



## Centuria Capital No. 2 Fund Secured Redeemable Note Prospectus

THE OFFER IS MADE BY CENTURIA FUNDS MANAGEMENT LIMITED  
ACN 607 153 588 AS TRUSTEE OF CENTURIA CAPITAL NO. 2 FUND  
ABN 24 858 616 727 FOR SECURED REDEEMABLE NOTES TO RAISE  
\$190 MILLION, WITH THE ABILITY TO RAISE MORE OR LESS.

30 March 2021

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### JOINT LEAD MANAGERS



MORGANS FINANCIAL LIMITED



NATIONAL AUSTRALIA BANK



SHAW AND PARTNERS



WESTPAC INSTITUTIONAL BANK

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### CO-MANAGER



ALTERIS PRIVATE

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# Important Information

## Prospectus

This Prospectus is issued by Centuria Funds Management Limited ACN 607 153 588 as trustee of the Centuria Capital No. 2 Fund ABN 24 858 616 727 (Issuer) and relates to an offer by the Issuer of \$190 million of Notes, with the ability to raise more or less. Centuria Capital No. 2 Fund has received firms bids for, and has allocated, \$190 million to the Institutional Offer and the Broker Firm Offer and intends to seek up to an additional \$20 million under the Securityholder Offer. The final size of the Offer will depend upon the applications received under the Securityholder Offer.

This Prospectus is dated 30 March 2021 (Prospectus Date) and was lodged with ASIC on that date. This is a replacement prospectus that replaces the prospectus dated and lodged with ASIC on 22 March 2021 (Original Prospectus). No Notes will be issued on the basis of this Prospectus later than 13 months after the Prospectus Date.

The Issuer has applied to ASX for admission of the Issuer to the Official List as an ASX Debt Listing and for quotation of the Notes on ASX.

Admission is conditional on ASX approving the application for admission and quotation of the Notes. If approval is not given within three months after the Prospectus Date (or any longer period permitted by law), the Offer will be withdrawn and all Application Money will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Centuria Capital Limited, part of Centuria Capital Group (ASX:CNI), has unconditionally and irrevocably guaranteed the performance of the Issuer's obligations under the Notes (Guarantee). See Section 2.4 for details.

## No representation other than in this Prospectus

No person is authorised to give any information or to make any representation in connection with the Offer, which is not included in this Prospectus. Any information or representation not included in this Prospectus may not be relied on as having been authorised by the Issuer, the Directors, or any other person involved in the preparation of the Prospectus or the making of the Offer. In making any investment decision you should rely only on the information in this Prospectus.

None of the Joint Lead Managers has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based. Each of those parties expressly disclaims all liability in respect of, makes no representations regarding, and takes no responsibility for, any statements in, or omissions from, this Prospectus.

Unless otherwise indicated, all information in this Prospectus, while subject to change from time to time, is current as at the date of this Prospectus.

## Exposure Period

The Original Prospectus was circulated during the Exposure Period. The purpose of the Exposure Period was to enable the Original Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in the Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the Expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

## Electronic Prospectus and Application Form

This Prospectus will generally be made available in electronic form by being posted on the Issuer's website at [centuria.com.au/C2FHA](http://centuria.com.au/C2FHA). A hard copy of the Prospectus and the Application Form is available free of charge to any person in Australia or New Zealand by calling the Issuer's Offer Information Line on 1300 721 637 (within Australia) or +61 2 8023 5428 (outside Australia) between 8.30am and 5.00pm (Sydney time) Monday to Friday during the Offer Period.

## Applications

Applications for Notes under this Prospectus may only be made during the Offer Period on the Application Form included in, or accompanying, this Prospectus in its hard copy form, or in its electronic form which must be downloaded in its entirety from [centuria.com.au/C2FHA](http://centuria.com.au/C2FHA), together with an electronic copy of this Prospectus. By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is included in, or accompanied by, this Prospectus in its hard copy form or the complete and unaltered electronic copy of this Prospectus.

The Issuer reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

To the extent permitted by law, each of the Issuer, the Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who trade Notes before receiving their holding statement, whether on the basis of a confirmation of allocation provided by any of them, by the Issuer's Offer Information Line, by a broker or otherwise.

## Selling restrictions in foreign jurisdictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify this Prospectus, the Notes or the Offer, or to otherwise permit a public offering of Notes, in any jurisdiction outside Australia or New Zealand.

The distribution of this Prospectus (including in electronic form) outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia or New Zealand should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Applicants who are resident in countries other than Australia or New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

In particular, this Prospectus may not be released or distributed in the United States. The Notes and the Guarantee have not been, and will not be, registered under the US Securities Act of 1933, as amended (US Securities Act) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States unless the Notes and the Guarantee are registered under the US Securities Act or are offered and sold in transactions exempt from, or not subject to the registration requirements of the US Securities Act and any other applicable securities laws in the United States.

## Not investment advice

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation and particular needs (including financial and tax issues) of any prospective investor. You should seek professional investment advice before subscribing for Notes under this Prospectus.

# Important Information

## Consider risks of investment

It is important that you read this Prospectus carefully and in full before deciding whether or not to invest in the Issuer. There are risks associated with an investment in the Issuer. In considering the prospects of the Issuer, you should consider the risk factors that could affect the Issuer's business, financial condition and results of operations. Some of the key risk factors that should be considered by prospective investors are set out in Section 6 of this Prospectus. You should consider these factors carefully in light of your investment objectives, financial situation and particular needs (including financial and taxation issues). There may be risk factors in addition to these that should be considered in light of your personal circumstances. If you have any queries in connection with this Prospectus or in relation to an investment in the Issuer, you should seek advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether or not to invest in the Notes.

## Disclosing entity

If admitted to the Official List, the Issuer will be a disclosing entity for the purposes of the Corporations Act and, as such, will be subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

## Statements of past performance

This Prospectus includes information regarding the past performance of the Issuer and Centuria Capital Group. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

## Financial information

Section 4 of this Prospectus sets out in detail the financial information of the Fund. The basis of preparation of the financial information is set out in Section 4.1.

The Fund's financial year end is 30 June. All references to FY2019, FY2020 and HY2021 appearing in this Prospectus are to the financial years ended 30 June 2019 and 30 June 2020 and half year ended 31 December 2020 respectively, unless otherwise indicated.

The financial information is presented in an abbreviated form. It does not include all of the presentation and disclosures required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Investors should be aware that certain financial data included in this Prospectus is 'non-IFRS financial information' under Regulatory Guide 230 Disclosing non-IFRS financial information, published by ASIC. Non-IFRS information can provide useful information to users in measuring the financial performance and condition of the Issuer. The non-IFRS measures do not have standardised meanings prescribed by Australian Accounting Standards and may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned not to place undue reliance on any non-IFRS financial information, ratios and metrics included in this Prospectus.

## Financial amounts

All financial amounts contained in this Prospectus are expressed in Australian dollars. All financial amounts are rounded to the nearest \$'000 (thousand) unless otherwise stated. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

## Forward looking statements

This Prospectus contains forward looking statements which may be identified by words such as "believes", "considers", "could", "estimates", "expects", "intends", "may", and other similar words that involve risks and uncertainties. Certain statements, beliefs and opinions contained in this Prospectus, particularly those regarding the possible or assumed future financial or other performance of the Issuer or Centuria Capital Group, industry growth or other trend projections are or may be forward-looking statements.

Any forward looking statements are subject to various known and unknown risk factors that could cause the Issuer's actual results and circumstances to differ materially from the results and circumstances expressed or anticipated in these statements. Such statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Issuer or its Directors and management. Forward looking statements should be read in conjunction with, and are qualified by reference to, the risk factors as set out in Section 6 and other information in this Prospectus.

The Directors and the Joint Lead Managers cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Issuer has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except to the extent required by law.

## Warning Statement for New Zealand investors

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is sub-part 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial market regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

# Important Information

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

## No cooling off rights

Cooling off rights do not apply to an investment in Notes offered under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application.

## Photographs and diagrams

Photographs and diagrams used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets or products shown in them are, or on Completion will be, owned, sold or supplied by the Issuer. Maps and diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

## Documents available on website

Any references to documents included on the Issuer's website at **centuria.com.au/C2FHA** are provided for convenience only, and none of the documents or other information available on that website or any other website referred to in the sources contained in this Prospectus, is incorporated in this Prospectus by reference.

## Defined terms and time

Defined terms and abbreviations used in this Prospectus, unless specified otherwise, have the meanings given in the glossary of this Prospectus at Appendix A.

Unless otherwise stated, references to times in this Prospectus are to the time in Sydney, New South Wales.

Unless otherwise stated, references to dates or years are calendar year references.

## Independent Limited Assurance Report on Financial Information and financial services guide

The provider of the Independent Limited Assurance Report on the Financial Information is required to provide Australian retail investors with a financial services guide in relation to its independent limited review under the Corporations Act. The Independent Limited Assurance Report and accompanying financial services guide are provided in Section 5 of this Prospectus.

## Privacy

By completing an Application Form, you are providing personal information to the Issuer and to the Registry, which is contracted by the Issuer to manage Applications. The Issuer and the Registry on its behalf, may collect, hold, use and disclose that personal information for the purpose of processing your Application, servicing your needs as a Noteholder, providing facilities and services that you need or request and carrying out appropriate various administrative functions. Access to the information collected may be provided to the Issuer's agents and service providers and to ASX, ASIC and other regulatory bodies or as otherwise authorised under the Privacy Act 1988 (Cth) (as applicable). If you do not provide the information requested in the Application Form, the Issuer and the Registry may not be able to process or accept your Application.

Once you become a Noteholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Notes you hold) to be included in the Note register of the Issuer. In accordance with the requirements of the Corporations Act, information on the Note register will be accessible by members of the public. The information must continue to be included in the Note register if you cease to be a Noteholder.

The Issuer and Registry may disclose your personal information from time to time to inform you about other products and services offered by the Issuer which they consider may be of interest to you. Your personal information may also be provided to the Issuer's agents and service providers on the basis that they deal with such information in accordance with the Issuer's privacy policy. The agents and service providers of the Issuer may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. Agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared include those listed below or as otherwise authorised under the Privacy Act 1988 (Cth):

- the Registry for ongoing administration of the Note register;
- the Joint Lead Managers in order to assess your Application;
- brokers for the purpose of providing their services;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Noteholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, management consultants and other advisers for the purpose of administering, and advising on, the Notes and for associated actions.

Information contained in the Issuer's Note register is also used to facilitate corporate communications (including the Issuer's financial results, annual reports and other information that the Issuer may wish to communicate to its Noteholders) and for compliance with legal and regulatory requirements.

An Applicant has a right to access, correct and update his or her personal information held by or on behalf of the Issuer, subject to certain exemptions under law. A reasonable fee may be charged for access. Access requests must be made in writing or by telephone call to the Issuer's registered office or the Registry's office, details of which are disclosed in the corporate directory on the final page of this Prospectus. The Issuer will aim to ensure that the personal information it retains about you is accurate, complete and up to date. To assist with this, please contact the Issuer or the Registry if any of the details you have provided change.

By submitting an Application, you agree that the Issuer and the Registry may communicate with you in electronic form or contact you by telephone in relation to the Offer.

## Questions

If you have any questions about this Prospectus or how to apply for Notes, you should seek advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser. Instructions on how to apply for Notes are set out in Section 9 and on the Application Form. Alternatively, please contact the Issuer's Offer Information Line on 1300 721 637 (within Australia) or +61 2 8023 5428 (outside Australia) between 8.30am and 5:00pm (Sydney time) Monday to Friday during the Offer Period.

**This document is important and should be read in its entirety before making any investment decision.**



# Important Information

## How to Apply

### 1. Read this Prospectus in full

This Prospectus is important and should be read in its entirety. This Prospectus differs from the Original Prospectus, and so you are encouraged to read this Prospectus even if you have read the Original Prospectus.

You should have particular regard to the:

- **Important notices** at the front of this Prospectus;
- **Investment overview** in Section 1 and **About the Notes** in Section 2;
- **Risks** in Section 6; and
- **Terms of Issue** in Appendix B.

In considering whether to apply for Notes, it is important that you consider all risks and other information regarding an investment in Notes in light of your particular investment objectives and circumstances.

### 2. Speak to your professional adviser

If you are unsure whether to apply for Notes, you should seek professional guidance from an independent and appropriately licensed professional adviser before deciding whether to invest.

### 3. Consider ASIC guidance for retail investors

ASIC has published guidance on its MoneySmart website, which may be relevant to your consideration of whether to invest in Notes. ASIC's guidance is called "Investing in corporate bonds?" and can be found at [www.moneysmart.gov.au](http://www.moneysmart.gov.au).

### 4. Complete and submit your Application Form and Application Money (as necessary)

The application process varies depending on whether you participate in the Institutional Offer, Broker Firm Offer or Securityholder Offer.

If you have decided to apply for Notes under the Securityholder Offer, you need to apply using the Application Form (in electronic form) attached to or accompanying this Prospectus. Your Application Form and payment of the Application Money (by BPAY®) must be received by the Closing Date for the Securityholder Offer, expected to be 5.00pm (Sydney time) on 14 April 2021.

To facilitate payment of Application Money from Eligible Securityholders resident in New Zealand (New Zealand Securityholders), who apply for Notes, in addition to the option of paying via BPAY® in Australian currency, New Zealand Securityholders can remit their Application Money by international electronic funds transfer (EFT) in Australian dollars to the Issuer's Australian bank account. Detailed instructions on how to make payment by EFT for NZ holders are contained in the confirmation page on the website. A confirmation email will also be sent to you after submitting your application online confirming the details.

If you are applying under the Broker Firm Offer, you should contact your Broker. Your application must be received by the Closing Date for the Broker Firm Offer, expected to be 5.00pm (Sydney time) on 14 April 2021.

The Offer may close early so you are encouraged to consider submitting your application as soon as possible after the Opening Date.

See Section 9.2 for more details on how to apply for Notes.

## Changes in this Prospectus from the Original Prospectus

This Prospectus dated 30 March 2021 differs from the Original Prospectus in certain respects. The key differences are set out below:

- The Bookbuild to determine the Margin was completed on 25 March 2021, with the Margin set at 4.25% per annum.
- The Issuer has increased the size of the Offer to \$190 million, with the ability to raise more or less. Centuria Capital No. 2 Fund has received firms bids for, and has allocated, \$190 million to the Institutional Offer and the Broker Firm Offer and intends to seek up to an additional \$20 million under the Securityholder Offer. The final size of the Offer will depend upon the applications received under the Securityholder Offer. As a result, consequential changes have been made to this Prospectus (including the pro forma historical financial information in Section 4.5 and the financial ratios in Section 4.6). The expenses of the Offer are now expected to be approximately \$3.85 million with net proceeds of approximately \$206.15 million.

## Key Dates

### KEY DATES FOR THE OFFER

<b>Record Date for Eligible Securityholders</b>	7.00pm on 12 March 2021
<b>Lodgement of the Original Prospectus with ASIC</b>	22 March 2021
<b>Bookbuild to determine the Margin</b>	25 March 2021
<b>Announcement of the Margin</b>	26 March 2021
<b>Lodgement of this Prospectus with ASIC</b>	30 March 2021
<b>Opening Date for the Offer</b>	30 March 2021
<b>Closing Date for the Securityholder Offer</b>	5.00pm on 14 April 2021
<b>Closing Date for the Broker Firm Offer</b>	5.00pm on 14 April 2021
<b>Issue of Notes</b>	20 April 2021
<b>Notes begin trading on ASX (normal settlement basis)</b>	21 April 2021
<b>Expected dispatch of holding statements</b>	22 April 2021

This timetable is indicative only and may change. The Issuer, in consultation with the Joint Lead Managers, reserves the right to vary any and all of the above dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act), to close the Offer early, to extend the Offer Period, to accept late Applications (either generally or in particular cases), or to cancel or withdraw the Offer, in each case without notifying any recipient of this Prospectus or Applicants. If the Offer is cancelled or withdrawn before the issue of Notes, then all Application Money will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

Unless otherwise indicated, all times are Sydney time.

### KEY DATES FOR NOTE

<b>First Interest Payment Date<sup>1</sup></b>	20 July 2021
<b>Maturity Date</b>	20 April 2026

<sup>1</sup> Interest Payments are scheduled to be paid quarterly in arrears on the Interest Payment Dates being 20 July, 20 October, 20 January, and 20 April each year. If any Interest Payment Date is not a Business Day, then the Interest Payment Date will occur on the next Business Day.







# Letter from the Chairman



**GARRY CHARNY**

Chairman

Dear Investor,

On behalf of the Board, I invite you to consider the opportunity to invest in notes (**Notes**) to be issued by Centuria Funds Management Limited as trustee of the Centuria Capital No. 2 Fund (**Issuer**).

Centuria Capital No. 2 Fund is a 100% owned subsidiary of Australian ASX-listed specialist investment manager, Centuria Capital Group (ASX:CNI).

Centuria Capital No. 2 Fund holds strategic equity investments in a number of listed and unlisted property investments managed by Centuria Capital Group entities including Centuria Industrial REIT (ASX:CIP) and Centuria Office REIT (ASX:COF).

Centuria Capital No. 2 Fund intends to raise \$190 million through the offer of Notes, with the ability to raise more or less (Offer). Centuria Capital No. 2 Fund has received firms bids for, and has allocated, \$190 million to the Institutional Offer and the Broker Firm Offer and intends to seek up to an additional \$20 million under the Securityholder Offer. The final size of the Offer will depend upon the applications received under the Securityholder Offer. The proceeds of the Offer will be used to:

- redeem \$28.5 million of Wholesale Notes that mature in April 2021;
- redeem \$45 million of fixed rate Wholesale Notes that mature in April 2023; and
- support Centuria Capital Group's REIT co-investment programme, strategic acquisitions and to accelerate the growth of the unlisted property funds division.

The Notes are secured notes with a Maturity Date of 20 April 2026, five years after the Issue Date, and are intended to be listed on ASX.


Noteholders will be entitled to receive interest payments every quarter. The Interest Rate applicable to the Notes is equal to the Bank Bill Rate plus a Margin. The Margin is 4.25% per annum.

The payment of principal and interest in respect of the Notes will be guaranteed by Centuria Capital Limited, one of the stapled entities constituting the Centuria Capital Group. The payment of principal and interest in respect of the Notes will also be secured by first ranking security granted by the Issuer and the Issuer Subsidiaries.

This Prospectus contains information about the Issuer and the Offer. You should read this Prospectus carefully and, in particular, you should consider the risk factors in Section 6 before deciding whether to invest in the Notes.

If, after reading this Prospectus, you have any questions about the Offer or how to apply for Notes, please call the Issuer's Offer Information Line on 1300 721 637 (within Australia) or +61 2 8023 5428 (outside Australia) (Monday to Friday, 8.30am to 5.00pm (Sydney time) or contact your stockbroker. I also encourage you to seek advice from your licensed financial adviser or other professional adviser.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Garry Charny', written in a cursive style.

**GARRY CHARNY**

Chairman



# Investment Overview

## Section 1

This Section provides a summary of information that is key to a decision on whether to invest in the Notes. This is a summary only. Investors should read this entire Prospectus carefully. You should also consult your licensed financial adviser or other professional adviser.

### 1.1 Key Features of the Offer

Topic	Summary	More Information
<b>Who is the Issuer?</b>	Centuria Funds Management Limited as trustee of the Centuria Capital No. 2 Fund. The Issuer is wholly owned by Centuria Capital Group (ASX:CNI), an ASX-listed specialist investment manager with a market capitalisation of \$1.4 billion (as at 19 March 2021.)	Section 3
<b>What are the Notes?</b>	The Notes are: <b>fully paid</b> - the full Face Value of \$100 must be paid to the Issuer before a Note will be issued; <b>term</b> - the Notes have a five-year term and all outstanding Notes must be redeemed on or before their Maturity Date, being 20 April 2026; <b>redeemable</b> - the Issuer may elect to redeem the Notes before their Maturity Date on certain optional redemption dates. The Issuer may also be required to redeem the Notes early in certain circumstances; <b>guaranteed</b> - the Issuer's obligation to make payments under the Terms is guaranteed by certain members of the Centuria Capital Group; <b>secured</b> - the Notes are secured by first ranking security over assets of the Issuer and certain members of the Centuria Capital Group; and <b>listed</b> - the Issuer has applied to be admitted to the Official List and for the Notes to be quoted on ASX.	Section 2
<b>What are the key Offer details?</b>	The Offer size is \$190 million, with the ability to raise more or less. Centuria Capital No. 2 Fund has received firms bids for, and has allocated, \$190 million to the Institutional Offer and the Broker Firm Offer and intends to seek up to an additional \$20 million under the Securityholder Offer. The final size of the Offer will depend upon the applications received under the Securityholder Offer. The Issue Price is \$100 per Note. This is also the Face Value of Notes.	Section 9
<b>What is the purpose of the Offer?</b>	The proceeds of the Offer will be used to: <ul style="list-style-type: none"><li>• redeem \$28.5 million of Wholesale Notes that mature in April 2021;</li><li>• redeem \$45 million of fixed rate Wholesale Notes that mature in April 2023; and</li><li>• support Centuria Capital Group's REIT co-investment programme, strategic acquisitions and to accelerate the growth of the unlisted property funds division.</li></ul>	Section 4.5
<b>Important matters to be aware of</b>	<b>ASX listed</b> The Notes are expected to be quoted on ASX. Noteholders may seek to sell Notes on ASX, but there is no guarantee they will be able to do so, or do so at an acceptable price. This may particularly be the case if the Issuer's financial position or performance, or broader economic or market conditions, materially deteriorate <b>Seek professional advice</b> If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in Notes, you should seek professional guidance from an independent and appropriately licensed or authorised professional adviser.	Section 6

# Investment Overview

## Section 1

### 1.2 Key Terms of Notes

Topic	Summary	More Information
<b>Interest payments</b>	Interest payments are payable quarterly in arrears. Floating interest rate equal to the Bank Bill Rate plus the Margin. The Margin was determined under the Bookbuild and is 4.25% per annum. Interest Payments will not have any franking credits attached to them.	Section 2.2
<b>Maturity Date</b>	20 April 2026 (five years after the Issue Date). The Issuer is not obliged to redeem Notes before the Maturity Date except in certain limited circumstances. The circumstances in which the Issuer may redeem Notes before the Maturity Date are described below.	Section 2.3.2
<b>The Issuer's redemption rights</b>	The Issuer may redeem all or some of the Notes on each date that is 18 months, 12 months and six months before the Maturity Date. If the Notes are redeemed 18 months before the Maturity Date the Issuer must pay 101% of the Face Value on redemption. If the Notes are redeemed 12 or six months before the Maturity Date the Issuer must pay the Face Value on redemption.  The Issuer may redeem Notes at Face Value following certain asset disposals. The Issuer may redeem all, but not some, of the Notes at Face Value if a Tax Event occurs.	Sections 2.3.1, 2.3.6, 2.3.7
<b>Noteholders' redemption rights</b>	Noteholders have no redemption rights before the Maturity Date, except where there is a Change of Control or an Event of Default.  On a Change of Control the Issuer must redeem Notes at a price equal to 105% of the Face Value of the Notes.  On an Event of Default the Issuer may be required to redeem Notes at Face Value.	Section 2.3.5, 2.3.6
<b>Purchase of Notes by the Issuer</b>	The Issuer and any of its related bodies corporate may at any time purchase Notes in the open market, by agreement with any Noteholder or otherwise and at any price. Notes so purchased may be held, resold or cancelled at the discretion of the Issuer, subject to compliance with any applicable law or requirement of ASX.	Section 2.3.9
<b>Guarantee</b>	The Issuer's obligation to repay the Notes and pay Interest is guaranteed by Centuria Capital Limited, one of the stapled entities constituting the Centuria Capital Group, and by Centuria Investment Holdings Pty Ltd as trustee of the Centuria Capital No. 2 Office Fund and Centuria Investment Holdings Pty Ltd as trustee of the Centuria Capital No. 2 Industrial Fund (the Issuer Subsidiaries).	Section 2.4
<b>Security</b>	Notes are secured under first ranking security over the assets of the Issuer and the Issuer Subsidiaries.	Section 2.5
<b>Ranking</b>	Notes constitute direct, secured, unconditional and unsubordinated obligations of the Issuer. The Notes rank: <ul style="list-style-type: none"> <li>equally among themselves;</li> <li>equally with the Wholesale Notes; and</li> <li>in priority to all unsecured obligations of the Issuer, except liabilities mandatorily preferred by law.</li> </ul> The Issuer may, however, issue further notes in the future that also rank equally with the Notes to be issued under this Prospectus.  In the event of the winding-up of the Issuer, Notes will rank: <ul style="list-style-type: none"> <li>ahead of ordinary shares and any preference shares;</li> <li>equal with any other secured creditors that rank or are expressed to rank equally with the Notes (such as the Wholesale Notes); and</li> <li>behind all creditors mandatorily preferred by law.</li> </ul>	Section 2.5.3
<b>Voting</b>	The Notes do not confer rights on a Noteholder to vote at any meeting of members of the Issuer or unitholders in the Fund. Noteholders are, however, entitled to vote at meetings of Noteholders on certain matters that affect their rights under the Note Trust Deed.	Section 2.6.3
<b>Listing</b>	Application has been for admission of the Issuer to the Official List as an ASX Debt Listing and for Notes to be quoted on ASX under the code "C2FHA".	Section 2.1.6
<b>Rating</b>	The Notes will not be rated.	
<b>Note Trustee and Security Trustee</b>	Melbourne Securities Corporation Limited has been appointed as Note Trustee under the Note Trust Deed and as Security Trustee under the Security Trust Deed.  The Note Trustee holds certain rights in relation to the Notes on trust for Noteholders under the Note Trust Deed and all Noteholders are bound by the Note Trust Deed.  The Security Trustee holds certain Security on trust for Noteholders and Wholesale Noteholders under the Security Trust Deed.  The liability of the Note Trustee and Security Trustee is limited.	Sections 2.6.2, 10.2.9, 10.3.10

# Investment Overview

## Section 1

### 1.3 Comparison between Notes and Wholesale Notes

The Issuer has previously issued unlisted, Australian dollar denominated notes to institutional and other wholesale market investors (**Wholesale Notes**). Details of the Wholesale Notes on issue are set out in Section 4 (Financial Information). There are differences between the Notes offered under this Prospectus and the Wholesale Notes. The following comparison is a summary of those differences.

Features	Notes	Wholesale Notes
<b>Legal form</b>	Secured debt obligation.	Secured debt obligation.
<b>Guarantee</b>	Guaranteed by Centuria Capital Limited and the Issuer Subsidiaries.	Guaranteed by Centuria Capital Limited and the Issuer Subsidiaries.
<b>Security</b>	First ranking general security deeds over all assets of the Issuer and the Issuer Subsidiaries.	First ranking general security deeds over all assets of the Issuer and the Issuer Subsidiaries.
<b>Term</b>	Five years.	Series 1 – 21 April 2021. Series 2 – 21 April 2023. Series 3 – 21 April 2024.
<b>Early redemption by Issuer</b>	Yes, on optional redemption dates, in connection with certain asset disposals and following a Tax Event.	Yes, on optional redemption dates, in connection with certain asset disposals and following certain tax events (equivalent to the Tax Events on the Notes).
<b>Early redemption by Noteholder</b>	Yes, on a Change of Control.	Yes, on a Change of Control.
<b>Interest payments</b>	Compulsory interest payments.	Compulsory interest payments.
<b>Interest rate</b>	Floating.	Fixed and floating.
<b>Franking</b>	No.	No.
<b>Interest payment frequency</b>	Quarterly.	Quarterly for floating rates notes and six-monthly for fixed rate notes.
<b>Ranking on winding up of Issuer</b>	Rank ahead of all creditors (except those mandatorily preferred by law) and all classes of shares in the Issuer or units in the Fund.	Rank ahead of all creditors (except those mandatorily preferred by law) and all classes of shares in the Issuer or units in the Fund.
<b>Transferable</b>	Expected to be quoted on ASX and, if so, can be traded on ASX.	Yes, although not quoted on ASX.

### 1.4 Overview of Issuer and Centuria Capital Group

Summary	More Information
<p>The Issuer is a 100% owned subsidiary of Centuria Capital Group, an ASX-listed specialist investment manager (ASX:CNI).</p> <p>The Issuer was established in 2016 upon the initial stapling of CNI, primarily to hold strategic equity investments in a number of listed and unlisted property investments managed by CNI, including Centuria Industrial REIT (ASX:CIP) and Centuria Office REIT (ASX:COF), which are Australia's largest domestic pure play industrial and office REITs listed on the ASX.</p> <p>The Notes will be unconditionally and irrevocably guaranteed by Centuria Capital Limited, which is one of the stapled entities constituting the Centuria Capital Group, and by the Secured Guarantors.</p> <p>Centuria Capital Group is a leading real estate funds manager with an Australasian focus, and is included in the S&amp;P/ASX300 (GICS code Diversified Real Estate). Centuria Capital Group currently manages \$10.2 billion of assets and offers a range of investment opportunities, predominantly in listed and unlisted real estate funds. Centuria Capital Group also holds co-investment stakes in a number of listed and unlisted funds managed by Centuria Capital Group entities.</p> <p>As at 19 March 2021, Centuria Capital Group had a market capitalisation of \$1.4 billion.</p> <p>For over 20 years, Centuria Capital Group has maintained a strong focus on its in-house real estate expertise to create and manage property investment vehicles. Centuria Capital Group is classed as an "external" manager of real estate; that is, Centuria Capital Group manages external property funds with separate equity investors. Centuria Capital Group may periodically hold properties directly on its balance sheet.</p>	Section 3



# Investment Overview

## Section 1

### 1.5 Key advantages of an investment in Notes

Topic	Summary	More Information
<b>Interest payments</b>	Notes pay Interest. Interest will be paid quarterly in arrears until redemption.	Section 2.2.1
<b>Diversification</b>	Notes may provide investors with an opportunity to diversify their investment portfolio.	
<b>Traded on ASX</b>	The Issuer has applied or will apply for admission to the Official List and for Notes to be quoted on ASX. If Notes are quoted on ASX, investors may buy and sell Notes on ASX.	Section 2.1.6

### 1.6 Key risks

Investors should be aware that subscribing for Notes involves a number of risks. The risk factors summarised below are some of the key risks, but not an exhaustive list of all of the risks associated with the Issuer and Centuria Capital Group or an investment in Notes. Further details on the risks summarised below and other key risks are included in Section 6. Investors should review all of these risks carefully before making an investment decision.

