to develop a framework for SUFA which culminated in the QCA issuing a draft decision on SUFA in October 2014. The QCA in the UT4 Final Decision requires that the Issuer submit a Draft Amending Access Undertaking to include a Standard User Funding Agreement into the Issuer's final UT4 Access Undertaking. This will take account of the work that has taken place throughout the UT3 regulatory period between the Issuer, the QCA and industry stakeholders in the 2013 SUFA process.

### **Competitive Strengths**

The Issuer believes it has the following competitive strengths:

- *Regulated revenues within a stable and well-established regulatory regime*—Regulatory Access charges represent the majority of the Issuer's revenue. Regulatory Access charges are determined by reference to the applicable allowable revenue approved by the QCA under a stable and well-established regulatory regime. The allowable revenue is set using the "building blocks" approach, which uses different components including return on capital, depreciation, operating allowance, tax allowance (including an adjustment for the estimated value of imputation credits) and maintenance allowance, to determine the SAR for each individual rail system. The components of network access pricing are approved by the QCA at regular intervals, typically every four years when the Issuer voluntarily submits an access undertaking, and remains in place for the duration of the regulatory period covered by the access undertaking. Tariffs and access contracts with customers are then negotiated within the framework provided by the approved access undertaking. The regulatory access regime, which is based on the principle of non-discrimination between access seekers, also outlines processes for negotiating and managing access agreements, resolving any disputes relating to access, negotiating capacity allocations and expansions and recovering operating and capital expenditure. In

addition, the regulatory access regime defines the ringfencing obligations. The regulatory regime has been in place since 2001.

- *Revenue protection mechanisms limit the Issuer's exposure to patronage or volume risk*—Under the current regulatory regime, the Issuer benefits from revenue protection mechanisms that limit its exposure to patronage and volume risk. Regulated revenue is protected through a combination of contractual take-or-pay provisions included in QCA-approved access agreements, where revenue shortfalls from actual tonnages railed being less than the regulatory approved tonnage forecast are recovered directly from the access holder in the year that the contractual railings were not achieved, and a regulatory revenue cap mechanism, whereby the Issuer earns a set return on RAB over the regulatory period and any revenue shortfalls are recovered two years later on a net present value neutral basis through an adjusted tariff.
- *Long term lease arrangements supported by the Queensland coal mining sector*—the Issuer controls, manages, operates and maintains the CQCN under 99 year lease arrangements with the State of Queensland. The CQCN is essential to the Queensland coal industry as it is the primary mode of transport between coal mines and export ports. Queensland holds a competitive advantage over other international coal producers as it produces high quality metallurgical and thermal coal supported by significant reserves in close proximity to Asian export markets. These factors support long term demand for access to the CQCN.
- *Long term customer relationships with the two main above rail operators servicing well-established miners*—the Issuer derives most of its access revenue from long term access agreements with the two main above rail operators, Aurizon Operations (the Issuer's parent company) and Pacific National, both of whom service a diverse group of customers that include globally recognised, investment grade, established miners, such as BHP Billiton Mitsubishi Alliance, Glencore Xstrata, and Rio Tinto across four rail systems and connecting infrastructure that service six export terminals. The coal mine users of the CQCN own over 40 operating mines.
- *Part of a vertically integrated rail service provider*—The Issuer is an ultimate subsidiary of Aurizon Holdings Limited, an ASX listed company and Australia's largest rail freight company, which also provides, through its other operating subsidiaries which are not the Issuer's subsidiaries, unregulated above rail services as well as a range of specialist rail engineering, construction and maintenance services. The Issuer has entered into an Operations Master Rail Services Agreement and a Network Master Rail Services Agreement with Aurizon Operations. These agreements, which have a minimum 20 year term, allow the Issuer to continue to operate as part of an integrated rail service provider while fulfilling service obligations to customers and satisfying regulatory obligations.
- *Strong balance sheet and financial flexibility*—the Issuer believes the strength of its balance sheet, the resilience of its earnings and financial flexibility support its capital structure and balances its commitment to a long term sustainable financial profile while allowing it to pursue opportunities for expansion and improvement of the CQCN in order to maximise its use and performance.
- *Experienced board and management team*—the Issuer's board of directors and management team have multi-sector (domestically and internationally), multi-disciplinary experience, as well as strategic, operational and financial management skills, and a track record of efficiently managing its open access multi-user rail network and successfully executing major coal rail network expansion projects at the Issuer.
- *Strong focus on business transformation and continued delivery of operating efficiency improvements*—the Issuer's continued focus on business transformation and operating efficiency improvements has underpinned an increase in volume throughput in the CQCN over the last five years, with five consecutive years of record volumes across the CQCN having been achieved, equating to a ~38% increase since 2011. Key operational achievements contributing to EBITDA growth in the period FY11 to FY15 included:
  - a significant enhancement in reliability of the Issuer's rail network, resulting in a 21% decline in cycle time impact from delays to train services on the rail network caused by the Issuer;
  - a 13% increase in average cycle velocity in respect of train services on the rail network;
  - a 21% decline in total system closure hours, despite a stepped increase in volumes and maintenance works;
  - an 8% increase in average payloads for trains on the rail network; and
  - a 41% increase in net tonne kilometres ("NTKs") railed on the Issuer's rail network to 54.2bn.

## Business Strategy

The Issuer's key strategies are as follows:

- *Cooperative framework with the Aurizon Holdings Group*—The Issuer has agreements with Aurizon Operations that govern the operating relationship for a minimum 20 year term. The Issuer's operating structure is designed to ensure it continues to manage and develop the skills and resources specific to the operation, management and maintenance of the CQCN while fulfilling service obligations to customers and satisfying regulatory obligations.
- *Optimising the capacity of the CQCN to world class utilisation levels*—The Issuer is committed to improving utilisation across the CQCN to enable access holders to run more trains within each coal system. To achieve this, it is focused on optimising network control, planning and scheduling, improving coordination between operational and maintenance activities to minimise the impact of maintenance activities on track access, and reducing below rail delays through its investment in next generation technology that will simplify and modernise its operational systems.
- *Transforming asset strategy*—Consistent with Aurizon Holdings Group's commitment to world class operations, supply chain efficiency and safety, the Issuer is seeking to transform its infrastructure asset maintenance approach to world class standards in order to improve the reliability and availability of the network to reduce the time it takes a train service to complete a cycle from depot to mine to port and back to depot. This strategy encompasses both short term maintenance activities and longer term targeted asset renewal capital expenditure, which is consistent with the practices employed by North American Class 1 railroads. The Issuer is focused on developing a preventative approach to asset management through the early detection of defective assets. This asset management strategy is supported by the increased use of technology such as real time asset diagnosis and remote recording, the deployment of high productivity track machinery and the mechanisation of traditional labour based activities, such as electronic rail lubricators and the use of drones for network monitoring.
- *Maintaining a prudent capital management strategy and ratings commitment*—The Issuer is committed to prudent capital management, including through the diversification of funding sources, maintenance of investment grade credit ratings and adequate liquidity and risk management activities, which are managed in line with policies approved by the board of directors from time to time.
- *Redefining relationships with customers and establishing a performance driven culture*—A key aspect of the transformation since ASX Listing has been redefining the relationship with customers and access holders and establishing a performance driven culture across the business, in an effort to address legacy issues associated with the long history of government ownership. Since ASX Listing, the Issuer has sought to improve customer satisfaction by focusing on service performance through the commitment to safety, cost efficiency, productivity and improved commercial arrangements. GAPE and WIRP are examples of directly negotiated commercial arrangements with coal mining users pursuant to which the Issuer developed with them master planning and supply chain solutions.
- *Engaging with all stakeholders to improve regulatory outcomes*—The majority of the Issuer's revenue is regulated by access undertakings that are subject to stakeholder consultation and regulator approval. Accordingly, the Issuer believes that it is important that it continues to build on its regulatory capabilities and engage with customers in order to understand and respond to their needs.
- *Continued focus on safety performance*—Safety is the Issuer's core value and highest priority. Its focus on safety allows the Issuer to improve the quality and reliability of its network, prevent accidents and injuries, and lower the costs and risks associated with operating its business. The Issuer is committed to "zero harm" in its workplace.

## Management

### Board of Directors

The following table sets forth certain information regarding the Issuer's board of directors as of the date of this Offering Circular;

<u>Name</u>	<u>Position(s)</u>
Michael Fraser*	Non-Executive Chairman
Alex Kummant	Director, Executive Vice President
John Cooper*	Non-Executive Director
Lance Hockridge*	Director
Sam Lewis*	Non-Executive Director

\* Also a director of Aurizon Holdings.

Biographical information regarding the Issuer's directors is set forth below.

**Michael Fraser.** Mr. Fraser has more than 30 years' experience in the Australian energy industry. He has held various executive positions at AGL Energy culminating in his role as Managing Director and Chief Executive Officer for the period of seven years until February 2015. Michael is currently a Non-Executive Director of the ASX listed APA Group. Michael is a former Chairman of the Clean Energy Council, Elgas Limited, Actew AGL and the NEMMCo Participants Advisory Committee, as well as a former Director of Queensland Gas Company Limited, the Australian Gas Association and the Energy Retailers Association of Australia.

**John Cooper.** Mr. Cooper has more than 35 years' experience in the construction and engineering sector in Australia and overseas. Currently, Mr. Cooper is Chairman and Non-Executive Director of Southern Cross Electrical Engineering Limited and also holds a Non-Executive Directorship with NRW Holdings Limited. During his career as an executive Mr. Cooper's roles have encompassed large civil, commercial and infrastructure projects and complex engineering and project management activities in the mining, oil and gas, engineering and property sectors.

**Lance Hockridge.** Mr. Hockridge became Managing Director & CEO of Aurizon Holdings Limited in July 2010. He has guided Aurizon's transition to a top 50 ASX company after 145 years as a government owned railway. From 2007 until 2010, he was CEO of QR Limited which was split to form Aurizon Holdings and the passenger-focussed Queensland Rail that remained in government ownership. Mr. Hockridge has more than 30 years' experience in the transportation and heavy industrial sectors in Australia and the United States with BHP Billiton and BlueScope Steel. At BHP Billiton Limited, Mr. Hockridge was a member of the leadership team that led BlueScope Steel's successful demerger from BHP and subsequent listing on the ASX. In 2005, Mr. Hockridge was appointed President of BlueScope Steel's North American operations where he led a major turnaround in safety, production and financial performance. Mr. Hockridge is a member of the Business Council of Australia's Efficient Regulation policy committee and a regular participant in industry forums on transport infrastructure and reform. He has been appointed to Q20, the business leaders group promoting Queensland investment as part of the G20 Summit in Brisbane in November 2014.

**Alex Kummant.** Mr. Kummant has more than 25 years' experience in the North American industrial sector, including in various executive roles in the rail industry. Mr. Kummant was appointed Executive Vice President Strategy of the Aurizon Holdings Group in October 2012 and was appointed to his current role as Executive Vice President, Network in August 2013. Prior to joining the Aurizon Holdings Group in October 2012, Mr. Kummant was Chief Executive Officer of Amtrak and Vice President in several executive roles at Union Pacific Railroad. Prior to joining Union Pacific Railroad, Mr. Kummant held various executive roles at Emerson Electric Co. and SPX Corporation.

**Sam Lewis.** Ms. Lewis has extensive financial experience, including as a lead auditor of a number of major Australian listed entities. Ms. Lewis has significant experience working with clients in the manufacturing, consumer business and energy sectors, and in addition to external audits, has provided accounting and transactional advisory services to other major organisations in Australia. Ms. Lewis's expertise includes accounting, finance, auditing, risk management, corporate governance, capital markets and due diligence. Ms. Lewis is currently a non-executive director and chairman of the Audit & Compliance Committee of Orora Limited and also holds a Non-Executive Directorship with Greenstone Limited. Previously, Ms. Lewis was an Assurance & Advisory partner from 2000 to 2014 with Deloitte Australia.

## Executive Officers

The following table sets forth certain information regarding the Issuer's executive officers who are not directors as of the date of this Offering Circular:

<u>Name</u>	<u>Position(s)</u>
Scott Riedel	Vice President, Network Operations
Clay McDonald	Vice President, Commercial Development
Pam Bains	Vice President, Finance Network
Lana Stockman	Vice President, Regulation

Biographical information regarding the Issuer's executive officers who are not directors is set forth below.

**Scott Riedel.** Mr. Riedel has over 25 years' experience in the rail and petrochemical industries in Australia, Asia and the United Kingdom. This experience includes managing all phases of rail projects from concept to renewal, including project execution and operational requirements. As VP Network Operations, Mr. Riedel is responsible for safely and sustainably delivering maximum system throughput at the lowest cost of operation, while ensuring the integrity of the CQCN for the coal industry. His direct responsibilities include asset maintenance, scheduling access paths, operational train control, minor maintenance execution and emergency and incident management and response. Mr Riedel holds an Honours Degree in Electrical Engineering, a Graduate Diploma in Business, and is a Registered Professional Engineer of Queensland.

**Clay McDonald.** Mr. McDonald has 15 years' experience in the transport and logistics sector in Queensland and New South Wales. Prior to joining Aurizon Holdings Group, he held a number of roles with Toll Holdings in the Resource's, QRX and Remote Logistics businesses. Previous experience includes roles as State Manager of transport and warehousing businesses Oswalds and Banks Distribution. As Vice President Commercial Development, Mr McDonald is responsible for the Planning and Development of the CQCN Network and for managing the commercial arrangements for access to that network. Prior to his current role he held the position of VP Network Operations for over 4 years and Group General Manager of above rail Operations responsible for Blackwater, Moura and West Morton coal corridors from 2008 to 2011. Mr McDonald has a Bachelor of Science from University NSW and a Masters Degree in Operations from Macquarie Graduate School of Management (MGSM).

**Pam Bains.** Mrs. Bains has over 20 years' experience in finance and commercial roles in both Australian and international companies. After qualifying as a Chartered Accountant with Arthur Andersen (UK), Mrs. Bains gained experience across a number of sectors including financial services (GE Capital—Global Consumer Finance), telecommunications (Teléfono O2), retail (Next plc) and rail freight (Aurizon Network), playing a key role during Aurizon Holdings' initial public offering and listing on the ASX. As Vice President Finance Network, her direct responsibilities include financial planning & analysis, capital project evaluation, business partnering, governance, external and internal reporting, leadership, project delivery and strategy. She is also Chairperson of the Network Investment Committee.

**Lana Stockman.** Ms. Stockman has 15 years' experience in the energy sector working in both competitive and regulated markets including regulatory roles in Energy Australia and with the New Zealand Electricity Authority. She previously held various positions in revenue portfolio management and spot energy trading with Stanwell Corporation and with Meridian Energy, and was Generation Control Centre Manager with Meridian Energy. With a combination of a Bachelor's degree in Civil Engineering and a Master Degree in Applied Finance, Ms. Stockman is well placed to develop both commercial and technical regulatory strategies to support the efficient operation and growth of the CQCN within the regulatory framework.

## Ringfencing Obligations

The Issuer is subject to ringfencing obligations under the QCA Act and the access undertakings it provides to the QCA from time to time. The ringfencing obligations are procedures and measures for the purpose of separating the regulated below rail business from other businesses within the Aurizon Holdings Group. The Issuer's board of directors is responsible for monitoring compliance with the applicable ringfencing obligations. Under the provisions of the current access undertaking, the Issuer must ensure the independence of senior management, accounting separation from Aurizon Holdings and the appropriate management of confidential information.

The following summary financial data should be read together with the Group's audited financial statements and related notes incorporated by reference in this Offering Circular. The summary financial data for the fiscal year ended 30 June 2015 has been extracted without adjustment from the Group's financial statements which have been prepared in accordance with Australian Accounting Standards and audited by PricewaterhouseCoopers.

### Consolidated Comprehensive Income Data

	<u>2015</u> <u>\$m</u>	<u>2014</u> <u>\$m</u>
Services revenue		
Track access .....	1,047.6	950.7
Other services revenue .....	12.9	16.8
Other revenue .....	45.9	44.6
<b>Revenue from continuing operations</b> .....	<b>1,106.4</b>	<b>1,012.1</b>
Other income .....	<u>1.7</u>	<u>—</u>
<b>Total revenue and other income</b> .....	<b>1,108.1</b>	<b>1,012.1</b>
Employee benefits expense .....	(120.6)	(126.0)
Energy and fuel .....	(107.4)	(110.9)
Consumables .....	(164.9)	(147.8)
Impairment losses .....	—	(67.6)
Other expenses .....	<u>(15.5)</u>	<u>(16.7)</u>
<b>Earnings before depreciation and amortisation, finance costs and income tax (EBITDA)</b> .....	<b>699.7</b>	<b>543.1</b>
Depreciation and amortisation .....	<u>(215.2)</u>	<u>(198.5)</u>
<b>Earnings before depreciation and amortisation (EBIT)</b> .....	<b>484.5</b>	<b>344.6</b>
Finance income .....	0.6	0.2
Finance expenses .....	<u>(135.2)</u>	<u>(107.8)</u>
<b>Profit before income tax expense</b> .....	<b>349.9</b>	<b>237.0</b>
Income tax expense .....	<u>(105.0)</u>	<u>(68.3)</u>
<b>Profit for the year</b> .....	<b>244.9</b>	<b>168.7</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit or loss</i>		
Changes in the fair value of cash flow hedges .....	(17.1)	(27.1)
Income tax relating to these items .....	<u>5.1</u>	<u>8.1</u>
<b>Other comprehensive income for the year, net of tax</b> .....	<b>(12.0)</b>	<b>(19.0)</b>
<b>Total comprehensive income for the year</b> .....	<b>232.9</b>	<b>149.7</b>

## Consolidated Balance Sheet Data

	<u>2015</u>	<u>2014</u>
	<u>\$m</u>	<u>\$m</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents .....	116.4	1.1
Trade and other receivables .....	209.8	233.0
Inventories .....	49.3	66.2
Derivative financial instruments .....	0.1	—
Other assets .....	<u>0.3</u>	<u>15.4</u>
<b>Total current assets</b> .....	<u>375.9</u>	<u>315.7</u>
<b>Non-current assets</b>		
Derivative financial instruments .....	18.4	—
Inventories .....	12.4	17.8
Property, plant and equipment .....	5,360.4	5,023.7
Intangible assets .....	<u>43.6</u>	<u>20.6</u>
<b>Total non-current assets</b> .....	<u>5,434.8</u>	<u>5,062.1</u>
<b>Total assets</b> .....	<u>5,810.7</u>	<u>5,377.8</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Derivative financial instruments .....	0.1	1.7
Trade and other payables .....	166.3	240.5
Borrowings .....	3.1	42.7
Provisions .....	21.6	22.5
Other liabilities .....	<u>77.7</u>	<u>29.7</u>
<b>Total current liabilities</b> .....	<u>268.8</u>	<u>337.1</u>
<b>Non-current liabilities</b>		
Derivative financial instruments .....	42.7	26.6
Provisions .....	1.9	1.7
Borrowings .....	2,935.2	2,489.8
Deferred tax liabilities .....	500.8	439.5
Other liabilities .....	<u>248.1</u>	<u>249.4</u>
<b>Total non-current liabilities</b> .....	<u>3,728.7</u>	<u>3,207.0</u>
<b>Total liabilities</b> .....	<u>3,997.5</u>	<u>3,544.1</u>
<b>Net assets</b> .....	<u>1,813.2</u>	<u>1,833.7</u>
<b>EQUITY</b>		
Contributed equity .....	1.9	2.4
Convertible notes .....	1,200.0	1,200.0
Reserves .....	(31.0)	(19.0)
Retained earnings .....	<u>642.3</u>	<u>650.3</u>
<b>Total equity</b> .....	<u>1,813.2</u>	<u>1,833.7</u>

## Consolidated Cashflow Data

	<u>2015</u>	<u>2014</u>
	<u>\$m</u>	<u>\$m</u>
<b>Cash flows from operating activities</b>		
Receipts from customers.....	1,193.9	1,044.0
Interest received .....	0.6	0.2
Payments to suppliers and employees.....	(496.2)	(455.4)
Income taxes received/(paid) .....	7.3	(80.0)
<b>Net cash inflow from operating activities .....</b>	<b><u>705.6</u></b>	<b><u>508.8</u></b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of assets .....	12.8	0.7
Payments for property, plant and equipment .....	(547.8)	(574.2)
Payments for intangible assets .....	(31.7)	(12.4)
Interest paid on qualifying assets.....	(19.2)	(28.8)
<b>Net cash (outflow) from investing activities .....</b>	<b><u>(585.9)</u></b>	<b><u>(614.7)</u></b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings .....	1,125.7	819.1
Repayment of borrowings .....	(749.5)	(500.0)
Payment of transaction costs related to borrowings .....	(4.1)	—
Payment of loans from related parties .....	—	(14.8)
Capital distribution to parent.....	(1.9)	(1.1)
Finance lease payments.....	(2.1)	(2.5)
Dividends paid to Company's shareholders .....	(252.9)	(135.6)
Interest paid .....	(119.6)	(80.8)
<b>Net cash (outflow)/inflow from financing activities .....</b>	<b><u>(4.4)</u></b>	<b><u>84.3</u></b>
<b>Net increase/(decrease) in cash and cash equivalents.....</b>	<b>115.3</b>	<b>(21.6)</b>
Cash and cash equivalents at the beginning of the financial year .....	<u>1.1</u>	<u>22.7</u>
<b>Cash and cash equivalents at end of year .....</b>	<b><u>116.4</u></b>	<b><u>1.1</u></b>

The following summary financial data should be read together with the Group's financial statements and related notes incorporated by reference in this Offering Circular. The summary financial data for the fiscal half-year ended 31 December 2015 has been extracted without adjustment from the Group's financial statements which have been prepared in accordance with Australian Accounting Standards and reviewed by PricewaterhouseCoopers.

### Consolidated Comprehensive Income Data

	31 December 2015 \$m	31 December 2014 \$m
Services revenue		
Track access .....	559.7	501.0
Other services revenue.....	2.6	5.5
Other revenue.....	17.8	22.8
<b>Revenue from continuing operations.....</b>	<b>580.1</b>	<b>529.3</b>
Other income .....	<u>0.8</u>	<u>0.3</u>
<b>Total revenue and other income.....</b>	<b>580.9</b>	<b>529.6</b>
Employee benefits expense .....	(62.8)	(66.5)
Energy and fuel.....	(62.6)	(51.5)
Consumables.....	(66.6)	(79.7)
Other expenses.....	<u>(26.4)</u>	<u>(8.9)</u>
<b>Earnings before depreciation and amortisation, finance costs and income tax (EBITDA) .....</b>	<b>362.5</b>	<b>323.0</b>
Depreciation and amortisation.....	<u>(125.5)</u>	<u>(105.5)</u>
<b>Earnings before depreciation and amortisation (EBIT).....</b>	<b>237.0</b>	<b>217.5</b>
Finance income .....	0.6	0.3
Finance expenses.....	<u>(68.5)</u>	<u>(66.9)</u>
<b>Profit before income tax expense .....</b>	<b>169.1</b>	<b>150.9</b>
Income tax expense .....	<u>(51.4)</u>	<u>(46.2)</u>
<b>Profit for the year .....</b>	<b><u>117.7</u></b>	<b><u>104.7</u></b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit or loss</i>		
Changes in the fair value of cash flow hedges.....	3.4	(25.0)
Income tax relating to these items.....	<u>(1.0)</u>	<u>7.5</u>
<b>Other comprehensive income for the year, net of tax .....</b>	<b><u>2.4</u></b>	<b><u>(17.5)</u></b>
<b>Total comprehensive income for the year.....</b>	<b><u>120.1</u></b>	<b><u>87.2</u></b>

## Consolidated Balance Sheet Data

	<u>31 December 2015 \$m</u>	<u>30 June 2015 \$m</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents .....	3.7	116.4
Trade and other receivables .....	228.9	209.8
Inventories .....	44.9	49.3
Derivative financial instruments.....	—	0.1
Other assets .....	<u>5.0</u>	<u>0.3</u>
<b>Total current assets</b> .....	<u><b>282.5</b></u>	<u><b>375.9</b></u>
<b>Non-current assets</b>		
Trade and other receivables .....	—	—
Inventories .....	14.1	12.4
Derivative financial instruments.....	47.6	18.4
Property, plant and equipment .....	5,406.8	5,360.4
Intangible assets .....	<u>54.6</u>	<u>43.6</u>
<b>Total non-current assets</b> .....	<u><b>5,523.1</b></u>	<u><b>5,434.8</b></u>
<b>Total assets</b> .....	<u><b>5,805.6</b></u>	<u><b>5,810.7</b></u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables.....	133.1	166.3
Derivative financial instruments.....	—	0.1
Borrowings.....	1.1	3.1
Provisions .....	19.3	21.6
Other liabilities .....	<u>70.6</u>	<u>77.7</u>
<b>Total current liabilities</b> .....	<u><b>224.1</b></u>	<u><b>268.8</b></u>
<b>Non-current liabilities</b>		
Derivative financial instruments.....	34.1	42.7
Provisions .....	2.0	1.9
Borrowings.....	2,971.6	2,935.2
Deferred tax liabilities .....	519.5	500.8
Other liabilities .....	<u>234.0</u>	<u>248.1</u>
<b>Total non-current liabilities</b> .....	<u><b>3,761.2</b></u>	<u><b>3,728.7</b></u>
<b>Total liabilities</b> .....	<u><b>3,985.3</b></u>	<u><b>3,997.5</b></u>
<b>Net assets</b> .....	<u><b>1,820.3</b></u>	<u><b>1,813.2</b></u>
<b>EQUITY</b>		
Contributed equity .....	2.6	1.9
Reserves .....	(28.6)	(31.0)
Convertible notes .....	1,200.0	1,200.0
Retained earnings.....	<u>646.3</u>	<u>642.3</u>
<b>Total equity</b> .....	<u><b>1,820.3</b></u>	<u><b>1,813.2</b></u>

## Consolidated Cashflow Data

	<u>31 December 2015 \$m</u>	<u>31 December 2014 \$m</u>
<b>Cash flows from operating activities</b>		
Receipts from customers .....	605.4	647.5
Interest received .....	0.9	0.3
Payments to suppliers and employees.....	(227.5)	(294.8)
Income taxes received/(paid) .....	<u>(40.9)</u>	<u>3.4</u>
<b>Net cash inflow from operating activities .....</b>	<b><u>337.9</u></b>	<b><u>356.4</u></b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment .....	(211.9)	(299.1)
Payments for intangible assets .....	(17.8)	(14.9)
Interest paid for qualifying assets .....	<u>(5.9)</u>	<u>(13.9)</u>
<b>Net cash (outflow) from investing activities .....</b>	<b><u>(235.6)</u></b>	<b><u>(327.9)</u></b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings .....	—	849.9
Repayment of borrowings .....	(2.0)	(721.5)
Payment of transaction costs related to borrowings .....	(2.5)	(4.1)
Capital distribution to parent.....	(0.4)	—
Loans to related parties.....	(33.0)	—
Finance lease payments.....	(1.0)	(1.1)
Dividends paid to Company's shareholders .....	(113.7)	(87.2)
Interest paid .....	<u>(62.4)</u>	<u>(59.1)</u>
<b>Net cash (outflow)/inflow from financing activities .....</b>	<b><u>(215.0)</u></b>	<b><u>(23.1)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents.....</b>	<b>(112.7)</b>	<b>5.4</b>
Cash and cash equivalents at the beginning of the financial year .....	<u>116.4</u>	<u>1.1</u>
<b>Cash and cash equivalents at end of the six months.....</b>	<b><u>3.7</u></b>	<b><u>6.5</u></b>

## TERMS AND CONDITIONS OF THE DEBT INSTRUMENTS

*The following are the terms and conditions which, as supplemented, amended and/or replaced by the relevant Pricing Supplement, will be endorsed on each Debt Instrument in definitive bearer form, or incorporated by reference in or otherwise apply to each Debt Instrument in registered form, issued under the Programme. The terms and conditions applicable to any notes in global form will differ from those terms and conditions which would apply to the Debt Instrument were it in definitive form as provided for below.*

### **Part 1 Introduction**

#### **1 Introduction**

##### ***1.1 Programme***

The Issuer has established a debt issuance programme for the issuance of up to euro 2,000,000,000 (or equivalent in other currencies) in aggregate principal amount of MTNs or other forms of debt obligations. This limit may be increased from time to time in accordance with the terms of the Programme Agreement.

##### ***1.2 Pricing Supplement***

Debt Instruments issued under the Programme are issued in Series. Each Series may comprise one or more Tranches having one or more issue dates and on terms otherwise identical (other than in respect of the first payment of interest). Each Tranche is the subject of the Pricing Supplement which supplements, amends or replaces these Conditions. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement prevails.

All subsequent references in these Conditions to “Debt Instruments” are to the Debt Instruments which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for inspection by Holders during normal business hours at the Specified Office of the Issuer, each Guarantor or any Agent for the relevant Debt Instruments.

##### ***1.3 Interpretation***

Defined terms and interpretation provisions are set out in Condition 32 (“Interpretation”).

### **Part 2 Form, Denomination and Title**

#### **2 Form**

##### ***2.1 Bearer or registered***

The Debt Instruments are issued as Bearer Debt Instruments or Registered Debt Instruments as specified in the applicable Pricing Supplement.

##### ***2.2 Definitive Bearer Debt Instruments***

Definitive Bearer Debt Instruments are serially numbered and (other than in the case of Zero Coupon Debt Instruments) are issued:

- (a) with Coupons attached;
- (b) if specified in the relevant Pricing Supplement, with Talons for further Coupons attached; and
- (c) if repayable in instalments, with Receipts for the payment of the instalments of principal (other than the final instalment) attached.

##### ***2.3 Registered Debt Instruments and Global Debt Instruments***

Registered Debt Instruments are constituted by, and owing under, the Deed of Covenant and shall be issued by inscription in the Register.

Registered Debt Instruments and Global Debt Instruments do not have Coupons, Talons or Receipts attached on issue.

## ***2.4 Zero Coupon Debt Instruments***

In these Conditions in relation to Zero Coupon Debt Instruments, references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons are not applicable.

## ***2.5 Exchange of Bearer Debt Instruments and Registered Debt Instruments not permitted***

Bearer Debt Instruments may not be exchanged for Registered Debt Instruments and *vice versa*.

## **3 Denomination**

The Debt Instruments may be issued (in the case of Bearer Debt Instruments) in one or more Specified Denominations and (in the case of Registered Debt Instruments) must be issued in a single Specified Denomination.

Debt Instruments of one Specified Denomination may not be exchanged for Debt Instruments of another Specified Denomination.

## **4 Currency**

The Debt Instruments may be denominated in any Specified Currency, subject to compliance with all applicable legal, regulatory and central bank requirements.

## **5 Status and Guarantee**

### ***5.1 Status of the Debt Instruments***

The payment obligations of the Issuer under the Debt Instruments (and each Receipt, Coupon and Talon) constitute direct, unsubordinated and unsecured obligations of the Issuer.

### ***5.2 Ranking of Debt Instruments***

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

### ***5.3 The Guarantors***

The Debt Instruments issued by the Issuer may be issued with the benefit of the unconditional and irrevocable guarantee and indemnity of the Guarantors constituted by the Guarantee Deed Poll. The Debt Instruments will have the benefit of the Guarantee Deed Poll if specified as such in the applicable Pricing Supplement and on the terms set out in that Pricing Supplement. By the Guarantee Deed Poll, the Guarantors unconditionally and irrevocably, and jointly and severally, guarantee to the applicable Holders, among other things, the payment by the Issuer of the face amount and other amounts due under the applicable Debt Instruments.

*At the date of this Offering Circular, the only entity to have signed the Guarantee Deed Poll is the Issuer.*

### ***5.4 Status of the Guarantee***

The Guarantee Deed Poll constitutes direct, unconditional, unsubordinated and unsecured obligations of the Guarantors.

### ***5.5 Ranking of the Guarantee***

The obligations of each Guarantor under the Guarantee Deed Poll shall, at all times, rank at least equally with all other present and future, unsecured and unsubordinated obligations of that Guarantor, except for liabilities mandatorily preferred by law.

### ***5.6 Availability of financial statements***

The Issuer undertakes to ensure that a copy of the Group's most recently available audited annual accounts is made available for access by Holders on Aurizon Holdings' public web page.

### ***5.7 Notice of additional guarantors***

The Issuer undertakes to ensure that promptly, and in any event within 10 Business Days, following the accession of an entity to the Guarantee Deed Poll as a guarantor that it will notify the Registrar or the Principal Paying Agent, as the case may be, of such appointment and use its reasonable endeavours to procure that the Registrar or the Principal Paying Agent, as the case may be, promptly notifies Holders of the accession of the guarantor.

### ***5.8 Release of Guarantors***

Any Guarantor (other than the Issuer as 'Original Guarantor') may be released at any time from the Guarantee Deed Poll without the consent of any Holder unless otherwise specified in the applicable Pricing Supplement and provided that the Issuer undertakes to ensure that at all times any relevant conditions contained in the applicable Pricing Supplement are satisfied.

## **6 Negative pledge**

So long as any Debt Instruments remain outstanding, the Issuer will not, and will ensure that no other member of the Network Recourse Group will, create or permit or suffer to exist any Security Interest (other than any Permitted Security Interest) over all or any of its or their assets if the aggregate amount from time to time secured by members of the Network Recourse Group represents more than fifteen percent of the Total Assets at such time (excluding amounts secured pursuant to a Permitted Security Interest).

## **7 Title to Bearer and Global Debt Instruments**

### ***7.1 Bearer Debt Instruments***

Title to Bearer Debt Instruments in definitive form, Receipts, Coupons and Talons passes by delivery.

### ***7.2 Recognition of interests***

Subject to Condition 7.3 ("Global Debt Instruments"), and except as otherwise required by law, the Issuer, each Guarantor and any Agent for the relevant Bearer Debt Instruments must treat the bearer of any Bearer Debt Instrument, Receipt, Coupon or Talons as the absolute owner of the Bearer Debt Instrument, Receipt, Coupon or Talons.

This Condition applies whether or not a Bearer Debt Instrument is overdue and despite any notice of ownership in, or writing on, a Bearer Debt Instrument or notice of any previous loss or theft of it.

### ***7.3 Global Debt Instruments***

For so long as a Bearer Debt Instrument is represented by a Global Debt Instrument held on behalf of a common depository for the Clearing System and/or any other depository, the Issuer, each Guarantor and any Agent for the Bearer Debt Instrument must treat:

- (a) for the purposes of payment of principal or interest on the principal amounts of those Bearer Debt Instruments, the bearer of the relevant Global Debt Instrument as the Holder of the principal amount of those Bearer Debt Instruments in accordance with and subject to the terms of the relevant Global Debt Instrument; and
- (b) for all other purposes, 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 an interest in Global Debt Instrument as the Holder of the principal amount of those Bearer Debt Instruments represented by such interest.

Any certificate or other document issued by the Clearing System as to the principal amount of Global Debt Instruments standing to the account of any person is conclusive and binding for all purposes, except in the case of manifest error.

## **8 Title to Registered Debt Instruments**

### ***8.1 Registered form***

Each Registered Debt Instrument takes the form of an entry in the Register. Title to Registered Debt Instruments will pass by registration of transfers in the Register. No certificate will be issued in respect of it, unless the Issuer determines that certificates should be made available or that they are required by law.

## **8.2 Effect of entries in Register**

Each entry in the Register in respect of a Registered Debt Instrument constitutes:

- (a) a separate and individual acknowledgment to the Holder by the Issuer of the indebtedness of the Issuer to that Holder;
- (b) an unconditional and irrevocable undertaking by the Issuer to the Holder to make all payments of principal and interest in respect of the Registered Debt Instrument in accordance with these Conditions; and
- (c) an entitlement to the other benefits given to the Holders under these Conditions in respect of the relevant Registered Debt Instrument.

## **8.3 Register conclusive as to ownership**

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

## **8.4 Non-recognition of interests**

Except as required by law, none of the Issuer, the Guarantors or the Registrar is required to recognise:

- (a) a person as holding a Registered Debt Instrument on any trust; or
- (b) any other interest in any Registered Debt Instrument or any other right in respect of a Registered Debt Instrument except an absolute right of ownership in the person shown in the register as the Holder, whether or not it has notice of the interest or right.

## **8.5 Joint holders**

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

# **Part 3 Transfers**

## **9 Transfers of Registered Debt Instruments**

### **9.1 Transfers in whole**

Registered Debt Instruments may be transferred in whole but not in part.

### **9.2 Compliance with laws**

Registered Debt Instruments may only be transferred if the transfer complies with all applicable Directives.

### **9.3 Transfer procedures**

Unless Registered Debt Instruments are entered in a Clearing System, application for the transfer of Registered Debt Instruments must be made by the lodgment of a transfer form with the Registrar. Transfer forms are available from the Registrar. Each form must be:

- (a) duly completed;
- (b) accompanied by any evidence as the Registrar may require to prove the title of the transferor or the transferor's right to transfer the Registered Debt Instrument; and
- (c) signed by both the transferor and the transferee.

Registered Debt Instruments entered in a Clearing System are transferable only in accordance with the regulations of that Clearing System.

## **Part 4 Interest**

### **10 Fixed Rate Debt Instruments**

#### ***10.1 Application***

This Condition 10 (“Fixed Rate Debt Instruments”) applies to the Debt Instruments only if the relevant Pricing Supplement states that it applies.

#### ***10.2 Interest on Fixed Rate Debt Instruments***

Each Fixed Rate Debt Instrument bears interest on its outstanding principal amount (or, if it is a Partly Paid Debt Instrument, as specified in Condition 13.2 (“Interest Rate”)) from (and including) the Interest Commencement Date at the Interest Rate. Interest is payable in arrear on each Interest Payment Date, subject as provided in Condition 16.4 (“Payments on business days”).

#### ***10.3 Fixed Coupon Amount***

Except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on that date will amount to the Fixed Coupon Amount and, if the Debt Instruments are in more than one Specified Denomination, will amount to the Fixed Coupon Amount for the relevant Specified Denomination.

#### ***10.4 Calculation of interest payable***

The amount of interest payable in respect of each Debt Instrument for any period for which a Fixed Coupon Amount is not specified is calculated by applying the Interest Rate to the principal amount of the Debt Instruments, multiplying the product by the relevant Day Count Fraction.

### **11 Floating Rate Debt Instrument and Variable Interest Debt Instruments**

#### ***11.1 Application***

This Condition 11 (“Floating Rate Debt Instrument and Variable Interest Debt Instruments”) applies to the Debt Instruments only if the relevant Pricing Supplement states that it applies.

#### ***11.2 Interest on Floating Rate Debt Instruments and Variable Interest Debt Instruments***

Each Floating Rate Debt Instrument and Variable Interest Debt Instrument bears interest on its outstanding principal amount (or, if it is a Partly Paid Debt Instrument, the amount paid up) from (and including) the Interest Commencement Date at the Interest Rate. Interest is payable in arrear:

- (a) on each Interest Payment Date; or
- (b) if no Interest Payment Date is specified in the relevant Pricing Supplement, each 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, subject, in each case, as provided in Condition 16.4 (“Payments on business days”).

#### ***11.3 Interest Rate***

The Interest Rate payable in respect of a Floating Rate Debt Instrument and Variable Interest Debt Instruments must be determined in the manner specified in the applicable Pricing Supplement.

#### ***11.4 ISDA Determination***

If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Debt Instruments for each Interest Period will be the sum of the Margin and the relevant ISDA Rate. For the purposes of this condition, “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Pricing Supplement;
- (b) the Designated Maturity is a period specified in the relevant Pricing Supplement; and
- (c) the relevant Reset Date is either:
  - (i) if the relevant Floating Rate Option is for a currency other than Sterling, the second Business Day before the first day of that Interest Period; or
  - (ii) in any other case, as specified in the relevant Pricing Supplement.

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

### ***11.5 Screen Rate Determination***

If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Debt Instruments for each Interest Period will be the quotation offered for the Reference Rate appearing on the Relevant Screen Page at the Relevant Time. However:

- (a) if there is more than one offered quotation displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the Screen Rate is the rate calculated by the Calculation Agent as the arithmetic mean of the offered quotations. If there are more than five offered quotations, the Calculation Agent must exclude the highest and lowest quotations (or, in the case of equality, one of the highest and one of the lowest quotations) from its calculation; or
- (b) if an offered quotation is not displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if it is displayed but there is an obvious error in that rate, Screen Rate means:
  - (i) the rate the Calculation Agent calculates as the arithmetic mean of the Reference Rates that each Reference Bank quoted to the leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date; or
  - (ii) where the Calculation Agent is unable to calculate a rate under sub-paragraph (b)(i) because it is unable to obtain the necessary number of quotes, the rate the Calculation Agent calculates is the arithmetic mean of the rates (being the nearest equivalent to the Reference Rate) in respect of an amount that is representative for a single transaction in that market at that time quoted by two or more institutions chosen by the Calculation Agent in the Relevant Financial Centre at the Relevant Time on the date on which those banks would customarily quote those rates for a period commencing on the first day of the Interest Period to which the relevant Interest Determination Date relates for a period equivalent to the relevant Interest Period to leading banks carrying on business in the Relevant Financial Centre in good faith at approximately 11:00am on that day and in an amount that is representative for a single transaction in the market at that time; or
- (c) if the relevant Pricing Supplement specifies an alternate method for the determination of the Screen Rate Determination, then that alternate method will apply.

### ***11.6 Index Linked Interest Debt Instruments***

If the Index Linked Interest Debt Instrument provisions are specified in the relevant Pricing Supplement as being applicable, the Interest Rate(s) applicable to the Debt Instruments for each Interest Period will be determined in the manner specified in the relevant Pricing Supplement and interest will accrue in the manner specified in the relevant Pricing Supplement.

### ***11.7 Maximum or Minimum Interest Rate***

If the relevant Pricing Supplement specifies a Maximum Interest Rate or Minimum Interest Rate for any Interest Period, then the Interest Rate for that Interest Period must not be greater than the maximum, or be less than the minimum, so specified.

### ***11.8 Calculation of Interest Rate and interest payable***

The Calculation Agent must, as soon as practicable on or after determining the Interest Rate in relation to each Interest Period, calculate the amount of interest payable for the relevant Interest Period in respect of

the outstanding principal amount of each Floating Rate Debt Instrument and Variable Interest Debt Instrument. The amount of interest payable must be calculated by multiplying the product of the Interest Rate for that Interest Period and the outstanding principal amount 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 Floating Rate Debt Instrument or a Variable Interest Debt Instrument in definitive form comprises more than one Specified Period, the interest amount payable in respect of such Debt Instrument shall be the aggregate of the amounts (determined in the manner provided above) for each Specified Period comprising the Specified Denomination without any further rounding.

### ***11.9 Calculation of other amounts***

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

### ***11.10 Notification of Interest Rate, interest payable and other items***

The Calculation Agent must notify the Issuer, each Guarantor, the Registrar (if applicable), each Agent for the relevant Debt Instruments and the relevant Holders and any stock exchange or other relevant authority on which the relevant Floating Rate Debt Instruments or Variable Interest Debt Instruments are listed as soon as possible of:

- (a) each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the relevant Interest Payment Date; and
- (b) any amendment to any amount, item or date referred to in paragraph (a) arising from any extension or reduction in any relevant Interest Period or calculation period.

The Calculation Agent must give notice under this Condition 11.10 as soon as practicable after such determination but (in the case of each Interest Rate, the amount of interest payable and Interest Payment Date) in any event not later than the fourth Business Day of the relevant Interest Period. Notice must also be given promptly to Holders.

The Calculation Agent may amend any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period without prior notice but must notify each stock exchange or other relevant authority on which the relevant Floating Rate Debt Instruments or Variable Interest Debt Instruments are listed and the Holders after doing so.

### ***11.11 Determination final***

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions (including the Interest Rate for any Interest Period and the amount of interest payable for any Interest Period in respect of any Debt Instrument) is, in the absence of manifest error, fraud and negligence, final and binding on the Issuer, each Guarantor, each Holder, the Registrar (if applicable) and each Agent for the relevant Debt Instruments.