#### 1.6.1 Key risks associated with Notes

Topic	Summary	More Information
<b>Shortfall on winding-up</b>	There may be a shortfall of funds to pay all amounts ranking senior to or equally with Notes in an event of a winding-up of the Issuer. This would result in Noteholders not receiving any payment if claims ranking senior to Notes were not satisfied in full, or otherwise not receiving payment in full.	Section 6.1.1
<b>Changes in Interest Rate</b>	The Interest Rate is a floating rate, equal to the sum of the Bank Bill Rate plus the Margin. The Bank Bill Rate will fluctuate and therefore the Interest Rate will fluctuate. Over the term of the Notes, the Interest Rate may be lower or higher than the initial Interest Rate on the Issue Date.  If the Interest Rate decreases, there is a risk that the return on Notes may become less attractive compared to returns on other investments, including investments that carry fixed interest rates. The Issuer does not guarantee any particular rate of return on Notes.	Section 6.1.2
<b>Redemption of Notes by Issuer</b>	The Redemption Amount may be less than the current market value of Notes at the time of redemption.  The timing of redemption of Notes may not accord with a Noteholder's individual financial circumstances or tax position.	Section 6.1.3
<b>Limited rights for Noteholders to request or require redemption</b>	Noteholders have no right to request or require redemption of Notes before 20 April 2026 (the Maturity Date), unless an Event of Default occurs and is subsisting, and other conditions are met, or on a Change of Control Event and other conditions are met.  Unless redeemed by the Issuer, Noteholders can only realise their investment in Notes by a sale on ASX, a private sale (off-market) or on the Maturity Date. There is a risk that the sale price on ASX or under private sale will be less than the Issue Price or market value of Notes. Brokerage fees may also be payable if Notes are sold through a broker.	Section 6.1.4
<b>No limitation on issuing equal ranking securities</b>	Subject to compliance with certain financial covenants contained in the Terms and in the terms of the Wholesale Notes, the Directors are at all times authorised to issue further notes (whether redeemable or not) or other securities that rank equally with or behind Notes, whether in respect of distributions or dividends, ranking on a winding-up or otherwise.	Section 6.1.7
<b>The market price for Notes may fluctuate</b>	The market price of Notes may fluctuate and they may trade below the Face Value due to various factors, including investor perceptions, global economic conditions, interest rates, credit spreads, movements in the market price of senior or other subordinated debt.	Section 6.2.1
<b>Liquidity of trading in the Notes is not certain</b>	The Issuer will apply for admission to the Official List and for Notes to be quoted on ASX. However, Notes will have no established trading market when issued and a trading market may never develop. Insufficient liquidity may have an adverse effect on a Noteholder's ability to sell their Notes and Notes may trade at a market price below their Face Value.	Section 6.2.2
<b>Noteholders' enforcement rights may be restricted</b>	Enforcement of Noteholders' rights requires the taking of action by the Trustee. The Trustee is not bound to take any action under the Note Trust Deed unless it is directed to do so in writing by the requisite number of Noteholders. The Trustee's liability is limited and the Trustee will be indemnified against any expense or liability that it may incur by acting in its capacity as trustee of the Centuria Capital Retail Note Trust out of the Note trust established under the Note Trust Deed.	Section 6.1.5

# Investment Overview

## Section 1

Topic	Summary	More Information
<b>The Issuer may fail to pay Face Value, Interest or other amounts</b>	There is a risk that the Issuer may not pay when scheduled or default on payment of some or all of the Face Value, Interest or other amounts payable on Notes. If the Issuer does not pay the amount owing, Noteholders may lose some or all of the money invested in Notes.	Section 6.1.6
<b>The Issuer may alter the Terms under certain circumstances</b>	Subject to the Terms, the Issuer may, without the consent of the Noteholders, alter the Terms in certain circumstances.	Section 6.1.8
<b>There may be tax consequences from investing in Notes</b>	An investment in the Notes has taxation consequences for Noteholders, which will depend on their individual circumstances. A general description of the Australian and New Zealand taxation consequences of investing in Notes is set out in Section 7, however, the relevant taxation authority may take a different view to the conclusions set out in Section 7.	Section 7

### 1.6.2 Key risks associated with Issuer and Centuria Capital Group

Topic	Summary	More Information
<b>Property sector risks</b>	Centuria Capital Group is subject to the prevailing property market conditions in the sectors in which each of the funds under the management of Centuria Capital Group operates and the jurisdiction in which each of its funds' assets are located. The demand for property as an asset class changes over time and can be influenced by general economic factors such as interest rates and economic cycles.	Section 6.3.4
<b>Property liquidity</b>	The property assets to which Centuria Capital Group and the funds managed by Centuria Capital Group are exposed are, by their nature, illiquid investments. There is a risk that Centuria Capital Group may not be able to realise property assets within a short period of time or may not be able to realise property assets at valuation including selling costs, which could materially adversely affect the financial performance of Centuria Capital Group.	Section 6.3.5
<b>Realisation risk</b>	The ongoing value of properties held by funds managed by Centuria Capital Group may fluctuate due to a number of factors. There is no guarantee that a property will achieve a capital gain on its sale or that the value of the property will not fall as a result of the assumptions on which the relevant valuations are based proving to be incorrect.	Section 6.3.6
<b>Regulatory risk</b>	Centuria Capital Group operates in a highly regulated environment and it, and the Centuria Capital Group funds management business is subject to a range of industry specific and general legal and other regulatory controls. Regulatory breaches may affect Centuria Capital Group's operational and financial performance, through penalties, liabilities, restrictions on activities and compliance and other costs.	Section 6.3.7
<b>COVID-19</b>	The real estate sector has been affected by relief measures in response to COVID-19 (which, depending upon the relevant jurisdiction, include eviction moratoriums, restrictions on rent increases, entitlements to rent renegotiations and obligations to act in good faith). These relief measures may individually or collectively have an adverse impact on the financial performance of the Centuria Capital Group and the Issuer.	Section 6.3.2
<b>Funds management</b>	Centuria Capital Group manages a number of funds on behalf of third party investors. The majority of Centuria Capital Group's income is derived from fees calculated with reference to the value of funds under the management of its funds management business. Centuria Capital Group's financial performance may be adversely affected if it was not able to appropriately respond to the risks affecting the funds management business.	Section 6.3.8
<b>Reliance on third party equity</b>	As a fund manager, growth in Centuria Capital Group's earnings may be affected by the ability of Centuria Capital Group to establish new listed or unlisted funds.	Section 6.3.9
<b>Co-Investments</b>	Centuria Capital Group's long term strategy is to continue holding co-investments in a number of the funds it manages. Such investments are subject to the general investment risks outlined above.	Section 6.3.10
<b>Funding</b>	Centuria Capital Group and funds managed by its funds management business rely on access to various sources of capital, along with the refinancing and/or variation of existing debt facilities. An inability to obtain the necessary funding or refinancing on acceptable terms and at commercial rates or a material increase in the costs of such funding may have an adverse effect on Centuria Capital Group's performance or financial position.	Section 6.3.11
<b>Acquisition risks</b>	Centuria Capital Group has a significant potential acquisition pipeline that it is pursuing in order to drive future growth of the business. There is no guarantee that Centuria will be able to execute all current or future acquisitions. If current or future acquisitions are not successfully integrated with Centuria Capital Group's existing business, the financial performance of Centuria Capital Group could be materially adversely affected.	Section 6.3.12

# Investment Overview

## Section 1

### 1.7 Further information about the Offer

Topic	Summary	More Information
<b>When is the Offer Period?</b>	The Offer is expected to open on 30 March 2021 and close at 5.00pm (Sydney time) on 14 April 2021. These dates may change without notice.	Section 9.2
<b>Is there a minimum amount to be raised?</b>	No. The Offer is for the issue of Notes to raise \$190 million, with the ability to raise more or less. Centuria Capital No. 2 Fund has allocated \$190 million to the Institutional Offer and the Broker Firm Offer and intends to seek up to an additional \$20 million under the Securityholder Offer.	
<b>Is the Offer underwritten?</b>	No, the Offer is not underwritten.	
<b>Can the Offer be withdrawn?</b>	The Offer is subject to approval of quotation of the Notes on ASX.  The Issuer also reserves the right, subject to the Corporations Act and the ASX Listing Rules, to withdraw the Offer at any time before the issue of Notes to successful applicants. If the Offer does not proceed, Application Money will be refunded without interest.	Section 9.9
<b>How is the Offer structured and who can apply?</b>	The Offer comprises: <ul style="list-style-type: none"> <li>• an Institutional Offer to Institutional Investors;</li> <li>• a Broker Firm Offer made to eligible clients of Brokers; and</li> <li>• a Securityholder Offer made to Eligible Securityholders.</li> </ul>	Section 9.1
<b>Who is an Eligible Securityholder?</b>	A registered holder of Stapled Securities with a registered address in Australia or New Zealand at 7.00pm (Sydney time) on 12 March 2021 and who is a resident of Australia or New Zealand.	Section 9.2
<b>How can I apply?</b>	Broker Firm Applicants should contact their Broker.  Securityholder Applicants should complete an electronic copy of the Application Form and pay the Application Money electronically by BPAY®.	Section 9.2
<b>What is the allocation policy?</b>	The Issuer intends to allocate \$190 million of Notes on a firm basis to Institutional Investors and Brokers and up to \$20 million of Notes under the Securityholder Offer. The allocation of Notes to Broker Firm Applicants will be determined by the Brokers.  Allocations for Securityholder Applicants will be determined by the Issuer, in consultation with the Joint Lead Managers, after the Closing Date.	Section 9.2
<b>Is there a minimum application size?</b>	Your Application must be for a minimum of 50 Notes (\$5,000). If your Application is for more than 50 Notes, then you must apply in incremental multiples of 10 Notes, that is, in incremental multiples of \$1,000.	Section 9.2
<b>Is brokerage, commission or stamp duty payable?</b>	No brokerage, commission or stamp duty is payable by you on your application. You may be required to pay brokerage if you sell your Notes on ASX after Notes have been quoted on ASX.	Section 9.1
<b>What are the tax implications of investing in Notes?</b>	A general description of the Australian and New Zealand taxation consequences of investing in Notes is set out in Section 7. That discussion is in general terms and is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, investors should seek independent advice in relation to their individual tax position.	Section 7
<b>When will I receive confirmation that my Application has been successful?</b>	If you are an applicant in the Securityholder Offer, you will be able to call the Issuer's Offer Information Line on 1300 721 637 or +61 2 8023 5428 (Monday to Friday, 8:30am to 5:00pm (Sydney time)) from 20 April 2021 to confirm your allocation.  Applicants under the Broker Firm Offer will be able to confirm their allocation of Notes through the Broker from whom they received their allocation.	Section 9.2
<b>When will Notes be issued?</b>	The Issuer expects that Notes will be issued on 20 April 2021.	Section 9.2
<b>When will Notes begin trading?</b>	The Issuer expects that Notes will begin trading on ASX on 21 April 2021 on a normal settlement basis.	Section 9.7
<b>When will Holding Statements be despatched?</b>	The Issuer expects that holding statements will be despatched by 22 April 2021.	Section 9.7
<b>Where can I find more information about the Offer?</b>	If you have any questions in relation to the Offer, please call the Issuer's Offer Information Line on 1300 721 637 or +61 2 8023 5428 (Monday to Friday, 8:30am to 5:00pm (Sydney time)).  If you are a Broker Firm Applicant, you can also contact your Broker.	Section 9.2





UNLISTED: 111 ST GEORGES TERRACE, PERTH, WA



# About the Notes

## Section 2

This Section provides information about the Notes. This Section should be read in conjunction with the rest of this Prospectus, including the Terms of the Notes in Appendix B.

### 2.1 General


Topic	Summary	More Information
<b>2.1.1 What are Notes?</b>	Notes are secured, redeemable notes, which will mature on 20 April 2026 (five years after the expected date of issue) and pay Noteholders quarterly interest payments at a floating rate.	Clause 3.1 of the Terms
<b>2.1.2 What is the Offer?</b>	An Offer of Notes by the Issuer to raise \$190 million, with the ability to raise more or less. Centuria Capital No. 2 Fund has received firms bids for, and has allocated, \$190 million to the Institutional Offer and the Broker Firm Offer and intends to seek up to an additional \$20 million under the Securityholder Offer. The final size of the Offer will depend upon the applications received under the Securityholder Offer.	Section 9.1
<b>2.1.3 What am I required to pay?</b>	Notes will be offered at an Issue Price of \$100 per Note. This is also the Face Value of each Note.  Applications must be for a minimum of 50 Notes (\$5,000)  If your Application is for more than 50 Notes, then you must apply in incremental multiples of 10 Notes, that is, incremental multiples of \$1,000.	Clause 2.3 of the Terms Section 9.2
<b>2.1.4 What is the term and maturity of Notes?</b>	Notes have a term of five years and will mature on 20 April 2026 (Maturity Date).	Clause 7.1 of the Terms
<b>2.1.5 Can the Maturity Date change?</b>	No, unless Noteholders approve the change by Extraordinary Resolution. Investors will be paid the Face Value on this date (together with any accrued but unpaid Interest), otherwise an Event of Default will arise.	Clause 13(b) of the Terms
<b>2.1.6 Will Notes be quoted on ASX?</b>	The Issuer has applied or will apply within seven days after the date of this Prospectus for admission to the Official List as an ASX Debt Listing and for Notes to be quoted on ASX, which are expected to trade under ASX code "C2FHA".	Section 9.5

### 2.2 Interest payments

Topic	Summary	More Information						
2.2.1 What are Interest payments?	Interest payments are floating rate interest payments payable by the Issuer to Noteholders quarterly in arrears.	Clause 6.1 of the Terms						
2.2.2 Are Interest payments deferrable?	No. Interest payments must be paid by the Issuer on an Interest Payment Date, otherwise this will constitute an Event of Default.	Clause 6.3 of the Terms						
2.2.3 Will Interest payments be franked or unfranked?	Unfranked. Interest payments will not have any franking credits attached to them.	Section 1.2						
2.2.4 How will the Interest Rate be calculated?	<p>The Interest Rate will be calculated as follows:</p> <p><b>Interest Rate = Bank Bill Rate + Margin</b></p> <p>where:</p> <ul style="list-style-type: none"><li>• <b>Bank Bill Rate</b> means the Bank Bill Rate (expressed as a percentage per annum) on the Issue Date (for the first Interest Period) or on the first Business Day of the Interest Period; and</li><li>• <b>Margin</b> was determined through the Bookbuild and is 4.25% per annum.</li></ul> <p>As an example, assuming the Bank Bill Rate for the first Interest Period is 0.05% per annum:</p> <table><tr><td>Bank Bill Rate:</td><td>0.05% per annum</td></tr><tr><td>Plus Margin:</td><td>4.25% per annum</td></tr><tr><td>Illustrative Interest Rate:</td><td>4.30% per annum</td></tr></table>	Bank Bill Rate:	0.05% per annum	Plus Margin:	4.25% per annum	Illustrative Interest Rate:	4.30% per annum	<p>Clause 6.7 of the Terms</p> <p>Section 2.2.6</p>
Bank Bill Rate:	0.05% per annum							
Plus Margin:	4.25% per annum							
Illustrative Interest Rate:	4.30% per annum							

# About the Notes

## Section 2

Topic	Summary	More Information										
<b>2.2.5</b> How will Interest payments be calculated for each Interest Period?	<p>Interest payments on each Interest Payment Date will be calculated using the following formula:</p> $\frac{\text{Interest Rate} \times \text{Face Value} \times N}{365}$ <p>where:</p> <ul style="list-style-type: none"><li>• <b>Interest Rate</b> means the rate (expressed as a percentage per annum) calculated as set out in Section 2.2.4;</li><li>• <b>Face Value</b> means \$100 per Note; and</li><li>• <b>N</b> means the number of days in the Interest Period calculated as set out in the Terms.</li></ul> <p>Following the formula above, the Interest Payment on each Note for the first Interest Period would be calculated as follows:</p> <table><tr><td>Illustrative Interest Rate</td><td>4.30% per annum</td></tr><tr><td>Multiplied by the Face Value</td><td>× \$100</td></tr><tr><td>Multiplied by the number of days in the Interest Period</td><td>× 90</td></tr><tr><td>Divided by 365</td><td>÷ 365</td></tr><tr><td>Illustrative Interest Payment for the first Interest Period per Note</td><td>\$1.06</td></tr></table> <p>The above example is for illustrative purposes only and does not indicate, guarantee or forecast the actual Interest Payment for the first or any subsequent Interest Period. Actual Interest Payments may be higher or lower than this example. The Issuer will announce to ASX the applicable Interest Rate and the amount of the Interest payable for each Interest Period.</p>	Illustrative Interest Rate	4.30% per annum	Multiplied by the Face Value	× \$100	Multiplied by the number of days in the Interest Period	× 90	Divided by 365	÷ 365	Illustrative Interest Payment for the first Interest Period per Note	\$1.06	Clause 6 of the Terms
Illustrative Interest Rate	4.30% per annum											
Multiplied by the Face Value	× \$100											
Multiplied by the number of days in the Interest Period	× 90											
Divided by 365	÷ 365											
Illustrative Interest Payment for the first Interest Period per Note	\$1.06											
<b>2.2.6</b> What is the Bank Bill Rate?	<p>The Bank Bill Rate is a benchmark interest rate for the Australian money market commonly used by major Australian financial institutions to lend cash to each other over a 90 day period. This rate changes to reflect the supply and demand within the cash market.</p> <p>The graph below illustrates the movement in the Bank Bill Rate over the last 14 years.</p>  <p>The above graph is for illustrative purposes only and does not indicate, guarantee or forecast the actual Bank Bill Rate. The actual Bank Bill Rate for the first and any subsequent Interest Periods may be higher or lower than the rates in the above graph.</p> <p>It is possible for the Bank Bill Rate to become negative. If this occurs, the negative amount will be taken into account in calculating the Interest Rate and the Interest payable on a Note may be less than the Margin. For example, where the Bank Bill Rate is -1.00% per annum and the Margin is 4.25% per annum, the Interest Rate will be 3.25% per annum.</p> <p>If the Interest Rate becomes negative, no Interest will be payable on the Notes and Noteholders will not be obliged to pay the Issuer.</p>	Clause 1.1 of the Terms										



# About the Notes

## Section 2

Topic	Summary	More Information
<b>2.2.7</b> <b>How will Interest payments be paid to Noteholders?</b>	Interest Payments will be paid in Australian dollars by direct credit into an account denominated in Australian dollars at a financial institution notified by the Noteholder to the Registry no later than the Record Date, or if the Noteholder has failed to notify an account, by cheque sent by prepaid post to the address of the Noteholder in the Register.	Clause 8 of the Terms
<b>2.2.8</b> <b>When are the Interest Payment Dates?</b>	<p>Interest payments are scheduled to be paid quarterly in arrears on the Interest Payment Dates being 20 July, 20 October, 20 January and 20 April in each year.</p> <p>If any of these dates are not Business Days, then the Interest Payment Date will occur on the next Business Day.</p> <p>The first Interest payment will be made on 20 July 2021.</p>	Clause 6.3 of the Terms
<b>2.2.9</b> <b>Will Interest be subject to deductions for tax?</b>	<p>The Issuer may make any deduction or withholding in respect of tax from payments on the Notes if required by law, including deductions or withholdings that may be required in order for it to comply with international exchange of information laws such as the U.S. Foreign Account Tax Compliance Act (FATCA). FATCA assists in combatting offshore tax evasion by requiring certain foreign (i.e. non-U.S.) Financial Institutions (as defined in FATCA) to report to the U.S. on Financial Accounts they maintain for U.S. Persons. In Australia, reporting is made to the Australian Taxation Office, which then exchanges the relevant information with the relevant U.S. authority. The Issuer will not make additional payments on account of any deduction or withholding that may be required under FATCA.</p> <p>It is anticipated that the Notes will be issued in a manner that will cause the Interest payments to be exempt from Australian interest withholding tax for Noteholders who are not Australian tax residents. Further, if interest withholding tax is required to be deducted from a payment, the Issuer will be required to increase the payment so that the net amount received by the Noteholder is the same, subject to certain exceptions.</p> <p>Where a Noteholder does not quote their tax file number (TFN) or provide appropriate TFN exemption information, tax will be deducted at the highest marginal tax rate plus Medicare levy and no additional amounts will be payable by the Issuer in respect of such deduction.</p> <p>The above is in general terms and is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, investors should seek independent advice in relation to their individual tax position.</p>	Clause 9 of the Terms

# About the Notes

## Section 2

### 2.3 Maturity

Topic	Summary	More Information
<b>2.3.1</b> <b>When do Notes mature?</b>	Notes mature on 20 April 2026.  The Issuer may also elect to redeem Notes on each date that is 18 months, 12 months and six months before the Maturity Date and at any time following certain asset disposals or if a Tax Event occurs.	Clause 7 of the Terms
<b>2.3.2</b> <b>What will I receive on the optional redemption dates?</b>	If the Notes are redeemed 18 months before the Maturity Date the Issuer must pay 101% of the Face Value on redemption. If the Notes are redeemed 12 or six months before the Maturity Date the Issuer must pay the Face Value on redemption.	Clause 7.3 of the Terms
<b>2.3.3</b> <b>What will happen on the Maturity Date?</b>	Unless previously redeemed, all outstanding Notes will be redeemed by the Issuer on the Maturity Date (20 April 2026).	Clause 7.1 of the Terms
<b>2.3.4</b> <b>What will I receive on the Maturity Date?</b>	On the Maturity Date Noteholders will receive the sum of: <ul style="list-style-type: none"> <li>100% of the Face Value of each Note the Noteholder holds that is being redeemed (i.e. \$100 per Note); and</li> <li>any accrued but unpaid Interest payment for the final Interest Period in respect of a relevant Note.</li> </ul> <p>The aggregate of the above amounts is called the Redemption Amount.</p> <p>Payment of any Redemption Amount in respect of a Note will be made to the person registered at 10:00am (Sydney time) on the Redemption Date as the Noteholder in respect of that Note.</p>	Clause 7.1 of the Terms
<b>2.3.5</b> <b>Can I request redemption before the Maturity Date?</b>	No. Noteholders do not have a right to request redemption of Notes, unless a Change of Control occurs (and in such case, subject to the provisions of the Terms). In that event Notes will be redeemed at a price equal to 105% of the Face Value of the Notes.  In addition, if an Event of Default occurs and is subsisting, the requisite proportion of Noteholders specified in the Terms may (together with the requisite proportion of Wholesale Noteholders), in summary, direct or request the Trustee to: <ul style="list-style-type: none"> <li>notify the Issuer that the total outstanding principal of Notes is due and payable (which amount will immediately become due and payable when the notice is served);</li> <li>instruct the Security Trustee in writing to enforce the security under the Security Trust Deed; and</li> <li>institute proceedings for the winding-up of Issuer, prove in the winding-up of Issuer and/or claim in the liquidation or administration of Issuer, for the amount payable under the Terms.</li> </ul> <p>If this were to occur (and, for example, a liquidator is appointed to wind up Issuer), Notes held by the Noteholders will rank with holders of Wholesale Notes and shareholders and creditors of the Issuer as described in Section 10.3.7.</p>	Clause 7 & 11 of the Terms Section 10.3.7
<b>2.3.6</b> <b>What asset disposals trigger early redemption?</b>	The Issuer must redeem Notes at Face Value if a Secured Guarantor disposes of any assets, other than certain excluded disposals, and the net proceeds of the disposal are not used within 180 days to purchase, develop, redevelop or construct productive assets for use in the Secured Guarantor's business.	Clause 7.4 of the Terms
<b>2.3.7</b> <b>What is a Change of Control?</b>	The Issuer must redeem Notes at 105% of the Face Value upon the occurrence of a Change of Control.  In summary, a Change of Control will occur if any person (other than a member of the Centuria Capital Group or their subsidiaries) acquires more than 50% of the ordinary shares of Centuria Capital Limited or the trustee of certain trusts within the Centuria Capital Group (Relevant Trust).  The Relevant Trusts are the Centuria Capital No. 2 Fund, the Centuria Capital No.2 Office Fund, the Centuria Capital No. 2 Industrial Fund and any other trust which becomes a secured guarantor under the Security Trust Deed.	Clause 7.2 of the Terms
<b>2.3.8</b> <b>What is a Tax Event?</b>	The Issuer may elect to redeem all (but not some) of the Notes at Face Value, together with any accrued interest, if any to the date of redemption, if there is a Tax Event.  In summary, a Tax Event will occur if any payment of interest or principal outstanding would be subject to an amount of withholding or deduction for tax purposes for which the Issuer must pay an additional amount, as a result of a change in law or interpretation of law.	Clause 7.5 of the Terms
<b>2.3.9</b> <b>Can the Issuer buy Notes on ASX?</b>	Yes. The Issuer or any related body corporate may purchase or procure others to purchase beneficially for its account Notes in any manner and at any price subject to any applicable laws, the Listing Rules and any rules of any other securities exchange on which any of Notes are quoted from time to time. Such acquired Notes may be surrendered for cancellation or held or resold. Any Notes purchased by the Issuer must be cancelled immediately and may not be reissued or resold.	Clause 7.9 of the Terms

# About the Notes

## Section 2

### 2.4 Guarantee

Topic	Summary	More Information
<b>2.4.1</b> <b>The Notes are guaranteed.</b>	The Issuer's obligation to repay the Notes and pay Interest is supported by a guarantee (the Guarantee) from the Issuer and certain members of the Centuria Capital Group (Guarantors).	Clause 3.2 of the Terms Clause 11 of the Security Trust Deed
<b>2.4.2</b> <b>Who are the Guarantors?</b>	<p>The Guarantee will initially be given by each of the following Guarantors:</p> <ul style="list-style-type: none"><li>the Issuer;</li><li>Centuria Capital Limited, the parent company of the Issuer;</li><li>Centuria Investment Holdings Pty Ltd ACN 116 455 862 as trustee of the Centuria Capital No. 2 Office Fund ABN 62 172 815 196, a subsidiary of Centuria Capital Group; and</li><li>Centuria Investment Holdings Pty Ltd ACN 116 455 862 as trustee of the Centuria Capital No. 2 Industrial Fund ABN 68 722 110 157, a subsidiary of Centuria Capital Group.</li></ul>	Clause 3.2 of the Terms Clause 11 of the Security Trust Deed

### 2.5 Security and ranking

Topic	Summary	More Information
<b>2.5.1</b> <b>Notes are secured</b>	<p>Repayment of the Face Value (or other money owing in respect of Notes such as Interest) is secured by first ranking general security deeds over all assets of the Issuer and the following Issuer Subsidiaries (Secured Guarantors):</p> <ul style="list-style-type: none"><li>Centuria Investment Holdings Pty Ltd ACN 116 455 862 as trustee of the Centuria Capital No. 2 Office Fund ABN 62 172 815 196; and</li><li>Centuria Investment Holdings Pty Ltd ACN 116 455 862 as trustee of the Centuria Capital No. 2 Industrial Fund ABN 68 722 110 157.</li></ul> <p>Security is not given by Centuria Capital Limited or CNI.</p>	Clause 3 of the Terms
<b>2.5.2</b> <b>Security Trust</b>	<p>The Security granted by the Secured Guarantors for the repayment of all debts and monetary liabilities to, or for the account of, the Noteholder's is held in a Security Pool, which is part of the Security Trust fund and includes all assets, rights and property constituting the Security. The Security Pool is established under the Security Trust Deed.</p> <p>The Security Trustee holds the benefit of that Security Pool for, among others, the Noteholders and the Wholesale Noteholders, and the holders of any notes that the Issuer may issue in future, which also have the benefit of the Security Pool. A summary of the assets in the Security Pool is set out in Section 4.5.</p> <p>The Security Trustee may enforce the security if an Event of Default occurs by acting in accordance with instructions from the requisite majority of Security Pool Beneficiaries.</p> <p>Any money recovered from enforcement of the Security Pool will be available for distribution to the Security Pool Beneficiaries, in the order of priority set out in the Security Trust Deed.</p>	Section 10.3
<b>2.5.3</b> <b>How will Notes rank?</b>	<p>Notes constitute direct, secured, unconditional and unsubordinated obligations of the Issuer. The Notes rank:</p> <ul style="list-style-type: none"><li>equally among themselves;</li><li>equally with the Wholesale Notes; and</li><li>in priority to all unsecured obligations of the Issuer, except liabilities mandatorily preferred by law.</li></ul>	Clause 3.1 of the Terms
<b>2.5.4</b> <b>What will be payable to Noteholders if an Event of Insolvency occurs?</b>	<p>In the event of winding-up of the Issuer, Notes will rank:</p> <ul style="list-style-type: none"><li>ahead of shares in the Issuer or units in the Fund;</li><li>equal with any other secured creditors that rank or are expressed to rank equally with Notes (such as the Wholesale Notes); and</li><li>behind all creditors mandatorily preferred by law.</li></ul> <p>There may be a shortfall of funds to pay all amounts ranking senior to or equally with Notes if an Event of Insolvency occurs. This would result in Noteholders not receiving any payment if claims ranking senior to Notes were not satisfied in full, or otherwise not receiving a full return of capital or any interest due and unpaid at that time.</p>	Clause 3.1 of the Terms



# About the Notes

## Section 2

Topic	Summary	More Information
<b>2.5.5 Financial covenants</b>	<p>The Issuer is required to comply with certain financial covenant ratios, including:</p> <ul style="list-style-type: none"> <li>• a maximum loan to valuation ratio covenant of 65%; and</li> <li>• an interest cover ratio of two times (tested at the Centuria Capital Group level if additional financial indebtedness is incurred by the Issuer).</li> </ul> <p>The Issuer has reviewed these financial covenants in the context of the Offer and the proposed issue of Notes under this Prospectus and has determined that assuming an issue of Notes raising \$210 million (comprised of \$190 million under the Institutional Offer and the Broker Firm Offer and \$20 million under the Securityholder Offer), these covenants will be satisfied as:</p> <ul style="list-style-type: none"> <li>• on a Pro Forma Historical Balance Sheet basis as at 31 December 2020, the Issuer's loan to valuation ratio after the issue of Notes under the Offer will be 32.1%; and</li> <li>• the Issuer's interest cover ratio as at 31 December 2020 was 4.8 times.</li> </ul>	<p>Section 4.5</p> <p>Clause 4.2 of the Terms</p>
<b>2.5.6 Negative pledge</b>	<p>The Issuer and the other Secured Guarantors must not create or permit any security interest to exist over the assets of a Relevant Trust, other than certain permitted security interests (such as the security interests under the Security Trust Deed).</p>	<p>Clause 4.1 of the Terms</p>

## 2.6 Other

Topic	Summary	More Information
<b>2.6.1 Can the Issuer issue further notes or other instruments?</b>	<p>Subject to compliance with certain financial covenants in the Terms and in the terms of the Wholesale Notes, the Issuer reserves the right to issue further notes or other securities upon such terms as to ranking, dividends or interest, conversion, redemption and otherwise as the Issuer may determine at the time of issue.</p> <p>Notes do not confer on Noteholders any right to subscribe for new securities issued by the Issuer, or to participate in any bonus issues.</p>	<p>Clause 16 of the Terms</p>
<b>2.6.2 Trustee and Note Trust Deed</b>	<p>The Issuer has appointed a Trustee as required by Chapter 2L of the Corporations Act, being Melbourne Securities Corporation Limited. The Trustee holds certain rights in relation to Notes on trust for Noteholders under the Note Trust Deed. The Trustee will act on behalf of Noteholders under the specific circumstances set out in, and in accordance with the terms of, the Note Trust Deed.</p> <p>The Trustee holds on trust for the Noteholders the right to enforce any obligations of the Issuer under the Terms and the Note Trust Deed. The Trustee will be entitled to take any action against the Issuer to enforce any obligations of the Issuer, subject to the Terms and the Note Trust Deed, and subject to the Security Trust Deed in relation to the enforcement against assets in the Security Pool.</p> <p>A copy of the Note Trust Deed can be obtained from <a href="http://centuria.com.au/C2FHA">centuria.com.au/C2FHA</a>.</p>	<p>Section 10.2</p>
<b>2.6.3 What voting rights do Notes carry at meetings of members?</b>	<p>Noteholders have no voting rights at meetings of members of the Issuer or of unitholders in the Fund. Noteholders are, however, entitled to vote at meetings of Noteholders on certain matters that affect their rights under the Note Trust Deed.</p>	<p>Clause 17 of the Terms</p>

# About the Notes

## Section 2

Topic	Summary	More Information
<b>2.6.4</b> <b>What is an Event of Default?</b>	<p>In summary, an Event of Default will occur if:</p> <ul style="list-style-type: none"><li>the Issuer fails to pay any Redemption Amount or Interest Payment that is due and payable in respect of Notes within:<ul style="list-style-type: none"><li>in the case of Interest, three Business Days of the due date for payment; and</li><li>in the case of principal, two Business Days of the due date for payment, unless</li></ul></li></ul> <p>its failure to pay is caused by administrative or technical error by a bank or financial institution;</p> <ul style="list-style-type: none"><li>the Issuer or any other Guarantor fails to comply with any of its other obligations under the Terms of the Notes or the Note Trust Deed and such failure, if it is capable of being remedied, is not remedied within 10 Business Days after the Issuer or relevant Guarantor has received written notice from the Trustee in respect of the failure;</li><li>any financial indebtedness of the Issuer or any other Guarantor or any of their subsidiaries of an amount more than \$5 million is not paid when due;</li><li>the Issuer or any other Guarantor becomes insolvent (as defined in the Terms);</li><li>either the Note Trust Deed or Security Trust Deed is or becomes wholly or in material part void, voidable or unenforceable;</li><li>any judgement or award in an amount exceeding \$5 million is obtained against the Issuer or any other Guarantor or their assets, and is not set aside or satisfied within 30 days;</li><li>the Fund or certain subsidiary trusts are not properly constituted or the trustee of one of those trusts ceases to be authorised to hold the assets of the trust and perform its obligations under the relevant finance documents or the trustee ceases to be entitled to be indemnified out of the assets of the trust;</li><li>the Issuer or any other Guarantor ceases to carry on business; or</li><li>any execution is levied against any assets of the Issuer or any other Guarantor worth more than \$5 million (for example, a Court orders a levy on property of the Issuer worth more than \$5 million in favour of a creditor of the Issuer).</li></ul>	Clause 11 of the Terms
<b>2.6.5</b> <b>What will happen if an Event of Default occurs?</b>	<p>If an Event of Default occurs and while it is subsisting, the Trustee may, and must if so directed by the requisite proportion of Noteholders specified in the Terms, notify the Issuer that the total Redemption Amount of Notes is due and payable and instruct the Security Trustee to enforce the Security under the Security Trust Deed.</p> <p>The total Redemption Amount of Notes will become due and payable and instruct the Security Trustee to enforce the Security under the Security Trust Deed either immediately once that notice is served on the Issuer by the Trustee or on another date specified in that notice. The Trustee may institute proceedings for the winding-up of the Issuer for the amount payable under the Terms of the Notes.</p>	Clause 11 of the Terms
<b>2.6.6</b> <b>Can the Issuer amend the Terms?</b>	<p>Yes. In summary, subject to complying with the Terms, the Issuer may amend the Terms without the consent of Noteholders, if the amendment is:</p> <ul style="list-style-type: none"><li>for the purpose of curing any ambiguity or correcting or supplementing any defective or inconsistent provisions;</li><li>of a formal, minor or technical nature;</li><li>necessary to comply with any law, the requirements of a statutory authority, or the ASX Listing Rules; or</li><li>necessary or expedient to enable the Notes to be listed for quotation on any stock exchange or lodged in a clearing system or offered for subscription or sale under the laws in force in any place,</li></ul> <p>provided that the amendment is not prejudicial to the interests of the Noteholders (in the opinion of the Note Trustee).</p> <p>The Issuer may also amend the Terms if the amendment has been approved by a resolution passed at a meeting of the Noteholders (or, in the case of an amendment to provisions requiring an Extraordinary Resolution, by an Extraordinary Resolution of Noteholders).</p>	Clause 13 of the Terms

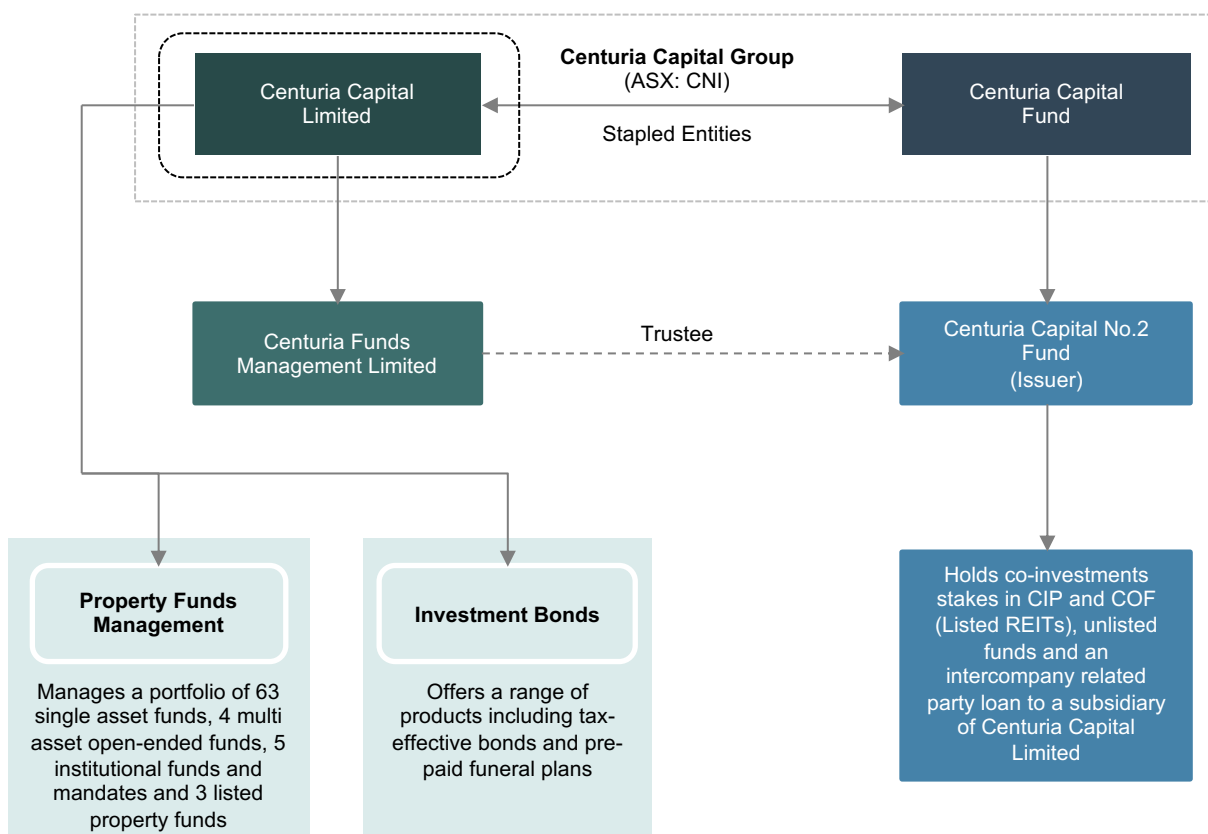
# The Issuer and Centuria Capital Group

## Section 3

**Centuria Funds Management Limited as trustee of the Centuria Capital No. 2 Fund (Issuer) is part of the Centuria Capital Group (ASX:CNI). CNI is an Australasian S&P/ASX 300 listed specialist investment manager.**

### 3.1 Corporate structure

Below is a diagram of the corporate structure of CNI, including the Issuer.