## **12 Dual Currency Debt Instruments**

### ***12.1 Application***

This Condition 12 (“Dual Currency Debt Instruments”) applies to the Debt Instruments only if the relevant Pricing Supplement states that it applies.

### ***12.2 Interest Rate***

If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable must be determined in the manner specified in the applicable Pricing Supplement.

## **13 Partly Paid Debt Instruments**

### ***13.1 Application***

This Condition 13 (“Partly Paid Debt Instruments”) applies to the Debt Instruments only if the relevant Pricing Supplement states that it applies.

### ***13.2 Interest Rate***

In the case of Partly Paid Debt Instruments (other than Partly Paid Debt Instruments which are Zero Coupon Debt Instruments), interest accrues on the paid up principal amount of those Debt Instruments as specified in the applicable Pricing Supplement.

## **14 General provisions applicable to interest**

### ***14.1 Late payment of Debt Instruments (other than Zero Coupon Debt Instruments)***

Interest ceases to accrue as from the due date for redemption of a Debt Instrument (other than a Zero Coupon Debt Instrument) unless upon due presentation (in the case of a Bearer Debt Instrument) or demand (in the case of a Registered Debt Instrument) payment of the Redemption Amount is not made, in which case interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the rate then applicable to the outstanding principal amount of the Debt Instrument or any other default rate specified in the relevant Pricing Supplement until the date whichever is the earlier of:

- (a) the date on which the relevant payment is made to the relevant Holder; or
- (b) the seventh day after the date on which the relevant Paying Agent has notified the Holders that it has received all sums due in respect of the Debt Instruments up to such day (except to the extent that there is any subsequent default in payment).

### ***14.2 Late payment of Zero Coupon Debt Instruments***

If the Redemption Amount payable in respect of any Zero Coupon Debt Instrument is not paid when due, the Redemption Amount is an amount equal to the sum of:

- (a) the Reference Price; and
- (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of:
  - (i) the day on which all sums due in respect of such Debt Instrument up to that day are received by or on behalf of the relevant Holder; and
  - (ii) the seventh day after the date on which the Registrar or the Principal Paying Agent, as the case may be, has notified the Holders that it has received all sums due in respect of the Debt Instruments up to such day (except to the extent that there is any subsequent default in payment).

### ***14.3 Rounding***

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

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.);
- (b) all amounts denominated in any currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards (save in the case of Japanese Yen which will be rounded down to the nearest Japanese Yen);
- (c) all figures must be rounded to five significant figures (with halves being rounded up); and
- (d) all amounts that are due and payable must be rounded to the nearest sub-unit (with halves being rounded up). In this Condition 14.3, “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of that currency available as legal tender in the country of that currency and, in the case of euro, means one cent.

## **Part 5 Redemption and purchase**

### **15 Redemption**

#### ***15.1 Scheduled redemption***

Each Debt Instrument will be redeemed by the Issuer on the Maturity Date at its Final Redemption Amount unless:

- (a) the Debt Instrument has been previously redeemed; or
- (b) the Debt Instrument has been purchased and cancelled; or
- (c) the Pricing Supplement states that the Debt Instrument has no fixed maturity date.

#### ***15.2 Early redemption for taxation reasons***

The Issuer may redeem the Debt Instruments in a Series in whole (but not in part) before their Maturity Date at their Early Redemption Amount (Tax) if the Issuer is required under Condition 20.2 (“Withholding Tax”) to pay an additional amount in respect of a Debt Instrument.

However, the Issuer may only do so:

- (a) if the Issuer has given at least 30 days’ (and no more than 60 days’) (or any other period specified in the Pricing Supplement) notice to the Registrar or the Principal Paying Agent, as the case may be, and the Holders (which notice is irrevocable); and
- (b) if, before the Issuer gives the notice under paragraph (a), the Registrar or the Principal Paying Agent, as the case may be, has received:
  - (i) a certificate signed by two authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
  - (ii) an opinion of independent legal advisers of recognised standing in the jurisdiction of incorporation of the Issuer, to the effect that the Issuer would be required under Condition 20.2 (“Withholding Tax”) to pay an additional amount in respect of a Debt Instrument of that Series on the next payment due;
- (c) if the Debt Instruments are Fixed Rate Debt Instruments, no notice of redemption may be given more than 90 days prior to the earliest date on which the Issuer would be obliged to pay the additional amounts of a payment in respect of the Debt Instruments then due; and
- (d) if the Debt Instruments to be redeemed are Floating Rate Debt Instruments or Variable Interest Debt Instruments:
  - (i) the proposed redemption date is an Interest Payment Date; and
  - (ii) no notice of redemption may be given more than 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay the additional amounts of a payment in respect of the Debt Instruments were then due.

#### ***15.3 Early redemption at the option of the Issuer (Issuer call)***

If the Pricing Supplement states that the Issuer may redeem all or some of the Debt Instruments before their Maturity Date under this Condition 15.3, the Issuer may redeem so many of the Debt Instruments specified in the Pricing Supplement at their Early Redemption Amount (Call).

However, the Issuer may only do so if:

- (a) the amount of Debt Instruments to be redeemed is a multiple of, their Denomination;
- (b) the Issuer has given at least 15 days’ (and no more than 60 days’) (or any other period specified in the relevant Pricing Supplement) notice to the Registrar or the Principal Paying Agent, as the case may be, and the Holders;
- (c) the proposed redemption date is an Early Redemption Date (Call); and
- (d) any other condition specified in the applicable Pricing Supplement is satisfied.

If only some of the Debt Instruments in the Series are to be redeemed, the Debt Instruments to be redeemed (“**Redeemed Debt Instruments**”) will be specified in that notice (the date of such notice being the “**Selection Date**”) and selected:

- (i) in the case of Redeemed Debt Instruments represented by Definitive Bearer Debt Instruments, individually by lot in the city in which the Principal Paying Agent’s Specified Office is located or as otherwise specified in the relevant Pricing Supplement;
- (ii) in the case of Redeemed Debt Instruments represented by a Global Debt Instrument, in accordance with the rules of the relevant Clearing System; and
- (iii) in the case of Registered Debt Instruments, in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices and the need to ensure that the prepaid amount of any redeemed Debt Instruments must be an integral multiple of the Specified Denomination, subject always to compliance with applicable laws and the requirements of any relevant listing authority, stock exchange and/or quotation system.

In the case of Redeemed Debt Instruments represented by Definitive Bearer Debt Instruments, a list of the serial numbers of such Redeemed Debt Instruments will be published in accordance with Condition 28.1(a) not less than 15 days (or such shorter period as is specified in the applicable Pricing Supplement) before the date fixed for redemption.

No exchange of the relevant Global Debt Instrument is permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption under this Condition 15.3.

#### ***15.4 Early redemption at the option of Holders (investor put)***

If the relevant Pricing Supplement states that the Holder may require the Issuer to redeem all or some of the Debt Instruments before their Maturity Date at their Early Redemption Amount (Put) under this Condition 15.4, the Issuer must do so if the following conditions are satisfied.

The conditions are:

- (a) the Holder has given at least 30 days’ (and no more than 60 days’) (or any other period specified in the relevant Pricing Supplement) notice to the Issuer and the Registrar or the Principal Paying Agent, as the case may be, by delivering to the Specified Office of the Registrar or the Principal Paying Agent, as the case may be, during normal business hours a completed and signed redemption notice in the form obtainable from the Registrar or the Principal Paying Agent, as the case may be, together with any evidence the Registrar or the Principal Paying Agent, as the case may be, may require to establish title of the Holder to the Debt Instrument;
- (b) if the Debt Instruments to be redeemed are Definitive Bearer Debt Instruments, they are to be redeemed in whole;
- (c) if the Debt Instruments to be redeemed are Registered Debt Instruments, the amount of Debt Instruments to be redeemed is, or is a multiple of, their Specified Denomination;
- (d) if the Debt Instruments to be redeemed are Bearer Debt Instruments, the Holder has delivered, to the specified office of the Principal Paying Agent during normal business hours:
  - (i) if the Debt Instruments are in Definitive Bearer Form, the Debt Instruments to be redeemed; and
  - (ii) a completed and signed redemption notice (in the form obtainable from the Specified Office of the Registrar or the Principal Paying Agent, as the case may be);
- (e) the redemption date is an Early Redemption Date (Put) specified in the Supplement;
- (f) the notice referred to in paragraph (d)(ii) specifies a bank account to which the payment should be made or an address to where a cheque for payment should be sent; and
- (g) any other condition specified in the Pricing Supplement is satisfied.

A Holder may not exercise its option under this Condition 15.4 in respect of any Debt Instrument which is the subject of an exercise by the Issuer of its option to redeem such Debt Instrument under Condition 15.2 (“Early redemption for taxation reasons”) or Condition 15.3 (“Early redemption at the option of the Issuer (Issuer call”).

### ***15.5 Calculation of Early Redemption Amounts***

Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption at any time before the Maturity Date of:

- (a) a Debt Instrument (other than a Zero Coupon Debt Instrument and a Variable Redemption Debt Instrument but including any Instalment Debt Instrument or Partly-Paid Debt Instrument) is an amount equal to the sum of the outstanding principal amount and interest (if any) accrued on it;
- (b) a Zero Coupon Debt Instrument is an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Debt Instrument becomes due and payable; and
- (c) a Variable Redemption Debt Instrument is an amount determined by the Calculation Agent in accordance with the relevant Pricing Supplement that would on the due date for redemption have the effect of preserving for the Holder the economic equivalent of the obligations of the Issuer to make payment of the Final Redemption Amount on the Maturity Date.

Where the calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year must be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 15.5.

### ***15.6 Instalments***

Instalment Debt Instruments will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount will be determined under Condition 15.5 (“Calculation of Early Redemption Amounts”).

### ***15.7 Partly Paid Debt Instruments***

Partly Paid Debt Instruments will be redeemed at maturity in accordance with the provisions of the applicable Pricing Supplement. In the case of Early Redemption, the Early Redemption Amount will be determined under Condition 15.5 (“Calculation of Early Redemption Amounts”).

### ***15.8 Effect of notice of redemption***

Any notice of redemption given under this Condition 15 (“Redemption”) is irrevocable and obliges the Issuer to redeem the Debt Instruments at the time and in the manner specified in the notice.

### ***15.9 Purchase***

The Issuer, each Guarantor or any of their respective Subsidiaries may at any time purchase Debt Instruments in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased with those Debt Instruments. If purchases are made by tender, tenders must be available to all Holders alike. Debt Instruments purchased under this Condition 15.9 may be held, resold or cancelled at the discretion of the purchaser and (if the Debt Instruments are to be cancelled, the Issuer), subject to compliance with any applicable law, regulatory requirement or requirement of any stock exchange or other relevant authority on which the Debt Instruments are listed.

## **Part 6 Payments**

### **16 Payments**

#### ***16.1 Method of payment***

Except to the extent these Conditions provide otherwise:

- (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; 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.

### ***16.2 Payments in U.S. dollars***

Despite any Condition, if any amount of principal or interest in respect of Bearer Debt Instruments is payable in U.S. dollars, those U.S. dollar payments of principal or interest in respect of those Debt Instruments may 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 Debt Instruments in the manner provided above when due;
- (b) payment of the full amount of that principal and interest at all those 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) the payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

### ***16.3 Payments subject to fiscal laws***

Payments will be subject in all cases to all applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 20 (“Taxation”) and no commission or expenses shall be charged to the Holders or Couponholders in respect of such payments.

### ***16.4 Payments on business days***

If the date for payment of any amount in respect of any Debt Instrument is not a Payment Business Day, the Holder is not entitled to payment until the next following Payment Business Day in the relevant place and is not entitled to further interest or other payment in respect of such delay.

## **17 Payments in respect of Definitive Bearer Debt Instruments**

### ***17.1 Presentation of Definitive Bearer Debt Instruments, Receipts and Coupons***

Payments of:

- (a) principal in respect of a Definitive Bearer Debt Instrument will be made only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Definitive Bearer Debt Instrument;
- (b) interest in respect of a Definitive Bearer Debt Instrument will be made only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of a Coupon;
- (c) instalments of principal in respect of a Definitive Bearer Debt Instrument, other than the final instalment, will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt and the presentation of the Definitive Bearer Debt Instrument to which it appertains; and
- (d) the final instalment of principal in respect of a Definitive Bearer Debt Instrument will be made only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Definitive Bearer Debt Instrument.

Each Definitive Bearer Debt Instrument, Receipt, and Coupon which is required to be presented under these Conditions must be presented at the Specified Office of any Paying Agent outside the United States.

### ***17.2 Validity of Receipts***

Receipts presented without the Definitive Bearer Debt Instrument to which they appertain do not constitute valid obligations of the Issuer.

### **17.3 Unmatured Receipts**

When a Definitive Bearer Debt Instrument becomes due and repayable, all unmaturred Receipts relating to it (whether or not attached) are void and no payment is required to be made in respect of them.

### **17.4 Fixed Rate Debt Instruments and unmaturred Coupons**

Fixed Rate Debt Instruments in definitive bearer form must be presented for payment together with all unmaturred Coupons appertaining to them (including Coupons falling to be issued on exchange of maturred Talons).

If any unmaturred Coupons are not presented for payment in accordance with this Condition 17.4:

- (a) the amount of any missing unmaturred Coupon (or, in the case of payment not being made in full, the same proportion of the amount of that missing unmaturred Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment; and
- (b) each amount of principal deducted under paragraph (a) will be paid against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date in respect of such principal (whether or not that Coupon would otherwise have become void under Condition 21 (“Time limit for claims”)) or, if later, five years from the date on which that Coupon would otherwise have become due.

### **17.5 Fixed Rate Debt Instruments and unmaturred Talons**

If a Fixed Rate Debt Instrument in definitive bearer form becomes due and repayable before its Maturity Date, all unmaturred Talons appertaining to it are void and no further Coupons will be issued in respect of them.

### **17.6 Other Definitive Bearer Debt Instruments and unmaturred Coupons and Talons**

When any Floating Rate Debt Instruments or Variable Debt Instrument in definitive bearer form becomes due and repayable, all unmaturred Coupons and Talons relating to it (whether or not attached) are void and no payment or, as the case may be, exchange for further Coupons may be made in respect of them.

If the due date for redemption of any Definitive Bearer Debt Instrument is not an Interest Payment Date, any interest accrued in respect of that Debt Instrument from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date is payable only against presentation and surrender of the relevant Definitive Bearer Debt Instrument.

## **18 Payments in respect of Global Debt Instruments**

### **18.1 Presentation of Global Debt Instrument**

Payments of principal and any interest in respect of Debt Instruments represented by any Global Debt Instrument will be made:

- (a) against presentation or surrender, as the case may be, of that Global Debt Instrument at the Specified Office of any Paying Agent outside the United States; and
- (b) otherwise in the manner specified in the relevant Global Debt Instrument.

### **18.2 Records of payments**

A record of each payment made against presentation or surrender of any Global Debt Instrument, distinguishing between any payment of principal and any payment of interest, will be made on that Global Debt Instrument by the Paying Agent to which it was presented and that record is *prima facie* evidence that the payment in question has been made.

### **18.3 Holders of Global Debt Instruments entitled to payments**

The Holder of a Global Debt Instrument is the only person entitled to receive payments in respect of Debt Instruments represented by that Global Debt Instrument and:

- (a) the Issuer is discharged by payment to, or to the order of, the Holder of such Global Debt Instrument in respect of each amount so paid; and

- (b) each person shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial Holder of a particular principal amount of Debt Instruments represented by a Global Debt Instrument must look solely to Euroclear or Clearstream Luxembourg, as the case may be, for that person's share of each payment so made by the Issuer, or to the order of, the Holder of such Global Debt Instrument.

## **19 Payments in respect of Registered Debt Instruments**

### ***19.1 Registrar is sole paying agent***

The Registrar will act as the sole paying agent for Registered Debt Instruments under the Issuing and Paying Agency Agreement.

### ***19.2 Method of payment—Debt Instruments in a Clearing System***

If Registered Debt Instruments are held in a Clearing System, payments of principal and interest will be made to the person registered at the close of business on the relevant Record Date as the Holder of the Registered Debt Instrument, by crediting on the relevant payment date the amount then due to the account of the Holder in accordance with the regulations of that Clearing System.

### ***19.3 Method of payment—Debt Instruments not in a Clearing System***

If Registered Debt Instruments are not held in a Clearing System, payments of principal and interest will be made to the persons registered at the close of business on the relevant Record Date as the Holders of the Registered Debt Instrument, subject in all cases to normal banking practice and all applicable laws and regulations. Payment will be made:

- (a) by cheques despatched by post on the relevant payment date; or
- (b) at the option of the Holder by the Registrar giving irrevocable instructions for the effecting of a transfer of the relevant funds to an account with a bank in the Principal Financial Centre specified by the Holder to the Registrar; or
- (c) in any other manner in which the Registrar 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 Registrar gives irrevocable instructions 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 Registrar is shown, to the satisfaction of the Registrar, not to have reached the Holder and the Registrar is able to recover the relevant funds, the Registrar may make such other arrangements as it thinks fit for the effecting of the payment.

## **20 Taxation**

### ***20.1 No set-off, counterclaim or deductions***

All payments in respect of the Debt Instruments (including, without limitation, payments under the Deed of Covenant or the Guarantee Deed Poll) must be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless such withholding or deduction is required by law or made for or on account of FATCA.

### ***20.2 Withholding tax***

If a law requires the Issuer or any Guarantor to withhold or deduct an amount in respect of Taxes from a payment in respect of the Debt Instruments (including, without limitation, payments under the Deed of Covenant or the Guarantee Deed Poll) such that the Holder would not actually receive on the due date the full amount provided for under the Debt Instruments, then:

- (a) the Issuer or the relevant Guarantor agrees to withhold or deduct the amount for the Taxes (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and

- (b) subject to Condition 20.3 (“Withholding tax exemptions”), if the amount deducted or withheld is in respect of Taxes imposed or levied by or on behalf of the Commonwealth of Australia or any political subdivision thereof or therein, an additional amount is payable so that, after making the withholding or deduction and further withholding or deductions applicable to additional amounts payable under this paragraph (b), the Holder is entitled to receive (at the time the payment is due) the amount it would have received if no withholding or deductions had been required.

### **20.3 Withholding tax exemptions**

Condition 20.2(b) will not apply in relation to any payment in respect of any Debt Instrument (including, without limitation, payments under the Deed of Covenant or the Guarantee Deed Poll):

- (a) which is to a Holder (or a third party on its behalf) who is liable to such Taxes in respect of that Debt Instrument by reason of the person having some connection with the Commonwealth of Australia or any political subdivision thereof or therein other than the mere holding of such Debt Instrument or receipt of payment in respect of the Debt Instrument provided that a Holder shall not be regarded as having a connection with Australia for the reason that the Holder is a resident of Australia within the meaning of the Australian Tax Act where, and to the extent that, such taxes are payable by reason of section 128B(2A) of the Australian Tax Act; or
- (b) which is presented for payment more than 30 days after the Relevant Date except to the extent that a Holder would have been entitled to additional amounts under Condition 20.2(b) on presenting the same, or making demand, for payment on the last day of the period of 30 days; or
- (c) which is on account of Taxes which are payable by reason of the Holder being an associate of the Issuer or the applicable Guarantor for the purposes of section 128F of the Australian Tax Act; or
- (d) which is on account of Taxes which are required to be deducted or withheld from amounts payable to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption; or
- (e) which is to, or to a third party on behalf of, a Holder (or a person with an interest in a Debt Instrument), if that person is an Australian resident or otherwise holds the Debt Instrument or interest therein in carrying on a business in Australia at or through a permanent establishment in Australia and that person has not supplied an appropriate Australian tax file number, (if applicable) Australian Business Number or details of an applicable exemption from these requirements before the Record Date; or
- (f) where such withholding or deduction is required to be made pursuant to a notice or direction issued by the Commissioner of Taxation under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of the Commonwealth of Australia or any similar law; or
- (g) to the extent that the Issuer is obliged to pay tax in respect of a payment made to, or to a third party on behalf of, a Holder as a result of the operation of section 126 of the Australian Tax Act by reason of the Holder being an Australian resident or a non-resident that carries on business at or through a permanent establishment in Australia and not having disclosed to the Issuer its name and address; or
- (h) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (i) (in the case of Bearer Debt Instruments and Global Debt Instruments) which is presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Debt Instrument to another Paying Agent in a Member State of the EU; or
- (j) in respect of any estate, inheritance, gift, sales, transfer, personal property, or any similar tax, assessment or governmental charge; or
- (k) in respect of any tax, assessment or other governmental charge which is required to be withheld or deducted by any paying agent from payments of principal of or interest on any Debt Instrument, if

such payment can be made without such withholding or deduction by at least one other paying agent; or

(l) in such other circumstances as may be specified in the Pricing Supplement.

#### **20.4 FATCA**

Notwithstanding Conditions 20.1 and 20.2, if the Issuer or any other person through whom payments on the Debt Instruments are made, is required to withhold amounts under or in connection with or in order to ensure compliance with FATCA, the Issuer or that other person shall be permitted to make such withholding or deduction, and Holders and beneficial owners of Debt Instruments will not be entitled to receive any gross up, additional amount or other amount to compensate them for such withholding or deduction.

### **21 Time limit for claims**

#### **21.1 Time limit**

A claim against the Issuer for a payment under a Debt Instrument, Receipt or Coupon (which in this Condition 21.1, does not include a Talon) is void unless presented for payment within five years (in the case of principal) and three years (in the case of interest) from the Relevant Date.

#### **21.2 Discharge of the Issuer**

The Issuer is discharged from its obligation to make a payment in respect of a Registered Debt Instrument to the extent that:

- (a) the relevant Registered Debt Instrument certificate (if any) has not been surrendered to the Registrar within; or
- (b) a cheque which has been duly dispatched in the Specified Currency remains uncashed at the end of the period of:

five years (in the case of principal) and three years (in the case of interest) from the Relevant Date.