### 3.2 The Issuer

#### Centuria Capital No. 2 Fund (Fund)

The Fund is a 100% owned subsidiary of CNI.

The Issuer was established in 2016 upon the initial stapling of shares in Centuria Capital Limited with units in Centuria Capital Fund (which created CNI) and was established primarily to hold strategic equity investments in a number of listed property investments managed by Centuria Capital Group entities, including Centuria Industrial REIT (ASX:CIP) and Centuria Office REIT (ASX:COF), which are Australia's largest domestic pure play industrial and office REITs listed on the ASX. The Fund also holds investments in unlisted Centuria Capital Group managed funds.

As at 31 December 2020, the value of the listed investments (being investments in COF and CIP) totaled \$342.9 million, while unlisted investments totaled \$77.4 million and other investments totaled \$137.7 million.

As at 31 December 2020, the Issuer also had an interest bearing loan receivable of \$249.3 million to a subsidiary of Centuria Capital Limited, which arose as a result of funds that have been lent from Centuria Capital Fund, the trust in the CNI stapled structure, to Centuria Capital Limited, the stapled company, to fund various growth initiatives of CNI, including the acquisition of real estate platforms. This has arisen due to equity raised by CNI being allocated proportionally to the trust and the company constituting the stapled structure, based on the prevailing net tangible assets split between the entities, in accordance with general taxation principles. This loan generates interest income to the Issuer based on an interest rate set on arm's length terms.

The Issuer also had cash and other receivables of \$109.9 million, bringing total assets to \$917.2 million as at 31 December 2020.

Subsequent to 31 December 2020, the Issuer issued additional capital to the immediate parent entity, Centuria Capital Fund. This resulted in an increase in issued capital of the Fund of \$86.7 million and a corresponding decrease in its intercompany loan balances owing to Centuria Capital Fund.

Below is a description of CIP and COF. These significant investments of the Fund represent the largest assets of the Fund.

# The Issuer and Centuria Capital Group

## Section 3

### Centuria Industrial REIT (ASX: CIP)

#### Australia's largest domestic pure play industrial REIT

Centuria Property Funds No. 2 Limited (CPF2L), which is a wholly owned subsidiary of CNI, is the responsible entity and manager of the S&P/ASX 200 Centuria Industrial REIT (ASX: CIP), Australia's largest domestic pure play industrial REIT listed on the ASX. The properties in CIP account for 24% of the Centuria Capital Group's total assets under management. The Issuer is CIP's largest unitholder.

The Issuer held 58,310,759 units in CIP as at 31 December 2020, which equated to a holding of 10.59% of the issued capital. As at 31 December 2020, CIP had a market capitalisation of \$1.7 billion. CIP declared distributions of 17.85 cents per unit in the twelve months to 31 December 2020.

As at 31 December 2020, CIP held 59 industrial assets worth \$2.4 billion, with a portfolio weighted average lease expiry (WALE) of 9.8 years and an occupancy rate of 97.7%. CIP's portfolio has a weighting of approximately 90% to Australia's eastern seaboard industrial markets, and is underpinned by a strong tenant profile with 62% of portfolio income derived from occupants directly linked to the production, packaging and distribution of consumer staples, pharmaceuticals and telecommunications.

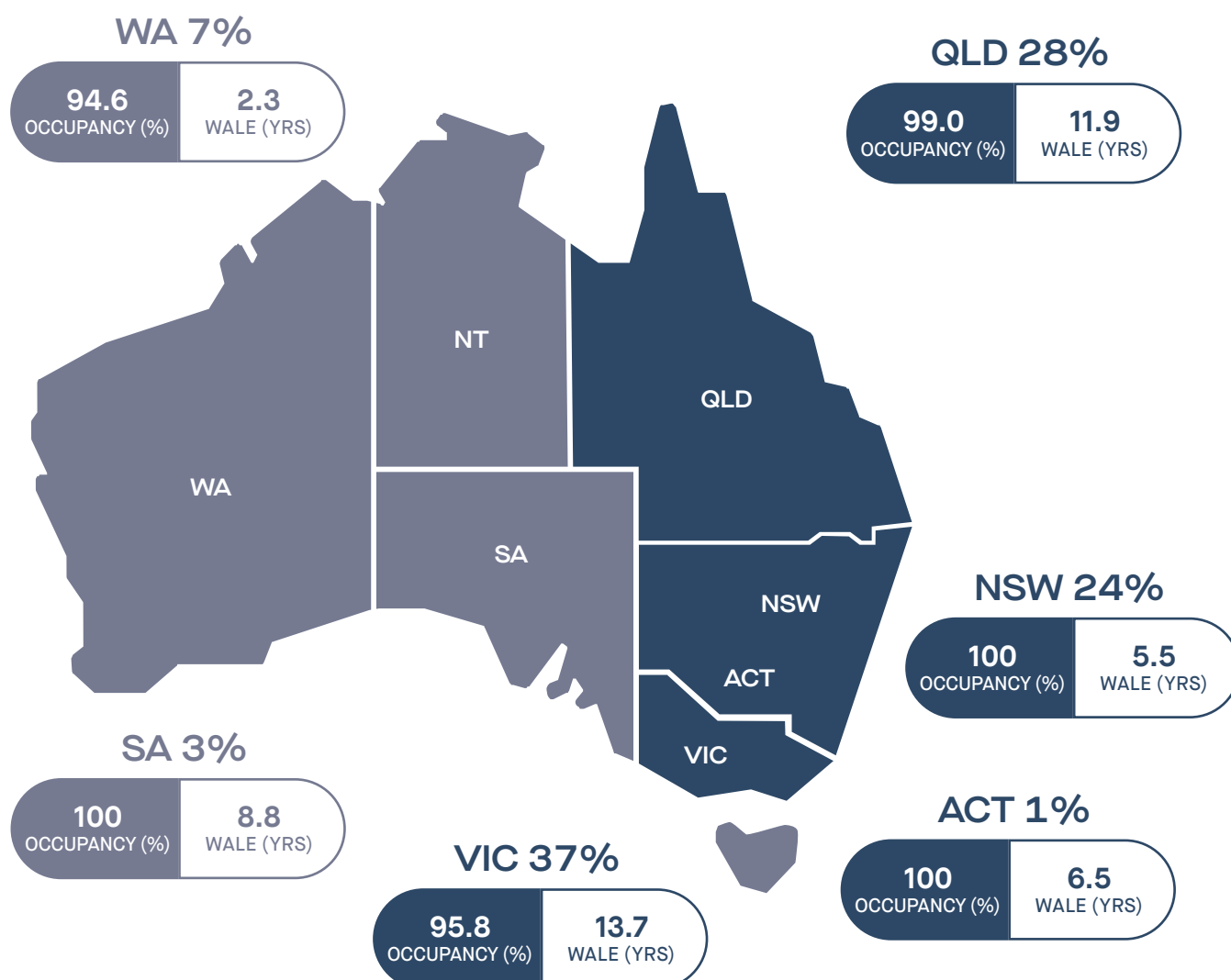
CIP's portfolio includes high-quality, fit-for purpose industrial assets situated in in-fill locations and close to key infrastructure.

Key metrics relating to the CIP portfolio as at 30 June 2020 and 31 December 2020 are detailed in the table below.

PORTFOLIO SNAPSHOT	AS AT 31 DEC. 2020	AS AT 30 JUN. 2020
Number of assets (#)	59	50
Book value (\$m)	2,399	1,602
WACR (%)	5.42	6.05
GLA (sqm)	1,047,685	945,611
Average asset size (sqm)	17,757	19,298
Occupancy by income (%)	97.7	97.8
WALE by income (years)	9.8	7.2

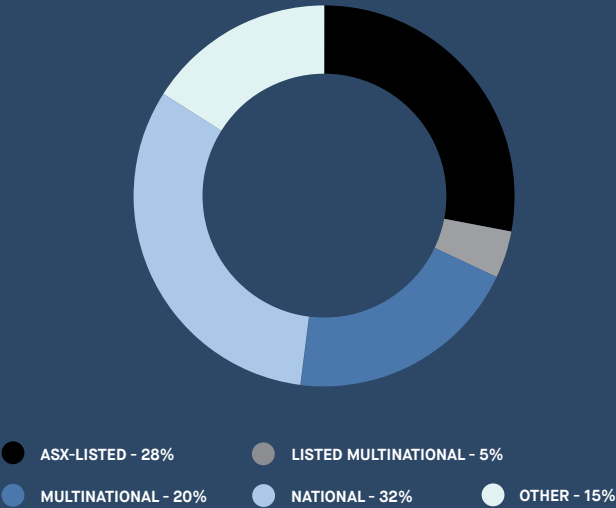
CIP's tenant mix and profile are detailed on the following page. The location of CIP's assets is outlined below with occupancy and WALE details as at 31 December 2020.

### Portfolio weighting

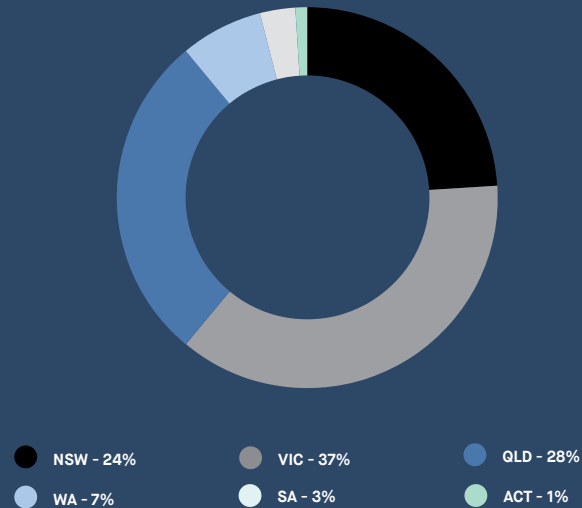




Tenant composition (by income)



Geographic diversification



Industrial sub-sector diversification



46 ROBINSON ROAD, EAST VIRGINIA, QLD

# The Issuer and Centuria Capital Group

## Section 3

### Centuria Office REIT (ASX: COF)

#### Australia's largest domestic pure play office REIT

Centuria Property Funds Limited (CPFL), which is a wholly owned subsidiary of CNI, is the responsible entity and manager of the S&P/ASX300 Centuria Office REIT (ASX: COF), Australia's largest domestic pure play office REIT listed on the ASX. The properties in COF account for 21% of Centuria Capital Group's total assets under management. The Issuer is COF's largest unitholder.

The Issuer held 76,029,992 units in COF as at 31 December 2020, which equated to a holding of 14.78% of the issued capital. As at 31 December 2020, COF had a market capitalisation of \$1.1 billion. COF declared distributions of 17.15 cents per security in the twelve months to 31 December 2020.

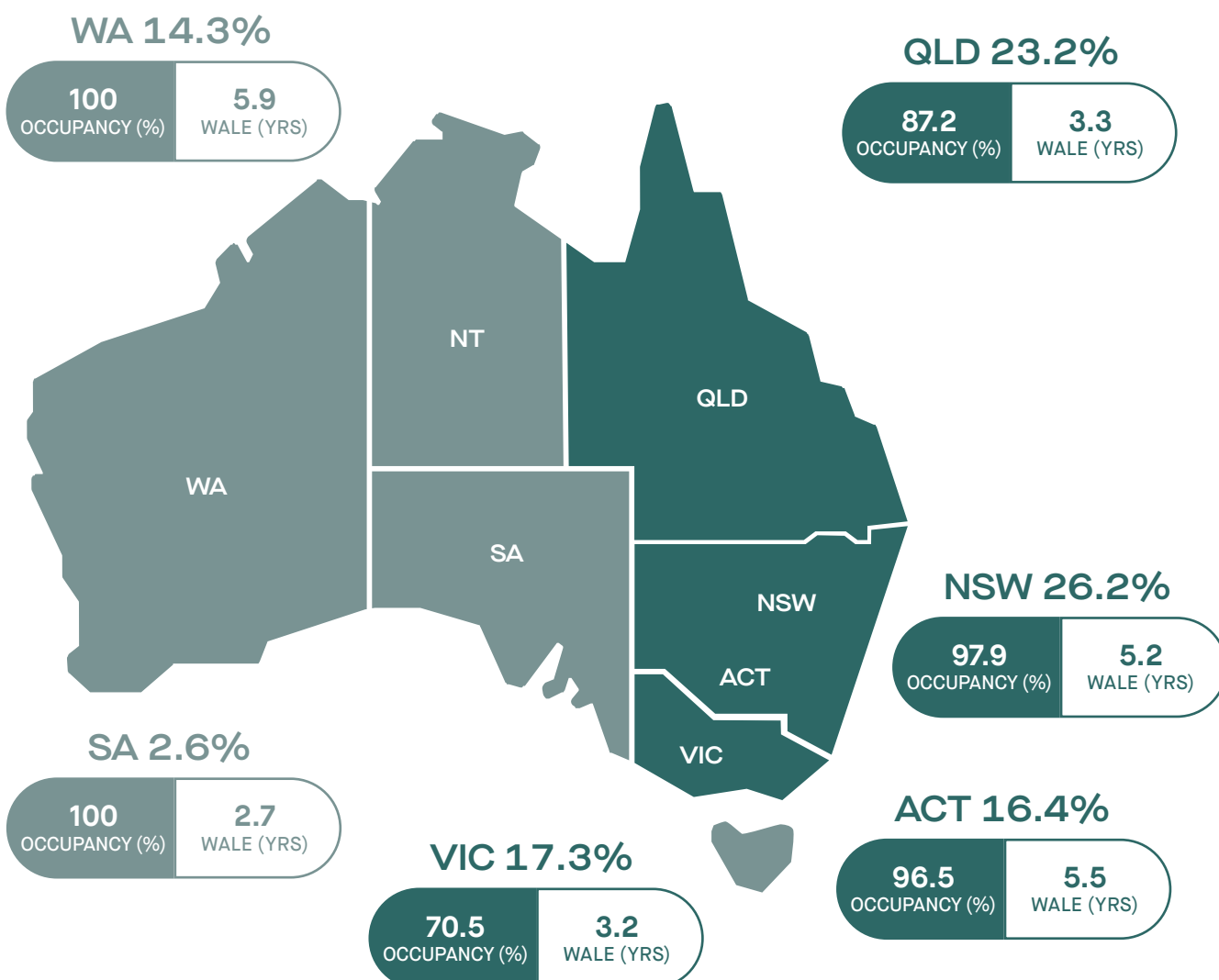
As at 31 December 2020, COF had a portfolio of 23 office assets worth \$2.1 billion, with an occupancy rate of 91.5% and a portfolio WALE of 4.5 years. COF's portfolio is geographically diversified throughout Australia predominantly exposed to metropolitan and near city office markets that are well connected to transport and lend themselves to more affordable rents than comparable CBD-located properties. COF has a strong tenant profile, with around 81% of portfolio income derived from government, ASX listed and multinational tenants.

Key metrics relating to the COF portfolio as at 30 June 2020 and 31 December 2020 are detailed in the table below.

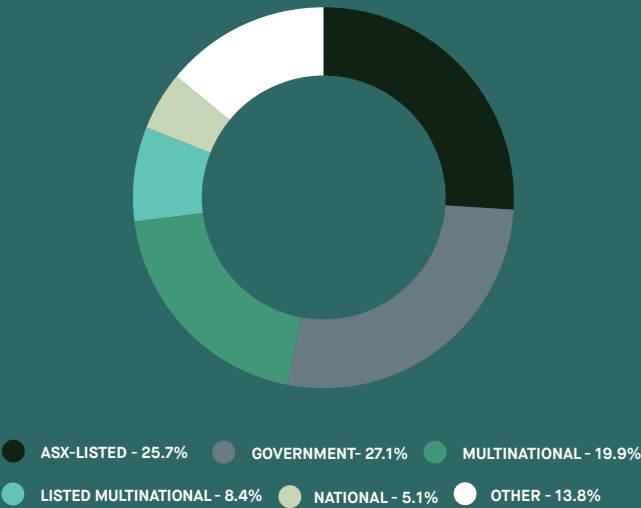
PORTFOLIO SNAPSHOT	AS AT 31 DEC. 2020	AS AT 30 JUN. 2020
Number of assets (#)	23	23
Book value (\$m)	2,032	2,053
WACR (%)	5.90	5.93
NLA (sqm)	304,413	304,586
Occupancy by income (%)	91.5	98.1
WALE by income (years)	4.5	4.7
Av. NABERS energy rating (stars)	4.8	4.8
Av. NABERS water rating (stars)	4.0	-
Av. building age (years)	16.4	15.9

COF's tenant mix and profile as at 31 December 2020 are detailed on the following page. The location of COF's assets is outlined below along with occupancy and WALE details as at 31 December 2020.

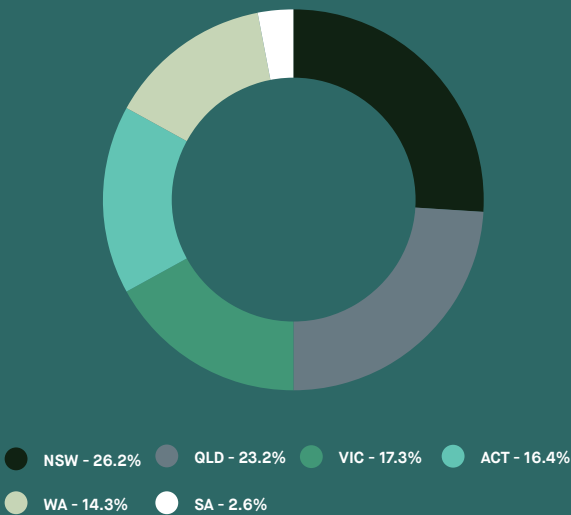
### Portfolio weighting



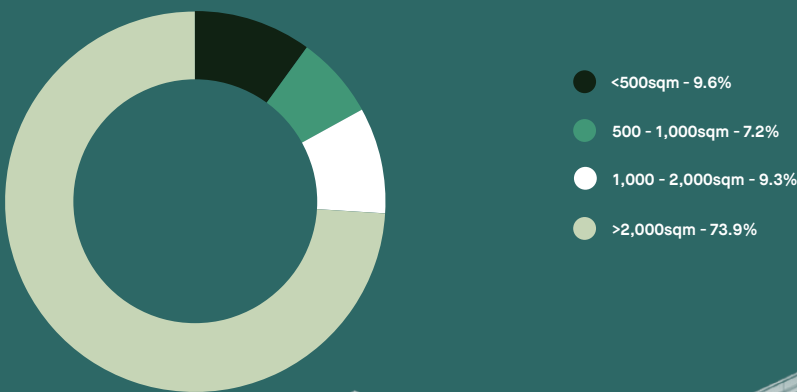
Tenant composition (by income)



Geographic diversification (by value)



Tenant Profile by size (cohort by tenant area)





# The Issuer and Centuria Capital Group

## Section 3

### 3.3 Centuria Capital Group (ASX: CNI)

The Notes will be unconditionally and irrevocably guaranteed by Centuria Capital Limited, which is one of the stapled entities constituting the Centuria Capital Group (ASX:CNI).

Centuria Capital Group is a leading real estate funds manager with an Australasian focus and is included in the S&P/ASX300 (GICS code: Diversified Real Estate). Centuria Capital Group currently manages \$10.2 billion of assets and offers a range of investment opportunities, predominantly listed and unlisted real estate funds. Centuria Capital Group also holds significant co-investment stakes in a number of listed and unlisted funds.

As at 19 March 2021, Centuria Capital Group had a market capitalisation of \$1.4 billion.

For over 20 years, Centuria Capital Group has maintained a strong focus on its in-house real estate expertise to create and manage property investment vehicles. Centuria Capital Group is classed as an "external" manager of real estate, that is Centuria Capital Group manages external property funds with separate equity investors. Occasionally, Centuria Capital Group may hold properties directly on its balance sheet.

Real estate funds management is the largest component of Centuria Capital Group's business with \$9.3 billion of assets under management. Centuria Capital Group has exposure to the industrial, healthcare and de-centralised office real estate markets in Australasia and has an extensive range of property fund types ranging from listed funds to unlisted fixed-term and open-ended funds.

Across its real estate business in Australasia, Centuria Capital Group manages 216 assets with more than 945 tenants as at 31 December 2020.

In addition to CIP and COF (described in section 3.2), Centuria Capital Group also manages the NZX-listed Asset Plus (APL: NZX), as well as a range of unlisted real estate funds comprising 63 single asset funds, 4 multi asset open-ended funds, and 5 institutional funds and mandates.

Centuria Capital Group has maintained a dual strategy of growth by both direct real estate transactions as well as corporate acquisitions.

Recent corporate acquisitions include:

- the purchase of a 63% interest in Heathley Limited (September 2019), which has since re-branded to Centuria Healthcare. Centuria Healthcare is a specialist funds manager in the healthcare property sector, which provides unlisted healthcare property investment to individual, wholesale and institutional investors; and
- the 2020 full takeover of Augusta Capital Limited, a leading New Zealand property funds manager. Augusta Capital was recently de-listed from the New Zealand Exchange and is now a 100% subsidiary of the Centuria Capital Group.

Centuria Life Limited (Centuria Life) is a wholly-owned subsidiary of Centuria Capital Limited. Centuria Life operates as a friendly society and offers a range of retirement planning investment products. It also manages the Over Fifty Guardian Friendly Society, which offers pre-paid funeral plans. Both friendly societies are regulated by Australian Prudential Regulation Authority (APRA) and are authorised to issue insurance bonds and prepaid funeral plans. This is a longstanding business unit, which has recently launched a contemporary investment product called "Centuria LifeGoals".

As at 31 December 2020, Centuria Life had total funds under management of \$0.9 billion and approximately 87,000 policy holders.

Further information on the property funds management and investment bond businesses of Centuria Capital Group is set out below.

### Centuria Capital Group (CNI)

<b>TOTAL CNI Co-Investments</b> <b>\$0.6bn</b> CNI Co-Investments on balance sheet	<b>\$219m<sup>4</sup></b> (19.9%) Centuria Office REIT ASX:COF	<b>\$254m<sup>4</sup></b> (15.1%) Centuria Industrial REIT ASX:CIP	<b>\$24m<sup>4</sup></b> (19.99%) Asset Plus Ltd NZX:APL	<b>\$114m</b> Unlisted property and debt investments	<b>\$32m</b> Properties held for development
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Market capitalisation<sup>1</sup> of \$1.6bn Included in the S&P/ASX300 Index.

**\$10.2bn** GROUP AUM

LISTED REAL ESTATE <b>\$4.8bn</b>			UNLISTED REAL ESTATE <b>\$4.5bn</b>						INVESTMENT BONDS <b>\$0.9bn</b>
Centuria Office REIT ASX:COF <b>\$2.1bn</b>	Centuria Industrial REIT ASX:CIP <b>\$2.4bn</b>	Asset Plus Ltd NZX:APL <sup>2</sup> <b>\$0.3bn</b>	Unlisted NZ single asset funds & APF <b>\$1.4bn</b>	NZ Industrial Fund <b>\$0.4bn</b> <small>OPEN ENDED FUND</small>	Centuria Fixed Term Funds <b>\$1.6bn</b>	Centuria Diversified Property Fund <b>\$0.2bn</b> <small>OPEN ENDED FUND</small>	Centuria Healthcare Real Estate <sup>3</sup> <b>\$0.8bn</b>	Centuria Healthcare Property Fund <b>\$0.1bn</b> <small>OPEN ENDED FUND</small>	Centuria Life Centuria Investment Bonds Guardian Friendly Society

**Note:** All figures above are in Australian dollars (currency exchange ratio of AU\$1.000:NZ\$1.0705). Numbers presented may not add up precisely to the totals provided due to rounding.

<sup>1</sup> Based on CNI closing price at 31 December 2020.

<sup>2</sup> Includes 6-8 Munroe Lane, Albany, Auckland, NZ valuation on an as if complete basis.

<sup>3</sup> Includes commenced development projects valued on an as if completed basis.

<sup>4</sup> Based on the respective close prices for COF, CIP and APL at 31 December 2020. Includes ownership by associates of Centuria Capital Group.

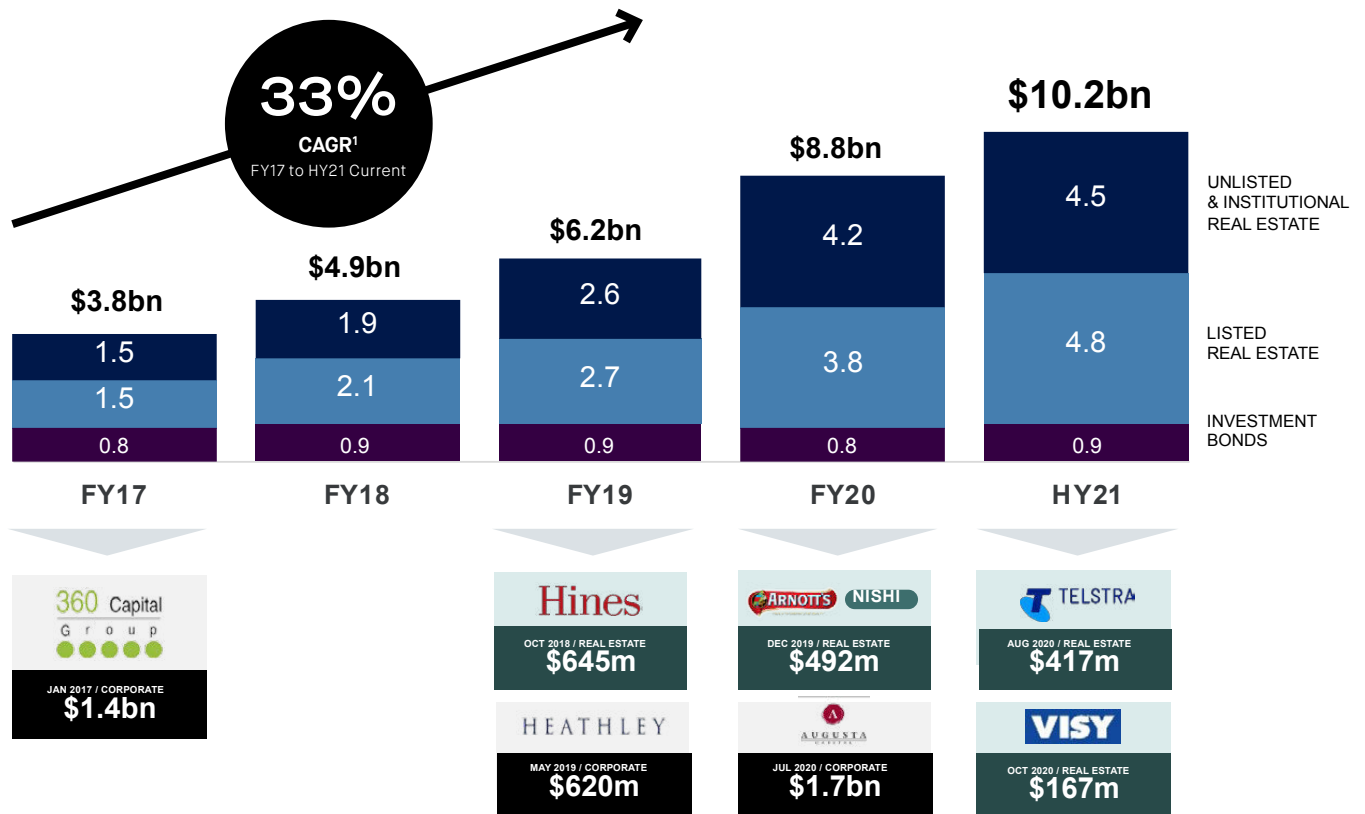


# The Issuer and Centuria Capital Group

## Section 3

The table below outlines historical growth in assets under management (AUM) of Centuria Capital Group.

### Assets Under Management



<sup>1</sup> CAGR calculated from 30 June 2017 to 31 December 2020.

### 3.3.1 Investment Bonds

Centuria Capital Group is a long-standing provider of insurance or investment bonds in the Australian market. Through Centuria Life, Centuria Capital Group offers a broad investment menu and provides access to a wide range of active investment managers and low cost specialised index investments. Centuria Life's investment bond funds invest in the major asset classes of cash, fixed interest, Australian shares, international shares, property and infrastructure along with a range of diversified, balanced and growth strategies.

Centuria Life provides investors with alternative structures for tax-effective investing, supplementing superannuation, estate planning, investing for children and goal-based investments.

Centuria Life's assets under management by investment type are outlined below.