#### **21.3 Void payments**

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void under these Conditions.

## **Part 7 Default**

### **22 Events of Default**

#### **22.1 Event of Default**

An Event of Default occurs in relation to the Debt Instruments if:

- (a) **(non-payment of principal)** the Issuer fails to pay any principal in respect of the Debt Instruments of the relevant Series when due or, if the failure to pay is caused by administrative or technical error beyond the control of the Issuer, within 2 Business Days of the due date;
- (b) **(non-payment of interest)** the Issuer fails to pay any interest in respect of the Debt Instruments of the relevant Series when due and the failure to pay continues for a period of 30 Business Days;
- (c) **(other obligations)** the Issuer or (if the applicable Debt Instruments have the benefit of the Guarantee Deed Poll) any Guarantor fails to comply with any of its material obligations under a Debt Instrument (other than in relation to the payment of money referred to in paragraph (a) or (b) above) or (if the applicable Debt Instruments have the benefit of the Guarantee Deed Poll) the Guarantee Deed Poll and, if that failure is capable of remedy, it is not remedied within 60 days of the earlier to occur of:
  - (i) a responsible officer of the Issuer obtaining actual knowledge of such default; or
  - (ii) a notice requiring remedy from the Holder, having been delivered to the Issuer or relevant Guarantor;
- (d) **(invalidity)** a Debt Instrument ceases to have full force and effect (other than by reason of repayment or purchase by the Issuer and cancellation) or its validity or enforceability is denied or

disaffirmed by the Issuer or is declared by any court of competent jurisdiction to be void or unenforceable;

- (e) (**insolvency**) an order is made or an effective resolution passed for the liquidation or winding-up of the Issuer or (if the applicable Debt Instruments have the benefit of the Guarantee Deed Poll) a Guarantor, an administrator, liquidator, receiver or other Controller (as defined in the Corporations Act) is appointed to the Issuer or (if the applicable Debt Instruments have the benefit of the Guarantee Deed Poll) a Guarantor or an effective resolution is passed to do the same, or the Issuer or (if the applicable Debt Instruments have the benefit of the Guarantee Deed Poll) a Guarantor becomes insolvent, is unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of its debts generally;
- (f) (**change in role**) the Issuer or (if the applicable Debt Instruments have the benefit of the Guarantee Deed Poll) any Guarantor ceases to carry on business generally and either:
  - (i) no other body corporate; or
  - (ii) a body corporate that:
    - (A) is not a related body corporate (as defined in the Corporations Act); or
    - (B) has not been consented to by an Extraordinary Resolution of the Holders, assumes the business of the Issuer (including the obligations of the Issuer under the Debt Instruments) or the relevant Guarantor (including the Guarantor's obligations under the Guarantee Deed Poll);
- (g) (**arrangements with creditors**) except for the purpose of a solvent reconstruction or amalgamation, the Issuer or (if the applicable Debt Instruments have the benefit of the Guarantee Deed Poll) any Guarantor enters into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them;
- (h) (**enforcement against assets**) a Security Interest securing an obligation exceeding in aggregate A\$50,000,000 (or its equivalent in another currency) is enforced, or a distress, attachment or other execution for an amount exceeding in aggregate A\$50,000,000 (or its equivalent in another currency) is enforced or levied (and not satisfied within 60 days), over all or any substantial part of the property, assets or revenues of the Issuer or (if the applicable Debt Instruments have the benefit of the Guarantee Deed Poll) any Guarantor;
- (i) (**invalidity of Guarantee Deed Poll**) (if the applicable Debt Instruments have the benefit of the Guarantee Deed Poll) the validity or enforceability of the Guarantee Deed Poll is denied or disaffirmed by any Guarantor or is declared by any court of competent jurisdiction to be void or unenforceable;
- (j) (**cross acceleration**) any Finance Debt of the Issuer or (if the applicable Debt Instruments have the benefit of the Guarantee Deed Poll) any Guarantor in connection with moneys borrowed or raised or any letter of credit, interest rate swap, currency swap, financial option, futures contract, or currency exchange agreement to which it is a party, or any guarantee or indemnity of such an obligation exceeding in aggregate A\$50,000,000 (or its equivalent in another currency):
  - (i) is not paid when due (taking into account any grace period); or
  - (ii) becomes due and repayable before its scheduled maturity by reason of a default or event of default (howsoever described); or
- (k) (**authorisations**) any authorisation of a government agency which is essential to the performance by an Issuer of its obligations in respect of the Debt Instruments or (if the applicable Debt Instruments have the benefit of the Guarantee Deed Poll) by a Guarantor of its obligations under the Guarantee Deed Poll, is repealed, revoked, terminated or expires and is not replaced by another sufficient authorisation within 30 calendar days.

### **22.2 Acceleration by Notice**

If any Event of Default occurs and is subsisting, then a Holder may by written notice to the Issuer (with a copy to the Registrar and each Guarantor) declare that the Early Termination Amount (together with all accrued interest (if any)) applicable to each Debt Instrument held by the Holder to be due and payable immediately or on such other date specified in the notice.

### ***22.3 Notice of Event of Default***

If an Event of Default occurs, the Issuer must promptly after becoming actually aware of it notify the Holders, the Principal Paying Agency and Registrar of it (specifying details of it).

## **Part 8 General**

### **23 Agents**

#### ***23.1 Role of Agents***

In acting under the relevant Agency Agreement and in connection with the Debt Instruments, each Agent acts solely as agent of the Issuer and each Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Holders.

#### ***23.2 Appointment and replacement of Agents***

The Agents for each Series of Debt Instruments are specified in the relevant Pricing Supplement.

Subject to Condition 23.3 (“Required Agents”), the Issuer and each Guarantor reserve the right at any time to vary or terminate the appointment of any Agent and to appoint a successor agent and additional paying agents.

#### ***23.3 Required Agents***

The Issuer shall:

- (a) at all times maintain a Registrar for so long as there are any Registered Debt Instruments outstanding;
- (b) if a Calculation Agent is specified in the relevant Pricing Supplement, at all times maintain a Calculation Agent;
- (c) maintain a Paying Agent in Singapore, where the Debt Instruments may be presented or surrendered for payment or redemption, in the event that the global Debt Instrument are exchanged for definitive Debt Instruments, for so long as the Debt Instruments are listed on the SGX-ST and the rules of the SGX-ST so require;
- (d) if and for so long as the Debt Instruments are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, maintain a Paying Agent having its Specified Office in such place as may be required by such listing authority, stock exchange and/or quotation system; and
- (e) if on the Issue Date, a Paying Agent acts through an office in an EU Member State and European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 applies, maintain a Paying Agent in an EU member state that will not be obligated to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or such other Directive (unless there is no EU member state in which such a Paying Agent can be maintained).

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Holders.

### **24 Replacement of lost or damaged Bearer Debt Instruments and Coupons**

If any Bearer Debt Instrument or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of:

- (a) the Principal Paying Agent; and
- (b) if the Debt Instruments are then listed on any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system,

subject to all applicable laws and listing authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the relevant Agent may reasonably

require. Mutilated or defaced Debt Instruments or Coupons must be surrendered before replacements will be issued.

## **25 Meetings of Holders, Modification and Waiver**

### ***25.1 Meetings provisions***

The relevant Agency Agreement contains provisions (which have effect as if incorporated in these Conditions) for convening meetings of the Holders of any Series to consider any matter affecting their interest, including the modification of these Conditions or any provisions of the Agency Agreement or the Deed of Covenant, as the case may be.

Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or any Guarantor and must be convened by the Issuer upon the request in writing of Holders holding not less than 10% of the aggregate principal amount of the outstanding Debt Instruments. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing a clear majority of the aggregate principal amount of the outstanding Debt Instruments or, at any adjourned meeting, two or more persons being or representing Holders whatever the principal amount of the Debt Instruments held or represented. However, Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Holders at which two or more persons holding or representing not less than 66 $\frac{2}{3}$ % or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Debt Instruments form a quorum.

In addition, a resolution in writing signed by or on behalf of such percentage of the Holders, as would be required to pass the resolution if it had been proposed at a meeting of Holders at which those Holders were present, who for the time being are entitled to receive notice of a meeting of Holders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

### ***25.2 Resolutions binding***

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

## **26 Variation**

### ***26.1 Variation of Debt Instruments and Conditions***

The Debt Instruments, these Conditions or any of the provisions of the Deed of Covenant and the Guarantee Deed Poll may be amended by the Issuer and each Guarantor without the consent of the Holders if the amendment:

- (a) is of a formal, minor or technical nature; or
- (b) is made to correct a manifest error; or
- (c) in the opinion of the directors of the Issuer and each Guarantor, is not materially prejudicial to the interests of the Holders.

### ***26.2 Variation of Agency Agreements***

The parties to any Agency Agreement may agree to amend any provision of it, but neither the Issuer nor any Guarantor is permitted to make, and may not agree, to any such amendment without the consent of the Holders unless:

- (a) it is of a formal, minor or technical nature; or
- (b) it is made to correct a manifest error; or
- (c) it is, in the opinion of such parties, not materially prejudicial to the interests of the Holders.

### ***26.3 Notice***

Notice of any amendment made in accordance with Condition 26.1 (“Variation of Debt Instruments and Conditions”) or Condition 26.2 (“Variation of Agency Agreements”) shall promptly be given to the Holders.

## **27 Further issues**

The Issuer may from time to time, without the consent of the Holders, create and issue further notes having the same terms and conditions as the Debt Instruments in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Debt Instruments of any particular Series.

## **28 Notices to Holders**

### **28.1 Form**

A notice or other communication in connection with a Debt Instrument to the Holders must be in writing and:

- (a) if the Debt Instrument is a Bearer Debt Instrument, it may be given, and as long as the Debt Instruments are listed on a listing authority, stock exchange and/or quotation system it will be given, in an advertisement published in a leading English daily newspaper having general circulation in that place or (if permitted by the relevant listing authority, stock exchange and/or quotation system) in the case of Debt Instruments represented by a Temporary Global Debt Instrument or Permanent Global Debt Instrument, it may be delivered to the Depository, Euroclear and Clearstream, Luxembourg, or any other relevant Clearing System for communication by them to the persons shown in their respective records as having interests in those Debt Instruments; or
- (b) if the Debt Instrument is a Registered Debt Instrument by being sent by prepaid post (airmail if appropriate) or left at the address of each Holder or any relevant Holder as shown in the relevant Register at the close of business on the day which is three Business Days prior to the dispatch of the relevant notice or communication; or
- (c) if the Pricing Supplement for the Debt Instrument specifies an additional or alternate newspaper then by publication in that newspaper.

A notice or other communication in connection with a Debt Instrument to the Issuer or the Guarantor must be in writing and given to it at its Specified Office or its registered office in Australia (marked for the attention of the Issuer Secretary).

### **28.2 When effective**

A notice given in accordance with Condition 28.1 (“Form”) will be taken to be duly given:

- (a) in the case of publication in a newspaper, on the date of first such publication has been made in all the required newspapers; or
- (b) in the case of delivery to the Euroclear or Clearstream, Luxembourg or another Clearing System, on the fourth weekday after the date of such delivery; or
- (c) in the case of Registered Debt Instruments:
  - (i) in the case of a letter, on the fifth day after posting; and
  - (ii) in the case of a facsimile, on receipt by the sender of a successful transmission report; and
  - (iii) in the case of publication in a newspaper, on the date of publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

### **28.3 Couponholders**

Couponholders are taken for all purposes to have notice of the contents of any notice given to the Holders.

## **29 Redenomination, renominalisation and reconventioning**

### **29.1 Application**

This Condition 29 (“Redenomination, renominalisation and reconventioning”) applies to the Debt Instruments only if the relevant Pricing Supplement states that it applies.

### **29.2 Notice of redenomination**

If the country of the Specified Currency becomes, or announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Holders on giving at least 30 days' prior notice to the Holders and the Registrar or the Principal Paying Agent, as the case may be, designate a date ("**Redenomination Date**"), being an Interest Payment Date under the Debt Instruments falling on or after the date on which such country becomes a Participating Member State.

### **29.3 Redenomination**

Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

- (a) the Debt Instruments are taken to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Debt Instrument equal to the principal amount of that Debt Instrument in the Specified Currency, converted into euro at the rate for conversion of such currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations). However, if the Issuer and the Guarantor determine, after consultation with the Registrar or the Principal Paying Agent, as the case may be, that the then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, such provisions will be taken to be amended so as to comply with such market practice and the Issuer must promptly notify the Holders, each stock exchange (if any) on which the Debt Instruments are then listed and any Agents for the relevant Debt Instruments of such deemed amendments;
- (b) if Bearer Debt Instruments have been issued in definitive form:
  - (i) all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Debt Instruments) will become void with effect from the date ("**Euro Exchange Date**") on which the Issuer gives notice ("**Euro Exchange Notice**") to the Holders that replacement Debt Instruments and Coupons denominated in euro are available for exchange (provided that such Debt Instruments and Coupons are available) and no payments will be made in respect thereof;
  - (ii) the payment obligations contained in all Debt Instruments denominated in the Specified Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Debt Instruments in accordance with this Condition 29) shall remain in full force and effect; and
  - (iii) new Debt Instruments and Coupons denominated in euro will be issued in exchange for Debt Instruments and Coupons denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Holders in the Euro Exchange Notice; and
- (c) all payments in respect of the Debt Instruments (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro by cheque drawn on, or by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Member State of the EU.

### **29.4 Interest**

Following redenomination of the Debt Instruments pursuant to this Condition 29, where Debt Instruments have been issued in definitive form, the amount of interest due in respect of the Debt Instruments will be calculated by reference to the aggregate principal amount of the Debt Instruments presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant Holder.

### **29.5 Interest Determination Date**

If the Floating Rate Debt Instrument Provisions are specified in the relevant Pricing Supplement as being applicable and Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination Date shall be taken to be the second TARGET Settlement Day before the first day of the relevant Interest Period.

## **30 Governing law and jurisdiction**

### ***30.1 Governing law***

Unless specified otherwise in the relevant Pricing Supplement, the Debt Instruments 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.

### ***30.2 Jurisdiction***

Unless specified otherwise in the relevant Pricing Supplement, the Issuer agrees for the benefit of the Holders that the courts of England have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Debt Instruments (respectively, “**Proceedings**” and “**Disputes**”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.

### ***30.3 Appropriate forum***

Unless specified otherwise in the relevant Pricing Supplement, the Issuer and each Guarantor irrevocably waives any objection which it might now or later have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

### ***30.4 Process agent***

Unless specified otherwise in the relevant Pricing Supplement, the Issuer agrees, and the Guarantors have agreed in the Guarantee Deed Poll, that the process by which any Proceedings are begun may be served on it by being delivered to King & Wood Mallesons SJ Berwin, 10 Queen Street Place, London EC4R 1BE in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on its behalf, 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. Nothing in this paragraph affects the right of any Holder to serve process in any other manner permitted by law.

### ***30.5 Non-exclusivity***

The submission to the jurisdiction of the courts of England does not (and shall not be construed so as to) limit the right of any Holder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

## **31 Third party rights**

No person has any rights to enforce any term or condition of the Debt Instruments under the Contracts (Rights of Third Parties) Act 1999 of the United Kingdom.

## **32 Interpretation**

### ***32.1 Definitions***

In these Conditions, the following expressions have the following meanings:

**Accrual Yield** has the same meaning as in the relevant Pricing Supplement.

**Acquisition** means an acquisition of:

- (a) below-rail assets from Aurizon Holdings (or a Subsidiary thereof) or a third party; or
- (b) an Aurizon Holdings Expansion Entity.

**Additional Business Centre(s)** means each city specified as such in the relevant Pricing Supplement.

**Additional Financial Centre(s)** means each city specified as such in the relevant Pricing Supplement.

**Agency Agreement** means:

- (a) the Issuing and Paying Agency Agreement; and

- (b) such other agency agreement as the Issuer may be party to in relation to an issue of Debt Instruments under the Programme.

**Agent** means the Registrar, the Principal Paying Agent, each Paying Agent, each Calculation Agent and includes any successor, substitute or additional agent appointed under an Agency Agreement from time to time.

**Aurizon Consolidated Group** means a Tax Consolidated Group of which Aurizon Holdings is the Head Company.

**Aurizon Group** means Aurizon Holdings and each of its Subsidiaries.

**Aurizon Holdings** means Aurizon Holdings Limited (ABN 14 146 335 622).

**Aurizon Holdings Expansion** means:

- (a) an enhancement, expansion, augmentation, duplication or replacement of all or part of Aurizon Holdings' assets;
- (b) the development of new assets; or
- (c) the enhancement, expansion, augmentation, duplication or replacement of the existing assets of another person connected to Aurizon Holdings' assets.

**Aurizon Holdings Expansion Entity** means an entity established by a member of the Aurizon Holdings Group to undertake an Aurizon Holdings Expansion.

**Aurizon Holdings Group** means Aurizon Holdings and its Subsidiaries (other than the Network Group).

**Australian Accounting Standards** means Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) as well as the Australian Corporations Act and comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

**Australian Tax Act** means the Income Tax Assessment Act 1936 of Australia or the Income Tax Assessment Act 1997 of Australia, as the context requires.

**Bearer Debt Instrument** means a Debt Instrument which is in bearer form and which is specified as such in the Pricing Supplement.

**Borrowings** means, at any time, the aggregate at that time of the outstanding principal, capital or nominal account and any fixed or minimum premium payable on repayment, prepayment or redemption of any indebtedness for or in respect of Finance Debt.

**Business Day** means:

- (a) in relation to any payment obligations, a Payment Business Day; and
- (b) in relation to any obligation required to be done on a “Business Day”, a day on which commercial banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) in Sydney and Brisbane and each Additional Business Centre specified in the applicable Pricing Supplement.

**Business Day Convention** means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Pricing Supplement, in relation to any date applicable to any Debt Instrument, have the following meanings:

- (a) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (b) **Modified Following Business Day Convention or Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is the first preceding day that is a Business Day;
- (c) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day;
- (d) **FRN Convention, Floating Rate Convention or Eurodollar Convention** means that the date which numerically corresponds to the preceding date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding date occurred, provided however:

- (i) if there is no such numerically corresponding day in the calendar month in which that date should occur, then that date is the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which case the date is brought forward to the first preceding day which is a Business Day; and
  - (iii) if the preceding date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **No Adjustment** means that the Relevant Date shall not be adjusted in accordance with any Business Day Convention.

**Calculation Agent** means The Bank Of New York Mellon, acting through its London branch or any other person specified in the relevant Pricing Supplement as the party responsible for calculating the Interest Rate and the amount of interest payable in respect of that Debt Instrument for that Interest Period or such other amount(s) as may be specified in the relevant Pricing Supplement.

**Clearing System** means Euroclear and Clearstream, Luxembourg and any other clearing system designated as such in a relevant Pricing Supplement.

**Clearstream, Luxembourg** means Clearstream Banking, société anonyme.

**Code** means the United States Internal Revenue Code of 1986.

**Common Depository** means, in relation to a Series of Debt Instruments, the common depository for Euroclear and Clearstream, Luxembourg.

**Condition** means the correspondingly numbered condition in these terms and conditions.

**Consolidated Group** has the same meaning as in Part 3-90 of the Australian Tax Act.

**Corporations Act** means the Corporations Act 2001 of Australia.

**Coupon** means a bearer interest coupon appertaining to a Definitive Debt Instrument (other than a Zero Coupon Debt Instrument) in or substantially in the form set out in the Agency Agreement, or in such other form as may be agreed between the Issuer and the Principal Paying Agent.

**Couponholders** means, in respect of a Series, the holders of the Coupons.

**Day Count Fraction** means, in respect of the calculation of an amount for any period of time (“**Calculation Period**”), the day count fraction specified in these Conditions or the relevant Pricing Supplement and:

- (a) if “**Actual/Actual (ICMA)**” is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (b) if “**Actual/365**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
  - (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months unless:
  - (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day is not considered to be shortened to a 30-day month; or
  - (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February is not considered to be lengthened to a 30-day month);
- (f) if “**30E/360**” or “**Eurobond Basis**” is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February is not considered to be lengthened to a 30-day month);
- (g) if “**RBA Bond Basis**” or “**Australian Bond Basis**” is so specified, means one divided by the number of Interest Payment Dates in a year; and
- (h) any other Day Count Fraction specified in the relevant Pricing Supplement.

**Debt Instrument** means any Loan Note, MTN or TLC or other debt obligation (or evidenced by an instrument) issued, or to be issued, under the Programme.

**Deed of Covenant** means the deed poll dated on or about 2 September 2014 executed by the Issuer.

**Definitive Bearer Debt Instrument** means a Bearer Debt Instrument issued in definitive form in or substantially in the form set out in the Agency Agreement and having, where appropriate, Coupons, Talons or Receipts attached on issue in definitive form.

**Directive** means:

- (a) a law; or
- (b) a treaty, an official directive, request, regulation, guideline or policy (whether or not having the force of law).

**Dual Currency Debt Instrument** means a Debt Instrument in respect of which payments of principal or interest or both are made or to be made in such different currencies, and at rates of exchange calculated upon such basis or bases as indicated in the applicable Pricing Supplement.

**Early Redemption Amount (Call)** means, in respect of any Debt Instrument, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement.

**Early Redemption Amount (Put)** means, in respect of any Debt Instrument, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement.

**Early Redemption Amount (Tax)** means, in respect of any Debt Instrument, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement.

**Early Redemption Date (Call)** means the date so described in the relevant Pricing Supplement.

**Early Redemption Date (Put)** means the date so described in the relevant Pricing Supplement.

**Early Termination Amount** means, in respect of any Debt Instrument, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement.

**EU** means the European Union.

**Euroclear** means Euroclear Bank S.A./N.V.

**Event of Default** means an event so described in Condition 22.

**Excluded Subsidiary** means:

- (a) a SUFA Trustee; and
- (b) any SPV nominated by the Issuer in writing to be an “Excluded Subsidiary” and which is financed and operated on a Limited Recourse Basis.

**Expansion** means:

- (a) an enhancement, expansion, augmentation, duplication or replacement of all or part of the Issuer’s assets;
- (b) the development of new assets; or
- (c) the enhancement, expansion, augmentation, duplication or replacement of the existing assets of another person connected to or using the Aurizon Group’s assets.

**Extraordinary Resolution** has the meaning given in the Meetings Provisions.

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

**Finance Debt** means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised under any acceptance credit, or bill acceptance, discount or endorsement facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with Australian GAAP, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any redeemable shares where the holder has the right, or the right in certain conditions, to require redemption;
- (g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (h) consideration for the acquisition of assets or services payable more than 90 days after acquisition;
- (i) any derivative transaction (and, when calculating the indebtedness for or in respect of any derivative transaction, only the marked to market value shall be taken into account);
- (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; 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.

**Financial Statements** means:

- (a) a profit and loss statement;
- (b) a balance sheet; and
- (c) a statement of cash flows,

together with any notes to those documents and a directors’ declaration as required under the Corporations Act.

**Final Redemption Amount** means, in respect of any Debt Instrument, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement.

**Fixed Coupon Amount** has the meaning given in the relevant Pricing Supplement.

**Fixed Rate Debt Instrument** means a Debt Instrument on which interest is calculated at a fixed rate payable in arrears on a fixed date or fixed dates in each year and on redemption or on such other dates as indicated in the applicable Pricing Supplement.

**Floating Rate Debt Instrument** means a Debt Instrument on which interest is calculated at a floating rate payable 1, 2, 3, 6, or 12 monthly or in respect of such other period or on such date(s) as specified in the applicable Pricing Supplement.

**Global Debt Instrument** means a Temporary Global Debt Instrument or, as the context may require, a Permanent Global Debt Instrument.

**Group** means, at any time, the Issuer and its Subsidiaries at that time.

**Guarantee Deed Poll** means the guarantee and indemnity granted by the Guarantors pursuant to the deed poll entitled “Guarantee Deed Poll” dated 2 September 2014, and a reference to the “Guarantee Deed Poll” includes any guarantor accession deed poll entered into under, and in connection with the Guarantee Deed Poll, from time to time.

**Guarantor** means at a particular time, the Issuer and those Subsidiaries of the Issuer who have acceded to and are “Guarantors” under the Guarantee Deed Poll at that time.

**Head Company** means the head company (as defined in the Australian Tax Act) of a Tax Consolidated Group.

**Holder** means, in respect of a Debt Instrument:

- (a) the bearer for the time being of an outstanding Bearer Debt Instrument, Coupon, Talon or Receipt; or
- (b) the person whose name is entered in the Register as the holder of a Registered Debt Instrument; or
- (c) where there are joint holders of a Registered Debt Instrument, the persons whose names appear in the Register as joint holders of the Debt Instrument; or
- (d) for avoidance of doubt where a Global Debt Instrument is entered into a Clearing System, the operator of that Clearing System or the Common Depository who is the bearer of that Global Debt Instrument, as the case may be.

**Index Linked Interest Debt Instrument** means a Debt Instrument in respect of which the amount payable in respect of interest is calculated by reference to an index or a formula or both as specified in the applicable Pricing Supplement.

**Index Linked Debt Instrument** means an Index Linked Interest Debt Instrument or an Index Linked Redemption Amount Debt Instrument, as the case may be.

**Index Linked Redemption Amount Debt Instrument** means a Debt Instrument in respect of which the amount payable in respect of principal is calculated by reference to an index or a formula or both as specified in the applicable Pricing Supplement.

**Instalment Amount** means the amount so described in the relevant Pricing Supplement.

**Instalment Date** means the date so described in the relevant Pricing Supplement.

**Instalment Debt Instrument** means a Debt Instrument in respect of which the principal amount is payable in one or more instalments, as specified in the applicable Pricing Supplement.

**Interest Commencement Date** means the Issue Date of the Debt Instruments or any other date so described in the relevant Pricing Supplement.

**Interest Determination Date** means the date so described in the relevant Pricing Supplement.

**Interest Payment Date** means each date so described in, or determined in accordance with, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (a) as adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

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

- (a) the first Interest Period commences on (and includes) the Interest Commencement Date; and
- (b) the final Interest Period ends on (but excludes) the Maturity Date.

**Interest Rate** means each rate of interest (expressed as a percentage per annum) payable in respect of the Debt Instruments specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions or the relevant Pricing Supplement.

**ISDA Definitions** means the 2006 ISDA Definitions (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Debt Instruments of the relevant Series) published by the International Swaps and Derivatives Association, Inc or, if specified in the relevant Pricing Supplement, the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association Inc..

**Issue Date** means the date on which a Debt Instrument is, or is to be issued, as specified or determined in accordance with the relevant Pricing Supplement.

**Issue Price** means, in respect of a Debt Instrument, the price at which such Debt Instrument is issued as specified in the relevant Pricing Supplement.

**Issuer** means Aurizon Network Pty Ltd (ABN 78 132 181 116) or such other person appointed under the Deed of Covenant as a new issuer and a reference to an Issuer in respect of an Debt Instrument is to the individual Issuer of such Debt Instrument or otherwise as the context requires.

**Issuing and Paying Agency Agreement** means the agreement between the Issuer and the Principal Paying Agent, the Calculation Agent and the Registrar dated 2 September 2014.

**JV Entity** means any joint venture entity (whether incorporated or unincorporated) in which a member of the Group and a third party investor that is not a member of the Group holds an equity, ownership or participating interest.

**Limited Recourse Basis** means, in respect of an SPV, it:

- (a) is financed and operated on the basis that recourse is limited to that SPV and there is no recourse to the Issuer or any Guarantor, other than where that recourse is pursuant to:
  - (i) a Permitted Security Interest in which recourse is limited to the shares or other marketable securities (or any associated rights) held by the Issuer or Guarantor (as the case may be) in that SPV or any shareholder loans the Issuer or Guarantor (as the case may be) to that SPV; and/or
  - (ii) certain tax funding and sharing arrangements as set out in any tax funding agreement between the members of the Aurizon Consolidated Group and any tax sharing agreement between the members of the Aurizon Consolidated Group in respect of that SPV forming part of the Aurizon Consolidated Group; and
- (b) does not have any Finance Debt or other liabilities guaranteed by the Issuer or any Guarantor and does not otherwise benefit from financial, credit or surety support provided by the Issuer or any Guarantor, other than:
  - (i) any guarantee or support under which recourse is limited to the shares or other marketable securities (or any associated rights) held by the Issuer or Guarantor (as the case may be) in that SPV or any shareholder loans by the Issuer or Guarantor (as the case may be) to that SPV and where all obligations of the Issuer or Guarantor (as the case may be) in relation to any such guarantee, financial, credit or surety support can be fully and finally satisfied by the exercise of rights in respect of those shares or marketable securities and/or shareholder loans; and/or
  - (ii) pursuant to certain tax funding and sharing arrangements as set out in any tax funding agreement between the members of the Aurizon Consolidated Group and any tax sharing agreement between the members of the Aurizon Consolidated Group in respect of that SPV forming part of the Aurizon Consolidated Group.

**Loan Notes** means an instrument evidencing a loan made to the Issuer issued, or to be issued, under the Programme by the Issuer.

**Local Time** means the time in the city where the specified office of the Principal Paying Agent is located.

**Margin** means the margin specified in, or determined in accordance with, the relevant Pricing Supplement.

**Maturity Date** means, in relation to a Debt Instrument, the date specified in the relevant Pricing Supplement as the date for redemption of that Debt Instrument or, in the case of an amortising Debt Instrument, the date on which the last instalment of principal is payable.

**Maximum Interest Rate** has the meaning given in the relevant Pricing Supplement.

**MTN** means a medium term note issued, or to be issued, under the Programme by the Issuer.

**Meetings Provisions** means the provisions for the convening of meetings of, and passing of resolutions by, Holders set out in the relevant Issuing and Paying Agency Agreement.

**Minimum Interest Rate** has the meaning given in the relevant Pricing Supplement.

**Multiple Entry Consolidated Group** has the same meaning given in Part 3-90 of the Australian Tax Act.

**Network Recourse Group** means the Issuer and its Subsidiaries (other than any Excluded Subsidiaries).

**Offering Circular** in respect of a Debt Instrument means the offering circular, information memorandum, disclosure document (as defined in the Corporations Act) or other offering document referred to in the Pricing Supplement.

**Participating Member State** means a Member State of the EU which adopts the euro as its lawful currency in accordance with the Treaty.

**Partly Paid Debt Instrument** means a Debt Instrument in relation to which the initial subscription moneys are payable to the Issuer in two or more instalments.

**Paying Agent** means, in relation to any Debt Instruments, the Principal Paying Agent, the Registrar and any person appointed to act as paying agent, or any successor paying agent, appointed under the Agency Agreement and such other paying agent in relation to any Debt Instruments as may from time to time be appointed by the Issuer.

**Payment Business Day** means:

- (a) if the currency of payment is euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in euro; and
  - (ii) a TARGET Settlement Day and a day on which dealings in euro may be carried on in Sydney and each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in Sydney and each (if any) Additional Financial Centre.

**Permanent Global Debt Instrument** means a Global Debt Instrument in permanent global form representing Bearer Debt Instruments of one or more Tranches of the same series in such form as may be agreed between the Issuer and the Principal Paying Agent.

**Permitted Security Interest** means:

- (a) any Security Interest granted by a member of the Network Recourse Group under which the Debt Instruments are secured at least rateably with all other Finance Debt that is secured by that Security Interest;
- (b) any Security Interests existing at the date of the issuance of the Debt Instruments;
- (c) any Security Interest existing at the time of acquisition on any asset acquired by it after the date of this Offering Circular and not created in contemplation of the acquisition provided that there is no increase in the amount of the principal moneys secured by that Security Interest;
- (d) any Security Interest existing on or over any asset of an entity at the time that entity became a member of the Group and not created in contemplation of that entity becoming a member of the Group provided that there is no increase in the amount of the principal moneys secured by that Security Interest;
- (e) any Security Interest created on any property acquired or developed for the sole purpose of financing or refinancing the acquisition or development of such property and securing principal moneys not exceeding the cost of that acquisition or development together with interest and other costs related thereto;

- (f) a Security Interest arising by operation of law and in the ordinary course of business, for sums not yet due that are being contested in good faith by appropriate proceedings;
- (g) any carriers', warehousemen's and mechanics liens or similar Security Interest, in each case for sums not yet due or that are being contested in good faith by appropriate proceedings;
- (h) a Security Interest over shares or other marketable securities of an Excluded Subsidiary, provided that recourse of the holder of that Security Interest under that Security Interest is limited to those assets;
- (i) a Security Interest created by a member of the Group over its interest in any joint venture entity (whether incorporated or unincorporated) in which a member of the Group and a third party investor that is not a member of the Group holds an equity, ownership or participating interest, to secure:
  - (i) its obligations under the joint venture to any other party to the joint venture;
  - (ii) its obligations, or the obligations of the joint venture, or the obligations of any entity formed for the purpose of the joint venture, under any agreement relating to financial accommodation for the purposes of the joint venture; or
  - (iii) its obligations, or the obligations of the joint venture, or the obligations of any entity formed for the purpose of the joint venture, under any other agreement relating to the joint venture;
- (j) any rights by way of reservation or retention of title which are required by the supplier of any property to a member of the Group in the ordinary course of business;
- (k) any Security Interest which a member of the Group is required to create by any applicable law or is required or considers it necessary to create in order to obtain any governmental or regulatory consent, approval, authority, licence, permission or exemption;
- (l) any Security Interest that arises by operation of law and not as a result of any default or omission by any member of the Group so long as there is no default in the obligations secured;
- (m) a right of set off, right to combine accounts, or other similar right or arrangement arising in the ordinary course of business or by operation of law;
- (n) any Security Interests created to secure Finance Debt owing by a Guarantor to the Issuer or any other Guarantor;
- (o) any Security Interests in the form of minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to real property or Security Interests incidental to the conduct of the business or the ownership of the assets that were incurred in connection with the Finance Debt;
- (p) any Security Interest by way of cash cover in favour of an entity which has issued a performance bond, bank guarantee or letter of credit for the account of a member of the Group in each case, issued or incurred in the ordinary course of business;
- (q) a Security Interest provided by one of the following transactions if the transaction does not secure payment or performance of an obligation:
  - (i) a transfer of an account or chattel paper; or
  - (ii) a commercial consignment; or
  - (iii) a PPS Lease which is not a capital lease,
 

where the terms "account", "chattel paper", "commercial consignment" and "PPS Lease" have the respective meanings given to them in the PPSA; or
- (r) any extension, renewal or replacement in whole or in part of any Security Interest referred to above so long as such extension, renewal or replacement Security Interest is limited to all or a part of the same property (or improvements on such property) shares of stock or indebtedness that secured the Security Interest so extended, renewed or replaced.

**PPSA** means the Personal Property Securities Act 2009 of Australia, as amended.

**Pricing Supplement** means, in respect of a Tranche, a pricing supplement specifying the relevant issue details in relation thereto.

**Principal Financial Centre** means, in relation to any currency, the principal financial centre for that currency and:

- (a) in relation to euro, it means the principal financial centre of the Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to Australian dollars, it means either Sydney or Melbourne as selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (c) in relation to New Zealand dollars, it means either Wellington or Auckland as selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent.

**Principal Paying Agent** means The Bank of New York Mellon acting through its London branch, or any other person specified in the relevant Pricing Supplement as being the principal paying agent for the relevant Debt Instruments

**Programme** means the programme for the issuance of Debt Instruments established by the Issuer and described in Condition 1.1 (“Programme”).

**Programme Agreement** means the programme agreement between the Issuer and the Arrangers dated on or about 2 September 2014 as amended from time to time or such other programme agreement as the Issuer and the Arrangers may be parties to relation to an issue of Debt Instruments under the Programme.

**Receipt** means a payment receipt relating to the payment of principal on a Debt Instrument in or substantially in the form set out in the Agency Agreement, or in such other form as may be agreed between the Issuer and the Principal Paying Agent.

**Receiptholder** means, in respect of a Series, the holders of the Receipts.

**Record Date** means, in the case of payments of interest or principal, the close of business in the place where the relevant Register is maintained on the Business Day before the Relevant Date for payment or any date so described in the relevant Pricing Supplement.

**Redemption Amount** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Early Redemption Amount (Call), the Early Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement.

**Reference Banks** means the institutions so described in the relevant Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate.

**Reference Price** has the meaning given in the relevant Pricing Supplement.

**Reference Rate** means the rate so described in the relevant Pricing Supplement.

**Register** means a register, including any branch register, of Holders of Registered Debt Instruments established and maintained by or on behalf of the Issuer.

**Registered Debt Instrument** means a Debt Instrument which is in registered form and which is specified as such in the applicable Pricing Supplement.

**Registrar** means The Bank of New York Mellon (Luxembourg) S.A. or such other person appointed by the Issuer pursuant to the relevant Agency Agreement to maintain the Register in relation to Registered Debt Instruments and perform such payment and other duties as specified in that agreement.

**Regular Period** means:

- (a) in the case of Debt Instruments where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Debt Instruments where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Debt Instruments where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

**Relevant Date** means, in relation to any payment, whichever is the later of:

- (a) the date on which the payment in question first becomes due; and
- (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Holders.

**Relevant Financial Centre** has the meaning given in the relevant Pricing Supplement.

**Relevant Screen Page** means:

- (a) the page, section or other part of a particular information service (including, without limitation, the Reuters Monitor Money Rates Service and the Dow Jones Telerate Service) specified as the Relevant Screen Page in the relevant Pricing Supplement; or
- (b) any other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

**Relevant Time** means the time so described in the relevant Pricing Supplement.

**Reporting Date** means 30 June in each year.

**Reserved Matter** means any proposal to change any date fixed for payment of principal or interest in respect of the Debt Instruments, to reduce the amount of principal or interest payable on any date in respect of the Debt Instruments, to alter the method of calculating the amount of any payment in respect of the Debt Instruments or the date for any such payment, to modify or cancel the Guarantee Deed Poll, to change the currency of any payment under the Debt Instruments or to change the quorum requirement relating to meetings or the majority required to pass an Extraordinary Resolution or to amend this definition.

**Security Interest** means:

- (a) a “security interest” as defined in sections 12(1) and 12(2) of the PPSA or a mortgage, charge, pledge, lien or other security interest securing any obligation of any person;
- (b) any title retention arrangement;
- (c) any right, interest, agreement, notice or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts or not repayable in certain circumstances;
- (d) any third party right or interest or any right arising as a consequence of the enforcement of a judgment; or
- (e) any other agreement, notice or arrangement having a similar effect,

or any agreement or arrangement to create any of them or allow them to exist.

**Series** means each original issue of a Tranche of Debt Instruments, together with the issue of any further Tranche of Debt Instruments, expressed to form a single Series with the original issue and the Debt Instruments comprising such Tranches being identical in every respect except for the Issue Date, Issue Price and Interest Commencement Date of the Tranche and, in respect of the first interest payment (if any). A Series may comprise Debt Instruments in more than one denomination.

The Issuer or a Guarantor is **Solvent** if:

- (a) it is able to pay its debts when they fall due; and
- (b) its total consolidated gross assets (as shown by its latest published audited financial statements) exceed its total consolidated gross liabilities (as shown by its latest published audited financial statements), in each case adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its directors, its auditors or, as the case may be, its liquidator may determine to be appropriate.

**Specified Currency** means the currency specified in the relevant Pricing Supplement including, Australian dollars, Canadian dollars, Euro, Hong Kong dollars, Japanese Yen, New Zealand dollars, Singapore dollars, Pounds Sterling, and United States dollars, or any other freely transferable and freely convertible currency.

**Specified Denomination** has the meaning given in the relevant Pricing Supplement.

**Specified Office** means, in relation to a person, the office specified in the most recent Offering Circular for the Programme as such other address as is notified to Holders from time to time.

**Specified Period** has the meaning given in the relevant Pricing Supplement.

**SPV** means a special purpose vehicle (including a JV Entity) that is established:

- (a) as a Subsidiary of the Issuer or a Guarantor for the purpose of undertaking an Expansion or an Acquisition or for any other specific purpose (either in its personal capacity or as trustee of a trust); or
- (b) for the purpose of holding (directly or indirectly) an interest in a Subsidiary referred to in paragraph (a).

It includes, at the date of the Offering Circular, Aurizon Surat Basin Pty Ltd (ACN 122 385 568) and Surat Basin Rail Pty Limited (ACN 122 652 626).

**Subsidiary** of an entity means another entity which is a subsidiary of the first within the meaning of Part 1.2 Division 6 of the Corporations Act or is a subsidiary or otherwise controlled by the first within the meaning of any applicable approved accounting standard.

**SUFA Trustee** means any newly incorporated (direct or indirect) wholly owned Subsidiary of the Issuer which acts solely as trustee of a trust established to carry out a transaction under the 'Standard User Funding Agreements' agreed between the Issuer and Queensland Competition Authority and pursuant to which (among other things) users fund the design, construction and commissioning of new rail infrastructure and/or the modification or upgrade of, and/or additions to, existing rail infrastructure.

**Talons** means the bearer talons (if any) appertaining to, and exchangeable in accordance with their provisions for the further Coupons appertaining to, a Definitive Bearer Debt Instrument (other than a Zero Coupon Debt Instrument) in or substantially in the relevant form set out in the Agency Agreement or in such other form as may be agreed between the Issuer and the Principal Paying Agent.

**Talonholders** in respect of a Series, means the holders of the Talons.

**TARGET Settlement Day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

**Tax Consolidated Group** means a Consolidated Group or a Multiple Entry Consolidated Group.

**Taxes** means taxes, levies, imposts, deductions, charges or withholdings and duties imposed by any authority (including stamp and transaction duties), together with any related interest, penalties and expenses in connection with them, except if imposed on, or calculated having regard to, the net income of the Holder.

**Temporary Global Debt Instrument** means a Global Debt Instrument in temporary global form representing Bearer Debt Instruments of one or more Tranches of the same Series.

**Total Assets** means at any time the total book value of all assets of the Network Recourse Group on a consolidated basis shown by the Financial Statements prepared as at the Reporting Date for the twelve or six month period ending on the Reporting Date.

**Tranche** means a tranche of Debt Instruments specified as such in the relevant Pricing Supplement issued on the same Issue Date and on the same Conditions (except that a Tranche may comprise Debt Instruments in more than one denomination).

**Treaty** means the Treaty establishing the European Communities, as amended by the Treaty on European Union.

**Variable Interest Debt Instrument** means an Index Linked Interest Debt Instrument or any other variable interest rate note other than a Floating Rate Debt Instrument.

**Variable Debt Instrument** means a Variable Redemption Debt Instrument and Variable Interest Debt Instrument.

**Variable Redemption Debt Instrument** means an Index Linked Redemption Debt Instrument or Dual Currency Debt Instrument.

**Zero Coupon Debt Instrument** means a Debt Instrument which does not carry an entitlement to periodic payment of interest prior to the redemption date of such Debt Instrument and which is issued at a discount to its face value.

### **32.2 References to certain general terms**

Unless the contrary intention appears, a reference in these Conditions to:

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) anything (including an amount) is a reference to the whole and each part of it;
- (c) a document (including these Conditions) includes any variation or replacement of it;
- (d) law means common law, principles of equity, and laws made by any parliament and regulations and other instruments under those laws and consolidations, amendments, re-enactments or replacements of any of them);
- (e) an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia;
- (f) the word “person” includes an individual, a firm, a body corporate, an unincorporated association and an authority; and
- (g) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns.

### **32.3 Number**

The singular includes the plural and vice versa.

### **32.4 Headings**

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

### **32.5 References**

Unless the contrary intention appears, in these Conditions:

- (a) a reference to a Holder is a reference to the Holder of Debt Instruments of a particular Series and includes Couponholders, Talonholders and Receiptholders (if any);
- (b) a reference to a Debt Instrument is a reference to a Debt Instrument of a particular Series and includes:
  - (i) any Coupon, Receipt or Talon in relation to that Debt Instrument; and
  - (ii) any replacement Debt Instrument, Coupon, Receipt or Talon issued under the Conditions;
- (c) if Talons are specified in the relevant Pricing Supplement as being attached to the Debt Instruments at the time of issue, references to Coupons are taken to include references to Talons; and
- (d) if Talons are not specified in the relevant Pricing Supplement as being attached to the Debt Instruments at the time of issue, references to Talons are not applicable.