PORTFOLIO SNAPSHOT	AS AT 31 DEC. 2020 (\$)
Prepaid Funeral Plans (Guardian) <sup>1</sup>	551.0
Capital Guaranteed (Centuria Life)	159.8
Unitised Bonds (Centuria Life)	132.5
Centuria LifeGoals	23.2
<b>TOTAL</b>	<b>866.5</b>

<sup>1</sup> Centuria Life is the key service provider to Over Fifty Guardian Friendly Society.

# The Issuer and Centuria Capital Group

## Section 3

### 3.3.2 Property Funds Management

The information below and on the following page outlines the location of Centuria Capital Group's managed properties, the weighting toward the various sectors in which it operates, the various types of funds it operates and sources of capital by investor type.

#### Property Funds Management AUM



**\$9.3bn<sup>1</sup>** of Australasian real estate (~80% Australia and ~20% New Zealand geographic diversification)

New South Wales - 21%

**\$1,873m** ACROSS 41 PROPERTIES

Western Australia - 8%

**\$717m** ACROSS 22 PROPERTIES

Tasmania - 0%

**\$6m** ACROSS 1 PROPERTY

Queensland - 23%

**\$2,094m** ACROSS 58 PROPERTIES

ACT - 4%

**\$389m** ACROSS 5 PROPERTIES

Auckland - 16%

**\$1,069m** ACROSS 28 PROPERTIES

Victoria - 18%

**\$1,612m** ACROSS 27 PROPERTIES

South Australia - 5%

**\$417m** ACROSS 7 PROPERTIES

Other - 6%

**\$447m** ACROSS 27 PROPERTIES

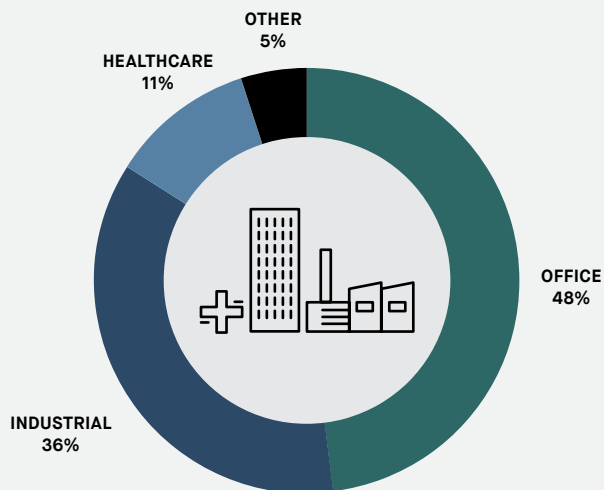
<sup>1</sup> As at 31 December 2020. Includes cash and other financial assets.

# The Issuer and Centuria Capital Group

## Section 3

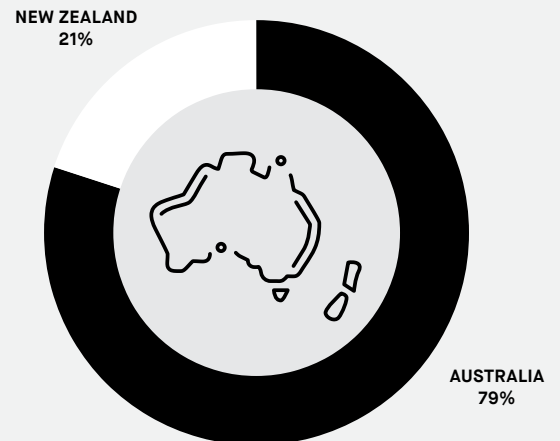
### Asset Sectors<sup>1</sup>

OFFICE | INDUSTRIAL | HEALTHCARE |  
REAL ESTATE TOTAL 95%



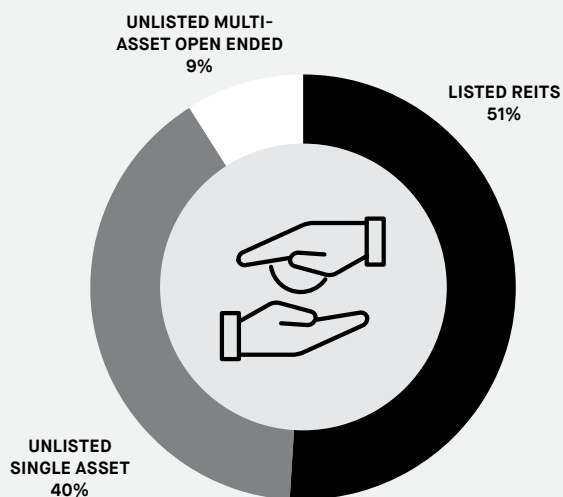
### Geographies

~80% AUSTRALIA  
~20% NEW ZEALAND



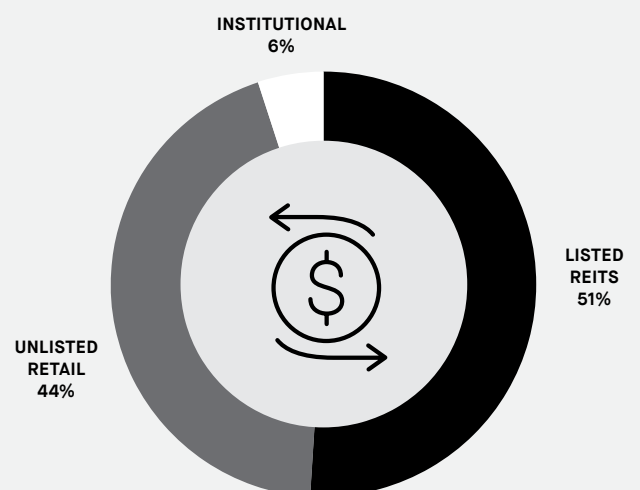
### Fund Types

~50% LISTED REITS FUND CATEGORIES  
~50% UNLISTED FUND CATEGORIES



### Capital Sources

~50% LISTED REITS  
~50% UNLISTED



<sup>1</sup> Other includes New Zealand large format retail, supermarkets, shopping centres and tourism.



# Financial Information

## Section 4

### 4.1 Basis of preparation and key assumptions

#### Financial Information

The financial information of the Fund presented in this section comprises:

- the historical consolidated income statements of the Fund for the years ended 30 June 2019 and 30 June 2020 and for the six months ended 31 December 2020 as set out in Table 4.2.1 of section 4.2;
- the historical consolidated balance sheets of the Fund as at 30 June 2019, 30 June 2020 and 31 December 2020 as set out in Table 4.3.1 of section 4.3; and
- the historical consolidated statements of cash flows of the Fund for the years ended 30 June 2019 and 30 June 2020 and for the six months ended 31 December 2020 as set out in Table 4.4.1 of Section 4.4,  
(together the **Historical Financial Information**); and
- the pro-forma historical consolidated balance sheet of the Fund as at 31 December 2020 as set out in Table 4.5.1A of Section 4.5 (**Pro Forma Historical Balance Sheet**).

The Historical Financial Information and Pro Forma Historical Balance Sheet are together referred to as the **Financial Information**.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of the Fund. The Directors of the Issuer are responsible for the preparation and presentation of the Financial Information. The Financial Information has been prepared on a going concern basis.

The Financial Information has been reviewed by Ernst & Young Strategy and Transactions Limited in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information as stated in its Independent Limited Assurance Report set out in Section 5. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The Financial Information should be read in conjunction with the risk factors described in Section 6 as well as the accounting policies of Centuria Capital No. 2 Fund as disclosed in the financial statements lodged with ASX at the time of listing.

Investors should also be aware that certain financial data included in this Prospectus is 'non-IFRS financial information' under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC in December 2011. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios included in this Prospectus.

Investors should also note that past performance is not a reliable indicator of future performance.

The Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, presentation, statements or comparative information as required by the Australian Accounting Standard (AAS) applicable to annual financial reports prepared in accordance with the Corporations Act.

All amounts disclosed in the tables are presented in Australian dollars and unless otherwise noted, are rounded to the nearest \$1,000. Rounding of figures provided in the Financial Information may result in some immaterial differences between the sum of components and the totals outlined within tables and percentage calculation.

#### Historical financial information

The Historical Financial Information as at and for the years ended 30 June 2019 and 30 June 2020 has been derived from the financial statements of the Fund for the respective years, which were audited by KPMG in accordance with Australian Auditing Standards. KPMG issued unqualified audit opinions on these financial statements, which included an other matter paragraph with respect to the 30 June 2018

comparatives being unaudited in the financial report of the Fund for the year ended 30 June 2019. The Historical Financial Information as at and for the six months ended 31 December 2020 has been derived from the interim financial statements of the Fund, which were reviewed by KPMG and on which an unqualified limited assurance conclusion was issued which included an other matter paragraph with respect to the 31 December 2019 comparatives being unreviewed and unaudited and an emphasis of matter relating to the basis of preparation of the interim financial report.

The consolidated financial statements of the Fund for the years ended 30 June 2019 and 30 June 2020 and the interim consolidated financial statements of the Fund for the six months ended 31 December 2020 have been lodged with ASIC and are available at [centuria.com.au/C2FHA](http://centuria.com.au/C2FHA).

The Historical Financial Information presented has been prepared in accordance with the measurement and recognition principles contained in the AAS.

#### Pro Forma Historical Balance Sheet

The Pro Forma Historical Balance Sheet has been derived from the historical consolidated balance sheet of the Fund as at 31 December 2020 and adjusted for the impact of the Offer and certain transactions as if they had occurred as at 31 December 2020.

The Pro Forma Historical Balance Sheet has been prepared in accordance with the recognition and measurement principles of the AAS other than it includes certain adjustments, which have been prepared in a manner consistent with the AAS that reflect the impact of certain transactions as if they occurred as at 31 December 2020.

Due to its nature, the Pro Forma Historical Balance Sheet does not represent the Fund's actual or prospective financial position.

The financial ratios presented in Table 4.5.3 and Section 4.6 have been calculated with reference to the Pro Forma Historical Balance Sheet presented in Section 4.5.

### 4.2 Historical consolidated income statements

The following table sets out Centuria Capital No. 2 Fund's historical consolidated income statements for the financial years ended 30 June 2019 and 30 June 2020 and for the six months ended 31 December 2020.

**Table 4.2.1 – Historical consolidated income statements**

	Year ended 30 Jun. 19 (\$'000)	Year ended 30 Jun. 20 (\$'000)	6 mths ended 31 Dec. 20 (\$'000)
<b>Revenue</b>	<b>35,294</b>	<b>46,680</b>	<b>29,268</b>
Share of net profit of equity accounted investments	25,551	8,110	608
Expenses	(13,731)	(8,639)	(3,386)
Fair value movements of financial instruments	(1,776)	(38,263)	8,451
Finance costs	(17,475)	(15,860)	(6,551)
<b>Profit/(loss) after tax</b>	<b>27,863</b>	<b>(7,972)</b>	<b>28,390</b>
<b>PROFIT/(LOSS) IS ATTRIBUTABLE TO:</b>			
Centuria Capital No. 2 Fund	27,717	(8,954)	27,022
Non-controlling interests	146	982	1,368
<b>Profit/(loss) after tax</b>	<b>27,863</b>	<b>(7,972)</b>	<b>28,390</b>

# Financial Information

## Section 4

### 4.3 Historical consolidated balance sheets

The following table sets out Centuria Capital No. 2 Fund's historical consolidated balance sheets as at 30 June 2019, 30 June 2020 and 31 December 2020.

**Table 4.3.1 – Historical consolidated balance sheets**

	30 Jun. 2019 (\$'000)	30 Jun. 2020 (\$'000)	31 Dec. 2020 (\$'000)
<b>ASSETS</b>			
Cash and cash equivalents	67,976	53,036	95,980
Receivables	72,927	11,157	13,916
Equity accounted investments	282,006	31,830	31,634
Investment properties	177,500	167,110	155,750
Financial assets at fair value	116,537	527,782	618,638
Property held for development	-	1,295	1,295
<b>Total assets</b>	<b>716,946</b>	<b>792,210</b>	<b>917,213</b>
<b>LIABILITIES</b>			
Payables	56,891	35,794	93,284
Interest rate swaps at fair value	731	636	814
Corporate Notes	202,607	167,291	167,148
Other Borrowings	94,309	85,920	83,873
<b>Total liabilities</b>	<b>354,538</b>	<b>289,641</b>	<b>345,119</b>
<b>Net assets</b>	<b>362,408</b>	<b>502,569</b>	<b>572,094</b>
<b>EQUITY ATTRIBUTABLE TO CENTURIA CAPITAL NO. 2 FUND</b>			
Contributed equity	313,069	492,804	555,620
Retained earnings/(accumulated losses)	3,256	(31,845)	(24,424)
<b>Total equity attributable to Centuria Capital No. 2 Fund</b>	<b>316,325</b>	<b>460,959</b>	<b>531,196</b>
<b>EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>			
Contributed equity	32,927	14,248	12,798
Retained earnings	13,156	27,362	28,100
<b>Total equity attributable to non-controlling interests</b>	<b>46,083</b>	<b>41,610</b>	<b>40,898</b>
<b>Total Equity</b>	<b>362,408</b>	<b>502,569</b>	<b>572,094</b>

In accordance with the terms and conditions of the Wholesale Notes and the Notes, adjustments have been made to the figures derived from the audited consolidated financial statements and the reviewed interim consolidated financial statements in order to calculate the financial covenant ratio of all secured debt (Corporate Notes as described in Table 4.3.1) to the total tangible assets of the Relevant Trusts of all Secured Guarantors. The following table provides an outline of the required adjustments.

**Table 4.3.2 – LVR covenant calculation**

	30 Jun. 2019 (\$'000)	30 Jun. 2020 (\$'000)	31 Dec. 2020 (\$'000)
<b>Total assets</b>	716,946	792,210	917,213
Less: Investment properties not part of Security Pool	(177,500)	(167,110)	(155,750)
Add back: Investments in controlled properties at fair value	37,940	37,812	28,993
Adjustment to total assets from controlled properties and fair value adjustments	27,238	32,216	12,149
<b>Adjusted Total Tangible Assets</b>	<b>604,624</b>	<b>695,128</b>	<b>802,605</b>
<b>LVR %</b>	<b>33.5%</b>	<b>24.1%</b>	<b>20.8%</b>
<b>Maximum LVR % per covenants</b>	<b>65.0%</b>	<b>65.0%</b>	<b>65.0%</b>

# Financial Information

## Section 4

### 4.4 Historical consolidated statements of cash flows

The following table sets out Centuria Capital No. 2 Fund's historical consolidated statements of cash flows for the financial years ended 30 June 2019 and 30 June 2020 and for the six months ended 31 December 2020.

**Table 4.4.1 – Historical consolidated statements of cash flows**

	Year ended 30 Jun. 19 (\$'000)	Year ended 30 Jun. 20 (\$'000)	6 mths ended 31 Dec. 20 (\$'000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received	10,521	467	67
Distributions received	25,670	22,468	12,726
Payments to suppliers	(18,683)	(11,743)	(2,723)
Rent received	21,451	18,400	6,925
Other income	778	66	91
Interest paid	(14,242)	(14,448)	(5,665)
<b>Net cash provided by/(used in) operating activities</b>	<b>25,495</b>	<b>15,210</b>	<b>11,421</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of related party investments	14,552	53,554	9,060
Purchase of investment in related parties	(104,073)	(112,603)	(31,130)
Loans to related parties for purchase of properties	(5,128)	-	-
Proceeds from sale of other investments	136,899	-	-
Loans to related parties	-	-	(9,462)
Repayment of loans by related parties	5,865	180,819	693
Purchase of other investments	(16,309)	(2,715)	(3,181)
Purchase of equity accounted investments	(23,243)	(12,977)	-
Payments in relation to investment properties	(1,896)	(21,097)	(1,250)
Deconsolidation of controlled property funds cash balance	-	(4,231)	-
Sale of investment property	22,600	23,500	-
Loans provided to other parties	(56,594)	(87,465)	-
Return of investment to external non-controlling interests	-	-	(356)
Loan from related parties	-	-	43,462
<b>Net cash provided by/(used in) investing activities</b>	<b>(27,327)</b>	<b>16,785</b>	<b>7,836</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of units	-	-	24,903
Proceeds from borrowings	80,000	6,547	688
Costs paid to issue debt	(1,726)	(1,628)	(481)
Repayment of borrowings	(21,470)	(49,938)	-
Distributions paid to non-controlling interests	(3,363)	(3,375)	(1,423)
Proceeds from issues of units to non-controlling interests	-	1,459	-
<b>Net cash provided by/(used in) financing activities</b>	<b>53,441</b>	<b>(46,935)</b>	<b>23,687</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>51,609</b>	<b>(14,940)</b>	<b>42,944</b>
Cash and cash equivalents at the beginning of the financial period	16,367	67,976	53,036
<b>Cash and cash equivalents at end of period</b>	<b>67,976</b>	<b>53,036</b>	<b>95,980</b>

# Financial Information

## Section 4

### 4.5 Pro Forma Historical Balance Sheet as at 31 December 2020 and impact of equity issuance

Table 4.5.1A presents the Pro Forma Historical Balance Sheet of the Fund reflecting the impact of the issue of the Notes and repayment of Wholesale Notes on the historical consolidated balance sheet as at 31 December 2020.

Table 4.5.1B sets out the additional impact of the equity issuance which occurred subsequent to 31 December 2020, the details of which are described in Section 3.2.

**Table 4.5.1A – Pro Forma Historical Balance Sheet as at 31 December 2020**

**Table 4.5.1B – Impact of equity issuance**

	Table 4.5.1A Pro forma Historical Balance Sheet				Table 4.5.1B Impact of equity issuance	
	31 Dec. 20 Historical <sup>1</sup> (\$'000)	Notes Issue <sup>2</sup> (\$'000)	Repayment of Wholesale Notes <sup>3</sup> (\$'000)	31 Dec. 20 Pro Forma Historical (\$'000)	Equity Issuance Post 31 Dec. 20 <sup>4</sup> (\$'000)	31 Dec. 20 Post Equity Issuance (\$'000)
<b>ASSETS</b>						
Cash and cash equivalents	95,980	206,150	(73,475)	228,655	-	228,665
Receivables	13,916	-	-	13,916	-	13,916
Equity accounted investments	31,634	-	-	31,634	-	31,634
Investment properties	155,750	-	-	155,750	-	155,750
Financial assets at fair value <sup>5</sup>	618,638	-	-	618,638	-	618,638
Property held for development	1,295	-	-	1,295	-	1,295
<b>Total assets</b>	<b>917,213</b>	<b>206,150</b>	<b>(73,475)</b>	<b>1,049,888</b>	<b>-</b>	<b>1,049,888</b>
<b>LIABILITIES</b>						
Payables	93,284	-	-	93,284	(86,679)	6,605
Interest rate swaps at fair value	814	-	-	814	-	814
Corporate Notes	167,148	206,150	(72,800)	300,498	-	300,498
Other Borrowings	83,873	-	-	83,873	-	83,873
<b>Total liabilities</b>	<b>345,119</b>	<b>206,150</b>	<b>(72,800)</b>	<b>478,469</b>	<b>(86,679)</b>	<b>391,790</b>
<b>Net assets</b>	<b>572,094</b>	<b>-</b>	<b>(675)</b>	<b>571,419</b>	<b>86,679</b>	<b>658,098</b>
<b>EQUITY ATTRIBUTABLE TO CENTURIA CAPITAL NO. 2 FUND</b>						
Contributed equity	555,620	-	-	555,620	86,679	642,299
Retained earnings/(accumulated losses)	(24,424)	-	(675)	(25,099)	-	(25,099)
<b>Total equity attributable to Centuria Capital No. 2 Fund</b>	<b>531,196</b>	<b>-</b>	<b>(675)</b>	<b>530,521</b>	<b>86,679</b>	<b>617,200</b>
<b>EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>						
Contributed equity	12,798	-	-	12,798	-	12,798
Retained earnings	28,100	-	-	28,100	-	28,100
<b>Total equity attributable to non-controlling interests</b>	<b>40,898</b>	<b>-</b>	<b>-</b>	<b>40,898</b>	<b>-</b>	<b>40,898</b>
<b>Total Equity</b>	<b>572,094</b>	<b>-</b>	<b>(675)</b>	<b>571,419</b>	<b>86,679</b>	<b>658,098</b>

**Notes:**

- 1 The Centuria Capital No. 2 Fund historical financial information presented above has been sourced from the reviewed consolidated financial statements of Centuria Capital No. 2 Fund for the six months ended 31 December 2020.
- 2 The Notes offer of \$210.0m (assuming \$190 million under the Institutional Offer and the Broker Firm Offer and an additional \$20 million under the Securityholder Offer) net of \$3.8m in expected offer costs will result in an increase in cash of \$206.2m with a corresponding increase in borrowings. The Notes are due to mature in April 2026. The transaction costs of \$3.8m comprise brokers' fees \$2.8m, legal advisory fees \$0.2m, regulatory lodgement and approval fees \$0.3m, ASX listing fees \$0.2m and other costs amounting to \$0.3m.
- 3 Repayment of Wholesale Notes equal to \$73.5m which includes \$27.8m due on 21 April 2021 and the early repayment of Wholesale Notes of \$45.0m (being the fixed component) which was originally due to mature on 21 April 2023 and which will incur an early repayment cost of \$0.7m.
- 4 Post-balance date on 4 March 2021, Centuria Capital No. 2 Fund issued additional capital to its immediate parent entity, Centuria Capital Fund. This resulted in an increase in issued capital of \$86.7m and a corresponding decrease in its intercompany loan balances owing to Centuria Capital Fund. There were no other material subsequent events since 31 December 2020.
- 5 The financial assets at fair value are outlined in Table 4.5.2.



# Financial Information

## Section 4

**Table 4.5.2 – Financial assets at fair value as at 31 December 2020**

Financial assets at fair value	Listed/ Unlisted	Fair Value (\$'000)	Ownership
Centuria Industrial REIT	Listed	180,180	10.59%
Centuria Office REIT	Listed	162,704	14.78%
Centuria Healthcare Direct Medical Fund No. 2	Unlisted	13,337	8.38%
External investments	Unlisted	9,696	Various
Related party investments	Unlisted	3,413	Various
Interest bearing related party loan	Unlisted	249,308	-
<b>Total</b>		<b>618,638</b>	

The interest bearing related party loan is a result of funds that have been lent from a subsidiary of Centuria Capital Fund, the trust in the CNI stapled structure, to a subsidiary of Centuria Capital Limited, the stapled company, to fund various growth initiatives of CNI including the acquisition of real estate platforms. This has arisen due to equity raised by CNI being allocated proportionally to the trust and the stapled company constituting the stapled structure, based on the prevailing relative NTA split between the entities, in accordance with general taxation principles. This loan generates interest income to the Issuer based on an interest rate set on arm's length terms.

In accordance with the terms and conditions of the Wholesale Notes and the Notes, adjustments have been made to the historical consolidated balance sheet as at 31 December 2020 in order to calculate the financial covenant ratio of all secured debt (Corporate Notes as described Table 4.5.1A) to the total tangible assets of the Relevant Trusts of all Secured Guarantors. The following table provides an outline of the required adjustments.

**Table 4.5.3 – LVR covenant calculation based on the Pro Forma Historical Balance Sheet**

	31 Dec. 20 Historical <sup>1</sup> (\$'000)	Notes Issue <sup>2</sup> (\$'000)	Repayment of Wholesale Notes <sup>3</sup> (\$'000)	31 Dec.20 Pro Forma Historical (\$'000)
<b>TOTAL ASSETS</b>	917,213	206,150	(73,475)	1,049,888
Less: Investment properties not part of Security Pool	(155,750)	-	-	(155,750)
Add back: Investments in controlled properties at fair value	28,993	-	-	28,993
Adjustment to total assets from controlled properties and fair value adjustments	12,149	-	-	12,149
<b>Adjusted total assets</b>	<b>802,605</b>	<b>206,150</b>	<b>(73,475)</b>	<b>935,282</b>
LVR %	20.8%			32.1%
<b>Maximum LVR % per covenants</b>	<b>65.0%</b>			<b>65.0%</b>

**Notes:**

For notes 1-3, refer to notes 1-3 of Table 4.5.1A.

# Financial Information

## Section 4

### 4.6 Pro Forma Financial Covenant Ratios

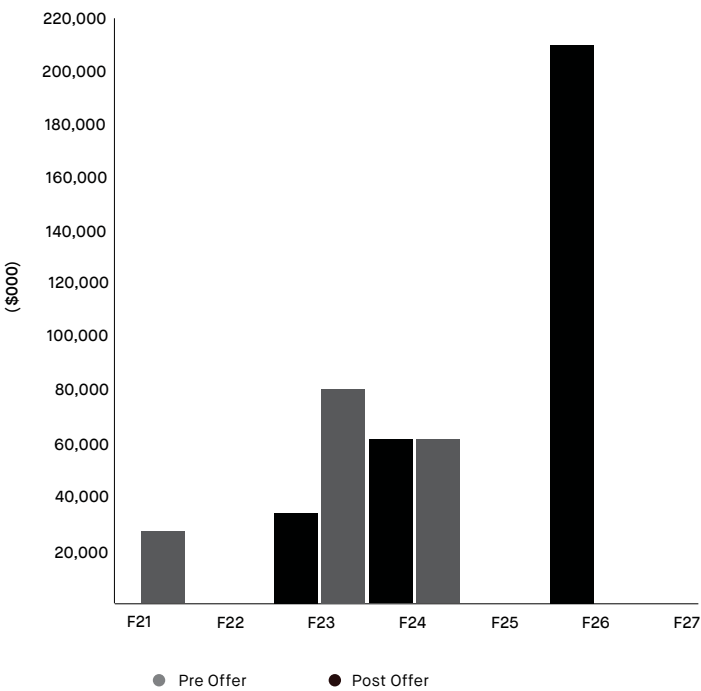
In accordance with the terms and conditions of the Wholesale Notes and the Notes, Centuria Capital No. 2 Fund is required to comply with a maximum loan to valuation ratio (LVR) covenant of 65.0%. This covenant has been tested for all historical periods presented in Section 4.5. For the purpose of the Pro Forma Historical Balance Sheet, the LVR is 32.1%. (See Table 4.5.3 for further information on the calculation.)

In addition, Centuria Capital No. 2 Fund is subject to a covenant relating to its existing Wholesale Notes, which is tested at the consolidated Centuria Capital Group level. This covenant is only assessed in the event of additional financial indebtedness incurred by Centuria Capital No. 2 Fund. The issue of the Notes represents additional indebtedness and will therefore trigger an assessment of this covenant. This covenant requires an interest cover ratio (ICR) of two times. The ICR at 31 December 2020 was 4.8 times, which satisfies the covenant.

### 4.7 Debt maturity profile

Centuria Capital No. 2 Fund monitors its net debt and available funding in conjunction with testing of indebtedness at a Centuria Capital Group level.

The chart below sets out the pro forma maturity profile of Centuria Capital No. 2 Fund’s Wholesale Notes and the Notes based on the Pro Forma Historical Balance Sheet.



The table below outlines the various tranches of the existing Wholesale Notes including the fixed or floating nature of the applicable interest and maturity date.

**Table 4.7.1 – Wholesale Note Summary**

Tranche	Interest rate	Maturity date	Tranche amount (\$)
CTFA01	Fixed	21 April 2021	\$19,447,000
CTFA02	Floating	21 April 2021	\$8,350,000
CTFA03	Fixed	21 April 2023	\$45,000,000
CTFA04	Floating	21 April 2023	\$35,000,000
CTFA05	Fixed	21 April 2024	\$30,553,000
CTFA06	Floating	21 April 2024	\$31,650,000
Total			\$170,000,000

# Independent Limited Assurance Report

## Section 5



Ernst & Young Strategy and  
Transactions Limited  
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Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

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Fax: +61 2 9248 5959  
ey.com/au

30 March 2021

The Board of Directors  
Centuria Funds Management Limited as trustee  
of Centuria Capital No.2 Fund  
Level 41, Chifley Tower, 2 Chifley Square  
Sydney NSW 2000

Dear Directors

### **PART 1 – INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION AND PRO FORMA HISTORICAL BALANCE SHEET**

#### **1. Introduction**

We have been engaged by Centuria Funds Management Limited as trustee of Centuria Capital No.2 Fund (the “Issuer”) to report on the historical financial information and pro forma historical balance sheet of Centuria Capital No.2 Fund (the “Fund”) for inclusion in the replacement prospectus to be dated on or about 30 March 2021 (“Prospectus”), and to be issued by the Issuer in respect of an offer of secured, redeemable notes in the Fund to raise \$190 million, with the ability to raise more or less (the “Offer”).

Expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the *Corporations Act 2001*. Ernst & Young Strategy and Transactions Limited (“Ernst & Young Strategy and Transactions”) holds an appropriate Australian Financial Services Licence (AFS Licence Number 240585). Gavin Sultana is a Director and Representative of Ernst & Young Strategy and Transactions. We have included our Financial Services Guide as Part 2 of this report.

#### **2. Scope**

##### ***Historical Financial Information***

You have requested Ernst & Young Strategy and Transactions to review the following historical financial information of the Fund:

- ▶ the historical consolidated income statements for the years ended 30 June 2019 and 30 June 2020 and for the six months ended 31 December 2020 as set out in Table 4.2.1 of Section 4.2 of the Prospectus;

A member firm of Ernst & Young Global Limited  
Ernst & Young Strategy and Transactions Limited, ABN 87 003 599 844  
Australian Financial Services Licence No. 240585

# Independent Limited Assurance Report

## Section 5



- ▶ the historical consolidated balance sheets as at 30 June 2019, 30 June 2020 and 31 December 2020 as set out in Table 4.3.1 of Section 4.3 of the Prospectus; and
- ▶ the historical consolidated statements of cash flows for the years ended 30 June 2019 and 30 June 2020 and for the six months ended 31 December 2020 as set out in Table 4.4.1 of Section 4.4 of the Prospectus.

(Hereafter the “Historical Financial Information”).

The Historical Financial Information as at and for the years ended 30 June 2019 and 30 June 2020 has been derived from the financial statements of the Fund for the respective years, which were audited by KPMG in accordance with Australian Auditing Standards. KPMG issued unqualified audit opinions on these financial statements, which included an other matter paragraph with respect to the 30 June 2018 comparatives being unaudited in the financial report of the Fund for the year ended 30 June 2019. The Historical Financial Information as at and for the six months ended 31 December 2020 has been derived from the interim financial statements of the Fund, which were reviewed by KPMG and on which an unqualified limited assurance conclusion was issued which included an other matter paragraph with respect to the 31 December 2019 comparatives being unreviewed and unaudited and an emphasis of matter relating to the basis of preparation of the interim financial report.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the measurement and recognition principles contained in Australian Accounting Standards (“AAS”).

### ***Pro Forma Historical Balance Sheet***

You have requested Ernst & Young Strategy and Transactions to review the pro forma historical consolidated balance sheet of the Fund as at 31 December 2020 as set out in Table 4.5.1A of Section 4.5 of the Prospectus (Hereafter the “Pro Forma Historical Balance Sheet”).

(the Historical Financial Information and Pro Forma Historical Balance Sheet is collectively referred to as the “Financial Information”).

The Pro Forma Historical Balance Sheet has been derived from the historical consolidated balance sheet of the Fund as at 31 December 2020 adjusted for the effects of pro forma adjustments described in notes 1 to 3 of Table 4.5.1 of Section 4.5 of the Prospectus.

The Pro Forma Historical Balance Sheet has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles of AAS other than that it includes certain adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions as if they occurred as at 31 December 2020.

Due to its nature, the Pro Forma Historical Balance Sheet does not represent the Fund’s actual or prospective financial position.



# Independent Limited Assurance Report

## Section 5



The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

### 3. Directors' Responsibility

The directors of the Issuer are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Balance Sheet, including the basis of preparation, selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Balance Sheet. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Balance Sheet that are free from material misstatement, whether due to fraud or error.

### 4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Balance Sheet based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

### 5. Conclusions

#### **Historical Financial Information**

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of the Fund comprising:

# Independent Limited Assurance Report

## Section 5



- ▶ the historical consolidated income statements for the years ended 30 June 2019 and 30 June 2020 and for the six months ended 31 December 2020 as set out in Table 4.2.1 of Section 4.2 of the Prospectus;
- ▶ the historical consolidated balance sheets as at 30 June 2019, 30 June 2020 and 31 December 2020 as set out in Table 4.3.1 of Section 4.3 of the Prospectus; and
- ▶ the historical consolidated statements of cash flows for the years ended 30 June 2019 and 30 June 2020 and for the six months ended 31 December 2020 as set out in Table 4.4.1 of Section 4.4 of the Prospectus, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.1 of the Prospectus.

### ***Pro Forma Historical Balance Sheet***

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Balance Sheet of the Fund comprising the pro forma historical consolidated balance sheet as at 31 December 2020 as set out in Table 4.5.1A of Section 4.5 of the Prospectus, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.1 of the Prospectus.

### **6. Restriction on Use**

Without modifying our conclusions, we draw attention to Section 4.1 of the Prospectus, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

### **7. Consent**

Ernst & Young Strategy and Transactions has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

### **8. Independence or Disclosure of Interest**

Ernst & Young Strategy and Transactions does not have any interests in the outcome of the Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

Ernst & Young Strategy and Transactions Limited

Gavin Sultana  
Director and Representative

# Independent Limited Assurance Report

## Section 5



30 March 2021

<b>THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT LIMITED ASSURANCE REPORT</b>
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### **PART 2 – FINANCIAL SERVICES GUIDE**

#### **1. Ernst & Young Strategy and Transactions**

Ernst & Young Strategy and Transactions Limited (“Ernst & Young Strategy and Transactions” or “we,” or “us” or “our”) has been engaged to provide general financial product advice in the form of an Independent Limited Assurance Report (“Report”) in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

#### **2. Financial Services Guide**

This Financial Services Guide (“FSG”) provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

#### **3. Financial services we offer**

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

#### **4. General financial product advice**

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

# Independent Limited Assurance Report

## Section 5



We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

### **5. Remuneration for our services**

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is \$33,000 (inclusive of GST).

Ernst & Young Strategy and Transactions is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits disclosed in Section 8.4 of the Prospectus, Ernst & Young Strategy and Transactions, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

### **6. Associations with product issuers**

Ernst & Young Strategy and Transactions and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

### **7. Responsibility**

The liability of Ernst & Young Strategy and Transactions, if any, is limited to the contents of this Financial Services Guide and the Report.

### **8. Complaints process**

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or the Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Complaints Authority Limited.

### **9. Compensation Arrangements**

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of section 912B of the Corporations Act 2001.



# Independent Limited Assurance Report

## Section 5



<b>Contacting Ernst &amp; Young Strategy and Transactions Limited</b>  AFS Compliance Manager  Ernst & Young  200 George Street  Sydney NSW 2000    Telephone: (02) 9248 5555	<b>Contacting the Independent Dispute Resolution Scheme:</b>  Australian Financial Complaints Authority Limited GPO Box 3 Melbourne, VIC 3001   Telephone: 1800 931 678
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This Financial Services Guide has been issued in accordance with ASIC Corporations (Financial Services Guides) Instrument 2015/541.







# Risks

## Section 6

By investing in Notes, the Noteholders of the Notes will be lending money to the Issuer, the repayment of which is guaranteed by Centuria Capital Limited, a member of Centuria Capital Group, and by the Secured Guarantors. The Issuer and the Issuer Subsidiaries have also given security for the repayment of the Notes (see Section 10.3 for a description of the security).

This Section describes some of the potential risks associated with the business of the Issuer and Centuria Capital Group and the sectors in which they operate, and the risks associated with an investment in Notes. The Issuer and Centuria Capital Group are subject to a number of risks that may, either individually or in combination, adversely affect their future operating and financial performance, investment returns and the value of the Notes. The occurrence or consequences of some of the risks described below are partially or completely outside of the control of the Issuer or its Directors and management. The Issuer does not purport to list every risk that may be associated with the business or the sectors in which the Issuer or Centuria Capital Group operates, or associated with an investment in Notes, now or in the future.

There is no guarantee or assurance that the risks will not change or that other risks or matters that may adversely affect the business of the Issuer or Centuria Capital Group, the sectors in which it operates or an investment in the Notes, will not emerge.

Before applying for Notes you should be satisfied that you have a sufficient understanding of the risks involved in making an investment in Notes and whether it is a suitable investment for you, having regard to your investment objectives, financial circumstances and taxation position. You should seek advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before investing in the Issuer.

### 6.1 Risks associated with Notes

#### 6.1.1 Shortfall on winding-up

There is a risk that if the Issuer is wound up, there may be a shortfall of funds to pay all amounts that rank senior to or equally with the Notes (and the Wholesale Notes, which rank equally with the Notes). This would result in Noteholders:

- not receiving any payment if claims senior to the Notes were not satisfied in full; or
- not receiving payment in full if, after full satisfaction of claims senior to the Notes, there is insufficient funds to pay all amounts due in relation to the Notes and any other claims ranking equally with the Notes (such as the Wholesale Notes).

The Issuer may issue securities in future that rank equally with the Notes. The issue of any such securities will increase the number of creditors of the Issuer that may share in the funds available on a winding-up of the Issuer.

Section 10.3.7 contains a summary of how funds recovered by the Security Trustee under the Security Trust Deed will be distributed.

#### 6.1.2 Changes in Interest Rate

The Interest Rate is a floating rate, equal to the sum of the Bank Bill Rate plus the Margin. The Bank Bill Rate will fluctuate and therefore the Interest Rate will fluctuate. Over the term of the Notes, the Interest Rate may be lower or higher than the initial Interest Rate on the Issue Date.

If the Interest Rate decreases, there is a risk that the return on the Notes may become less attractive compared to returns on other investments, including investments that carry fixed Interest rates. The Issuer and Centuria Capital Limited do not guarantee any particular rate of return on Notes.

The interest rate on notes with adjustable rates can become negative. If the Bank Bill Rate drops below zero, the Interest payable on the Notes will be less than the Margin.

If the Interest Rate becomes negative no Interest will be payable by the Issuer on the Notes and Noteholders will not be required to pay the Issuer.

#### 6.1.3 The Issuer may redeem Notes under certain circumstances

The Issuer has a right to redeem Notes under certain circumstances. Consequently, Noteholders may be required to accept a redemption of their Notes at a time or price that they do not wish to accept and which may disadvantage Noteholders in light of market conditions or individual circumstances. If Notes are redeemed before the Maturity Date, Interest will only be paid up until the date of such redemption.

#### 6.1.4 No rights for Noteholders to request or require redemption

Noteholders have no right to request or require redemption of Notes before 20 April 2026 (the Maturity Date), unless a Change of Control occurs or if an Event of Default occurs and is subsisting, and other conditions are met.

Unless redeemed by the Issuer, Noteholders can only realise their investment in Notes by a sale on ASX or a private sale or on the Maturity Date. There is a risk that the sale price on ASX or under private sale will be less than the Issue Price or market value of Notes. Brokerage fees may also be payable if Notes are sold through a broker.

#### 6.1.5 Restriction on Noteholders' enforcement rights

Enforcement of Noteholders' rights requires the Note Trustee to take action. The Note Trustee is not bound to take any action under the Trust Deed unless it is directed to do so in writing by Noteholders of at least 25% of the total Face Value of all Notes outstanding or by an Extraordinary Resolution of the Noteholders.

The Note Trustee's liability is limited as noted in Section 10.2.9 and it is indemnified against any expense or liability that it may thereby incur. A Noteholder has no direct right of claim against the Issuer in respect of Notes unless the Note Trustee, having become bound to proceed, fails to take action within a reasonable period and that failure is continuing, in which case any such Noteholder may itself institute proceedings against the Issuer for the relevant remedy to the same extent (but not further or otherwise) that the Note Trustee would have been entitled to do so. Any such proceedings must be brought in the name of the Noteholder and not the Note Trustee.

An effective exercise of the Noteholders' enforcement rights also requires that the Note Trustee direct the Security Trustee to exercise its rights under the Security Trust Deed in relation to the Security Trustee. Even if the Note Trustee can take action as described above, the Note Trustee may not be able to force the Security Trustee to take action under the Security.

# Risks

## Section 6

### 6.1.6 The Issuer may fail to pay Face Value, Interest or other amounts

There is a risk that the Issuer may not pay when scheduled or default on payment of some or all of the Face Value, Interest or other amounts payable on Notes. If the Issuer does not pay the amount owing, Noteholders may lose some or all of the money invested in Notes. The remedies of the Noteholders in the event of non-payment are limited (see Section 6.1.5).

Where the Issuer is unable to pay an amount owing in respect of the Notes, it will constitute an Event of Default unless:

- in relation to the payment of principal when due, that default is caused by technical or administrative error by a bank or financial institution in the transmission of funds and is remedied within two Business Days; or
- in relation to the payment of Interest, the failure to pay continues for a period of less than three Business Days.

### 6.1.7 Future issues or redemptions of securities by the Issuer

Subject to compliance with certain financial covenants in the Terms and in the terms of the Wholesale Notes, the Terms of the Notes allow the Issuer to issue further securities or incur further indebtedness at any time. The Issuer may in the future issue securities that:

- rank for payments of principal or interest (including on the winding-up of the Issuer) equal with or behind the Notes;
- share the benefit of the Security with the Notes and the Wholesale Notes;
- have the same or different maturity dates as the Notes;
- have the same or different dividend, interest or distribution rates as those for the Notes, and
- have the same or different terms and conditions as the Notes.

An investment in the Notes carries no right to participate in any future issue of securities (whether equity, subordinated or senior debt or otherwise) by the Issuer. No prediction can be made as to the effect, if any, that any future issue of securities by the Issuer may have on the market price or liquidity of the Notes or the likelihood of the Issuer making payments in respect of the Notes.

### 6.1.8 Alteration of Terms

Subject to the Terms, the Issuer may, without the consent of the Noteholders or the Trustee, alter the Terms in certain circumstances. The circumstances include where the alteration is of a formal, minor or technical nature, made to cure any ambiguity or correct any obvious error, necessary to comply with applicable laws or to maintain quotation of the Notes on ASX or is otherwise not likely to be, or to become, prejudicial to the interests of the Noteholders. See Clause 13 of the Terms in Appendix B for more information.

The Issuer may also alter the Terms if the alteration has been approved by a resolution passed at a meeting of the Noteholders, although provisions of the Terms that require an Extraordinary Resolution of Noteholders for certain amendments may only be amended by an Extraordinary Resolution of Noteholders. Amendments not required to be authorised by an Extraordinary Resolution may be made by way of an Ordinary Resolution of Noteholders.

Alterations under these powers are binding on all Noteholders despite the fact that a Noteholder may not agree with the alteration.

### 6.1.9 Tax consequences

A general description of the Australian and New Zealand taxation consequences of investing in Notes is set out in Section 7. That discussion is in general terms, based on the Australian and New Zealand taxation law and administrative practice as at the date of the Prospectus and is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, investors should seek independent advice in relation to their individual tax position.

### 6.1.10 Change of Law

The terms and conditions of the Notes are based on New South Wales law in effect as at the date of this Prospectus. No assurance can be given as to the effect of any possible judicial decision or change to New South Wales or Australian law or administrative practice after the date of this Prospectus.

## 6.2 Risks related to the market for Notes generally

### 6.2.1 Market price

The Issuer will apply for admission to the Official List as a debt listing and for quotation of Notes on ASX. The market price of Notes on ASX may fluctuate due to various factors, including:

- changes in Australian and international economic conditions, interest rates, credit margins, inflation rates and foreign exchange rates;
- the performance or financial position of the Issuer or Centuria Capital Group;
- movements in the market price of equity and/or other debt issued by the Issuer or by other issuers;
- changes in investor perceptions and sentiment in relation to the Issuer or the sector in which it operates; and
- other major Australian and international events such as hostilities and tensions, and acts of terrorism.

If Notes trade at a market price below the amount at which you acquired them, there is a risk that if you sell them before the Maturity Date, you may lose some of the money you invested.

In recent years, markets have become more volatile. Investing in volatile conditions implies a greater level of volatility risk for investors than an investment in a more stable market. You should carefully consider this volatility risk before deciding whether to make an investment in Notes.

### 6.2.2 Liquidity

The Issuer will apply for admission to the Official List as a debt listing and for Notes to be quoted on ASX. However, Notes will have no established trading market when issued and a trading market may never develop. Insufficient liquidity may have an adverse effect on a Noteholder's ability to sell their Notes and Notes may trade at a market price below their Face Value. The market for Notes is likely to be less liquid than the market for ordinary shares and you may be unable to sell your Notes at an acceptable price, if at all.



# Risks

## Section 6

### 6.3 Risks associated with the Issuer and Centuria Capital Group

#### 6.3.1 Infectious disease, including COVID-19

The outbreak of an infectious disease (such as MERS, Ebola, the avian flu, H1N1, SARS, the Zika virus and the coronavirus disease (COVID-19) pandemic) in Asia, Australia, Europe, the U.S., the Middle East and/or elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, restrictions on and or closure of businesses and other changes to laws or social and business interaction, could have a negative impact on the economy and business activities of the Centuria Capital Group including on each of the risks identified in this section. There can be no assurance that any precautionary measures taken against infectious diseases would be effective. A future outbreak of an infectious disease or any other serious public health concerns in Asia, Australia, Europe, the U.S. the Middle East and/or elsewhere could adversely affect the business, financial condition, results of operations and prospects of the Centuria Capital Group.

#### 6.3.2 COVID-19 relief measures

Due to the COVID-19 pandemic, the Commonwealth, state and territory parliaments implemented a variety of relief measures. Relief measures were legislated separately by the Commonwealth, state and territory parliaments, with the relief offered varying between jurisdictions. As a result, different legislation with different requirements has been implemented across each state and territory in which the Centuria Capital Group operates.

Some relief measures have been targeted at tenants of residential and commercial property. Examples of relief available to tenants has included a temporary moratorium on evictions, restrictions on rent increases, entitlements to rent renegotiations and obligations to act in good faith.

Other relief measures have been made available more broadly, including to qualifying landlords. Examples have included reductions in land tax, reductions in or deferral of payroll tax and the JobKeeper wage subsidy scheme. Relief measures available to landlords have often been linked to the actual rental relief they pass onto their tenants, or payments they pass onto their employees.

The timing of the expiry of these relief measures varies between the Commonwealth, states and territories. Although some relief measures have already expired, or are due to expire soon, it is not possible to predict this timing with certainty, as the Commonwealth, state and territory parliaments may legislate to vary, renew, extend, or shorten the relief measures in response to the ongoing COVID-19 pandemic.

It is not possible to determine at the date of this Prospectus the extent of the adverse impact that these relief measures and the expiry of these measures may have on the financial position of the Centuria Capital Group and the Issuer. The relief measures may individually or collectively have an adverse impact on the financial performance of the Centuria Capital Group and the Issuer. It is also possible that the expiry of relief measures will have an adverse impact on the Australian economy, with a flow on adverse impact on the financial performance of the Centuria Capital Group and the Issuer.

#### 6.3.3 Changes to Australia's insolvency framework

Australia's insolvency laws have recently been amended by the *Corporations Amendment (Corporate Insolvency Reforms) Act 2020* (Cth) (**Insolvency Reforms Act**). From 1 January 2021, eligible small businesses have access to a new debt restructuring process. When an eligible company enters into restructuring, a moratorium is applied on unsecured creditor claims and some secured creditor claims. Significantly, owners of property (other than perishable property) used or occupied by the company, or people who lease such property to the company, cannot recover the property. In some circumstances, secured creditors cannot enforce their security interest in the company's assets. In addition, a creditor holding a personal guarantee from the company's director/s or their relatives cannot act under the personal guarantee without the court's consent. Further, ipso facto clauses (which are triggered during insolvency-related events) are stayed for some contracts.

The changes implemented by the Insolvency Reforms Act described above affect all companies, including companies in the Centuria Capital Group. In particular, the changes will impact on the Centuria Capital Group's ability to take recovery action against tenants who find themselves in financial distress.

#### 6.3.4 Property sector risks

Centuria Capital Group is subject to the prevailing property market conditions in the sectors in which each of the funds under the control of Centuria Capital Group operate and the jurisdiction in which each of its funds' assets are located. The demand for property as an asset class changes over time and can be influenced by general economic factors such as interest rates and economic cycles. A deterioration in investment market conditions in the property sector due to a sustained downturn in the domestic and/or global economic climate could adversely impact Centuria Capital Group's earnings through directly reducing the value of Centuria Capital Group's existing funds under management, reducing the value of property assets, and through reducing the attractiveness of the property sector to investors.

#### 6.3.5 Property liquidity

The property assets to which Centuria Capital Group and the funds managed by Centuria Capital Group are exposed are, by their nature, illiquid investments. There is a risk that Centuria Capital Group may not be able to realise property assets within a short period of time or may not be able to realise property assets at valuation including selling costs, which could materially adversely affect the financial performance and/or position of Centuria Capital Group.

#### 6.3.6 Realisation risk

The ongoing value of properties held by funds managed by Centuria Capital Group may fluctuate due to a number of factors including rental levels, occupancy assumptions, vacancy periods, rental incomes and capitalisation rates, all of which may change for a variety of reasons. Valuations represent only the analysis and opinion of qualified experts at a certain point in time. There is no guarantee that a property will achieve a capital gain on its sale or that the value of the property will not fall as a result of the assumptions on which the relevant valuations are based proving to be incorrect.

# Risks

## Section 6

### 6.3.7 Regulatory risk and changes in legislation

Centuria Capital Group operates in a highly regulated environment and it, and the Centuria funds management business, is subject to a range of industry specific and general legal and other regulatory controls (including Australian financial services licensing and anti money laundering / counter terrorism funding requirements). Regulatory breaches may affect Centuria's operational and financial performance, through penalties, liabilities, restrictions on activities and compliance and other costs. ASIC routinely undertakes surveillance of Australian financial services licensees, and from time-to-time undertakes regulatory and enforcement action in relation to such licensees. If ASIC was to take such action against Centuria Capital Group or Centuria's funds management business, then this action might result in Centuria Capital Group or Centuria's funds management business being restricted or prohibited from providing financial services, including operating its funds management business, or might lead to the imposition of additional compliance costs or reputational damage. ASIC may make a public announcement of its regulatory action.

Changes in government legislation and policy in jurisdictions in which Centuria Capital Group and the Centuria funds management business operate may affect the value of funds managed by Centuria Capital Group and the financial performance and/or position of Centuria Capital Group. This may include changes in stamp duty or tenancy legislation, policies in relation to land development and zoning and delays in the granting of approvals or registration of subdivision plans.

### 6.3.8 Funds management

Centuria Capital Group manages a number of funds on behalf of third party investors. The majority of Centuria Capital Group's income is derived from fees calculated with reference to the value of funds under the control of the Centuria funds management business. Centuria Capital Group's financial performance and/or position may be adversely affected if it was not able to appropriately respond to the following risks:

- Significant or prolonged underperformance of the Centuria funds that may affect the ability of Centuria Capital Group to retain existing funds and to attract new funds under management.
- Unitholder or competitor actions initiated to remove funds from the control of the Centuria funds management business.
- A number of funds under the control of the Centuria funds management business are fixed term funds or funds where strategic review dates fall due in the short to medium term. Unitholder approval and/or endorsement is required for extensions or that key investors may terminate management arrangements or otherwise remove their funds from the control of Centuria funds management business at any time.
- The direct property funds that Centuria funds management manages have exposure to a variety of entities that lease or otherwise occupy the properties owned by these funds. Insolvency or financial distress leading to a default by a major lessee or lessees across a number of leases, or failure to secure new leases on acceptable terms, could give rise to earnings volatility and breach of financial covenants within these funds.
- To the extent that property values or income levels in a particular fund fall, there is a risk that the management fee income derived from that fund may be adversely impacted.

### 6.3.9 Reliance on third party equity

As a fund manager, growth in Centuria Capital Group's earnings may be impacted by the ability of Centuria Capital Group to establish new listed or unlisted funds. Specifically such income growth is dependent on the ability of Centuria Capital Group to continue to source and maintain equity from new and existing investors for current and future funds.

### 6.3.10 Co-investments

Centuria Capital Group's long term strategy is to continue holding co-investment positions in a number of the funds it manages. Factors influencing the financial performance of these managed funds may adversely impact the value of Centuria Capital Group's assets or quantum of its earnings which may in turn impact the market price of the Notes.

### 6.3.11 Funding

Centuria Capital Group and funds managed by the Centuria funds management business rely on access to various sources of capital, along with the refinancing and/or variation of existing debt facilities. An inability to obtain the necessary funding or refinancing on acceptable terms and at commercial rates or a material increase in the costs of such funding may have an adverse impact on Centuria Capital Group's performance or financial position. Further, these debt facilities are subject to various covenants including interest coverage ratios and loan to valuation ratios. The use of debt funding may enhance returns and increase the number of assets that Centuria Capital Group can acquire, but it may also substantially increase the risk of loss. Use of debt funding may adversely affect Centuria Capital Group when economic factors such as rising interest rates and/or margins, severe economic downturns, availability of credit, reduction in asset values or further deterioration in the condition of debt and equity markets occur.

### 6.3.12 Acquisition risks

Centuria Capital Group has a significant potential acquisition pipeline that it is pursuing in order to drive future growth of the Centuria Capital Group business. There is no guarantee that Centuria Capital Group will be able to execute all current or future acquisitions, or execute any such acquisitions within its intended timeframe, which may adversely affect Centuria Capital Group's financial performance.

If current or future acquisitions are not successfully integrated with the existing business of the Centuria Capital Group or planned synergies and efficiencies are not otherwise realised, the financial performance of Centuria Capital Group could be materially adversely affected.

### 6.3.13 Information system disruption

Centuria Capital Group relies on its infrastructure and information technology in order to operate its business. A severe disruption to or failure of Centuria Capital Group's information technology systems may adversely affect the operations of Centuria Capital Group and its current and future business and financial performance and/or position.

### 6.3.14 Personnel risk

The ability of Centuria Capital Group to successfully deliver on its strategy is dependent on retaining key employees. The loss of senior management, or other key personnel, could adversely affect Centuria Capital Group's current and future business and financial performance.

# Taxation Overview

## Section 7

### 7.1 Australian Taxation

Below is a general summary of the Australian tax implications that may arise in respect of Notes acquired, held or transferred by Australian tax residents.

The general summary does not constitute taxation advice and is based on Australian tax law as it applies at the date of this Prospectus. Taxation laws are subject to change and such changes may materially affect your tax position with respect to an investment in the Notes. It is strongly recommended that qualified financial and taxation advice is sought before deciding to invest.

#### 7.1.1 Taxation of interest on Notes Australian Noteholders

Noteholders who are Australian tax residents that do not hold the Notes in carrying on a business at or through a permanent establishment outside Australia, or who are non-residents that hold the Notes in carrying on a business at or through a permanent establishment in Australia, will be taxed by assessment in respect of any interest income derived in respect of the Notes. Such Noteholders will generally be required to lodge an Australian income tax return. The timing of assessment of the interest (e.g. on a cash receipts or accruals basis) will depend upon the tax status of the particular Noteholder and the potential application of the "Taxation of Financial Arrangements" provisions in Division 230 of the Tax Act.

Tax at the current rate of 47% (including the 2% Medicare levy) may be deducted from payments on the Notes if the Noteholder of the Notes does not provide a Tax File Number (TFN) or an Australian Business Number (ABN) (where applicable), or proof of a relevant exemption.

#### Offshore Noteholders

Interest (which for the purposes of withholding tax is defined in Section 128A(1AB) of the Tax Act to include amounts in the nature of interest, or in substitution for, interest and certain other amounts, including premiums on redemption or, for a Note issued at a discount, the difference between the amount repaid and the issue price) paid by the Issuer on the Notes will, subject to certain exemptions, be subject to interest withholding tax at a current rate of 10%, where the interest is paid to a non-resident of Australia and is not derived in carrying on a business at or through an Australian permanent establishment, or to an Australian resident who derived the interest in carrying on a business at or through a permanent establishment outside Australia.

Various exemptions are available from interest withholding tax, including the "public offer" exemption, tax treaty exemptions, and the pension fund exemption (each discussed further below).

##### 7.1.1.1 Possible exemption 1: Public offer exemption

An exemption from Australian interest withholding tax will be available under Section 128FA of the Tax Act (Section 128FA) in respect of any Notes issued by the Issuer if the Issuer is the trustee of an "eligible unit trust", the Notes are considered a "debenture" and the Notes are issued in a manner which satisfies the "public offer test". The Issuer should constitute an "eligible unit trust" on the basis that it is a 'public unit trust' (because it indirectly has more than 50 unitholders).

There are five principal methods of satisfying the public offer test, being broadly:

- a. offers to 10 or more unrelated persons carrying on business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;
- b. offers to 100 or more investors;
- c. offers of listed Notes where the Issuer had previously entered into an agreement with a dealer, manager or underwriter in relation to the listing;
- d. offers via publicly available electronic or other information sources; and
- e. offers to a dealer, manager or underwriter who offers to sell those Notes within 30 days by one of the preceding methods.

It is proposed that the Issuer, under agreement with the Joint Lead Managers, will issue the Notes and apply to the ASX for admission and quotation of the Notes on the ASX. On the basis that the issued Notes are listed on the ASX, where the Issuer had previously entered into an agreement with the Joint Lead Managers regarding the placement of the Notes in relation to such a listing, the "public offer test" should be satisfied under paragraph (c) above, subject to the exceptions below.

#### Exceptions

The public offer test will not be satisfied where at the time of the issue, the Issuer knew, or had reasonable grounds to suspect that the Notes would be acquired by an Offshore Associate of the Issuer (subject to certain exemptions).

For the purposes of Section 128FA, an "Offshore Associate" is an "associate" of the Issuer as defined in Section 128FA(8) who is:

- a. a non-resident of Australia that does not acquire the Notes or an interest in the Notes in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or
- b. a resident of Australia that acquires the Notes or an interest in the Notes in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.

The definition of an "associate" includes any persons or entities which may benefit directly or indirectly under the trust to which the Issuer is the trustee.

For completeness, even if the public offer test is initially satisfied in respect of the Notes, if such Notes later come to be held by an Offshore Associate of the Issuer, and at the time of payment of interest on those Notes, the Issuer knows or has reasonable grounds to suspect that such person is an Offshore Associate of the Issuer, the exemption under Section 128FA does not apply to interest paid by the Issuer to such an Offshore Associate in respect of those Notes (subject to certain exemptions).

The Issuer intends to issue the Notes in a manner which will satisfy the requirements of Section 128FA.

# Taxation Overview

## Section 7

### 7.1.1.2 - Possible exemption 2: Tax treaty exemption

Various Australian double tax agreements with certain countries (each an **Applicable DTA Country**), include exemptions from interest withholding tax for interest derived by:

- a. the government of the relevant Applicable DTA Country and certain governmental authorities and agencies in the Applicable DTA Country; and/or
- b. certain unrelated banks, and financial institutions which substantially derive their profits by carrying on a business of raising and providing finance, which are resident in the Applicable DTA Country, and which are dealing wholly independently with the Issuer (interest paid under a back-to-back loan or economically equivalent arrangement will not qualify for this exemption).

The Australian government is progressively amending its double tax agreements to include similar kinds of interest withholding tax exemptions.

### 7.1.1.3 - Possible exemption 3: Pension fund exemption

Under Section 128B(3)(jb) of the Tax Act, an exemption is available in respect of interest paid to a non-resident superannuation fund where that fund is a superannuation fund maintained solely for foreign residents and the interest arising from the Notes is exempt from income tax in the country in which the superannuation fund is a resident. Prospective Noteholders can obtain a private ruling or administrative guidance from the ATO to confirm if they are a non-resident foreign superannuation fund that would satisfy Section 128B(3)(jb) of the Tax Act, in which case the exemption should apply.

Subsection 128B(3CA) of the Tax Act, introduced in 2019, imposed three additional requirements in order for the pension fund exemption to be available:

- a. The fund must satisfy the 'portfolio interest test' (i.e. a participation interest of less than 10% in the Issuer) at the time the interest income was derived and throughout any 12 month period that began no earlier than 24 months before that time and ended no later than that time; and
- b. The fund must satisfy the 'influence test', which broadly requires (i) the fund not being (whether acting in concert with others) directly or indirectly, able to determine the identity of at least one of the persons who, individually or together with others, makes (or might reasonably be expected to make), decisions comprising the control and direction of the Issuer's operations and (ii) the decision makers of the Issuer being not obliged to or accustomed to act, or might reasonably be expected to act, in accordance with the instructions or wishes of the fund; and
- c. The interest income is not otherwise non-assessable non-exempt income of the fund as a result of Subdivision 880-C of the Tax Act (or its equivalent transitional provision).

### 7.1.2 Payment of additional amounts

If the Issuer is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian interest withholding taxes imposed or levied by the Commonwealth of Australia in respect of the Notes, the Issuer must, subject to certain exceptions, pay such additional amounts (Gross Up Amount) as may be necessary in order to ensure that the net amounts received by the holders of those Notes after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required. If such a Gross Up Amount is paid to a non-resident Noteholder, this is generally not considered 'interest' and is therefore not subject to interest withholding tax.

If there is a change in law or interpretation in law, requiring the Issuer to pay such additional amounts in relation to any Notes, the Notes may be redeemed at the option of the Issuer.

### 7.1.3 Taxation of gains on disposal or redemptions Australian Noteholders

Noteholders who are Australian tax residents, or who are non-residents that hold the Notes in carrying on a business at or through a permanent establishment in Australia, will be required to include any gain or loss on disposal or redemption of the Notes in their assessable income.

The determination of the amount and timing of any gain or loss on disposition or redemption of the Notes may be affected by the Traditional Securities rules or the "Taxation of Financial Arrangements" provisions in Division 230 of the Tax Act, which treats gains and losses on these types of securities as being on revenue account (rather than being under the Capital Gains Tax (CGT) rules). Where the Notes are denominated in a currency other than Australian Dollars, the disposal or redemption of the Notes may be affected by the foreign currency rules in the Tax Act. Prospective Noteholders should obtain their own independent tax advice in relation to the determination of any gain or loss on disposal or redemption of the Notes.

### Offshore Noteholders

A Noteholder who is a non-resident of Australia and who has never held the Notes in the course of carrying on a business through a permanent establishment in Australia will not be subject to Australian income tax on gains realised on the disposal or redemption of the Notes, provided such gains do not have an Australian source. A gain arising on the sale of the Notes by a non-Australian resident holder to another non-Australian resident where the Notes are sold outside Australia and all negotiations are conducted, documentation executed, and decisions made are outside of Australia, should generally not be regarded as having an Australian source. However, the source of income for Australian taxation purposes is ultimately a question of fact and should be independently considered in respect of the particular facts and circumstances.

### 7.1.4 Collection powers

Revenue authorities in Australia have wide powers for the collection of unpaid tax debts. This can include issuing a notice to an Australian resident requiring a deduction from any payment to a non-resident in respect of unpaid tax liabilities of that non-resident.

### 7.1.5 Death duties

The Notes will not 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.

### 7.1.6 Stamp duty

No ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue, transfer or redemption of the Notes.

### 7.1.7 Goods and Services Tax (GST)

Neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore non-resident subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest on the Notes should give rise to a GST liability.



# Taxation Overview

## Section 7

### 7.2 New Zealand Taxation

Below is a general summary of the New Zealand tax implications that may arise in respect of Notes acquired, held or transferred by New Zealand tax residents.

The general summary does not constitute taxation advice and is based on New Zealand tax law as it applies at the date of this Prospectus. Taxation laws are subject to change and such changes may materially affect your tax position with respect to an investment in the Notes. It is strongly recommended that qualified financial and taxation advice is sought before deciding to invest.

#### 7.2.1 New Zealand financial arrangement rules

The New Zealand financial arrangement rules should apply to New Zealand tax resident Noteholders.

The tax outcome under these rules depends on whether the New Zealand tax resident investor is a "cash basis" person or not.

##### 7.2.1.1 - Cash basis person thresholds

A "cash basis person" is a broadly a person who, in an income year:

- Derives income and expenditure under financial arrangements of NZ\$100,000 or less; or
- Has entered into financial arrangements, the value of which is NZ\$1m or less.

These tests require both assets and liabilities (or income and expenditure) to be aggregated as absolute values. For example, a person that borrows NZ\$100,000 and lends NZ\$1.0m will have financial arrangements of NZ\$1.1m.

In addition to being under the above thresholds, the income deferred by returning on a cash basis must be no more than NZ\$40,000 in an income year.

##### 7.2.1.2 - Interest derived by cash basis persons

Interest derived by cash basis persons should be treated as taxable income and subject to tax at their marginal tax rate at the date of payment/credit to their account (i.e. on a "cash basis"). Any Australian withholding tax deducted on the interest should be creditable against that NZ tax liability (but cannot exceed that NZ tax liability).

##### 7.2.1.3 - Interest derived by non-cash basis persons

All other New Zealand resident investors will be required to spread interest income over the term of the Notes using one of the spreading methods prescribed in the financial arrangement rules.

Tax is payable on income allocated to each income year using the spreading method at the Noteholders' marginal tax rate. Any Australian withholding tax deducted on the interest should be creditable against that NZ tax liability (but cannot exceed that NZ tax liability).

##### 7.2.1.4 - Base price adjustment

Both "cash basis" persons and other New Zealand resident investors will be required to perform a base price adjustment in the income year in which the Note matures, is redeemed, or in which the Noteholder transfers or otherwise disposes of the Note.

The "base price adjustment" is a "wash up" calculation which brings to account any income or gains which has not been accounted for over the term of the Note under a spreading method. Where the Noteholder incurs a loss, the loss may be deductible in some circumstances.