### **32.6 References to principal and interest**

Unless the contrary intention appears, in these Conditions:

- (a) any reference to “principal” is taken to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 20 (“Taxation”), any premium payable in respect of a Debt Instrument, and any other amount in the nature of principal payable in respect of the Debt Instruments under these Conditions;
- (b) any reference to “interest” is taken to include any additional amounts in respect of interest which may be payable under Condition 20 (“Taxation”) and any other amount in the nature of interest payable in respect of the Debt Instruments under these Conditions; and
- (c) if an expression is stated as having the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is “Not Applicable” then such expression is not applicable to the Debt Instruments.

## FORM OF PRICING SUPPLEMENT

*The Pricing Supplement that will be issued in respect of each Tranche of Debt Instruments will be substantially in the form set out below. Text in this section appearing in italics does not form part of the form of the Pricing Supplement but denotes directions for completing the Pricing Supplement.*

### AURIZON NETWORK PTY LTD

(ABN 78 132 181 116)

### €2,000,000,000 Debt Issuance Programme

Issue of

*[Aggregate Principal Amount of Tranche]*

*[MTNs/ /Other]*

Series No.: [     ]

Tranche No.: [     ]

Terms used in this document are deemed to be defined as such for the purposes of the Terms and Conditions (“**Conditions**”) set forth in the Offering Circular dated 13 May 2016 in relation to the above Programme [(and the supplement to it dated [●]) (“**Offering Circular**”). This Pricing Supplement (as referred to in the Offering Circular) relates to the Tranche of [EMTNs/ /other] Debt Instruments referred to above and must be read in conjunction with the Offering Circular. The particulars to be specified in relation to such Tranche are as follows:

- 1 Issuer: Aurizon Network Pty Ltd
- 2 Guarantors: [The Issuer and such subsidiaries of the Issuer as have acceded to and are Guarantors under the Guarantee (as defined below) from time to time being as at the date of this Pricing Supplement [●] / Not applicable.]
- 3 Guarantee: [The guarantee and indemnity granted by the Issuer and certain subsidiaries pursuant to the deed poll titled “Guarantee Deed Poll” dated 2 September 2014. The Guarantee is supplementary to, and should be read in conjunction with the Offering Circular and the Deed of Covenant / Not applicable.]  
*[At the date of this Offering Circular, the only entity to have signed the Guarantee Deed Poll is the Issuer.]*
- 4 Lead Manager: [Name and ACN/ABN]
- 5 Calculation Agent: [Specify]
- 6 Description: [MTNs//Specify]
- 7 Listing venue: [Singapore Exchange Securities Trading Limited / Specify]
- 8 Form: [Registered/Bearer]  
[Temporary Global Note exchangeable for a Permanent Global Notes which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Notes]  
[Temporary Global Note exchangeable for Definitive Notes on [ ] days’ notice]  
[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]  
[Registered Global Note]<sup>1</sup>

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<sup>1</sup> If Registered Global Notes is selected, additional amendments will be required to the Conditions.

- 9 Dealers: [Name and ACN/ABN]
- 10 Clearing System: [Euroclear/Clearstream, Luxembourg/[Specify]]
- 11 Aggregate Principal Amount of Tranche: [Specify]
- 12 Specified Currency: [Specify]
- 13 If interchangeable with existing Series: [Specify]
- 14 Issue Date: [Specify]
- 15 Issue Price: [Specify]
- 16 Record Date: [In the case of payments of interest, the close of business in the place where the relevant Register is maintained on the Business Day before the relevant date for payment or any date so described in the relevant Pricing Supplement.]
- 17 Denomination(s): [Specify]<sup>2</sup>
- 18 Interest: [Fixed Rate]  
[Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Other (specify)]  
(further particulars specified below)
- 19 Minimum/Maximum Interest Rate: [Specify/Not Applicable]
- 20 [Fixed Rate Debt Instruments] [Applicable] [Condition 10 will apply.]
- (a) Interest Commencement Date: [Issue Date/Specify other]
- (b) Interest Payment Dates: [Specify]
- (c) Interest Rate: [Specify] per cent. per annum payable [annually/semi-annually/quarterly/monthly] in arrears /Not Applicable
- (d) Fixed Coupon Amount: \$[Specify] per [Specify]/Not Applicable
- (e) Day Count Fraction: [Specify – Actual/365 or Actual/Actual, Actual/365 (Fixed) or Australian Bond Basis, Actual/360, thirty/360 or 360/360 or Bond Basis, 30E/360 or Eurobond Basis, RBA Bond Basis]
- (f) Relevant Time: [Specify]
- 21 [Floating Rate Debt Instruments] [Applicable] [Condition 11 will apply.] [If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (a) Interest Commencement Date: [Issue Date/Specify other]
- (b) Interest Payment Dates: [Specify – [ ] in each year, [adjusted in accordance with [specify Business Day Convention and any applicable Additional Financial Centre(s) for the definition of Business Day]/not adjusted]]
- (c) ISDA Determination: [Applicable/Not Applicable]
- (d) Screen Rate Determination: [Applicable/Not Applicable]
- (e) Relevant Screen Page: [Specify]
- (f) Designated Maturity: [Specify]
- (g) Reset Date: [Specify]

---

<sup>2</sup> If the specified denomination is expressed to be €100,000 or their equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording as follows: “€100,000 and integral multiples of [€1,000] in excess thereof up to and including €199,000. No notes in definitive form will be issued with a denomination above €199,000”

	(h) Reference Banks:	<i>[If none are specified, the four major banks specified by the Calculation Agent in the market that is most closely connected with the Reference Rate/Not Applicable]</i>
	(i) Reference Price:	<i>[Specify – for example, LIBOR, EURIBOR or BBSW]</i>
	(j) Reference Rate:	<i>[Specify/Not Applicable]</i>
	(l) Specified Period:	<i>[Specify/Not Applicable]</i>
	(m) Margin:	<i>[Specify – [+/-] [ ] percent per annum/Not Applicable]</i>
22	[Instalment Debt Instrument]:	<i>[If applicable specify provisions]</i>
23	[Index Linked Interest Debt Instruments]:	<i>[If applicable, specify provisions]</i>
24	[Dual Currency Debt Instruments]:	<i>[If applicable, specify provisions]</i>
25	[Partly Paid Debt Instruments]:	<i>[If applicable, specify provisions]</i>
26	[Non-interest bearing]:	<i>[Applicable]</i>
27	Accrual Yield:	<i>[Specify]</i>
28	Reference Price:	<i>[Specify]</i>
29	Day Count Fraction:	<i>[Specify – Actual/365 or Actual/Actual, Actual/365 (Fixed) or Australian Bond Basis, Actual/360, thirty/360 or 360/360 or Bond Basis, 30E/360 or Eurobond Basis, RBA Bond Basis]</i>
30	Applicable Business Day Convention:	<i>[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Floating Rate Convention/Eurodollar Convention/No Adjustment] [If nothing is specified Following Business Day Convention applies. Care should be taken to match the maturity date (as well as other key dates) of the Debt Instruments with any underlying swap transactions. Since maturity dates do not automatically move with business day conventions under ISDA, it may be necessary to specify “No adjustment” in relation to the maturity date of the Debt Instruments to disapply the applicable Business Day Convention.]</i>
	(a) for Interest Payment Dates:	<i>[Specify]</i>
	(b) for Maturity Dates:	<i>[Specify]</i>
	(c) any other date:	<i>[Specify]</i>
31	Business Day – Additional Business Centre(s):	<i>[Specify – [CHF] Zurich, Sydney, Melbourne</i>  <i>[GBP] London, Sydney, Melbourne</i> <i>[AUD] Sydney, Melbourne</i> <i>[EUR] TARGET, London, Sydney, Melbourne</i> <i>[JPY] Tokyo, Sydney, Melbourne</i> <i>[[SGD] Singapore, Sydney, Melbourne]</i> <i>[Not Applicable/give details]</i>
32	Additional Financial Centre(s):	<i>[Specify]</i>
33	Maturity Date:	<i>[Specify – Fixed rate – specify date</i> <i>Floating rate – specify Interest Payment Date falling in the relevant month and year]</i>
34	Final Redemption Amount:	<i>[Specify]</i>
35	Early Redemption:	<i>[Applicable]</i>

36	Early Redemption Amount (Call):	<i>[Specify – N.B. Consideration to be given to the calculation of the Early Redemption Amount (Call). It is likely to be based upon a make-whole amount which would be calculated in accordance with a formula that will need to be detailed on a case by case basis for each Series as specified in the Pricing Supplement, having regard to the present value on the Early Redemption Date (Call) of the principal amount of the Debt Instruments and scheduled or anticipated interest on the Debt Instruments up to and including the original Maturity Date. The present value would be calculated by reference to a discount and benchmark rate, details of which to be attached as an annex to the Pricing Supplement]</i>
37	Early Redemption Date (Call):	<i>[Specify]</i>
38	Early Redemption Amount (Put):	<i>[Specify]</i>
39	Early Redemption Date (Put):	<i>[Specify]</i>
40	Early Redemption Amount (Tax):	<i>[Specify]</i>
41	Final Redemption Amount:	<i>[Specify]</i>
42	Notice period (if other than as set out in the Terms and Conditions):	<i>[Specify – N.B. If setting notice periods which are different to those provided in the Terms and Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agents]</i>
43	Minimum Redemption Amount:	<i>[Specify]</i>
44	Maximum Redemption Amount:	<i>[Specify]</i>
45	Early Termination Amount:	<i>[Specify]</i>
46	Instalment Amount:	<i>[Specify/Not Applicable]</i>
47	Instalment Date:	<i>[Specify/Not Applicable]</i>
48	Additional or alternate newspapers:	<i>[Specify]</i>
49	Redenomination (Condition 29):	<i>[Applicable/Not Applicable]</i>
50	Method of distribution:	<i>[Syndicated/Non-syndicated]</i>
51	Public offer test:	<i>[It is intended that the Debt Instruments will be offered in a manner that is compliant with the public offer test set out in section 128F of the Income Tax Assessment Act 1936 of Australia]</i>
52	Withholding Tax:	<i>[Specify]</i>
53	Notices:	<i>[Specify any other means of effective communications]</i>
54	Governing law:	<i>[English law/specify other]</i>
55	U.S. Selling Restrictions:	<i>[Regulation S Category 2; TEFRA D][NB: TEFRA D rules should apply to issues of Debt Instruments unless it is agreed by the Issuer at the time of completion of the Pricing Supplement that TEFRA C rules should apply or that TEFRA D rules should not be applied to a particular issue of Debt Instruments]</i>
56	Additional selling restrictions:	<i>[Not Applicable/give details]</i>
57	Other Terms and Conditions:	<i>[Specify, if applicable.]</i>
58	ISIN:	<i>[•]</i>
59	Common Code:	<i>[•]</i>

- 60 Delivery: Delivery [against/free of] payment  
61 Names and addresses of additional Paying Agent(s) (if any): [Not Applicable/give names]  
62 Stabilisation Manager(s) (if any): [Not Applicable/give names]

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

**CONFIRMED**

By: .....

[Name]

*Authorised Officer of the Issuer*

Date: .....

# FORM OF GUARANTEE DEED POLL



## Guarantee Deed Poll

Dated 2 September 2014

In relation to the €2,000,000,000 Medium Term Note Programme of the Issuer

Aurizon Network Pty Ltd (ABN 78 132 181 116)  
("Original Guarantor")

### King & Wood Mallesons

Level 61  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
Australia  
T +61 2 9296 2000  
F +61 2 9296 3999  
DX 113 Sydney  
www.kwm.com

Ref: 602-000516/KMA/JPB/SN

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## Details

Interpretation—definitions are at the end of this document before the schedules

Parties	Guarantors	
<b>Original Guarantor</b>	Name	<b>Aurizon Network Pty Ltd</b>
	ABN	78 132 181 116
	Address	Level 17 175 Eagle Street Brisbane QLD 4000 Australia
	Fax Attention	+ 61 7 3019 2188 General Counsel
<b>Programme Documents</b>	include: <ul style="list-style-type: none"><li>• this Guarantee Deed Poll;</li><li>• the Programme Agreement;</li><li>• the Deed of Covenant;</li><li>• the Issuing and Paying Agency Agreement.</li></ul>	
<b>Governing law</b>	English	
<b>Date of deed poll</b>	See Signing page	

## General terms

### 1 What the Guarantor undertakes in this guarantee

#### 1.1 Effect of guarantee

Each Guarantor acknowledges that it could become liable to pay a Holder:

- (a) under the guarantee in clause 2.2 (“Guarantee”);
- (b) under the indemnity in clause 2.3 (“Indemnity”);
- (c) interest under clause 3 (“Interest”); and
- (d) Costs and other expenses under clause 11 (“Costs and indemnities”).

#### 1.2 Joint and individual liability

Each Guarantor is liable for all the obligations under this guarantee both individually and jointly with any one or more other persons who are a “Guarantor”.

#### 1.3 Acknowledgement

Each Guarantor acknowledges that it is responsible for making itself aware of the financial position of the Issuer and any other person who guarantees payment of the Guaranteed Money.

### 2 Guarantee and indemnity

#### 2.1 Consideration

Each Guarantor acknowledges that the Holders to whom it may become liable to pay the Guaranteed Money are acting in reliance on the Guarantor incurring obligations and giving rights under this guarantee.

#### 2.2 Guarantee

Each Guarantor unconditionally and irrevocably guarantees payment to each Holder of the Guaranteed Money owed to that Holder. If the Issuer does not pay the Guaranteed Money on time and in accordance

with the Programme Documents then each Guarantor agrees to pay the Guaranteed Money to the relevant Holder on demand from that Holder.

### **2.3 Indemnity**

Each Guarantor indemnifies each Holder against any liability or loss arising, and any Costs it suffers or incurs:

- (a) if the Issuer does not, or is unable to, pay the Guaranteed Money owed to it in accordance with the Programme Documents; or
- (b) if an obligation the Issuer would otherwise have to pay the Guaranteed Money owed to it is found to be void, voidable or unenforceable; or
- (c) if an obligation the Guarantor would otherwise have under clause 2.2 (“Guarantee”) is found to be unenforceable for any reason (whether or not known or existing at the date of this document); or
- (d) if the Holder is obliged, or agrees, to pay an amount to a trustee in bankruptcy or liquidator (of an Insolvent person) in connection with its Guaranteed Money for any reason (including, without limitation, bankruptcy, insolvency, winding-up, dissolution or similar law of any jurisdiction) to refund all or any part of any amount received by it. (For example, the Holder may have to, or may agree to, pay interest on the amount); or
- (e) if the Guarantor defaults in its obligations under this guarantee to the Holder; or
- (f) in connection with any person exercising, or not exercising, rights under this guarantee.

Each Guarantor agrees to pay amounts due under this indemnity on demand from the Holder.

### **2.4 Holder Demand**

A Holder will not make demand on a Guarantor:

- (a) in the case of moneys which are payable by the Issuer on demand, before making demand on the Issuer; and
- (b) in all other cases, before the Issuer has failed to pay, when due to be paid, the moneys specified in the demand.

### **2.5 Holder demand at any time and from time to time**

Subject to clause 2.4 (“Holder Demand”), a Holder may make demand on a Guarantor in respect of its Guaranteed Money at any time and from time to time.

### **2.6 Judgment prima facie evidence against Guarantor**

In the absence of manifest error:

- (a) non-payment by the Issuer in accordance with the terms of the Programme Documents; or
- (b) a judgment which a Holder obtains against the Issuer,

will be prima facie evidence against a Guarantor in respect of any demand made by the Holder on the Guarantor under this guarantee in respect of its Guaranteed Money.

## **3 Interest**

### **3.1 Obligation to pay interest**

Each Guarantor agrees to pay interest at the Default Rate on:

- (a) any part of the Guaranteed Money which is due for payment but which is not otherwise incurring interest; and
- (b) any amount under this guarantee (other than under clause 2.2 (“Guarantee”)) which is not paid on the due date for payment.

The interest accrues daily from (and including) the due date to (but excluding) the date of actual payment and is calculated on actual days elapsed and a year of 365 days.

Each Guarantor agrees to pay interest under this clause on demand from the relevant Holder.

### **3.2 Compounding**

Interest payable under clause 3.1 (“Obligation to pay interest”) which is not paid when due for payment may be added to the overdue amount by the Holder at intervals which the Holder determines from time to time or, if no determination is made, every 30 days. Interest is payable on the increased overdue amount at the Default Rate in the manner set out in clause 3.1 (“Obligation to pay interest”).

### **3.3 Interest following judgment**

If a liability becomes merged in a judgment, each Guarantor agrees to pay interest on the amount of that liability as an independent obligation. This interest:

- (a) accrues daily from (and including) the date the liability becomes due for payment both before and after the judgment up to (but excluding) the date the liability is paid; and
- (b) is calculated at the judgment rate or the Default Rate (whichever is higher).

Each Guarantor agrees to pay interest under this clause on demand from the relevant Holder.

## **4 Nature of guarantee**

The guarantee in clause 2.2 (“Guarantee”) is a continuing obligation despite any intervening payment, settlement or other thing and extends to all of the Guaranteed Money. Each Guarantor waives any right it has of first requiring the relevant Holder to commence proceedings or enforce any other right against the Issuer or any other person before claiming from the Guarantor under this guarantee.

As between each Guarantor and the relevant Holder, but without affecting the Issuer’s obligations, each Guarantor will be liable under this Guarantee as if it were sole principal debtor and not merely as surety.

## **5 Reinstatement of rights**

Under the law relating to Insolvency, a person may claim that a transaction (including a payment) in connection with this guarantee or the Guaranteed Money is void or voidable. If a claim is made and upheld, conceded or compromised, then:

- (a) the relevant Holder is immediately entitled as against each Guarantor to the rights in respect of the Guaranteed Money to which it was entitled immediately before the transaction; and
- (b) on request from the relevant Holder, each Guarantor agrees to do anything (including signing any document) to restore to that Holder any Security Interest (including this guarantee) held by it from the Guarantor immediately before the transaction.

## **6 Rights of the Holder are protected**

Rights given to a Holder under this guarantee, and each Guarantor’s liabilities under it, are not affected by any act or omission of the Holder or any other person. For example, those rights and liabilities are not affected by:

- (a) any act or omission:
  - (i) varying or replacing any arrangement under which the Guaranteed Money is expressed to be owing, such as by increasing a Programme limit or extending the term;
  - (ii) releasing the Issuer or giving the Issuer a concession (such as more time to pay);
  - (iii) releasing any person who gives a guarantee or indemnity in connection with any of the Issuer’s obligations (including under clause 16 (“Release of Guarantors”));
  - (iv) releasing, losing the benefit of, or not obtaining any Security Interest or negotiable instrument;
  - (v) by which the obligations of any person who guarantees any of the Issuer’s obligations (including under this guarantee) may not be enforceable;
  - (vi) by which any person who was intended to guarantee any of the Issuer’s obligations does not do so, or does not do so effectively;
  - (vii) by which a person who is a co-surety or co-indemnifier for payment of the Guaranteed Money is discharged under an agreement or by operation of law;
  - (viii) by which any Security Interest which could be registered is not registered;

- (b) a person dealing in any way with a Security Interest, guarantee, indemnity, judgment or negotiable instrument;
- (c) the death, mental or physical disability or insolvency of any person including a Guarantor or the Issuer;
- (d) changes in the membership, name or business of any person;
- (e) the Issuer opening an account with the Holder;
- (f) acquiescence or delay by the Holder or any other person;
- (g) an assignment of rights in connection with the Guaranteed Money.

## **7 No merger**

This guarantee does not merge with or adversely affect, and is not adversely affected by, any of the following:

- (a) any other guarantee, indemnity, or Security Interest, or other right or remedy to which a Holder is entitled; or
- (b) a judgment which a Holder obtains against a Guarantor, the Issuer or any other person in connection with the Guaranteed Money.

A Holder may still exercise its rights under this guarantee as well as under the judgment, Security Interest or right or remedy.

## **8 Guarantor's rights**

### ***8.1 Guarantor's rights are suspended***

As long as any of the Guaranteed Money remains unpaid, each Guarantor may not, without the Issuer's consent:

- (a) reduce its liability under this guarantee by claiming that it or the Issuer or any other person has a right of set-off or counterclaim against the relevant Holder; or
- (b) exercise any legal right to claim to be entitled to the benefit of another guarantee, indemnity, or Security Interest given in connection with the Guaranteed Money or any other amount payable under this guarantee. (For example, a Guarantor may not try to enforce or require the enforcement of any Security Interest that a Holder has taken to ensure repayment of the Guaranteed Money.); or
- (c) claim an amount from the Issuer, or another guarantor of the Guaranteed Money; or
- (d) claim an amount in the Insolvency of the Issuer or of another guarantor of the Guaranteed Money.

### ***8.2 Guarantor's right of proof limited***

Each Guarantor agrees not to exercise a right of proof after an event occurs relating to the insolvency of the Issuer or another guarantor of the Guaranteed Money.

## **9 Payments**

### ***9.1 Manner of payment***

Each Guarantor agrees to make payments under this guarantee:

- (a) in full without set-off or counterclaim and without any deduction in respect of Taxes unless prohibited by law; and
- (b) if the payment relates to the Guaranteed Money, in the currency in which the payment is due, and otherwise in United States dollars in immediately available funds and in accordance with the applicable payment provisions in the Conditions.

### ***9.2 Currency of payment***

Each Guarantor waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Holder receives an amount in a currency other than that in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual Costs in connection with the conversion; and
- (b) a Guarantor satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the Costs of the conversion.