#### 7.2.2 Foreign exchange gains & losses

Foreign exchange gains on the Notes should be taxable for New Zealand resident investors. This will be when they are realised (for cash basis persons) or on an accruals basis (for all other investors) in accordance with their chosen spreading method. The deductibility of foreign exchange losses depends on the particular circumstances of the investor.

Interest payments must be converted to New Zealand dollars at the date of payment.

#### 7.2.3 Provisional tax

Noteholders should consider whether New Zealand's provisional tax rules apply to their specific circumstances.

#### 7.2.4 Goods and Services Tax (GST)

Neither the acquisition nor disposal of the Note should give rise to a liability for GST in New Zealand.

# Key people, interests and benefits

## Section 8

The Board members bring a variety of skills and experience, including industry and business knowledge, corporate governance, financial management and operational experience.

### 8.1 Board of Directors

The Board of the Issuer is the same as the Board of CNI, the stapled group listed on ASX.

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years, which is relevant or material to the performance of their duties as Director or which is relevant to an investor's decision as to whether to subscribe for Notes. No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer, or within a 12 month period after they ceased to be an officer.

#### The Directors of the Issuer are:



**Garry Charny**

NON-EXECUTIVE  
CHAIRMAN

Garry was appointed to the Board on 23 February 2016 and appointed Chairman on 30 March 2016.

He is managing director and founding principal of Wolseley Corporate, an Australian based corporate advisory and investment house, which transacts both domestically and internationally.

He has had a broad range experience in both listed and unlisted companies across a diverse range of sectors including property, retail, technology and media. He formerly practised as a barrister in the fields of commercial and equity.

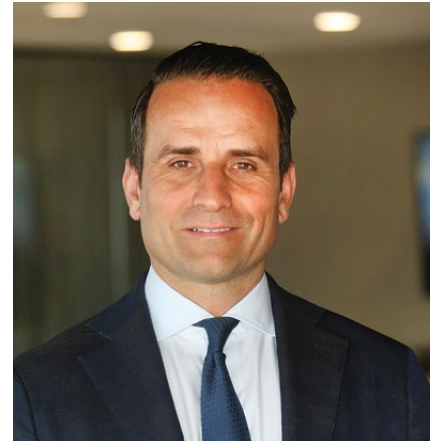


**John McBain**

EXECUTIVE DIRECTOR  
AND JOINT CEO

John joined the Board on 10 July 2006. He was appointed as Chief Executive Officer in April 2008. John was also a founding director and major shareholder in boutique funds manager Century Funds Management, which was established in 1999 and acquired by Centuria Capital Group in July 2006.

Prior to forming Century, John founded property funds manager Waltus Investments Australia Limited and Hanover Group Pty Limited a specialised property consultancy. Waltus was formed in 1995 and was one of the first dedicated property funds managers in Australia.



**Jason Huljich**

EXECUTIVE DIRECTOR  
AND JOINT CEO

Jason became the Joint CEO in June 2019 after previously leading Centuria's Real Estate and Funds Management business. Jason was also a founding director and major shareholder in boutique funds manager Century Funds Management, which was established in 1999 and acquired by Centuria Capital Group in July 2006.

Jason has extensive experience in the commercial property sector, with specialist skills in property investment and funds management. He is also a past President of the Property Funds Association (PFA), which represents the \$125 billion direct property investment body in Australia, and continues to serve on its National Executive Committee.

# Key people, interests and benefits

## Section 8



**Peter Done**

**NON-EXECUTIVE DIRECTOR**

Peter was appointed to the Board on 28 November 2007. Peter was a partner of KPMG for 27 years until retirement in June 2006.

He has extensive knowledge in accounting, audit and financial management in the property development and financial services industries, corporate governance, regulatory issues and board processes through his many senior roles.



**John Slater**

**NON-EXECUTIVE DIRECTOR**

John was appointed to the Board on 22 May 2013 having been an adviser to the Centuria Life Investment Committees since 2011.

John was a senior executive in the KPMG Financial Services practice. In 2008, John founded boutique financial advisory firm Riviera Capital, subsequently sold in 2016, and has significant financial services experience.



**Susan Wheeldon**

**NON-EXECUTIVE DIRECTOR**

Susan was appointed to the Board on 31 August 2016. Susan is the Country Manager – Australia and New Zealand at Airbnb. She was previously the Head of Agency at Google where she worked with major national and global companies to develop and deliver growth strategies to future proof and build clients' businesses and brands in a constantly changing environment.

She has previous experience in retail property asset management at AMP Capital Shopping Centres, as Head of Brand & Retail.



**Nicholas Collishaw**

**NON-EXECUTIVE DIRECTOR**

Nicholas was appointed CEO - Listed Property Funds on 1 May 2013 and to the Board on 27 August 2013. Effective 1 January 2018, Nicholas resigned as CEO - Listed Property Funds and became a Non-Executive Director.

Prior to this role, Nicholas held the position of CEO and Managing Director at the Mirvac Group. He has held senior positions with James Fielding Group, Paladin Australia, Schroders Australia and Deutsche Asset Management.



**Wee Peng Cho**

**NON-EXECUTIVE DIRECTOR**

Wee Peng was appointed to the Board on 15 February 2021. He is the Singapore-based Group Chief Financial Officer of ESR Group and has more than 25 years experience in financial markets in Asia on behalf of international and regional companies.



**Kristie Brown**

**NON-EXECUTIVE DIRECTOR**

Kristie was appointed to the Board on 15 February 2021. She is a founding partner of Couloir Capital, and established Danube View Investments after a 16 year legal career.

# Key people, interests and benefits

## Section 8

### 8.2 Senior management team

The senior managers of the Issuer and Centuria Capital Group, who form the senior executive committee, are:



**John McBain**

EXECUTIVE DIRECTOR  
AND JOINT CEO

John joined the Board on 10 July 2006. He was appointed as Chief Executive Officer in April 2008. John was also a founding director and major shareholder in boutique funds manager Century Funds Management, which was established in 1999 and acquired by Centuria Capital Group in July 2006.

Prior to forming Century, John founded property funds manager Waltus Investments Australia Limited and Hanover Group Pty Limited a specialised property consultancy. Waltus was formed in 1995 and was one of the first dedicated property funds managers in Australia.



**Jason Huljich**

EXECUTIVE DIRECTOR  
AND JOINT CEO

Jason became the Joint CEO in June 2019 after previously leading Centuria's Real Estate and Funds Management business. Jason was also a founding director and major shareholder in boutique funds manager Century Funds Management, which was established in 1999 and acquired by Centuria Capital Group in July 2006.

Jason has extensive experience in the commercial property sector, with specialist skills in property investment and funds management. He is also a past President of the Property Funds Association (PFA), which represents the \$125 billion direct property investment body in Australia, and continues to serve on its National Executive Committee.



**Simon Holt**

CHIEF FINANCIAL  
OFFICER

Simon joined as Chief Financial Officer in May 2016. He brings with him a wealth of local and global experience covering the corporate, treasury and listed securitisation areas.

He is accountable for financial and treasury management of Centuria Capital Group and, with the Joint CEOs, is also tasked with a specific focus on expanding Centuria Capital Group.

Simon was most recently Chief Financial Officer of WorleyParsons where he spent eight years. Previously, he held a range of senior finance positions at Westfield Group and Westfield Trust, again spanning eight years.



# Key people, interests and benefits

## Section 8

### 8.3 Interests and benefits

This Section sets out the nature and extent of the interests and fees of certain persons involved in the Offer.

Other than as set out below or elsewhere in this Prospectus, no:

- a. Director or proposed Director;
- b. person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- c. promoter of the Issuer; or
- d. underwriter to the Offer or financial services licensee named in the Prospectus as a financial services licensee involved in the Offer,

holds as at the Prospectus Date, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- a. the formation or promotion of the Issuer;
- b. property acquired or proposed to be acquired by the Issuer in connection with its formation or promotion or the Offer; or
- c. the Offer.

Other than as set out below or elsewhere in this Prospectus, no amount (whether in cash, Notes or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such person for services in connection with the formation or promotion of the Issuer or the Offer to induce them to become, or qualify as a Director, or for services provided in connection with the formation or promotion of the Issuer or the Offer.

#### Non-executive Directors

Each non-executive Director of the Issuer is also a non-executive director of Centuria Capital Group. As a director of Centuria Capital Group they are paid fees for their role as a director of Centuria Capital Group and each subsidiary, including the Issuer. They are not paid a separate fee to act as a Director of the Issuer. The fees payable to non-executive directors of Centuria Capital Group are set out in the 2020 annual report of Centuria Capital Group, which is available at [centuria.com.au/financial-annual-reports/](http://centuria.com.au/financial-annual-reports/).

#### Executive Directors

Each executive Director of the Issuer is also an executive director of Centuria Capital Group. As an executive of Centuria Capital Group they are paid remuneration for their role as an executive of Centuria Capital Group and each subsidiary, including the Issuer. They are not paid separate remuneration as an executive of the Issuer. The remuneration payable to the executive directors of Centuria Capital Group is set out in the 2020 annual report of Centuria Capital Group, which is available at [centuria.com.au/financial-annual-reports/](http://centuria.com.au/financial-annual-reports/).

#### Participation in the Offer

Directors (and their associates) may participate in the Offer and the issue of Notes.

### 8.4 Interests of advisers

The Issuer has engaged the following professional advisers in relation to the Offer. The amounts that the Issuer has paid, or agreed to pay, to these advisers is set out below.

Each of Morgans Financial Limited, National Australia Bank Limited, Shaw and Partners Limited and Westpac Institutional Bank has acted as a Joint Lead Manager to the Offer. The Issuer has paid, or agreed to pay, fees as summarised in Section 10.4, for these services as at the Prospectus Date.

Under the terms of the Offer Management Agreement (see Section 10.4), the Joint Lead Managers may pay fees on behalf of the Issuer to financial services licensees and representatives (Brokers) for procuring subscriptions of the Notes by their clients, among other things.

The Joint Lead Managers and their respective affiliates are involved in a wide range of financial services and businesses including some or all of securities trading and brokerage activities and providing commercial and investment banking, investment management, corporate finance, credit and derivative, trading, and research products and services, out of which conflicting interests or duties may arise. In the ordinary course of these activities, the Joint Lead Managers and their respective affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of customers, in debt, equity or hybrid securities or senior loans or financial products of any member of the Centuria Capital Group or any third party involved in the Offer, and may finance the acquisition of those securities and/or financial products and take or enforce security over those securities and/or financial products. The Joint Lead Managers and their respective affiliates may receive fees for, or profits and other financial benefits from, those activities.

HWL Ebsworth Lawyers have acted as legal adviser to the Issuer in relation to the Offer (excluding in relation to taxation matters). The Issuer has paid, or agreed to pay, approximately \$215,000 (excluding disbursements and GST) for these services as at the Prospectus Date. Further amounts may be paid to HWL Ebsworth Lawyers in accordance with their normal time-based charge-out rates.

Ernst & Young has provided financial due diligence services in relation to the Offer. The Issuer has paid, or agreed to pay, approximately \$80,000 (excluding disbursements and GST) for these services as at the Prospectus Date. Further amounts may be paid to Ernst & Young in accordance with their normal time-based charge-out rates.

Ernst & Young Strategy and Transactions Limited have acted as the Investigating Accountant and have prepared the Independent Limited Assurance Report on the Financial Information for inclusion in the Prospectus. The Issuer has paid, or agreed to pay, approximately \$30,000 (excluding disbursements and GST) for these services as at the Prospectus Date. Further amounts may be paid to Ernst & Young Strategy and Transactions Limited in accordance with their normal time-based charge-out rates.

KPMG have acted as auditors and have audited the financial statements of the Issuer for FY2019 and FY2020 and reviewed the financial statements for HY2021. The Issuer has paid, or agreed to pay, approximately \$77,000 (excluding GST) for these services as at the Prospectus Date.

# About the Offer

## Section 9

**A summary of the Offer is included in Section 2. This Section provides further information about the Offer, including how to apply for Notes.**

### 9.1 The offer

Topic	Summary
<b>How is the Offer structured?</b>	<p>The Offer comprises:</p> <ul style="list-style-type: none"><li>• an Institutional Offer to certain Institutional Investors;</li><li>• a Broker Firm Offer made to eligible clients of Brokers; and</li><li>• a Securityholder Offer made to Eligible Securityholders.</li></ul>
<b>Is any brokerage, commission or stamp duty payable?</b>	<p>No brokerage, commission or stamp duty is payable by Applicants on Applications. You may be required to pay brokerage if you sell your Notes on ASX after Notes have been quoted on ASX.</p>
<b>How will refunds (if any) be made?</b>	<p>All Application Money received before Notes are issued will be held by the Issuer on trust in an account established solely for the purposes of depositing Application Money received. Any interest that accrues in that account will be retained by the Issuer. After Notes are issued to successful Applicants, the Application Money held on trust will be payable to the Issuer.</p> <p>If you are not issued any Notes or you are issued fewer Notes than the number that you applied and paid for as a result of a scale back, all or some of your Application Money (as applicable) will be refunded to you (without interest) as soon as practicable after the Issue Date.</p> <p>If the Offer does not proceed for any reason, all Applicants will have their Application Money refunded (without interest) as soon as practicable.</p>
<b>Do I need to provide my TFN or ABN?</b>	<p>You do not have to provide your TFN or ABN and it is not an offence if you fail to do so. However, the Issuer may be required to withhold Australian tax at the maximum marginal tax rate on the amount of any Interest Payment unless you provided one of the following:</p> <ul style="list-style-type: none"><li>• TFN;</li><li>• TFN exemption number (if applicable); or</li><li>• ABN (if Notes are held in the course of an enterprise carried on by you).</li></ul> <p>The collection and quotation of TFNs and ABNs are authorised, and their use and disclosure is strictly regulated, by tax laws and the Privacy Act.</p>
<b>How to obtain a copy of the Prospectus and Application Form?</b>	<p>During the Exposure Period, an electronic version of the Original Prospectus (without an Application Form) was available at <a href="http://centuria.com.au/C2FHA">centuria.com.au/C2FHA</a>. Application Forms will not be made available until after the Exposure Period.</p> <p>During the Offer Period, an electronic version of this Prospectus with an Application Form will be available at <a href="http://centuria.com.au/C2FHA">centuria.com.au/C2FHA</a>.</p> <p><b>Electronic access to this Prospectus</b></p> <p>The following conditions apply if this Prospectus is accessed electronically:</p> <ul style="list-style-type: none"><li>• you must download the entire Prospectus;</li><li>• your application will only be considered where you have applied on an Application Form that was attached to or accompanied by a copy of the Prospectus; and</li><li>• the Prospectus is available electronically to you only if you are accessing and downloading or printing the electronic copy of the Prospectus in Australia or New Zealand.</li></ul> <p>During the Offer Period, you can also request a free paper copy of this Prospectus and an Application Form by calling the Issuer's Offer Information on 1300 721 637 or +61 2 8023 5428 (Monday to Friday, 8:30am to 5:00pm (Sydney time)).</p> <p>The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, a printed copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.</p> <p>Your Application will only be considered where you have applied pursuant to an Application Form (either in electronic or paper form) that was attached to, or accompanied by, a copy of the Replacement Prospectus, and have provided your Application Money.</p>

# About the Offer

## Section 9

### 9.2 How to apply

	Institutional Offer	Broker Firm Offer	Securityholder Offer
<b>Who can apply?</b>	<b>Institutional Investor</b> That is, an investor who is invited by the Issuer or the Joint Lead Managers to bid for the Notes in the Bookbuild, who is applying through the Institutional Offer.	<b>Broker Firm Applicant</b> That is, a client of a Broker invited to participate through the Broker Firm Offer.	<b>Securityholder Applicant</b> That is, an Eligible Securityholder, being a registered holder of Stapled Securities with a registered address in Australia or New Zealand at 7.00pm (Sydney time) on 12 March 2021 and who is resident in Australia or New Zealand.
<b>How many Notes can be applied for?</b>	Your Application must be for a minimum of 50 Notes (\$5,000).  If your Application is for more than 50 Notes, then you must apply in incremental multiples of 10 Notes, that is, for incremental multiples of \$1,000.		
<b>When to apply?</b>	The Bookbuild was completed on 25 March 2021.	Applications will only be accepted during the Offer Period, which is expected to open on 30 March 2021.  The Closing Date for the Broker Firm Offer is 5:00pm (Sydney time) on 14 April 2021.  Your completed Application Form and Application Money must be received by your Broker in accordance with arrangements made between you and your Broker.	Applications will only be accepted during the Offer Period, which is expected to open on 30 March 2021.  The Closing Date for the Securityholder Offer is 5:00pm (Sydney time) on 14 April 2021.  Your completed Application Form and Application Money must be received by the Registry by the Closing Date.
<b>How to apply online?</b>	Not applicable	Contact your Broker for instructions.	You can apply online at: <b><a href="http://www.CenturiaInvestor.com.au/NoteOffer">www.CenturiaInvestor.com.au/NoteOffer</a></b> .  Instructions on how to complete your Application are provided online.  You will be asked to identify your holding of Stapled Securities by providing your SRN or HIN, which can be found on your holding statement or payment advice.  When applying online, you will be required to pay for Notes using BPAY®.
<b>How to pay online?</b>	Not applicable	Not applicable	If you apply using an online Application Form, you must complete your Application by making a BPAY® payment.  Once you have completed your online Application Form, you will be given a BPAY® biller code and unique Customer Reference Number for that Application. Follow the BPAY® instructions below to complete your application.  If you do not make a BPAY® payment, your Application will be incomplete and will not be accepted by the Issuer. Your completed online Application Form and Application Money must be received by the Registry by the Closing Date.

# About the Offer

## Section 9

	Institutional Offer	Broker Firm Offer	Securityholder Offer
<b>Additional Payment Option for New Zealand resident Eligible Securityholders</b>	Not applicable	Not applicable	<p>To facilitate payment of Application Money from Eligible Securityholders resident in New Zealand (New Zealand Securityholders), who apply for Notes, in addition to the option of paying via BPAY® in Australian currency, New Zealand Securityholders can remit their Application Money by international electronic funds transfer (EFT) in Australian dollars to the Issuer's Australian bank account. Detailed instructions on how to make payment by EFT for New Zealand Securityholders are contained in the confirmation page on the website. A confirmation email will also be sent to you after submitting your application online confirming the details.</p> <p>Please note that the Application Money remitted by you will be subject to international transfer and currency conversion fees levied by your financial institution such that the amount received by the Issuer in Australian dollars will be less than the amount remitted by you in New Zealand dollars. If you wish to apply for Notes with a specific Australian dollar value, you will need to ensure that the amount paid by you takes into account any international transfer and currency conversion fees levied by your financial institution. In this case, you will need to confirm this amount with your financial institution prior to paying your Application Money to the Issuer and pay an additional amount to cover these charges. Otherwise, the value of the Notes you apply for will be determined by the amount of the Application Money received by the Issuer (having considered the international transfer and currency conversion fees levied by your financial institution).</p> <p>For processing and reconciliation, when making your payment under this payment option please add to the remittance advice your Customer Reference Number (CRN) which appears under the Biller Code on the confirmation page and forward a copy of the remittance advice to the Registry, by e-mail at <b>NoteOffer@CenturiaInvestor.com.au</b> as soon as the remittance is complete. Failure to do so may result in funds not being matched to your application and the Issuer being unable to issue you Notes under the Offer.</p>

# About the Offer

## Section 9

	Institutional Offer	Broker Firm Offer	Securityholder Offer
<b>How to use BPAY®?</b>	Not applicable	Not applicable	<p>Using the BPAY® details provided, you need to:</p> <ul style="list-style-type: none"> <li>• access your participating BPAY® financial institution either through telephone banking or internet banking;</li> <li>• select BPAY® and follow the prompts;</li> <li>• enter the biller code supplied;</li> <li>• enter the unique Customer Reference Number supplied for each application;</li> <li>• enter the total amount to be paid that corresponds to the number of Notes you wish to apply for under each application (i.e. a minimum of \$5,000 – 50 Notes, and incremental multiples of \$1,000 – 10 Notes). Note that your financial institution may apply limits on your use of BPAY®. You should enquire about the limits that apply in your own personal situation;</li> <li>• select the account from which you wish your payment to be made;</li> <li>• schedule your payment for the same day that you complete your online Application Form since applications without payment cannot be accepted; and</li> </ul> <p>Record your BPAY® receipt number and date paid. Retain these details for your records.</p> <p>BPAY® payments must be made from an Australian dollar account of an Australian financial institution.</p>
<b>How to apply using a paper Application Form?</b>	Not applicable	Not applicable	<p>You can request a paper copy of the Prospectus and Application Form by calling the Issuer's Offer Information Line on 1300 721 637 or +61 2 8023 5428 (Monday to Friday, 8:30am to 5:00pm (Sydney time)).</p> <p>Instructions on how to complete your Application Form are set out on the form.</p> <p>You will be required to pay for Notes using cheque(s) and/or money order(s). If you wish to pay by BPAY®, you need to make an online application.</p> <p>You will be required to post your completed Application Form to the Registry.</p>
<b>What is the address of the Registry?</b>	Not applicable	Not applicable	<p><b>Boardroom Pty Limited</b>  <b>Level 12, Grosvenor Place</b>  <b>225 George Street, Sydney NSW 2000</b></p> <p>The paper Application Form sets out details of the GPO Box for the Registry for the return of paper Application Forms.</p> <p>Please note that paper Application Forms and Application Money will not be accepted at any other address or office and will not be accepted at the Issuer's registered office or any other office of the Issuer or at other offices or branches of the Registry.</p>



# About the Offer

## Section 9

	Institutional Offer	Broker Firm Offer	Securityholder Offer
<b>How to pay using a paper Application Form?</b>	Not applicable	You must contact your Broker for information on how to submit the paper Application Form and your Application Money to your Broker.	<p>If you apply under the Securityholder Offer using a paper Application Form, your completed form must be accompanied by Application Money in the form of cheque(s) and/or money order(s) drawn on an Australian dollar account of a financial institution and made payable to "CC2F Retail Notes Offer".</p> <p>Cheque(s) should be crossed "Not Negotiable". Cash payments will not be accepted.</p> <p>You cannot pay by BPAY® if you apply under the Securityholder Offer using a paper Application Form. If you wish to pay by BPAY®, you need to make an online application.</p> <p>Your completed Application Form and Application Money must be received by the Registry by the Closing Date.</p>
<b>What is the allocation policy?</b>	The Issuer intends to allocate \$190 million of Notes on a firm basis to Institutional Investors and Brokers.	<p>The Issuer intends to allocate \$190 million of Notes on a firm basis to Institutional Investors and Brokers.</p> <p>Allocations to Broker Firm Applicants by a Broker are at the discretion of that Broker.</p>	<p>The Issuer intends to allocate up to \$20 million of Notes under the Securityholder Offer.</p> <p>Allocations for Securityholder Applicants will be determined by the Issuer in consultation with the Joint Lead Managers after the Closing Date.</p> <p>The Issuer will endeavour to provide Applicants with a minimum allocation under the Securityholder Offer of at least 50 Notes. However, the Issuer does not guarantee any minimum allocation under the Securityholder Offer and the extent of any allocation will ultimately depend on the total level of Applications under the Offer.</p> <p>The Issuer by agreement with the Joint Lead Managers reserves the right to scale back Applications. Any scale back will be announced on ASX on the day Notes commence trading on a normal settlement basis – expected to be 21 April 2021.</p> <p>The Issuer by agreement with the Joint Lead Managers has absolute discretion to determine the method and extent of the allocation.</p> <p>The Issuer and the Joint Lead Managers reserve the right to:</p> <ul style="list-style-type: none"> <li>• allocate to an Applicant all Notes for which they have applied;</li> <li>• reject any Application; or</li> <li>• allocate to an Applicant a lesser number of Notes than that applied for, including less than the minimum application of Notes or none at all.</li> </ul> <p>No assurance is given that any Applicant will receive an allocation.</p>
<b>How will the final allocation policy be announced?</b>	Allocations to individual Institutional Investors will be advised to those investors under the Bookbuild.	<p>Allocations to individual Brokers will be advised to those brokers by the Joint Lead Managers.</p> <p>Applicants under the Broker Firm Offer will also be able to confirm their firm allocation through the Broker from whom they received their allocation.</p> <p>However, if you sell any Notes before receiving a holding statement you do so at your own risk, even if you confirmed your firm allocation through a Broker.</p>	<p>If you are an applicant in the Securityholder Offer, you will be able to call the Issuer's Offer Information Line on 1300 721 637 or +61 2 8023 5428 (Monday to Friday, 8:30am to 5:00pm (Sydney time)) to confirm your allocation.</p> <p>However, if you sell any Notes before receiving a holding statement you do so at your own risk, even if you obtained details of your holding from the Issuer's Offer Information Line.</p>

# About the Offer

## Section 9

	Institutional Offer	Broker Firm Offer	Securityholder Offer
<b>Who should I contact with an enquiry?</b>	Contact the Joint Lead Managers.	If you have further questions about the Offer or your application under the Broker Firm Offer, please call your Broker.	<p>You can call the Issuer's Offer Information Line on 1300 721 637 or +61 2 8023 5428 (Monday to Friday, 8:30am to 5:00pm (Sydney time)) if you:</p> <ul style="list-style-type: none"> <li>• have further questions on how to apply for Notes;</li> <li>• require assistance to complete your Application Form;</li> <li>• require additional copies of this Prospectus and Application Forms; or</li> <li>• have any other questions about the Offer.</li> </ul>
<b>If you are unclear in relation to any matter relating to the Offer or are uncertain whether Notes are a suitable investment for you, you should consult an independent and appropriately licensed or authorised professional adviser.</b>			

### 9.3 Bookbuild

The Joint Lead Managers have conducted a Bookbuild to determine the Margin and firm allocations of Notes to Bookbuild participants.

The Bookbuild was completed on 25 March 2021 in accordance with the terms and conditions agreed by the Issuer and the Joint Lead Managers. As part of the Bookbuild, certain Institutional Investors and Brokers were invited to lodge bids for Notes. On the basis of those bids, the Issuer and the Joint Lead Managers determined the Margin and the firm allocations of Notes to Brokers and Institutional Investors. Notes allocated during the Bookbuild will be issued pursuant to this Prospectus.

The Margin set by the Bookbuild was announced on 25 March 2021 to ASX. Details are also available by calling the Offer Information Line on 1300 721 637 or +61 2 8023 5428 (Monday to Friday - 8.30am to 5.00pm (Sydney time)) from or about 22 March 2021.

Application and settlement procedures for the Bookbuild will be notified to Brokers and to Institutional Investors by the Joint Lead Managers.

### 9.4 Representations by Applicants

By completing and returning your Application Form with Application Money, each Applicant is deemed to:

- acknowledge having personally received a printed or electronic copy of the Prospectus;
- acknowledge they understand the Terms and have had an opportunity to consider the suitability of an investment in the Notes with their professional advisers;
- agree to be bound by the Terms and the Note Trust Deed;
- agree to the terms of the Offer and provide authorisation to be registered as the holder of Notes;
- apply for, and agree to being allocated, the number of Notes set out in or determined in accordance with their Application Form and this Prospectus;
- represent and warrant that all details and statements on their Application Form are complete and accurate;
- declare, to the extent they are a natural person, that they are at least 18 years of age;
- authorise the Issuer and the Joint Lead Managers to do anything on behalf of the Applicant(s) that is necessary for the Notes to be allocated to them, including to act on instructions received by the Registry;

- acknowledge that once received by the Registry or the Issuer, their Application may not be varied or withdrawn except as required by law;
- acknowledge that the information contained in this Prospectus is not personal investment advice or a recommendation that the Notes are suitable for the Applicant;
- declare that the Applicant is a resident of Australia or New Zealand and not otherwise prevented from receiving the Offer or Notes under the securities laws of another jurisdiction, or otherwise a person to whom the Offer can be made, and the Notes issued, without the need for any further registration, filing or other formality;
- declare that the Applicant is not in the United States; and
- acknowledge that any Application may be rejected without giving any reason, including where the Application Form is not properly completed.

### 9.5 Application to ASX for listing and quotation of Notes

The Issuer has applied to ASX for Admission and quotation of the Notes on ASX. The Issuer's ASX code is expected to be 'C2FHA'.

The fact that ASX may admit the Issuer to the Official List is not to be taken as an indication of the merits of the Issuer or the Notes offered for subscription under the Offer.

If permission is not granted for the quotation of the Notes on ASX within three months after the Prospectus Date (or any later date permitted by law), all Application Money received by the Issuer will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

# About the Offer

## Section 9

### 9.6 CHESS and issuer sponsored holdings

The Issuer will apply to participate in ASX's Clearing House Electronic Subregister System (CHESS) and will comply with the ASX Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Notes become approved financial products (as defined in ASX Settlement Operating Rules), holdings will be registered in one of two subregisters; an electronic CHESS subregister or an issuer sponsored subregister.

For all successful Applicants, the Notes of a Noteholder who is a participant in CHESS or a Noteholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Notes will be registered on the issuer sponsored subregister.

Following Completion, Noteholders will be sent a holding statement that sets out the number of Notes that have been allocated to them. This statement will also provide details of a Noteholder's Noteholder Identification Number (HIN) for CHESS holders or, where applicable, the Securityholder Reference Number (SRN) of issuer sponsored holders. Noteholders will subsequently receive statements showing any changes to their shareholding. Certificates will not be issued.

CHESS holders will receive subsequent statements at the end of each month in which there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Noteholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Registry in the case of a holding on the issuer sponsored subregister. The Issuer and the Registry may charge a fee for these additional issuer sponsored statements.

### 9.7 Normal settlement trading and selling Notes on market

It is expected that trading of Notes on ASX will commence on or about 21 April 2021 on a normal settlement basis. Holding statements are expected to be dispatched on or about 22 April 2021.

It is the responsibility of each person who trades in Notes to confirm their holding before trading. If you sell Notes before receiving a holding statement, you do so at your own risk. The Issuer, the Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell Notes before receiving your holding statement, even if you obtained details of your holding from the Issuer's Offer Information Line or confirmed your firm allocation through a Broker.

### 9.8 Overseas Applicants

No action has been taken to register or qualify the Notes or the Offer in any jurisdiction outside Australia and New Zealand or otherwise to permit a public offering of the Notes in any jurisdiction outside Australia and New Zealand.

This Prospectus may not be released or distributed in the United States or elsewhere outside Australia and New Zealand, unless it has attached to it the selling restrictions applicable in the jurisdictions outside Australia and New Zealand, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand, except to the extent permitted under this Section 9.8, may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of those restrictions. Any failure to comply with the restrictions may constitute a violation of applicable securities laws.

It is the responsibility of Applicants outside Australia and New Zealand to obtain all necessary approvals for the allotment and issue of the Notes pursuant to this Prospectus. Lodgement of a duly completed Application Form will be taken by the Issuer to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that there has been no breach of such laws.

This Prospectus does not constitute an offer of Securities in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Notes may not be offered or sold, in any country outside Australia and New Zealand.

### 9.9 Discretion regarding the Offer

The Issuer reserves the right not to proceed with the Offer at any time before the issue of Notes to successful Applicants.

The Issuer may withdraw the Offer at any time before the issue of Notes to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Money will be refunded (without interest).

The Issuer and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to any applicant fewer Notes than applied for.

Investors should also note that no cooling off rights (whether by law or otherwise) apply to an investment in Notes. This means that, in most circumstances, Applicants may not withdraw their Applications once submitted.

# Material agreements

## Section 10

### 10.1 Trust Deed of the Fund

This Section 10.1 contains a summary of the trust deed of the Centuria Capital No.2 Fund dated 17 May 2016 (**Trust Deed**).

#### 10.1.1 Establishment of the Fund

The Fund was established under the Trust Deed as the 'Centuria Special Opportunities Fund'. On 29 July 2016, the Fund was renamed the Centuria Capital No.2 Fund.

The sole beneficiary of the Fund is Centuria Capital Group.

By deed of retirement and appointment dated 13 October 2016, the initial trustee of the Fund, Centuria Property Funds Limited ACN 086 553 639, retired as the trustee of the Fund and Centuria Funds Management Limited ACN 607 153 588 was appointed as the trustee of the Fund (**Trustee**).

#### 10.1.2 Powers of the Trustee

Under the Trust Deed, the Trustee has the power to, relevantly:

- issue debentures (including redeemable debentures), such as the Notes;
- borrow or raise money, or grant financial accommodation including the giving of a guarantee on a secured basis and the giving of security over the assets of the Fund, such as in respect of the issue of the Notes and the granting of the Security under the Security Trust Deed; and
- grant a floating charge over the assets of the Fund, such as under the General Security Deed.

#### 10.1.3 Appointment and removal of Trustee

The Trustee must retire when required by law and otherwise may retire with not less than 14 days notice to the beneficiaries of the Fund (or such shorter period that they agree). The retiring Trustee may appoint a replacement trustee in writing.

#### 10.1.4 Indemnity to Trustee

The Trustee has the benefit of an indemnity and is entitled to be reimbursed out of the assets of the Fund for (or pay from the assets of the Fund) all liabilities and losses incurred by the Trustee in relation to the proper performance of its duties and exercise of its powers in the administration of the Fund.

#### 10.1.5 Limitation of liability

Under the Trust Deed, the Trustee is not liable to any beneficiary of the Fund for any loss or damage to the assets of the Fund, regardless of when or how the loss or damage arises.

This limitation of liability does not apply in respect of any loss or damage to the extent that the loss or damage is caused by the actual fraud, gross negligence or wilful default of the Trustee.

#### 10.1.6 Amendment of Trust Deed

The Trustee may amend the Trust Deed by a supplemental deed.

### 10.2 Note Trust Deed

This Section 10.2 contains a summary of the Note Trust Deed.

The Issuer has entered into the Note Trust Deed with the Note Trustee. The Note Trust Deed is governed by New South Wales law and is the document that governs the Notes (the terms of which are set out in Appendix B to this Prospectus).

A full copy of the Note Trust Deed can be obtained from **centuria.com.au/C2FHA** or by during the Offer Period. After the close of the Offer and the issue of the Notes, the Note Trust Deed will be provided to Noteholders free of charge.

#### 10.2.1 Role of the Note Trustee

The Note Trustee has been appointed under the Note Trust Deed and has agreed to act as the trustee of the assets and rights held on trust for the Noteholders in accordance with the terms of the Note Trust Deed. The Notes are issued subject to the terms and conditions of the Note Trust Deed and Chapter 2L of the Corporations Act.

The Note Trustee is subject to certain statutory duties imposed upon it by Chapter 2L of the Corporations Act, including:

- exercising reasonable due diligence to ascertain whether:
  - the property of the Issuer that is or should be available (whether by way of security or otherwise) will be sufficient to repay the amounts lent by Noteholders to the Issuer in respect of the Notes; and
  - the Issuer has breached the Terms, the Note Trust Deed or the provisions of Chapter 2L of the Corporations Act; and
- unless the Note Trustee is satisfied any such breach will not materially prejudice the Noteholders, do everything in its power to ensure that the Issuer remedies a breach (as applicable).

#### 10.2.2 Appointment of Note Trustee

The Note Trustee is appointed to hold on trust for Noteholders:

- the right to enforce the Issuer's duty to repay the Notes;
- the right to enforce the Issuer's obligation to pay all other amounts payable under Notes;
- the right to enforce all other duties or obligations of the Issuer and the Guarantors under the Terms, the provisions of the Note Trust Deed and Chapter 2L of the Corporations Act; and
- the benefit of various finance documents, including the Security Trust Deed.

Each Noteholder is bound by, and is taken to have notice of, the Note Trust Deed and the Terms and to have irrevocably authorised the Note Trustee to exercise its rights and act as its representative under the Note Trust Deed, the Terms and the Security Trust.

#### 10.2.3 Issuer's undertakings

The Issuer must, for so long as any of the Notes remain outstanding:

- comply with its obligations under Chapter 2L and section 318 of the Corporations Act, and the Terms;
- if requested by a Noteholder, provide a copy of the Note Trust Deed to the Noteholder free of charge;
- notify the Note Trustee promptly after it becomes aware of an Event of Default or the Issuer's breach of the Note Trust Deed or Chapter 2L of the Corporations Act;
- in accordance with the Corporations Act, make all financial and other records of the Issuer available for inspection by the Note Trustee and an auditor appointed by the Note Trustee;

# Material agreements

## Section 10

- provide the Note Trustee with copies of all documents and notices given to Noteholders, and other documents requested by the Note Trustee that are reasonably necessary for the purpose of the discharge of the duties and powers of the Note Trustee; and
- in accordance with the Corporations Act, provide the Note Trustee with copies of the Issuer's financial statements, ASX releases, quarterly reports under the Corporations Act, all material documents given to or received from Noteholders and any other information requested by the Note Trustee that is reasonably necessary for the purpose of the discharge of the duties and powers of the Note Trustee (and, if requested by a Noteholder, provide copies of these documents to the Noteholder).

### 10.2.4 Payments

The Issuer undertakes to make all payments of principal and interest in respect of the Notes, which the Note Trustee directs the Issuer to pay directly to the Noteholders other than in certain circumstances.

Where:

- a controller has been appointed to the Issuer;
- the Issuer is directed by the Note Trustee to make payments to the Note Trustee, with no less than five business days notice before the relevant date for payment; or
- the Issuer advises the Note Trustee that it is not likely to meet its obligations under the Note Trust Deed,

payment must be made directly to the Note Trustee (and not the Noteholder). The payment of an amount due under a Note to either the Noteholder or the Note Trustee discharges the Issuer's obligation to pay that amount to the Noteholder and the Note Trustee.

### 10.2.5 Meetings

The Issuer, a Guarantor or the Note Trustee may convene a meeting of Noteholders with at least 28 days notice. The Note Trustee must call a meeting of Noteholders if:

- it is asked to do so in writing by the Issuer or a Guarantor, or Noteholders who alone or together represent at least 10% of the outstanding principal amount of Notes (as at the date of the request); or
- the Note Trustee is required to do so by the Note Trust Deed.

A meeting of Noteholders has the power to:

- by Ordinary Resolution, give directions to the Note Trustee as to the performance of its duties under the Note Trust Deed and the Terms, and do everything for which an Extraordinary Resolution is not required by the Terms or the Note Trust Deed; and
- by Extraordinary Resolution, among other things, approve an amendment to the Note Trust Deed or the Terms, waive or authorise any breach by the Issuer of its obligations under the Terms, or approve a change to the Maturity Date.

A resolution passed at a duly convened meeting of Noteholders is binding upon all Noteholders, whether or not they are present and voting at the meeting.

### 10.2.6 Enforcement under Security Trust Deed

As soon as reasonably practicable after the Security Trustee provides the Note Trustee with a request for instructions in connection with any proposed action to be taken by the Security Trustee which requires the direction of Beneficiaries (referred to in Sections 10.3.5 and 10.3.6), the Note Trustee must:

- convene a meeting of Noteholders or seek a written direction of the Noteholders in a form specified in the Terms;
- calculate the outstanding principal amount of the Notes; and

- provide instructions to the Security Trustee, where required in relation to an Event of Default or release of a Security, by directing, instructing or voting the outstanding principal amount of the notes in the same proportion as the instructions the Note Trustee received from the Noteholders.

No Noteholder is entitled to proceed directly against the Issuer or any Guarantor to enforce any right or remedy under or in respect of any Note unless the Note Trustee, having become bound to proceed, fails to enforce its rights against the Issuer within five days from the date that the Note Trustee is notified by a Noteholder of the failure, and such failure is continuing.

### 10.2.7 Expenses of Note Trustee

The Issuer must pay a fee or such other remuneration agreed between the Note Trustee and the Issuer to the Note Trustee as remuneration for its services.

If Issuer has also agreed to pay additional remuneration to the Note Trustee that is commensurate with any additional duties and responsibilities performed by the Note Trustee in relation to duties which:

- relate to enforcement action in relation to the Notes or the Note Trust Deed; or
- are agreed by the Issuer to be of an exceptional nature or outside of the normal duties of the Note Trustee.

The Note Trustee will also be reimbursed by the Issuer for costs that the Note Trustee incurs in relation to the execution and performance of the Note Trust Deed (such as the costs of convening and holding a meeting of Noteholders).

### 10.2.8 Indemnity to Note Trustee

The Note Trustee is entitled to indemnify itself out of the Note trust fund established under the Note Trust Deed in relation to properly incurred costs, claims, losses, damages, judgements, actions, suits, proceedings or liability made against it as a result of or in relation to:

- the Note Trustee's compliance with its obligations under the Note Trust Deed and other relevant note documentation;
- the stamping and registration of the Note Trust Deed and other relevant note documentation;
- the valid exercise, enforcement or preservation of any rights of the Note Trustee;
- the performance (or purported performance) of its obligations under the Note Trust Deed and other relevant note documentation; and
- any action or omission by the Note Trustee under the Note Trust Deed and other relevant note documentation.

This indemnity does not apply to the Note Trustee to the extent of the Note Trustee's fraud, negligence or wilful default or due to any taxes (excluding any indirect tax) imposed on the Note Trustee's remuneration for its services as Note Trustee.

### 10.2.9 Limitation of liability of Note Trustee

Under the Note Trust Deed, the Note Trustee is not liable to the Noteholders for a broad range of matters.

Further, a liability of the Note Trustee arising under or in connection with the Note Trust Deed is limited. This liability can only be enforced against the Note Trustee to the extent to which the liability can be satisfied out of the Note trust fund out of which the Note Trustee is actually indemnified for the liability. This limitation of the Note Trustee's liability applies despite any other provision of the Note Trust Deed and extends to all liabilities and obligations of the Note Trustee in any way connected with any representation, warranty, conduct, omission, agreement deed or transaction related to the Note Trust Deed.



# Material agreements

## Section 10

The parties may not sue the Note Trustee in any capacity other than as trustee of the Note trust.

The Note Trustee is not obliged to do or refrain from doing anything under the Note Trust Deed (including incur any liability) until it is first indemnified to its satisfaction in accordance with this limitation of its liability and pursuant to the terms of the Note Trust Deed.

### 10.2.10 Retirement and removal

#### Retirement

Subject to the Corporations Act (including the appointment of a replacement trustee), the Note Trustee may retire at any time with 60 days notice (or such shorter period as the Issuer and Note Trustee may agree) to the Issuer of its intention to do so.

#### Appointment

The Note Trustee may, subject to the Corporations Act, appoint a replacement note trustee upon the expiry of the 60 day (or any agreed shorter period) notice period referred to in the preceding paragraph.

Alternatively, the Note Trustee may call a meeting of Noteholders for the purpose of appointing by ordinary resolution a person nominated by the Note Trustee or a Noteholder to act as the replacement note trustee.

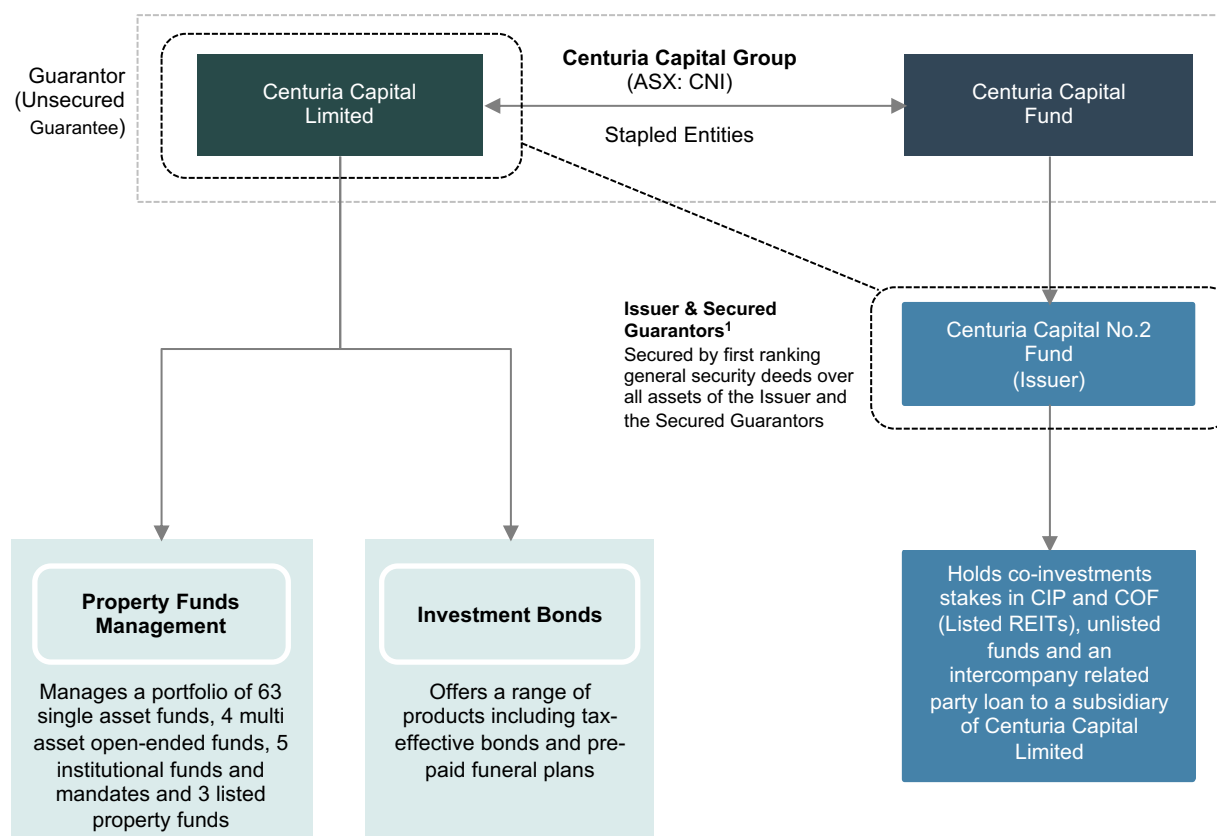
Any proposed replacement note trustee must be eligible to act as the note trustee under the Note Trust Deed, the Terms and the Corporations Act.

#### Removal

The Issuer may also remove the Note Trustee by giving not less than 60 days notice (or such shorter period required by the Corporations Act) to the Note Trustee in certain circumstances, such as where:

- the Note Trustee defaults on its obligations under the Note Trust Deed and that continuing default is either incapable of remedy or (if it is capable of remedy) has not been remedied within ten business days of receiving a notice from the Issuer requiring that the default be remedied;
- the Note Trustee suffers an insolvency event or ceases to carry on its business;
- the Note Trustee ceases to hold the licences, consents, authorisations or permits required to carry out its obligations under the Note Trust Deed; or
- the Issuer is authorised or requested to do so by a meeting of the Noteholders called under the Note Trust Deed.

### Structure of Security granted in relation to the Notes:



<sup>1</sup> Secured Guarantors are Centuria Capital No.2 Industrial Fund and Centuria Capital No.2 Office Fund.

# Material agreements

## Section 10

### 10.3 Security Trust Deed

Section 10.3 contains a summary of the Security Trust Deed and the security (**Security**) held by the Security Trustee as part of the security trust constituted by the Security Trust Deed. The Security Trust Deed and the Security extend for the benefit of, among others, Noteholders and Wholesale Noteholders.

#### 10.3.1 Security

The Issuer and the Secured Guarantors have granted security for the Issuer's obligations under the Notes and the Wholesale Notes by way of a first ranking general security deed (**General Security Deed**). Under a guarantee contained in the Security Trust Deed, the Issuer's obligations under the Notes and the Wholesale Notes are guaranteed by the Secured Guarantors as well as Centuria Capital Limited (**Unsecured Guarantor**).

The diagram on the previous page sets out the structure of the Security.

Under the General Security Deed, each of the Secured Guarantors has granted a security interest in favour of the Security Trustee over all of its present and after-acquired assets. Each Secured Guarantor's principal assets are described in Section 3 and Section 4.5.

In the Issuer's assessment, the assets that are secured under the General Security Deed are sufficient, and are reasonably likely to be sufficient, to meet the liability for the repayment of all money payable in respect of the Notes and other liabilities that:

- a. have been or may be incurred; and
- b. rank in priority to, or equally with, that liability (for example, the Wholesale Notes).

The value of the assets secured by each General Security Deed may be affected by the financial position or performance of the Secured Guarantors, who include related bodies corporate of the Issuer as they are wholly-owned by the Issuer. See the risk factors in Section 6 for a description of some of the factors that may affect the financial position or performance of the Secured Guarantors and the Unsecured Guarantor.

#### 10.3.2 Beneficiaries under the Security Trust Deed

The Security described in this section has been granted in favour of the Security Trustee. The Security Trustee holds the Security on trust for the beneficiaries under the Security Trust Deed, in accordance with the terms of the Security Trust Deed.

The beneficiaries under the Security Trust Deed (**Beneficiaries**) include:

- the Note Trustee;
- the Wholesale Note Trustee; and
- the Noteholders and the Wholesale Noteholders.

These Beneficiaries are also 'Security Pool Beneficiaries' for the purposes of the Security Pool established under the Security Trust Deed and described in Section 10.3.3.

#### 10.3.3 Security Pool

Under the terms of the Security Trust Deed, the Security forms part of an existing security pool known as the 'Centuria Capital Security Trust Security Pool' (**Security Pool**). The Security Pool comprises specified security over assets, rights and property which is held on trust by the Security Trustee under the Security Trust Deed for the benefit of specified beneficiaries (**Security Pool Beneficiaries**).

As the holder of Notes, you will be a Beneficiary and therefore a Security Pool Beneficiary. A summary of the assets in the Security Pool is contained in Section 4.5.

The Security Pool Beneficiaries will also include existing Wholesale Noteholders and will include the holders of any further tranches or series of notes that may be issued by the Issuer. If any

further tranche or series of notes is issued by the Issuer that have the benefit of additional security, any such security will form part of the Security Pool and will also be held on trust by the Security Trustee for the benefit of the Security Pool Beneficiaries.

If the Issuer issues further tranches or series of notes that do not have the benefit of any additional security, the holders of those further tranches or series of notes will also have the benefit of the existing security in the Security Pool and will be Security Pool Beneficiaries.

#### 10.3.4 Events of Default

It is an event of default under the Security Trust Deed if any default occurs under certain documents, including:

- the Note Trust Deed and Wholesale Note Trust Deed;
- the Security Trust Deed;
- the General Security Deed; and
- any additional security forming part of the Security Pool.

Certain other events of default, such as non-payment of interest and principal by the Issuer, are also described as a 'Fundamental Default'. An Event of Default under the Terms is also an event of default for the purposes of the Security Trust Deed.

#### 10.3.5 Instructions under the Security Trust Deed

As the rights under the Security are granted in favour of the Security Trustee, the Security Trustee is the party that is entitled to exercise any of those rights. In exercising any such rights, the Security Trustee is required to act in accordance with the instructions of the requisite number of Beneficiaries.

The Note Trustee acts as a representative of the Noteholders, and the Wholesale Note Trustee acts as a representative of the Wholesale Noteholders, for the purposes of the Security Trust Deed. The Note Trustee may act as a representative of additional notes issued by the Issuer in the future.

To seek instructions from the beneficiaries under the Security Trust Deed:

- the Security Trustee will request the Note Trustee to obtain instructions from the Noteholders;
- the Security Trustee will request the Wholesale Note Trustee to obtain instructions from the Wholesale Noteholders;
- the Note Trustee will seek instructions from the Noteholders in accordance with the Note Trust Deed; and
- the Wholesale Note Trustee will seek instructions from the Wholesale Noteholders in accordance with the Wholesale Note Trust Deed.

Each of the Note Trustee and the Wholesale Note Trustee must obtain their instructions in accordance with a resolution of the Noteholders or Wholesale Noteholders (as applicable). This may require the Note Trustee and Wholesale Note Trustee to convene a meeting under the Note Trust Deed or Wholesale Note Trust Deed in order for Noteholders or Wholesale Noteholders to pass any resolutions required.

Depending on the nature of the resolution proposed, the resolution must be passed by at least 50% of votes cast of the Noteholders or Wholesale Noteholders in the case of an 'Ordinary Resolution', or at least 66⅔% of the votes cast of the Noteholders or Wholesale Noteholders in the case of an 'Extraordinary Resolution'.

Certain other actions of the Security Trustee require the instructions of special majorities of Beneficiaries (see sections 10.3.5.1 in relation to unanimous instructions and section 10.3.5.2 in relation to instructions to enforce the Security).

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### 10.3.5.1 Unanimous instructions under the Security Trust Deed

Under the Security Trust Deed, there are certain circumstances in which the Security Trustee must only act on the instructions of all Beneficiaries. These include:

- a change to certain definitions in the Security Trust Deed, such as the definition of a 'Beneficiary';
- an exercise of any discretion in distribution of moneys received or recovered by the Security Trustee; and
- the release of (either in whole or part) any security interest other than as may be required by law or as otherwise permitted by the Security Trust Deed, Wholesale Note Trust Deed, Note Trust Deed or certain other documents.

### 10.3.5.2 Exercise of Enforcement Right

The Security Trustee has certain rights under the Security Trust Deed to enforce the Security (known as enforcement rights) upon the occurrence of an event of default. Section 10.3.4 describes an event of default.

Except as described in this section, under the terms of the Security Trust Deed, the Security Trustee may not exercise an enforcement right except with the instructions of the required majority of the Beneficiaries (the 'Majority Beneficiaries').

The 'Majority Beneficiaries' are:

- if no event of default continues to exist, those Beneficiaries whose 'Exposures' together exceed 66⅔% of the total 'Exposures' of all Beneficiaries; or
- while an event of default continues to exist, those Beneficiaries whose 'Exposures' together equal 66⅔% of the aggregate 'Exposures' of all Beneficiaries.

For Noteholders and Wholesale Noteholders, 'Exposure' is calculated as the aggregate outstanding principal amount that would be payable if all Notes and Wholesale Notes were redeemed (together with accrued but unpaid interest).

If the Security Trustee does not receive instructions from the Majority Beneficiaries, the Security Trustee is not required to exercise its enforcement rights. The Security Trustee must, however, commence enforcement action if an event of default continues to exist (other than in relation to the appointment of an administrator to a Secured Guarantor or a 'Fundamental Default' set out in section 10.3.4) and, 30 days after the Security Trustee has sought instructions in relation to the relevant event of default, the Security Trustee receives instructions by a simple majority (being those Beneficiaries whose Exposures equal at least 50% of the aggregate Exposure of Beneficiaries).

If an administrator is appointed to a Secured Guarantor and the Security Trustee has not received instructions in time to enable it to appoint a controller or receiver under the relevant Security within the period set out in the Corporations Act, the Security Trustee must appoint a controller or receiver within that period.

### 10.3.5.3 Seeking instructions in respect of the Security Pool

All consents, instructions, resolutions and directions in respect of the Security Pool and the documents identified as transaction documents for the Security Pool will be made on a collective basis among all Security Pool Beneficiaries in accordance with the terms of the Security Trust Deed.

### 10.3.6 Procedures for seeking instructions under the Note Trust Deed

Under the Note Trust Deed, if the Security Trustee requests instructions from the Note Trustee for the taking of any action which requires a direction, approval, consent or determination of the Beneficiaries under the Security Trust Deed (or any class of them), the Note Trustee will:

- notify each Noteholder and seek directions and instructions;
- calculate the aggregate Exposure of Noteholders directing in favour of and against the approval, consent, determination or direction; and
- notify the Security Trustee of the aggregate Exposure of Noteholders directing in favour of and against the approval, consent, determination or direction.

This procedure also applies to the Wholesale Noteholders in accordance with the Wholesale Note Trust Deed.

### 10.3.7 Distribution of recovered money

Under the Security Trust Deed, the Security Trustee will apply all money received or recovered by it which is available for distribution to the Beneficiaries in the following order of priority:

Priority	Distribution
<b>First</b>	all amounts which, to the extent required by law, have priority over the payments below;
<b>Second</b>	all fees, costs, charges and expenses of the Security Trustee, controller or receiver or attorney appointed under the Security incurred in or incidental to the exercise or performance or attempted exercise or performance of any power of the Beneficiaries, plus interest;
<b>Third</b>	to any appointed controller or receiver for its remuneration;
<b>Fourth</b>	to the holder of a security interest that has priority in relation to the Security;
<b>Fifth</b>	to each Beneficiary of the secured money actually or contingently owing to it in accordance with the following order in rateable proportions determined by the Security Trustee: <ul style="list-style-type: none"><li><b>a. First:</b> in payment of out of pocket costs, charges, duties and expenses owing to the Beneficiaries;</li><li><b>b. Second:</b> in payment of interest owing to the Beneficiaries under the Notes and the Wholesale Notes;</li><li><b>c. Third:</b> in payment of principal owing to the Beneficiaries under the Notes and the Wholesale Notes; and</li><li><b>d. Fourth:</b> in payment of other secured money then owing to a Beneficiary,</li></ul> until each Beneficiary has received its secured money in full;
<b>Sixth</b>	to the extent required by law, to other security interests of which the Security Trustee, controller or receiver or attorney appointed under the Security has actual knowledge and which are due and payable; and
<b>Seventh</b>	to the relevant Secured Guarantor.

Notwithstanding the above, amounts distributed in accordance with the Security Trust Deed to the extent payable in respect of Notes and Wholesale Notes will be paid to the Note Trustee and Wholesale Note Trustee and distributed in the order described in the Note Trust Deed and Wholesale Note Trust Deed (as applicable).

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### 10.3.8 Release of security

The Security Trustee must not release any security interest existing for the benefit of a Beneficiary, without the consent of that and each Beneficiary with the benefit of that Security Interest (other than as may be required by law or as may otherwise be permitted by the Security Trust Deed and other relevant note documentation).

### 10.3.9 Indemnity to Security Trustee

Under the Security Trust Deed, the Security Trustee has the benefit of an indemnity from any money received from the Security or otherwise forming part of part of the security trust fund constituting the security trust against:

- all liabilities and expenses incurred by it under or in relation to the Security Trust Deed and other relevant note documentation;
- all actions, proceedings, costs, claims and demands in relation to the Security Trust Deed and other relevant note documentation; and
- amounts for which it is indemnified under the Security Trust Deed and other relevant note documentation.

This indemnity does not apply to the Security Trustee:

- where the Security Trustee or any of its authorised officers, agents, delegates or employees is guilty of fraud, negligence or wilful default; or
- to the extent that a Beneficiary is actually owed any amount in respect of a claim against the Security Trustee in accordance with any of the Note documentation to which the Security Trustee is a party.

### 10.3.10 Limitation of liability of Security Trustee

Under the Security Trust Deed, the Security Trustee and its directors, secretaries, certain officers, employees, agents, successors or attorneys are not liable to the Beneficiaries for a broad range of matters.

Further, a liability of the Security Trustee arising under or in connection with the Security Trust Deed can be enforced against the Security Trustee only to the extent to which the liability can be satisfied out of the property of the security trust and for which the Security Trustee is actually indemnified for the liability. This limitation of the Security Trustee's liability applies despite any other provision of the Security Trust Deed and extends to all liabilities and obligations of the Security Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Security Trust Deed.

The parties may not sue the Security Trustee in any capacity other than as Security Trustee of the security trust.

The Security Trustee is not obliged to do or refrain from doing anything under the Security Trust Deed (including incur any liability) until it is first indemnified to its satisfaction in accordance with this limitation of its liability and pursuant to the terms of the Security Trust Deed.

### 10.3.11 Information Memorandum

This Prospectus is to be regarded as an 'Information Memorandum' for the purposes of the Security Trust Deed.

## 10.4 Offer Management Agreement

### 10.4.1 Overview

The Issuer and the Joint Lead Managers signed the Offer Management Agreement (OMA) on or about the date of this Prospectus. Under the OMA, the Issuer has appointed National Australia Bank, Morgans, Shaw and Partners and Westpac as Joint Lead Managers to the Offer. The following is a summary of the principal provisions of the OMA. Under the OMA each of the Joint Lead Managers have agreed to manage the Offer, including the Bookbuild, and to provide settlement support for the settlement obligations of successful Applicants and bidders under the Broker Firm Offer and Institutional Offer.

### 10.4.2 Fees and costs

The estimated aggregate fees payable by the Issuer to the Joint Lead Managers under the OMA are approximately \$2.85 million (exclusive of GST), making certain assumptions as to the allocations of the Notes between the Securityholder Offer, Broker Firm Offer and Institutional Offer. The actual amount of fees payable to the Joint Lead Managers will not be known until the determination of the issue size.

In addition, the Issuer must pay or reimburse each Joint Lead Manager for reasonable expenses, including legal and travel costs.

### 10.4.3 Termination events

Each Joint Lead Manager may terminate its obligations under the OMA prior to 2.00pm on the settlement date on the occurrence of a number of customary termination events, including (among others):

- disclosures in the Offer documents (including the Prospectus) containing omissions of material required by applicable law to be included or containing a statement that is misleading or deceptive or likely to mislead or deceive in a material respect (whether by omission or otherwise);
- the Issuer lodging a supplementary prospectus, which in the reasonable opinion of the Joint Lead Managers is required, or the Issuer lodges a supplementary prospectus under section 719 of the Corporations Act (in each case, excluding lodgement of the Replacement Prospectus);
- in circumstances where any of the conditions precedent to the Joint Lead Managers' obligations under the OMA are not satisfied. The OMA contains typical conditions precedent for an agreement of this kind, including lodgement of the Prospectus by a certain time and delivery of certain sign-offs and documents in connection with the due diligence process undertaken in connection with the Offer;
- any of the following actions are taken:
  - ASIC gives notice of an intention to hold a hearing under section 739(2) of the Corporations Act or issues an order under section 739 (1) of the Corporations Act or an interim order under section 739(3) of the Corporations Act in relation to the Offer or the Offer documents;
  - ASIC gives notice of an intention to prosecute the Issuer, any other Guarantor or any of their respective directors.
  - an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or the Offer documents;
  - ASIC commences any investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth) in relation to the Offer or Offer documents;
- any person (other than a Joint Lead Manager) whose consent to the issue of the Prospectus is required who has previously consented to the issue of this Prospectus withdraws such consent, or any person (other than a Joint Lead Manager) who has previously consented to the inclusion of their name in this Prospectus withdraws that consent;



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- a person gives a notice to the Issuer under section 730 of the Corporations Act;
- the Issuer withdraws this Prospectus or all or part of the Offer;
- ASX approval is refused or not granted for the official quotation of the Notes, or if granted, the approval is subsequently withdrawn, qualified (other than subject to customary conditions), or ASX makes an official statement to any person or indicates to the Issuer or the Joint Lead Managers that official quotation of the Notes will not be granted;
- ASX announces that any of the Issuer and/or any Guarantor and/or a related body corporate will:
  - be delisted;
  - have their ordinary shares removed from quotation; or
  - have their ordinary shares suspended from quotation (other than at the request of the Issuer and or Guarantor and/or related body corporate and with the prior approval of the Joint Lead Managers).
- the insolvency of Centuria Capital Group or a subsidiary or where there is an act or omission which is likely to result in Centuria Capital Group or a subsidiary being insolvent (other than in respect of dormant related bodies corporate of the Issuer);
- there is a material adverse change in the assets, liabilities, financial position, profits or prospects of the Issuer or Centuria Capital Group and its subsidiaries (considered as a whole), from those disclosed in the Prospectus;
- the Issuer does not provide a closing certificate as and when required under the OMA;
- at 4:00pm on two consecutive business days, the average mid-rate for the iTraxx Australia Index for a term of five years is 45% or more above its level at the close of business on the Business Day immediately before the date of the OMA;
- there are certain adverse movements in the S&P/ASX 200 index, measured as at the date of the OMA and referred to as the starting level, as follows:
  - the index closes on three consecutive trading days at a level that is 10% or more below that of the starting level;
  - the index closes on any day in the period of two trading days immediately before the settlement date at a level that is 10% or more below the starting level; or
  - the index at any time falls to a level that is 15% or more below the starting level.
- an event specified in the Offer timetable up to and including Settlement is delayed by more than two business days (other than any delay agreed by the Issuer or the Joint Lead Managers);
- the Issuer is or becomes unable, for any reason, to issue or allot the Notes;
- the Note Trustee ceases to be licensed to act as trustee for the purposes of Chapter 2L of the Corporations Act; and
- an event makes it illegal for a Joint Lead Manager to satisfy an obligation under the OMA, or to market, promote or settle the Offer.
- a representation or warranty made or given by the Issuer or a Guarantor is, or has been or becomes untrue or incorrect;
- the Issuer or any other Guarantor fails to perform or observe any of its obligations under the OMA;
- civil or criminal proceedings for misleading or deceptive conduct are brought against the Issuer or any Guarantor, or any officer of the Issuer or any Guarantor whether or not in connection with the Offer, unless in the reasonable opinion of the Joint Lead Manager, that the proceedings have no chance of success, are vexatious or without merit;
- any statement or estimate in the Prospectus or a document connected with the Offer which relates to a future matter that in the reasonable opinion of the Joint Lead Managers is or becomes incapable of being met in the projected timeline;
- a statement in any certificate, including the closing certificate, provided by the Issuer to the Joint Lead Managers is untrue, incorrect, misleading or contains an omission;
- there is a change in management or in the board of directors of the Issuer and/or other Guarantor or related body corporate other than in a manner contemplated in the Prospectus;
- there is introduced, or there is a public announcement of a proposal to introduce, into the Commonwealth of Australia, any State or Territory of Australia a new law or regulation; or a government agency adopts a policy or announces a proposal to adopt a new policy (other than a law or policy announced prior to the date of the OMA);
- hostilities commence or escalate in certain key countries or a major terrorist attack is perpetuated anywhere in the world;
- the due diligence report or any other information supplied by the Issuer or any other Centuria Capital Group member to the Joint Lead Managers in relation to the Offer or the Centuria Capital Group is misleading or deceptive;
- a government agency that regulates the business of any Centuria Capital Group member holds (or gives notice it intends to hold), a hearing or investigation into the operations of any Centuria Capital Group member or prosecutes (or gives notice of an intention to prosecute), or commences proceedings against any Centuria Capital Group member, except where the existence of the matter has not become publicly available or is withdrawn before settlement.
- a director of the Issuer or any other Guarantor:
  - is charged with an indictable offence or a regulatory body commences public action against the director in his or her capacity as directors of the Issuer or announces that it intends to take such action; or
  - is disqualified from managing a corporation under Part 2D.6 of the Corporations Act.