## 10 Withholding tax

If a law requires a Guarantor to deduct an amount in respect of Taxes from a payment under this guarantee such that the relevant Holder would not actually receive on the due date the full amount provided for under this guarantee, then:

- (a) the Guarantor agrees to deduct the amount for the Taxes (and any further deduction applicable to any further payment due under paragraph (c) below); and
- (b) the Guarantor agrees to pay the amount deducted to the relevant authority in accordance with applicable law and give the original receipts to the Holder; and
- (c) if the amount deducted is in respect of Taxes imposed or levied by or on behalf of the Commonwealth of Australia or any political subdivision of it, the Guarantor agrees to pay an additional amount so that, after making the deduction and further deductions applicable to additional amounts payable under this clause, the Holder is entitled to receive (at the time the payment is due) the amount it would have received if no deductions had been required. Except that no additional amounts are payable under this clause (c) in relation to any payment to a Holder in respect of the Debt Instruments:
  - (i) which is to a Holder (or a third party on its behalf) who is liable to such Taxes in respect of that Debt Instrument by reason of the person having some connection with the Commonwealth of Australia or any political subdivision thereof or therein other than the mere holding of such Debt Instrument or receipt of payment in respect of the Debt Instrument provided that a Holder shall not be regarded as having a connection with Australia for the reason that the Holder is a resident of Australia within the meaning of the Australian Tax Act where, and to the extent that, such taxes are payable by reason of section 128B(2A) of the Australian Tax Act; or
  - (ii) which is presented for payment more than 30 days after the Relevant Date except to the extent that a Holder would have been entitled to additional amounts under Condition 20.2(b) on presenting the same, or making demand, for payment on the last day of the period of 30 days; or
  - (iii) which is on account of Taxes which are payable by reason of the Holder being an associate of the Issuer or the applicable Guarantor for the purposes of section 128F of the Australian Tax Act; or
  - (iv) which is on account of Taxes which are payable to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim; or
  - (v) which is to, or to a third party on behalf of, a Holder (or a person with an interest in a Debt Instrument), if that person is an Australian resident or otherwise holds the Debt Instrument or an interest therein in carrying on a business in Australia at or through a permanent establishment in Australia and that person has not supplied an appropriate Australian tax file number, (if applicable) Australian Business Number or details of an applicable exemption from these requirements before the Record Date; or
  - (vi) where such withholding or deduction is required to be made pursuant to a notice or direction issued by the Commissioner of Taxation under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of the Commonwealth of Australia or any similar law; or
  - (vii) to the extent that the Issuer is obliged to pay tax in respect of a payment made to, or to a third party on behalf of, a Holder as a result of the operation of section 126 of the Australian Tax Act by reason of the Holder being an Australian resident or a non-

- resident that carries on business at or through a permanent establishment in Australia and not having disclosed to the Issuer its name and address; or
- (viii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
  - (ix) (in the case of Bearer Debt Instruments and Global Debt Instruments) which is presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Debt Instrument to another Paying Agent in a Member State of the EU; or
  - (x) in respect of any estate, inheritance, gift, sales, transfer, personal property, or any similar tax, assessment or governmental charge; or
  - (xi) in respect of any tax, assessment or other governmental charge which is required to be withheld or deducted by any paying agent from payments of principal of or interest on any Debt Instrument, if such payment can be made without such withholding or deduction by at least one other paying agent; or
  - (xii) in such other circumstances as may be specified in the Pricing Supplement.

Notwithstanding the above, if a Guarantor is required to withhold amounts under or in connection with or in order to ensure compliance with FATCA, the Guarantor shall be permitted to make such withholding or deduction, and Holders and beneficial owners of Debt Instruments will not be entitled to receive any gross up, additional amount or other amount to compensate them for such withholding or deduction.

The Holder agrees to use reasonable endeavours to minimise any increase or reduction of the kind contemplated by this clause.

## **11 Costs and indemnities**

### ***11.1 What the Guarantor agrees to pay***

The Guarantor agrees to pay or reimburse the relevant Holder on demand for the Holder's Costs in enforcing or preserving rights (or considering doing so) in connection with the guarantee.

The Holder may debit any of these amounts to the Guarantor's account before asking the Guarantor to pay.

### ***11.2 Indemnity***

Each Guarantor indemnifies the Holder against any liability or loss arising from, and any Costs incurred in connection with, the payment, omission to make payment or delay in making payment of an amount referred to in clause 11.1 ("What the Guarantor agrees to pay"). Each Guarantor agrees to pay amounts due under this indemnity on demand from the Holder.

### ***11.3 Items included in loss, liability and Costs***

Each Guarantor agrees that the Costs referred to in clause 11.1 ("What the Guarantor agrees to pay") and the liability or loss and any Costs referred to in clause 11.2 ("Indemnity"), include legal Costs in accordance with any written agreement as to legal costs (whether or not the Guarantor is a party to the agreement) or, if no agreement, on whichever is the higher of a full indemnity basis or solicitor and own client basis.

### ***11.4 Currency conversion on judgment debt***

If a judgment, order or proof of debt for an amount in connection with this guarantee is expressed in a currency other than the currency in which the amount is due under this guarantee, then each Guarantor indemnifies the Holder against:

- (a) any difference arising from converting the other currency if the rate of exchange used by the Holder under clause 9.2 ("Currency of payment") for converting currency when it receives a payment in the other currency is less favourable to the Holder than the rate of exchange used for the purpose of the judgment, order or acceptance of proof of debt; and

(b) the Costs of conversion.

### ***11.5 Payment for Guarantor's obligations***

Each Guarantor agrees to pay for anything that it agrees to do under this guarantee.

## **12 Application of payments**

### ***12.1 Application of money***

A Holder may apply money paid by the Issuer or a Guarantor or otherwise towards satisfaction of the Guaranteed Money and other money payable under a Programme Document in the manner it sees fit.

### ***12.2 Order of payment***

A Holder may use money received under this document towards paying any part of the Guaranteed Money the Holder chooses. This applies even if that part only falls due after the Holder gives a notice of demand.

### ***12.3 Suspense account***

A Holder may place in an interest bearing suspense account any payment it receives from a Guarantor under clause 2.2 ("Guarantee") (and any net interest on that payment after tax) for as long as it thinks prudent and need not apply the payment or net interest towards satisfying the Guaranteed Money or other money payable under a Programme Document.

### ***12.4 Remaining money***

The Holders agree to pay any money remaining after the Guaranteed Money is paid either to the nominated Guarantor (which the Holder may do by paying it into an account in the nominated Guarantor's name) or to another person entitled to it. In doing so, it does not incur any liability to a Guarantor. The Holders do not pay the nominated Guarantor interest on any money remaining after the nominated Guaranteed Money is paid.

### ***12.5 Credit from date of receipt***

A Guarantor is only credited with money from the date the relevant Holder actually receives it.

## **13 Dealing with interests**

A Holder may assign or otherwise deal with its rights under this document in any way it considers appropriate. If the Holder does this, a Guarantor may not claim against any assignee (or any other person who has an interest in this document) any right of set-off or other rights the Guarantor has against the Holder.

## **14 Notices**

### ***14.1 Form***

Unless expressly stated otherwise in this document, all notices, certificates, consents, approvals, waivers and other communications in connection with this document must be in writing, signed by an Authorised Officer of the sender and marked for attention as set out or referred to in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

### ***14.2 Delivery***

They must be:

- (a) left at the address set out or referred to in the Details; or
- (b) sent by prepaid post (airmail if appropriate) to the address set out or referred to in the Details;  
or
- (c) sent by fax to the fax number set out or referred to in the Details; or

(d) delivered to the Clearing System (if applicable).

However if the intended recipient has notified a changed postal address or changed fax number, then the communication must be to that address or number.

#### ***14.3 When effective***

They take effect from the time they are received unless a later time is specified in them.

#### ***14.4 Receipt—postal***

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

#### ***14.5 Receipt—fax***

If sent by fax, they are taken to be received at the time shown in the transmission report as the time that the whole fax was sent.

### **15 New Guarantors**

A person becomes a party to this document as a Guarantor (after the date of this document) by signing and delivering to the Original Guarantor an accession deed poll substantially in the form of Schedule 1 (“Form of New Guarantor Deed Poll”) to this document and doing any other thing necessary to ensure the enforceability of that person’s obligations as a Guarantor.

### **16 Release of Guarantors**

Notwithstanding any other term of this document (other than clause 5 (“Reinstatement of rights”)), the obligations of a Guarantor (other than the Original Guarantor) under the Programme Documents may be terminated by the Issuer giving notice to the Holders in accordance with the Conditions and publishing a notice in a newspaper circulating generally throughout England stating that the obligations of that Guarantor under the Programme Documents will be terminated and this guarantee revoked in respect of that Guarantor not less than 30 days from the publication date. Such revocation will not affect the liability of any other Guarantor not named in such notice.

### **17 General**

#### ***17.1 Prompt performance***

If a Programme Document specifies when a Guarantor agrees to perform an obligation, the Guarantor agrees to perform it by the time specified. Each Guarantor agrees to perform all other obligations promptly.

#### ***17.2 Consents***

Each Guarantor agrees to comply with all conditions in any consent a Holder gives in connection with a Programme Document.

#### ***17.3 Certificates***

A Holder may give a Guarantor a certificate about an amount payable or other matter in connection with a Programme Document. The certificate is sufficient evidence of the amount or matter, unless it is proved to be incorrect.

#### ***17.4 Set-off***

A Holder may set off any amount due for payment by the Holder to a Guarantor against any amount due for payment by the Guarantor to the Holder under a Programme Document.

#### ***17.5 Discretion in exercising rights***

A Holder may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless a Programme Document expressly states otherwise.

### ***17.6 Partial exercising of rights***

If a Holder does not exercise a right or remedy fully or at a given time, the Holder may still exercise it later.

### ***17.7 No liability for loss***

A Holder is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy.

### ***17.8 Conflict of interest***

A Holder's rights and remedies under a Programme Document may be exercised even if this involves a conflict of duty or the Holder has a personal interest in their exercise.

### ***17.9 Remedies cumulative***

A Holder's rights and remedies under a Programme Document are in addition to other rights and remedies given by law independently of any Programme Document.

### ***17.10 Indemnities***

The indemnities in this document are continuing obligations, independent of a Guarantor's other obligations under this document and continue after this document ends. It is not necessary for a Holder to incur expense or make payment before enforcing a right of indemnity under this document.

### ***17.11 Inconsistent law***

To the extent permitted by law, this Programme Document prevails to the extent it is inconsistent with any law.

### ***17.12 Supervening legislation***

Any present or future legislation which operates to vary the obligations of the Guarantors in connection with a Programme Document with the result that a Holder's rights, powers or remedies are adversely affected (including by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

### ***17.13 Time of the essence***

Time is of the essence in any Programme Document in respect of an obligation of a Guarantor to pay money.

### ***17.14 Variation and waiver***

Unless a Programme Document expressly states otherwise, a provision of any Programme Document, or right created under it, may not be waived or varied except in writing signed by the party or parties to be bound.

### ***17.15 Confidentiality***

Each party agrees not to disclose information provided by any other party that is not publicly available except:

- (a) in connection with any person exercising rights or dealing with rights or obligations under a Programme Document (including in connection with preparatory steps such as negotiating with any potential assignee of a Holder's rights or other person who is considering contracting with a Holder in connection with a Programme Document); or
- (b) to officers, employees, legal and other advisers and auditors of a Holder; or
- (c) to any party to a Programme Document or any Related Entity of any party to a Programme Document, provided the recipient agrees to act consistently with this clause; or

(d) with the consent of the party who provided the information (such consent not to be unreasonably withheld); or

(e) as required by any law, any Programme Document or stock exchange.

Each party consents to disclosures made in accordance with this clause.

## **18 Governing law and jurisdiction**

### ***18.1 Governing law***

This document and any non-contractual obligations arising out of or in connection with it shall be governed by the law in force in England.

### ***18.2 Jurisdiction***

The Guarantors agree that the courts of England have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this document (respectively, “**Proceedings**” and “**Disputes**”) and, for such purposes, irrevocably submit to the jurisdiction of such courts.

### ***18.3 Appropriate forum***

The Guarantors irrevocably waive any objection which it might have now or in the future to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

### ***18.4 Process agent***

Each Guarantor agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to King & Wood Mallesons SJ Berwin, 10 Queen Street Place, London EC4R 1BE at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on its behalf, it agrees, on the written demand of any Holder entitled to the benefit of this document, when addressed to it and delivered to it, appoint a further person in England to accept service of process on its behalf. Nothing in this paragraph affects the right of any Holder to serve process in any other manner permitted by law.

### ***18.5 Non-exclusivity***

The submission to the jurisdiction of the courts of England does not (and shall not be construed so as to) limit the right of any Holder to take Proceedings in any other court of competent jurisdiction, nor does the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

## **19 Interpretation**

### ***19.1 Definitions***

The following words share these meanings in this document unless the contrary intention appears.

**Conditions** means the conditions applicable to a Debt Instrument as set out in the Offering Circular.

**Costs** includes charges and expenses incurred in relation to the failure of a Guarantor to comply with its obligations under this document, including those incurred in connection with advisers.

**Controller** has the meaning it has in the Corporations Act.

**Debt Instrument** has the meaning in the Deed of Covenant.

**Deed of Covenant** means the deed poll entitled “Debt of Covenant” dated on or about the date of this document, executed by Aurizon Network Pty Ltd (ABN 78 132 181 116) in relation to the Programme.

**Default Rate** means the rate 2% per annum above the 60 day “Bank Bill Swap Reference Rate” last published on or before that day in The Australian Financial Review (or if no such rate is published, another rate set by the Holder in good faith).

**Guarantor** means the Original Guarantor and each Subsidiary of the Original Guarantor who becomes a Guarantor in accordance with clause 15 (“New Guarantors”), unless any such Subsidiary has ceased to be a Guarantor pursuant to this document.

**Guaranteed Money** means, at any time, in respect of Debt Instruments that are specified to have the benefit of this guarantee in the applicable Pricing Supplement to those Debt Instruments, all amounts then due for payment or which will or may become due for payment or which remain unpaid, by the Issuer to a Holder of any of those Debt Instruments (for its own account or for the account of another person) in connection with this document (including transactions in connection with them), but excluding those amounts:

- (a) which relate to any present or future tax, levy, impost, deduction, charge or duty (together with any related interest, penalty, fine or expense) levied or imposed by any government or any person charged with the administration of any law; and
- (b) created pursuant to an instrument or transaction which specifically excludes the application of this guarantee.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or
- (b) it has had a Controller appointed, is in liquidation, in provisional liquidation, under administration or wound up or has had a Receiver appointed to any part of its property; or
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the Holders); or
- (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 60 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the Holder reasonably deduces it is so subject); or
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

**Issuer** means, in respect of a Debt Instrument, Aurizon Network Pty Ltd (ABN 78 132 181 116) or such other person appointed under the Deed of Covenant as a new issuer and a reference to an Issuer in respect of an Debt Instrument is to the individual Issuer of such Debt Instrument or otherwise as the context requires.

**Offering Circular** means the most recent information memorandum issued by the Issuer in connection with the Debt Instruments and the Programme and dated on or about the date of this document, as amended, supplemented, updated or replaced from time to time including the documents incorporated by reference into the most recent information memorandum (including, without limitation, in the case of a Tranche of Debt Instruments, any relevant Pricing Supplement).

**Programme Documents** has the meaning it has in the Details.

**Related Entity** has the meaning it has in the Corporations Act.

## ***19.2 Terms defined in the Conditions***

A term which has a defined meaning in the Conditions has the same meaning when used in this document unless it is expressly defined in this document when the meaning in this document prevails.

### ***19.3 References to certain general terms***

Unless the contrary intention appears, in this document:

- (a) a reference to a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (c) an agreement, representation or warranty by two or more persons binds them jointly and each of them individually but an agreement, representation or warranty by a Holder binds a Holder individually only;
- (d) a reference to any thing (including an amount) is a reference to the whole and each part of it;
- (e) a reference to a document (including this document) includes any variation or replacement of it;
- (f) the word “law” includes common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (g) a reference to accounting standards is a reference to the accounting standards as defined in the Corporations Act and a reference to an accounting term is a reference to that term as it is used in those accounting standards, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia;
- (h) the word “person” includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (i) a reference to a particular person includes the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) the words “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (k) a reference to the Corporations Act is a reference to the Corporations Act 2001 (Cth).

### ***19.4 Number***

The singular includes the plural and vice versa.

### ***19.5 Headings***

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

### ***19.6 Cross guarantee***

This document takes effect as a cross-guarantee and cross-indemnity when one or more of the debtors under the Programme are the same as one or more of the Guarantors. In those circumstances it is a separate guarantee and indemnity in relation to each debtor as if that person were:

- (a) the only person referred to as a debtor; and
- (b) excluded from the definition of “Guarantor”.

**EXECUTED** as a deed poll

## Schedule 1 Form of New Guarantor Deed Poll

### Deed Poll

<b>New Guarantor</b>	Name	#insert full name#
	ABN/ACN/ARBN	#insert#
	Address	#insert#
	Telephone	#telephone number#
	Fax	#fax number#
	Attention	#insert#
<b>Original Agreement</b>	Guarantee Deed Poll made by, amongst others, Aurizon Network Pty Ltd (ABN 78 132 181 116) and dated on or about 2 September 2014.	
<b>Governing law of this document poll</b>	The same as the Original Agreement described above.	

**BY THIS DOCUMENT POLL** the New Guarantor described above, for the benefit of the parties to the Original Agreement:

- (a) irrevocably agrees that from the date of this document poll it is a Guarantor;
- (b) irrevocably agrees to comply with and be bound by all current and future obligations of a Guarantor under the Original Agreement;
- (c) acknowledges having read a copy of the Original Agreement before signing this document poll;
- (d) gives, as at the date of this document poll, all representations and warranties on the part of a Guarantor contained in the Original Agreement; and
- (e) acknowledges receiving valuable consideration for this document poll.

The "Interpretation" clause of the Original Agreement described above applies to this document poll as if it was fully set out in this document poll.

**DATED** [                    ]

**EXECUTED** as a deed poll

[Insert execution clause for New Guarantor]

## AUSTRALIAN TAXATION

### Australian Taxation

*The following is a summary of the withholding tax treatment under the Australian Tax Act and the Taxation Administration Act 1953 of Australia, at the date of this Offering Circular, of payments of interest (as defined in the Australian Tax Act) by the Issuer on the Debt Instruments and certain other Australian tax matters. A term used below but not otherwise defined has the meaning given to it in the Conditions. It is a general guide and should be treated with appropriate caution.*

*This summary applies to holders of Debt Instruments that are:*

- *residents of Australia for tax purposes that do not acquire or hold their Debt Instruments in carrying on a business outside of Australia, and non-residents of Australia for tax purposes that acquire and hold their Debt Instruments in carrying on a business at or through a permanent establishment in Australia (“**Australian Holders**”); and*
- *non-residents of Australia for tax purposes that do not acquire or hold their Debt Instruments in carrying on a business at or through a permanent establishment in Australia, and Australian tax residents that acquire and hold their Debt Instruments in 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 Holders (including, without limitation, dealers in securities, custodians or other third parties who hold Debt Instruments on behalf of any person), nor does it deal with Partly Paid Debt Instruments, Dual Currency Debt Instruments or Indexed Linked Debt Instruments. If such Debt Instruments are issued, their Australian taxation treatment will be summarised in the relevant Pricing Supplement.*

*In addition, unless expressly stated, this summary does not consider the Australian tax consequences for persons who hold interests in any Clearing System.*

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

*This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular Holder. Each Holder 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 Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act (“**Australian IWT**”) and dividend withholding tax. The Issuer intends to issue Debt Instruments which will be characterised as both “debt interests” and “debentures” for these purposes. If Debt Instruments are issued which are not so characterised, further information on the material Australian tax consequences of payments of interest and certain other amounts on those Debt Instruments will be specified in the relevant Pricing Supplement (or another relevant supplement to this Offering Circular).

For Australian IWT purposes, “interest” is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts.

#### *Australian Holders*

Payments of interest in respect of the Debt Instruments to Australian Holders should not be subject to Australian IWT.

#### *Non-Australian Holders*

Australian 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.

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

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

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

In broad terms, the requirements are as follows:

(i) the Issuer is a resident of Australia and a company (as defined in section 128F(9) of the Australian Tax Act) when it issues the Debt Instruments and when interest is paid;

(ii) the Debt Instruments are issued in a manner which satisfies the “public offer” test in section 128F of the Australian Tax Act.

In relation to the Debt Instruments, 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 Debt Instruments for issue. In summary, the five methods are:

- offers to 10 or more unrelated financiers, securities dealers or other entities that carry on the business of investing in securities in the course of operating in financial markets;
- offers to 100 or more investors of a certain type;
- offers of listed Debt Instruments;
- offers via publicly available information sources; or
- offers to a dealer, manager or underwriter who offers to sell the Debt Instruments within 30 days by one of the preceding methods;

(iii) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Debt Instruments (or interests in the Debt Instruments) were being, or would later be, acquired, directly or indirectly, by an “associate” of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act (see below); and

(iv) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an “associate” of the Issuer, except as permitted by section 128F(6) of the Australian Tax Act (see below).

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

- a 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 entity which holds more than 50% of the voting shares of, or otherwise controls, the Issuer.

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

(A) an onshore associate (ie an Australian resident associate who does not acquire the Debt Instruments in carrying on business at or through a permanent establishment outside Australia, or a non-Australian resident associate who acquires the Debt Instruments in carrying on business at or through a permanent establishment in Australia); or

(B) an offshore associate (ie an Australian resident associate who acquires the Debt Instruments in carrying on business at or through a permanent establishment outside Australia, or a non-Australian resident associate who does not acquire the Debt Instruments in carrying on business at or through a permanent establishment in Australia) who is acting in the capacity of:

(i) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Debt Instruments, or a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme; or

(ii) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme.

*(b) Exemptions under certain double tax conventions*

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

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

- governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and
- 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, including those which allow such an exemption.

*(c) Payment of additional amounts*

As set out in more detail in the Conditions for the Debt Instruments, and unless expressly provided to the contrary in the relevant Pricing Supplement (or another relevant supplement to this Offering Circular), if the Issuer is at any time required by law to withhold or deduct an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia in respect of the Debt Instruments, the Issuer must, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that each Holder is entitled to receive (at the time the payment is due) the amount it would have received if no such withholdings or deductions had been required to be made.

*(d) Payments under the Guarantee Deed Poll*

It is unclear whether or not any payment by a Guarantor under the Guarantee Deed Poll on account of interest owing by the Issuer in respect of the Debt Instruments 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 (“**ATO**”) has, however, published a Taxation Determination stating that payments by a guarantor in respect of debentures (such as the Debt Instruments) 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 as to whether the Taxation Determination applies in the context of the Guarantee Deed Poll and whether the reasoning adopted in the Taxation Determination is strictly correct.

If such payments are characterised as “interest” for Australian withholding tax purposes and an exemption is not available, 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 a Guarantor to Non-Australian Holders.

*(e) Debt Instruments in bearer form*

Section 126 of the Australian Tax Act imposes a type of withholding tax (see below in relation to the rate of withholding tax) on the payment of interest on debentures (such as the Bearer Debt Instruments) in bearer form if the issuer fails to disclose the names and addresses of the holders of the debentures to the ATO.

Section 126 does not, however, apply to the payment of interest on Bearer Debt Instruments 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 Debt Instruments has satisfied the requirements of section 128F of the Australian Tax Act or Australian IWT is payable.

In addition, the ATO has confirmed that for the purpose of section 126, the holder of debentures in bearer form is the person in possession of the debentures. Section 126 is, therefore, limited in its application to persons in possession of Bearer Debt Instruments 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 Debt Instruments are held through Euroclear, Clearstream Luxembourg or another clearing system, the Issuer intends to treat the relevant operator of the clearing system (or its nominee) as the holder of the Bearer Debt Instruments for the purposes of section 126.

The rate of withholding tax is 47% for the 2015-16 and 2016-17 income years and, under current law, will be reduced to 45% following the 2016-17 income year.

## 2. Other tax matters

Under Australian laws as presently in effect:

- *death duties*—no Debt Instruments 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, transfer or redemption of any Debt Instruments;
- *TFN/ABN withholding*—withholding tax is imposed (see below for 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 Debt Instruments, then such withholding should not apply to payments to a non-resident of Australia for tax purposes that does not derive the interest in connection with a business carried on at or through a permanent establishment in Australia.

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

- *additional withholdings from certain payments to non-residents*—the Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia (other than payments of interest and other amounts which are already subject to the current Australian IWT rules or specifically exempt from those rules). Regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents;
- *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 make any deduction required by that direction, and no additional amount will be payable to the Holder as set out in more detail in the Conditions;
- *supply withholding tax*—payments in respect of the Debt Instruments can be made free and clear of any “supply withholding tax” imposed under section 12-190 of Schedule 1 to the Taxation Administration Act 1953 of Australia;
- *goods and services tax (GST)*—neither the issue nor receipt of the Debt Instruments will give rise to a liability for GST in Australia on the basis that the supply of Debt Instruments 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 Debt Instruments, would give rise to any GST liability in Australia.

## 3. Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“CRS”) will require certain financial institutions to report information regarding certain accounts (which may include the Debt Instruments) to their local tax authority and follow related due diligence procedures. Holders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed the CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. A version of the CRS is expected to apply to Australian financial institutions with effect from 1 July 2017.

## SUBSCRIPTION AND SALE

Under the Programme Agreement dated 2 September 2014 between the Issuer, the Arrangers and the Dealers (as amended and supplemented from time to time, “**Programme Agreement**”), the Debt Instruments will be offered by the Issuer through the Dealers. The Issuer has the sole right to accept any offer to purchase Debt Instruments and may accept that offer in whole or (subject to the terms of the offer) in part. Each Dealer has the right to reject any offer to purchase Debt Instruments made to it in whole or (subject to the terms of such offer) in part. The Issuer is entitled under the Programme Agreement to appoint one or more Dealers as a dealer for a particular Tranche of Debt Instruments or the Programme generally.

Any of the Dealers or their respective affiliates may purchase the Debt Instruments for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Debt Instruments and/or other securities of the Issuer or the Guarantors or their respective subsidiaries or associates at the same time as the offer and sale of the Debt Instruments or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Debt Instruments to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Debt Instruments). Furthermore, investors in the Debt Instruments may include entities affiliated with the Group.

In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Debt Instruments under the Programme.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Debt Instruments subscribed by it. The Issuer has agreed to reimburse the Arrangers for their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Debt Instruments. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Debt Instruments in certain circumstances prior to payment for such Debt Instruments being made to the Issuer.

Each Dealer has agreed under the Programme Agreement and each further Dealer appointed under the Programme will be required to agree to comply with any applicable law or directive in any jurisdiction in which it may subscribe for, offer, sell, or transfer Debt Instruments and to not directly or indirectly subscribe for, offer, sell or transfer Debt Instruments or distribute any Offering Circular or other offering material in relation to the Debt Instruments in any jurisdiction, except in circumstances that will result in compliance by the Dealer with any applicable law or directive of that jurisdiction.

With regards to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

The following selling restrictions apply:

### **1 General**

No action has been taken in any jurisdiction that would permit a public offering of the Debt Instruments or possession or distribution of the Offering Circular or other offering material in any jurisdiction where action for that purpose is required.

Persons who receive this Offering Circular are required by the Issuer and the Dealers to comply with any applicable law and directive in each jurisdiction in which they purchase, offer, sell or deliver Debt Instruments or have in their possession or distribute or publish this Offering Circular or other offering material and to obtain any authorisation required by them for the purchase, offer, sale or delivery by them of any Debt Instruments under any applicable law or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries, in all cases at their own expense, and none of the Issuer, the Arrangers, or any Dealer has responsibility for such matters.

In these selling restrictions, “directive” includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply.

## 2 Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Debt Instruments has been or will be lodged with the Australian Securities and Investments Commission (“ASIC”). Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that unless the relevant Pricing Supplement (or another supplement to any Offering Circular) otherwise provides, it:

- (a) has not offered or invited applications, and will not offer or invite applications for the issue, sale or purchase of the Debt Instruments in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive Offering Circular or other offering material or advertisement relating to the Debt Instruments in Australia,

unless (i) the aggregate consideration payable by each offeree 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 under Part 6D.2 or 7.9 of the Corporations Act, (ii) such action complies with all applicable laws, regulations and directives in Australia (including without limitation the licensing regulations in Chapter 7 of the Corporations Act), and does not require any document to be lodged with ASIC and (iii) the offer or invitation is not made to a person in Australia who is a “retail client” for the purposes of Section 761G of the Corporations Act.

## 3 Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area (being the countries in the European Union plus Iceland, Norway and Liechtenstein) which has implemented the EU Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Debt Instruments to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Debt Instruments to the public in that Relevant Member State:

- (a) if the Pricing Supplement in relation to the Debt Instruments specifies that an offer of those Debt Instruments may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Debt Instruments which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the pricing supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or pricing supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

provided that no such offer of Debt Instruments referred to in 3(b) to 3(d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Debt Instruments to the public” in relation to any Debt Instruments in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Debt Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Debt Instruments, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means EU Prospectus Directive (2003/71/EC) and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State and

includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

#### **4. Selling Restrictions addressing additional United Kingdom Securities Laws**

In relation to each Tranche of Debt Instruments, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

- (a) **(regulated activities)** in relation to any Debt Instruments which have a maturity of less than one year from the date of issue, (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 Debt Instruments 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 Debt Instruments would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) by the Issuer;
- (b) **(investment advertisements)** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 Debt Instruments in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or (if applicable) the relevant Guarantor; and
- (c) **(general compliance)** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Debt Instruments in, from or otherwise involving the United Kingdom.

#### **5 The United States of America**

##### **Securities Act**

The Debt Instruments and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States.

Terms used in the following five paragraphs have the meanings given to them by Regulation S under the Securities Act.

Bearer Debt Instruments 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 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 and regulations thereunder.

The Debt Instruments may not be offered, sold, delivered or transferred within the United States of America, its territories or possessions 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.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver the Debt Instruments:

- (a) as part of their distribution at any time; and
- (b) otherwise until 40 days after completion of the distribution of an identifiable tranche of which such Debt Instruments are a part, as determined and certified to the Principal Paying Agent by the relevant Dealer (or, in the case of an identifiable tranche of which such Debt Instruments are a part of, identifiable tranche of Debt Instruments sold to or through more than one Dealer, by each of such Dealers with respect to Debt Instruments of an identifiable tranche purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer when all such Dealers have so certified),

within the United States of America or to, or for the account or benefit of, U.S. Persons.

Each Dealer has further represented and agreed and each further Dealer appointed under the Programme will be required to further represent and agree that it will have sent to each distributor to which it sells Debt Instruments during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Debt Instruments within the United States of America or to, or for the account or benefit of, U.S. Persons.

The Debt Instruments are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

Until 40 days after the commencement of the offering of any identifiable tranche of Debt Instruments, an offer or sale of Debt Instruments within the United States by any dealer or other distributor (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.

#### **Bearer Debt Instruments with a maturity of more than one year**

Bearer Debt Instruments with a maturity of more than one year are subject to United States tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to 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 and regulations under it.

In particular, in relation to Bearer Debt Instruments with a maturity of one year or more:

- (a) each Dealer has represented, and each further Dealer appointed under the Programme will be required to represent, that:
  - (i) except to the extent permitted under U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (“**D Rules**”) and § 1.163-5(c)(2)(i)(C) (“**C Rules**”):
    - (A) it has not offered or sold, and agreed that during the 40-day restricted period it will not offer or sell, Debt Instruments to a person who is within the United States or its possessions or to a United States person; and
    - (B) it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Debt Instruments that are sold during the restricted period;
  - (ii) it has, and it has agreed that throughout the restricted period it will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Debt Instruments are aware that such Debt Instruments may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
  - (iii) it is acquiring the Debt Instruments for purposes of resale in connection with their original issue and if it retains Debt Instruments for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulations §1.163-5(c)(2)(i)(D)(6); and
- (b) with respect to each affiliate that acquires from it Debt Instruments for the purpose of offering or selling such Debt Instruments during the restricted period, each Dealer has either:
  - (i) repeated and confirmed the representations and agreements contained in clause (a) on its behalf; or
  - (ii) agreed that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in clause (a).

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the D Rules.

#### **Index Linked Debt Instruments and Dual Currency Debt Instruments**

Each issue of Index Linked Debt Instruments and Dual Currency Debt Instruments may be subject to additional U.S. selling restrictions agreed between the Issuer and the relevant Dealer as a term of the issue and purchase of such Debt Instruments which are set out in the relevant Pricing Supplement. Each relevant Dealer will be required to agree that it will offer, sell or deliver those Debt Instruments only in compliance with those additional U.S. selling restrictions.

#### **6 Hong Kong**

In relation to each Tranche of Debt Instruments issued by the Issuer, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has not offered or sold, and will not offer or sell in Hong Kong, by means of any document, any Debt Instruments except for Debt Instruments which are a “structured product” as defined in the

Securities and Futures Ordinance (Cap 571) of Hong Kong other than (i) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; 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 or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (b) 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 Debt Instruments, 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 the Debt Instruments which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under it.

## 7 Singapore

This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Debt Instruments to be issued from time to time by the Issuer pursuant to the Programme may not be circulated or distributed, nor may the Debt Instruments be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), 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 the Debt Instruments are subscribed or purchased in reliance of an exemption under Sections 274 or 275 of the SFA, the Debt Instruments shall not be sold within the period of 6 months from the date of the initial acquisition of the Debt Instruments, except to any of the following persons:

- (i) an institutional investor (as defined in Section 4A of the SFA);
- (ii) a relevant person (as defined in Section 275(2) of the SFA); or
- (iii) any person pursuant to an offer referred to in Section 275(1A) of the SFA,

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

Where the Debt Instruments are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) 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
- (b) 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 (as defined in Section 239(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 Debt Instruments pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA and in accordance with the conditions specified in Section 275 of the SFA;
- (2) (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (3) where no consideration is or will be given for the transfer;
- (4) where the transfer is by operation of law;
- (5) pursuant to Section 276(7) of the SFA; or

- (6) pursuant to Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

## 8 Japan

The Debt Instruments have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (“**FIEA**”). Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold and will not offer or sell any Debt Instruments, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## 9 Canada

The Debt Instruments have not and will not be qualified for sale under the securities laws of any province or territory of Canada. Each Dealer appointed under the Programme has represented and agreed that:

- (a) it has not offered, sold or distributed and will not offer, sell or distribute any Debt Instruments directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with the applicable securities laws of any province or territory of Canada; and
- (b) it has not and will not distribute or deliver this Offering Circular, or any other offering material in connection with any offering of Debt Instruments in Canada, other than in compliance with the applicable securities laws of any province or territory of Canada.

Additional selling restrictions in relation to Canada may be set out in the relevant Pricing Supplement issued in respect of the issue of Debt Instruments. Each Dealer will be required to agree that it will offer, sell and distribute such Debt Instruments only in compliance with such additional Canadian selling restrictions.

## 10 Switzerland

In connection with the initial placement of any Debt Instruments in Switzerland, each Dealer appointed under the Programme agreed that the Debt Instruments have not been offered or sold and will not be offered or sold in Switzerland save for to a limited group of persons within the meaning of the Art. 652a(2) of the Swiss Code of Obligations of 30 March, 1911 (as amended).

## 11 Netherlands

Each Dealer represented, warranted and agreed that with effect from and including 1 January 2012 it will not make an offer of Debt Instruments which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless:

- (a) such offer is made exclusively to legal entities which are qualified investors (as defined in the Prospectus Directive and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in the Netherlands; or
- (b) a standard exemption logo and wording is disclosed as required by article 5:20(5) of the Dutch Financial Supervision Act (Wet op het financieel toezicht, “**FMSA**”); or
- (c) such offer is otherwise made in circumstances in which article 5:20(5) of the FMSA is not applicable,

provided that no such offer of Debt Instruments shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an “**offer of Notes to the public**” in relation to any Debt Instruments in the Netherlands; and (ii) “**Prospectus Directive**”, have the meaning given to them in paragraph 3 above.

Notwithstanding the above, Zero Coupon Debt Instruments may not, directly or indirectly, as part of their initial distribution (or immediately thereafter) or as part of any re-offering be offered, sold, transferred or delivered in the Netherlands. For purposes of this paragraph **“Zero Coupon Debt Instruments”** are Debt Instruments that are in bearer form (whether in definitive or in global form) and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

## **12 People’s Republic of China**

Each Dealer represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Debt Instruments are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan) (**“PRC”**), except as permitted by all relevant laws and regulations of the PRC.

This Offering Circular does not constitute an offer to sell, or the solicitation of an offer to buy, any Debt Instruments in the PRC to any person to whom it is unlawful to make the offer of solicitation in the PRC.

The Debt Instruments may not be offered, sold or delivered, or offered, sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly (i) by means of any advertisement, invitation, document or activity which is directed at, or the contents of which are likely to be accessed or read by, the public in the PRC, or (ii) to any person within the PRC, other than in full compliance with the relevant laws and regulations of the PRC.

Investors in the PRC are responsible for obtaining all relevant government regulatory approvals/licences, verification and/or registrations themselves, including, but not limited to, those which may be required by the China Securities Regulatory Commission, the State Administration of Foreign Exchange and/or the China Banking Regulatory Commission, and complying with all relevant PRC laws and regulations, including, but not limited to, all relevant foreign exchange regulations and/or securities investment regulations.

## **13 New Zealand**

Neither the Issuer, nor (if applicable) any Guarantor, intends for the Debt Instruments to be offered to the public in New Zealand in terms of the Securities Act 1978 of New Zealand (**“NZ Securities Act”**). Accordingly, no investment statement or prospectus (each as defined in the NZ Securities Act) has been or will be prepared or (in the case of a prospectus) registered under the NZ Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold, and will not offer or sell, directly or indirectly, any Debt Instruments; and
- (b) it has not distributed and will not distribute, directly or indirectly, any offering materials or advertisement in relation to any offer of Debt Instruments,

in each case, in New Zealand other than,

- (i) to persons who are “wholesale investors” as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the Financial Markets Conduct Act 2013 of New Zealand (**“FMC Act”**), being a person who is:
  - an “investment business”;
  - “large”; or
  - a “government agency”,

in each case as defined in Schedule 1 to the FMC Act; or

- (ii) in other circumstances where there is no contravention of the FMC Act, provided that Notes may not be offered or transferred to any “eligible investors” (as defined in the FMC Act) or any person that meets the investment activity criteria specified in clause 38 of Schedule 1 to the FMC Act.

## **14 General**

These selling restrictions may be changed by the Issuer after consultation with the Arrangers and the Dealers following a change in any law or directive or in its interpretation or administration by an authority

or the introduction of a new law or directive. Any change will be set out in the Pricing Supplement issued in respect of the Debt Instruments to which it relates (or in another supplement to this Offering Circular).

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Debt Instruments, or possession or distribution of the Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Debt Instruments or has in its possession or distributes the Offering Circular, any other offering material or any Pricing Supplement therefore in all cases at its own expense.

## GENERAL INFORMATION

### Listing of the Debt Instruments

Application has been made to the SGX-ST for permission to deal in and the listing and quotation for any Debt Instruments 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 Official List of the SGX-ST. For so long as any Debt Instruments are listed on the Official List of SGX-ST and the rules of the SGX-ST so require, the relevant Issuer shall appoint and maintain a paying agent in Singapore, where such Debt Instruments may be presented or surrendered for payment or redemption, in the event that the global Debt Instrument(s) representing such Debt Instruments is exchanged for definitive Debt Instruments. In addition, in the event that the global Debt Instrument(s) is exchanged for definitive Debt Instruments, an announcement of such exchange will be made by or on behalf of the relevant Issuer or the Issuer, as the case may be, through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Debt Instruments, including details of the paying agent in Singapore.

### Authorisations

The establishment of the Programme was authorised by a resolution of the Board of Directors of the Issuer on 15 August 2014. The Issuer and the Guarantors have obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the establishment of the Programme, the issue and performance of the Debt Instruments. The update of the Programme was authorised by a resolution of the Board of Directors of the Issuer on 24 June 2015.

No Australian governmental approvals are currently required for or in connection with the issue of Debt Instruments by the Issuer or for or in connection with the performance and enforceability of such Debt Instruments or the Guarantee. However, the Banking (Foreign Exchange) Regulations and other regulations in Australia prohibit payments, transactions and dealings with assets or named individuals or entities subject to international sanctions or associated with terrorism.

### Documents Available

For as long as the Programme remains in effect or any Debt Instruments are outstanding, copies of the following documents may be inspected during normal business hours at the principal office of the Issuer, namely:

- (a) the constitution of the Issuer;
- (b) the current Offering Circular and any supplementary Offering Circular in relation to the Programme, together with any amendments;
- (c) any reports, letters or other documents referred to in this Offering Circular;
- (d) the Deed of Covenant;
- (e) the Guarantee Deed Poll;
- (f) the Programme Agreement;
- (g) the accounts and consolidated accounts of the Issuer beginning with the accounts for the years ended 30 June 2014 and 30 June 2015; and
- (h) any documents incorporated into this Offering Circular by reference (see “Documents Incorporated by Reference” above).

### Significant or material change

There has been no significant change in the financial or trading position of Aurizon Network Pty Ltd and its Subsidiaries since 30 June 2015 and there has been no material adverse change in the financial position or prospects of Aurizon Network Pty Ltd and its Subsidiaries since 30 June 2015, except to the extent disclosed in this Offering Circular.

### Litigation

Neither the Issuer nor any of its Subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which any of them is aware) during the 12 months preceding the date of this Offering Circular which may have or has

had in the recent past a material adverse effect on the business or financial position of the Issuer or the Group.

### **Independent Auditors**

The consolidated financial statements incorporated by reference herein for the years ended 30 June 2014 and 30 June 2015 have been audited in accordance with Australian Auditing Standards by PricewaterhouseCoopers.

No financial information in this Offering Circular other than the financial statements incorporated by reference (see section headed “Documents Incorporated by Reference” above) has been audited. Where in this Offering Circular it indicates that the Issuer’s financial statements have been audited, these statements will have been audited according to Australian auditing requirements. Australian auditing requirements have no significant departures from International Standards on Auditing.

### **ISIN and Common Code**

The relevant ISIN and Common Code and (where applicable) the identification number for any other relevant clearing system for each series of Debt Instruments will be specified in the applicable Pricing Supplement. If the Debt Instruments are to clear through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement.

### **Dealers’ Interests**

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 perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer’s affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Debt Instruments issued under the Programme. Any such short positions could adversely affect future trading prices of Debt Instruments issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## DIRECTORY

### The Issuer

#### **Aurizon Network Pty Ltd**

Level 17  
175 Eagle Street  
Brisbane QLD 4000

### Arrangers and Dealers

**Credit Suisse  
Securities  
(Europe) Limited**  
One Cabot Square  
E14 4QJ London  
United Kingdom

**Goldman Sachs  
International**  
Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

**Merrill Lynch  
International**  
2, King Edward  
Street  
London EC1A 1HQ

**RBC Europe Limited**  
Riverbank House  
2 Swan Lane  
London, EC4R 3BF

### **Principal and Paying Agent, Issuing and Paying Agent, Calculation Agent**

#### **The Bank of New York Mellon, London Branch**

One Canada Square  
London, E14 5AL

### **Registrar**

#### **The Bank of New York Mellon (Luxembourg) S.A.**

2-4 rue Eugene Ruppert  
Vertigo Building—Polaris  
L-2453 Luxembourg

### **Legal Advisers**

To the Issuer and Guarantors as to Australian  
and English law

#### **King & Wood Mallesons**

Level 61  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
Australia

To the Arrangers and Dealers as to Australian  
and English law

#### **Allens**

Level 37  
101 Collins Street  
Melbourne VIC 3000  
Australia

and

#### **Linklaters**

10<sup>th</sup> Floor  
Alexandra House  
18 Chater Road  
Hong Kong

### **Auditors**

*To the Issuer and the Guarantors*

#### **PricewaterhouseCoopers**

Riverside Centre  
Level 15  
123 Eagle Street  
Brisbane QLD 4000  
Australia



**AURIZON<sup>®</sup>**