### Termination events limited by materiality

If any of the following events occur prior to 2.00pm on the settlement date a Joint Lead Manager may only terminate its obligations under the OMA if, in the reasonable opinion of the Joint Lead Manager, the event has or is likely to have, a material adverse effect on the success or settlement of the Offer, or leads or is likely to lead to a contravention by the Joint Lead Manager of, or liability for the Joint Lead Manager under, the Corporations Act or any other applicable law:

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- any of the following occurs:
  - a general moratorium on commercial banking activities in Australia, the United Kingdom or the United States is declared by the relevant central banking authorities in those countries or disruption in commercial banking or security settlement or clearance services in any of those countries;
  - trading in all securities quoted or listed on the ASX, the London Stock Exchange, the New York Stock Exchange or NASDAQ is suspended or limited in a material respect; or
  - there is an occurrence of any other adverse change or disruption to financial, political or economic conditions or markets in any of Australia, the United Kingdom or the United States.

### 10.4.4 Effect of termination of the Offer Management Agreement

If a Joint Lead Manager terminates its obligations under the OMA, the Joint Lead Manager who validly terminates will be relieved of all further obligations under the OMA from the time of termination and will be entitled to payment and reimbursement of expenses (if any). The termination by one Joint Lead Manager does not automatically terminate the obligations of any other Joint Lead Managers under the OMA.

Under the terms of the OMA, the remaining Joint Lead Managers must in writing indicate whether they wish to terminate their obligations or assume the obligations of the terminating Joint Lead Manager in equal share with the other remaining Joint Lead Managers.

Where the remaining Joint Lead Managers give written notice that they will assume the obligations of the terminating Joint Lead Manager, they will be entitled to the fees (in equal share) that the terminating Joint Lead Manager would have received but for its election to terminate (such fees do not include any fees already owed to, or accrued by, the terminating Joint Lead Manager). Such fee is in addition to the fees the remaining Joint Lead Managers are entitled to pursuant to the terms of the OMA.

### 10.4.5 Representations, warranties and undertakings

The Issuer has given various representations, warranties and undertakings to the Joint Lead Managers (in respect of itself) which are standard for offers of this kind, including that the documents issued or published by or on behalf of the Issuer in respect of the Offer comply with all applicable laws. These representations, warranties and undertakings relate to matters such as the conduct of the parties, the conduct and outcome of the due diligence process, information provided to the Joint Lead Managers, financial information, licences, compliance with the Listing Rules and laws, information contained in this Prospectus and the conduct of the Offer.

With the exception of the Notes issued under the Offer and certain other limited exceptions, the Issuer has also agreed that it will not, without the Joint Lead Managers' prior written consent (which must not be unreasonably withheld or delayed), allot or agree to allot or indicate that it may or will allot, any new retail notes at any time after the date of the OMA and before the expiration of three months after the completion of the Offer.

The Issuer has also undertaken to conduct its business in the ordinary course and not dispose of, or grant security over, all or any material part of its business, property or securities (and to procure each other Centuria Capital Group member to conduct its business and not dispose of, all or any material part of its business, property or securities), except as disclosed in public information or as disclosed in writing to the Joint Lead Managers before the date of the OMA, until the expiration of 90 days after completion of the Offer.

### 10.4.6 Indemnities

The Issuer has agreed to indemnify the Joint Lead Managers, their affiliates and related bodies corporate, and the officers, directors and employees of the Joint Lead Managers and their affiliates and related bodies corporate against all claims, demands, damages, losses, costs, charges, expenses and liabilities incurred by them in connection with the Offer on a full indemnity basis (subject to limited exclusions).





CDPF: 25 MONTPELIER ROAD, BOWEN HILLS, QLD

# Additional information

## Section 11

### 11.1 Consents to be named

Chapter 6D of the Corporations Act imposes a liability regime on the Issuer (as offeror of the Notes), the Directors, persons named in the Prospectus with their consent as having made a statement in the Prospectus and the persons involved in a contravention in relation to the Prospectus, with regard to misleading or deceptive statements made in the Prospectus. Although the Issuer bears the primary responsibility for the Prospectus, other parties involved in the preparation of the Prospectus can also be responsible for certain statements in it.

Each of the parties referred to in this Section:

- a. does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- b. in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement or report included in this Prospectus with the consent of that party as specified in this Section.

Each of the parties referred to in this Section has consented, and as at the Prospectus Date has not withdrawn, its consent, to:

- a. be named in this Prospectus in the form and context in which it is named; and
- b. the inclusion of the following statements or reports in this Prospectus, in the form and context in which they are included (and all other references to those statements).

Ernst & Young has given their written consent to being named in the Prospectus as the provider of financial due diligence services in relation to the Offer.

Ernst & Young Strategy and Transactions Limited has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Section 5 of this Prospectus.

KPMG has given their written consent to being named as auditor for FY2019 and FY2020 in this Prospectus and to the inclusion of the financial information in Section 4.

HWL Ebsworth Lawyers have given their written consent to being named as the legal adviser to the Issuer in this Prospectus.

Each of Morgans Financial Limited, National Australia Bank Limited, Shaw and Partners Limited and Westpac Institutional Bank has given its written consent to being named as a Joint Lead Manager in this Prospectus.

Alteris Private has given its written consent to being named as Co-manager in this Prospectus.

Boardroom Pty Limited has given its written consent to being named as the Registry in respect of the Notes.

Melbourne Securities Corporation Limited has given its written consent to being named as the Note Trustee and Security Trustee in this Prospectus.

The Note Trustee and Security Trustee:

- a. has not made any statement or purported to make any statement in the Prospectus or any statement on which a statement in the Prospectus is based, other than as specified below;
- b. to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation or any statement regarding, and takes no responsibility for, any part of the Prospectus, or any statements in, or omissions from the Prospectus, other than the references to its name;
- c. does not, nor does any related person, make any representation as to the truth and accuracy of the contents of the Prospectus;
- d. has relied on the Issuer for the accuracy of the contents of the Prospectus; and
- e. does not, nor does any related person, make any representation or warranty as to the performance of the Notes or any security for the Notes or the payment of interest or the redemption of the Notes or the realisation of any security for the Notes.

All payments on the Notes (including Interest payments) are obligations of the Issuer and the Guarantors and are not guaranteed by the Note Trustee or Security Trustee or any of its directors, employees, officers, affiliates, agents, advisers, intermediaries, related body corporate or any other entity associated with the Note Trustee or Security Trustee. The obligation to redeem the Notes in accordance with their Terms is a direct obligation of the Issuer. Neither the Note Trustee nor Security Trustee nor any of its directors, employees, officers, affiliates, agents, advisers, intermediaries, related body corporate or any other entity associated with the Note Trustee or Security Trustee guarantees the redemption of or prepayment of any principal under the Notes or the payment of interest or any other amount under or in connection with the Notes.

The Note Trustee and Security Trustee are not responsible for monitoring the Issuer's (or any of the Guarantors') compliance with the Note Trust Deed nor the Issuer's or Guarantors' business.

### 11.2 Privacy Policy of Note Trustee

The Note Trustee may collect your personal information for the primary purpose of providing trustee services to the Issuer and for ancillary purposes detailed in its privacy policy. The Note Trustee may disclose your personal information, such as your name and contact details, along with your account information to its related bodies corporate, the Issuer, professional advisers, the land titles office and/or as otherwise instructed by the Issuer. The Note Trustee is also permitted to collect and disclose your personal information when required or authorised to do so by law. The Note Trustee is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with the Note Trustee's privacy policy. The privacy policy contains information about how you may access or correct your personal information held by the Note Trustee and how you may complain about a breach of the Australian Privacy Principles. You may obtain a copy of the Note Trustee's privacy policy at <https://www.msc.group/privacy-policy/>.

### 11.3 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the law applicable in New South Wales and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales and of the Commonwealth of Australia.

### 11.4 Authorisation of this Prospectus

Each Director has authorised the issue of this Prospectus and has consented to its lodgement with ASIC and has not withdrawn that consent as at the Prospectus Date.



# Glossary

## Appendix A

Term	Meaning
<b>AAS</b>	Australian Accounting Standards, as issued by the Australian Accounting Standards Board.
<b>Admission</b>	The Issuer's admission to the Official List, following Completion.
<b>Alteris Private</b>	Alteris Financial Group Pty Ltd ACN 133 479 115.
<b>Applicant</b>	A person who submits an Application Form.
<b>Application</b>	A valid application for Notes under this Prospectus using an Application Form.
<b>Application Form</b>	The application form attached to, or accompanying, this Prospectus (including an electronic application form).
<b>Application Money</b>	Application money for Notes under the Offer received and banked by the Issuer, calculated by multiplying the number of Notes applied for by the Issue Price.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
<b>ASX Debt Listing</b>	Admission to the Official List in accordance with the requirements in ASX Listing Rule 1.8.
<b>ASX Listing Rules</b>	The official listing rules of ASX.
<b>ASX Settlement Operating Rules</b>	The official operating rules of ASX Settlement Pty Ltd ACN 008 504 532.
<b>AUM</b>	Assets under management, expressed in dollars.
<b>Bank Bill Rate</b>	A benchmark interest rate for the Australian money market commonly used by major Australian financial institutions to lend short-term cash to each other over a 90 day period, as more particularly defined in Clause 1 of the Terms.
<b>Beneficiary</b>	The Note Trustee, the Wholesale Note Trustee, the Security Trustee, the Noteholders and the Wholesale Noteholders.
<b>Board</b>	The board of Directors.
<b>Bookbuild</b>	The process described in Section 9.3 to determine the Margin.
<b>Broker</b>	Any ASX participating organisation selected by the Joint Lead Managers or financial advisers to act as a broker to the Offer.
<b>Broker Firm Offer</b>	The Offer of Notes under this Prospectus to Australian or New Zealand resident clients of Brokers who have received a firm allocation from their Broker.
<b>Business Day</b>	Has the meaning given in the Terms.
<b>CAGR</b>	Compound annual growth rate.
<b>Centuria Capital Group or CNI</b>	Centuria Capital Group (ASX:CNI), which comprises Centuria Capital Limited ACN 095 454 336 and Centuria Funds Management Limited ACN 607 153 588 as responsible entity of the Centuria Capital Fund ARSN 613 856 358.
<b>Centuria Capital Limited</b>	Centuria Capital Limited ACN 095 454 336, one of the stapled entities constituting Centuria Capital Group.
<b>Centuria Capital No. 2 Fund or Fund</b>	Centuria Capital No. 2 Fund ABN 24 858 616 727, a wholly-owned subsidiary of Centuria Capital Group.
<b>Change of Control</b>	Has the meaning given in the Terms.
<b>CHES</b>	Clearing House Electronic Subregister System, operated by ASX Settlement Pty Ltd ACN 008 504 532.
<b>Closing Date</b>	The last date by which Applications must be lodged for the Offer, being: <ul style="list-style-type: none"> <li>• 5.00pm (Sydney time) on 14 April 2021 for the Securityholder Offer (unless varied); and</li> <li>• 5.00pm (Sydney time) on 14 April 2021 for the Broker Firm Offer (unless varied).</li> </ul>
<b>Completion</b>	Payment of the Issue Price and issue of Notes under the Offer.
<b>Corporations Act</b>	<i>Corporations Act 2001 (Cth)</i> .
<b>Corporate Notes</b>	Collectively, the Wholesale Notes and the Notes.
<b>Director</b>	A director of the Issuer from time to time.



# Glossary

## Appendix A

Term	Meaning
<b>Dollar or \$ or A\$</b>	The lawful currency for the time being of the Commonwealth of Australia.
<b>Eligible Securityholder</b>	A registered holder of Stapled Securities with a registered address in Australia or New Zealand at 7.00pm (Sydney time) on 12 March 2021 and who is a resident in Australia or New Zealand.
<b>Event of Default</b>	Has the meaning given in the Terms.
<b>Exposure Period</b>	The seven day period after lodgement of the Original Prospectus with ASIC, unless modified by ASIC, beginning on 22 March 2021.
<b>Extraordinary Resolution</b>	Has the meaning given in the Terms.
<b>Face Value</b>	The face value of each Note, being \$100.
<b>Financial Information</b>	Has the meaning given in Section 4.1.
<b>FY</b>	A full financial year from 1 July to 30 June of the next year.
<b>General Security Deed</b>	The general security deed dated 5 April 2017 under which each of the Secured Guarantors has granted a security interest over all of its present and after-acquired property in favour of the Security Trustee.
<b>GLA</b>	Gross lettable area.
<b>Guarantor</b>	Has the meaning given in the Terms.
<b>HIN</b>	Noteholder identification number for Stapled Securities or Notes (when issued) (as applicable) held on the CHESSE subregister.
<b>Historical Financial Information</b>	Has the meaning given in Section 4.1.
<b>HY</b>	A half financial year from 1 July to 31 December of the same year.
<b>Independent Limited Assurance Report</b>	The report prepared by the Investigating Accountant in Section 5.
<b>Institutional Investor</b>	An investor to whom offers or invitations in respect of Notes can be made without a prospectus (or other formality, other than formality that the Issuer is willing to comply with), including in Australia persons to whom offers can be made without a prospectus under section 708 of the Corporations Act, and who has been invited by the Issuer to bid for Notes in the Bookbuild.
<b>Institutional Offer</b>	The invitation by the Issuer or the Joint Lead Managers to Institutional Investors to bid for Notes in the Bookbuild.
<b>Interest</b>	Has the meaning given in the Terms.
<b>Interest Payment Date</b>	Has the meaning given in the Terms.
<b>Interest Period</b>	Has the meaning given in the Terms.
<b>Interest Rate</b>	Has the meaning given in the Terms.
<b>Investigating Accountant</b>	Ernst & Young Strategy and Transactions Limited ACN 003 599 844.
<b>Issue Price</b>	\$100 per Note. This is also the Face Value.
<b>Issuer</b>	Centuria Funds Management Limited ACN 607 153 588 as trustee of the Centuria Capital No. 2 Fund ABN 24 858 616 727.
<b>Issuer Subsidiaries</b>	Centuria Investment Holdings Pty Ltd ACN 118 455 862 as trustee for the Centuria Capital No. 2 Industrial Fund ABN 68 722 110 157 and as trustee for the Centuria Capital No. 2 Office Fund ABN 62 172 815 196.
<b>Joint Lead Managers</b>	Morgans, National Australia Bank, Shaw and Partners and Westpac Institutional Bank.
<b>Margin</b>	4.25% per annum.
<b>Maturity Date</b>	20 April 2026.
<b>Morgans</b>	Morgans Financial Limited ACN 010 669 726.
<b>National Australia Bank</b>	National Australia Bank Limited ACN 004 044 937.
<b>NLA</b>	Net lettable area.
<b>Note Trust Deed</b>	The deed dated 19 March 2021 between the Issuer and the Note Trustee in relation to the Notes.

# Glossary

## Appendix A

Term	Meaning
<b>Note Trustee</b>	Melbourne Securities Corporation Limited ACN 160 326 545 in its capacity as trustee of the Centuria Capital Retail Note Trust.
<b>Noteholder</b>	In relation to any Note, a person whose name is for the time being registered in the Register as the holder of that Note.
<b>Notes</b>	The secured, redeemable notes to be issued by the Issuer under this Prospectus on the terms and conditions set out in Appendix B, which will be regarded as "Notes" for the purposes of the Security Trust Deed.
<b>Offer</b>	The offer of Notes for the Issue Price under this Prospectus.
<b>Offer Management Agreement</b>	The offer management agreement entered into between the Issuer and the Joint Lead Managers, as summarised in section 10.4.
<b>Offer Period</b>	The period of time during which Applications for the new Notes under this Offer may be made, beginning on the Opening Date and ending on the Closing Date.
<b>Official List</b>	The official list of securities permitted quotation on ASX.
<b>Opening Date</b>	The date on which the Offer opens, being 30 March 2021.
<b>Ordinary Resolution</b>	Has the meaning given in the Terms.
<b>Original Prospectus</b>	The prospectus dated 22 March 2021, which was lodged with ASIC on that date and which is replaced by this Prospectus.
<b>Pro Forma Historical Balance Sheet</b>	Has the meaning given in Section 4.1.
<b>Prospectus</b>	This document (including the electronic form of this prospectus) and any supplementary or replacement prospectus in relation to this document.
<b>Prospectus Date</b>	The date that this Prospectus was lodged with ASIC, being 30 March 2021.
<b>Redemption</b>	Has the meaning given in the Terms.
<b>Redemption Amount</b>	Has the meaning given in the Terms.
<b>Redemption Date</b>	Has the meaning given in the Terms.
<b>Redemption Notice</b>	Has the meaning given in the Terms.
<b>Register</b>	Has the meaning given in the Terms.
<b>Registry</b>	Boardroom Pty Limited ACN 003 209 836.
<b>REIT</b>	A real estate investment trust (also known as a property trust).
<b>Relevant Trust</b>	The Fund, the Centuria Capital No. 2 Office Fund ABN 62 172 815 196, the Centuria Capital No. 2 Industrial Fund ABN 68 722 110 157 and any other trust which becomes a secured guarantor under the Security Trust Deed.
<b>Replacement Prospectus</b>	This replacement prospectus that was lodged with ASIC on 30 March 2021, which replaces the Original Prospectus.
<b>Secured Guarantor</b>	Each of the Issuer and the Issuer Subsidiaries.
<b>Security</b>	The security held under the Security Trust Deed.
<b>Securityholder Applicant</b>	An Eligible Securityholder who applies for Notes under the Securityholder Offer.
<b>Securityholder Application Form</b>	The application form for the Securityholder Offer attached to or accompanying this Prospectus (including an electronic application form).
<b>Securityholder Offer</b>	The invitation to Eligible Securityholders to apply for Notes under this Prospectus.
<b>Security Pool</b>	The security pool established under the Security Trust Deed and known as the 'Centuria Capital Security Trust Pool'.
<b>Security Pool Beneficiaries</b>	A Beneficiary of the Security Pool.
<b>Security Trust Deed</b>	The security trust deed between the Secured Guarantors, Centuria Capital Limited, the Note Trustee and the Security Trustee.

# Glossary

## Appendix A

Term	Meaning
<b>Security Trustee</b>	Melbourne Securities Corporation Limited ACN 160 326 545 in its capacity as trustee of the Centuria Capital Security Trust.
<b>Shaw and Partners</b>	Shaw and Partners Limited ACN 003 221 583.
<b>SRN</b>	Securityholder Reference Number for Stapled Securities or Notes (when issued) (as applicable) held on any Issuer sponsored subregister.
<b>Stapled Security</b>	A stapled security consisting of one share in Centuria Capital Limited and one unit in the Centuria Capital Fund ARSN 613 856 358.
<b>Tax Event</b>	Has the meaning given in the Terms.
<b>Terms</b> or <b>Terms of Issue</b>	The terms and conditions of the Notes as set out in Appendix B, which will be regarded as "Terms and Conditions" for the purposes of the Security Trust Deed.
<b>WACR</b>	Weighted average capitalisation rate.
<b>WALE</b>	Weighted average lease expiry.
<b>Westpac</b>	Westpac Institutional Bank (a division of Westpac Banking Corporation ACN 007 457 141).
<b>Wholesale Note Trustee</b>	Melbourne Securities Corporation Limited ACN 160 326 545.
<b>Wholesale Noteholder</b>	In relation to any Wholesale Note, a person whose name is for the time being registered in the register maintained for the Wholesale Notes as the holder of that Wholesale Note.
<b>Wholesale Notes</b>	Unlisted, Australian denominated fixed rate notes and floating rate notes issued by the Issuer to institutional and other wholesale investors pursuant to an information memorandum dated 11 October 2018 and any additional information memorandum issued by the Issuer from time to time in respect of any further issue of notes to institutional and wholesale investors.

# Terms and Conditions of Notes

## Appendix B

### 1 Interpretation

#### 1.1 Definitions

The following words have these meanings in these Terms and Conditions unless the contrary intention appears:

**Accession Deed** means each of:

- a. any Security Trust Deed Accession Deed (Secured Guarantor) entered into after the Issue Date; and
- b. any Security Trust Deed Accession Deed (Beneficiary) entered into after the Issue Date.

**Accounting Standards** means, for a person, all accounting standards or principles that it is required to comply with by Australian law.

**Additional Amounts** has the meaning given in Condition 9.2.

**Applicable Regulation** means such provisions of the Listing Rules, the Settlement Operating Rules, the Operating Rules, the Corporations Act and any regulations or rules pursuant to any such provisions as may be applicable to the transfer of a Note.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or the security market operated by it, as the context requires.

**Australian dollars** or **A\$** means the lawful currency of Australia from time to time.

**Authorised Officer** means:

- a. a director or secretary of the Unsecured Guarantor; or
- b. the Chief Financial Officer of the Unsecured Guarantor.

**BBSW** means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the "AVG MID" on the Reuters Screen BBSW Page (or any designation which replaces that designation on that page, or any replacement page) at approximately 10:30 am (or such other time at which such rate customarily appears on that page, including, if corrected, as recalculated and republished by the relevant administrator) (Publication Time) on the first day of that Interest Period. However, if such rate does not appear on the Reuters Screen BBSW Page by 10:45 am on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but the Issuer determines that there is an obvious error in that rate or the rate is permanently or indefinitely discontinued, BBSW Rate means such other successor rate or alternative rate for BBSW Rate-linked floating rate notes at such time determined by the Issuer (acting in good faith and in a commercially reasonable manner), together with such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for BBSW Rate-linked floating rate notes at such time (together with such other adjustments to the business day convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for BBSW Rate-linked floating rate notes at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread determined by the Issuer to be appropriate. The rate calculated or determined by the Issuer will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent.).

**Beneficiary** has the meaning given in the Security Trust Deed and, for the avoidance of doubt, includes each Noteholder.

**Bookbuild** means the process, described in the Prospectus, to be conducted by or on behalf of the Issuer, by which certain institutional investors and brokers who wish to obtain a firm allocation of Notes (whether for themselves or for their clients) lodge bids for Notes.

**Business Day** means a day on which:

- a. commercial banks are open for general business in Sydney; and
- b. if a Note is to be issued or paid on that day, each relevant clearing system is operating.

**Capital Distribution** means any distribution made by a Secured Guarantor of its share capital or an in specie distribution of its assets other than for the avoidance of doubt, a distribution of cash that is not a distribution of share capital.

**Centuria Group** means Centuria Capital Limited ABN 22 095 454 336 and Centuria Capital Fund ARSN 613 856 358 and each of their respective Subsidiaries from time to time.

**CHESS** means Clearing House Electronic Sub-register System operated by ASX Settlement Pty Ltd ACN 008 504 532.

**Collateral Security** means any present or future Security Interest, guarantee or other document or agreement created or entered into by a Secured Guarantor or any other person as security for the payment of any of the Secured Moneys.

**Condition** means the correspondingly numbered condition in these Terms and Conditions.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Denomination** means \$100, being the notional face value of a Note.

**Disposal** means sell, assign, transfer, or otherwise dispose of or cease to hold, or part with possession of, or create a right to or an interest (including sub-leases) in an asset and **Dispose** has a corresponding meaning.

**Distribution** means:

- a. any dividend, charge, interest, fee, payment or other distribution (whether cash or assets) or redemption, repurchase, defeasance, retirement or repayment on or in respect of any share capital of the Issuer or a Guarantor; or

- b. any dividend or distribution to the unitholders of a Relevant Trust.

**EBIT** means, for any Relevant Period, the NPAT of the Centuria Group for that period, calculated in accordance with applicable Accounting Standards, after:

- a. adding back the aggregate of:
  - i. tax on net income of the Centuria Group for that period; and
  - ii. Finance Charges for that period; and
- b. excluding the net amount of:
  - i. extraordinary, significant or non-recurring gains or losses (including transaction costs incurred in connection with any acquisition);
  - ii. gains or losses from the sale of assets to the extent that such items are included in revenue or expense from ordinary activities;
  - iii. gains or losses from assets arising from fair value adjustments on property; and
  - iv. gains or losses from derivatives.

**EBITDA** means, for any Relevant Period, EBIT of the Centuria Group for that Relevant Period after adding back any amount attributable to amortisation of intangible assets or depreciation of tangible assets.

**Event of Default** means an event specified in Condition 11.

**Extraordinary Resolution** means a resolution:

- a. passed at a meeting (at which the requisite quorum is present in accordance with the Meetings Provisions) by a majority consisting of not less than 66 2/3rds per cent. of the votes cast; or



# Terms and Conditions of Notes

## Appendix B

b. made by way of Written Resolution by Noteholders passed in accordance with the Meetings Provisions.

**Finance Charges** means, for any Relevant Period, all gross interest expenses of the Centuria Group including any outgoings in the nature of interest (including line fees).

**Finance Document** means each of:

- a. the Note Documents;
- b. the Security Trust Deed;
- c. any Security Trust Deed Accession Deed (Beneficiary) entered into after the Issue Date;
- d. any Security Trust Deed Accession Deed (Secured Guarantor) entered into after the Issue Date;
- e. the General Security Deed;
- f. any general security deed entered into after the Issue Date by a Secured Guarantor pursuant to Condition 4.5;
- g. any Security Pool Collateral Security; and
- h. each Security Pool Transaction Document.

**Financial Indebtedness** 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 any applicable generally accepted accounting practices, be treated as a finance or capital lease (other than any liability in respect of a lease which would, in accordance with Accounting Standards in force prior to 1 January 2019, have been treated as an operating 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 (excluding inventory bought in the ordinary course of business) or services payable more than 90 days after acquisition;
- i. 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
- j. the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) inclusive.

For the purposes of these Terms and Conditions, any possible increase in Financial Indebtedness resulting from changes to accounting definitions will be disregarded.

**First Optional Redemption Date** means, in relation to a Note, the date that is 18 months before the Maturity Date of the Note.

**General Security Deed** means the document entitled "General Security Deed" dated 5 April 2017 and made by the Initial Secured Guarantors and the Security Trustee.

**Government Agency** means any government or any governmental, semi-governmental or judicial entity or authority. It also includes any self-regulatory organisation established under statute or any stock exchange or other relevant authority.

**GST** means any goods and services or similar tax, together with any related interest, penalties, fines or other charge.

**Guarantee** means the unconditional and irrevocable guarantee of the Notes made by each Guarantor under, and in accordance with the terms set out in, clause 11 of the Security Trust Deed.

**Guarantors** means each of:

- a. the Unsecured Guarantor;
- b. the Secured Guarantors; and
- c. each other person that has acceded to, and provided a Guarantee (and has not been released from such Guarantee) under, the Note Trust Deed from time to time.

**Initial Secured Guarantor** means each of:

- a. the Issuer;
- b. Centuria Investment Holdings Pty Limited ABN 78 116 455 862 as trustee of the Centuria Capital No. 2 Office Fund ABN 62 172 815 196; and
- c. Centuria Investment Holdings Pty Limited ABN 78 116 455 862 as trustee of the Centuria Capital No. 2 Industrial Fund ABN 68 722 110 157.

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);
- b. it has 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 (each as defined in the Corporations Act);
- c. it is subject to:
  - i. any arrangement, assignment, moratorium or composition with its creditors in respect of or affecting all or a material part of (or of a particular type of) its debts; or
  - ii. protection from creditors under any statute or is dissolved,in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by an Extraordinary Resolution of Noteholders;
- d. an application or order has been made (and, in the case of an application, it is not stayed, withdrawn or dismissed within 14 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 the events described in paragraphs (a), (b) or (c) of this definition;
- e. it ceases, suspends or threatens to cease or suspend the conduct of all or substantially all of its business, or disposes or threatens to dispose of substantially all of its assets;
- f. it is taken (under section 459(F)(1) of the Corporations Act) to have failed to comply with a statutory demand;
- g. 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 Note Trustee reasonably deduces it is so subject);
- h. it is otherwise unable to pay its debts when they fall due; or
- i. something having a substantially similar effect to paragraphs (a) to (h) of this definition happens in connection with that person (including, for the avoidance of doubt, with respect to a Relevant Trust) under the law of any jurisdiction.

**Interest Amount** means, in relation to any Note, the amount of interest payable in respect of such Note as determined under Condition 6.4.

# Terms and Conditions of Notes

## Appendix B

**Interest Cover Ratio** means, as at any date of determination, the ratio of EBITDA to Finance Charges as at such date for the Relevant Period for the Centuria Group.

**Interest Payment Date** means, in relation to any Note, each 20 July, 20 October, 20 January and 20 April of each year, commencing on 20 July 2021.

**Interest Period** means, in relation to any Note, the period from and including an Interest Payment Date to but excluding the next Interest Payment Date, except that:

- a. the first Interest Period commences on (and includes) the Issue Date; and
- b. the final Interest Period ends on (but excludes) the Maturity Date or, if redeemed prior to that date, the Optional Redemption Date.

**Interest Rate** means, in relation to any Note, the rate of interest (expressed as a per cent. per annum) payable in respect of that Note calculated in accordance with Condition 6.7.

**Issue Date** means, in relation to any Note, the date recorded or to be recorded in the Register as the date on which the Note is issued.

**Issuer** means Centuria Funds Management Limited ACN 607 153 588 as trustee of the Centuria Capital No.2 Fund ABN 24 858 616 727.

**Margin** means the margin determined in accordance with the Bookbuild.

**Maturity Date** means, in relation to any Note, the date that is five years after the Issue Date of that Note.

**Meeting Provisions** means the provisions for the convening of meetings and passing of resolutions by Noteholders set out in the Schedule to the Note Trust Deed.

**Note** means a medium term debt obligation of the Issuer issued in registered form evidencing the rights of a Noteholder to be paid certain moneys under the Note Trust Deed, constituted by, and owing under the Note Trust Deed and title to which is recorded in and evidenced by an inscription in the Register.

**Noteholder** means a person whose name is for the time being inscribed in the Register as a holder of a Note.

**Note Document** means, in respect of a Series and a Tranche, the Note Trust Deed.

**Note Trust** has the meaning given in the Note Trust Deed.

**Note Trustee** means Melbourne Securities Corporation Limited ACN 160 326 545 in its capacity as trustee of the Note Trust constituted by the Note Trust Deed or such other person appointed under the Note Trust Deed as trustee of the Note Trust.

**Note Trust Deed** means the document entitled "Note Trust Deed" dated 19 March 2021 and executed by the Issuer and the Note Trustee.

**NPAT** means, for any financial period, (including any half year and/or full year), the net profit after tax for that financial period of the Centuria Group, as shown in the consolidated financial statements of the Centuria Group for that financial period.

**Offshore Associate** means an associate (as defined in section 128FA(8) of the Tax Act) that is either:

- a. a non-resident of Australia which does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia; or
- b. a resident of Australia that acquires the Notes in carrying on a business at or through a permanent establishment outside Australia.

**Operating Rules** means the market operating rules of ASX with any applicable modifications or waivers granted by ASX.

**Optional Redemption Date** means, in relation to a Note, each of the First Optional Redemption Date, the Second Optional Redemption Date and the Third Optional Redemption Date.

**Ordinary Resolution** means a resolution:

- a. passed at a meeting (at which the requisite quorum is present as set out in the Meetings Provisions) by a majority consisting of more than 50 per cent. of the votes cast; or
- b. made by way of Written Resolution by Noteholders passed in accordance with the Meetings Provisions.

**Outstanding Principal Amount** means, in relation to a Note, the principal amount outstanding on that Note from time to time.

**Payment Date** means, in respect of a Note, its Maturity Date, an Interest Payment Date or any other relevant date on which a payment in respect of that Note is due.

**Permitted Security Interest** means:

- a. any Security Interests granted by a Secured Guarantor:
  - i. in connection with any new Financial Indebtedness of a Relevant Trust of which it is the Trustee incurred or entered into on or after the Issue Date; and/or
  - ii. without limiting sub-paragraph (i), in connection with the refinancing, amendment, amendment and restatement or extension of any Financial Indebtedness of a Relevant Trust of which it is the Trustee after the Issue Date,

provided that, Condition 4.2(a) is complied with;

- b. a Security Interest arising by operation of law and in the ordinary course of trading so long as the Financial Indebtedness secured by that Security Interest is paid when due or contested in good faith and appropriately provisioned;
- c. any netting and set-off arrangements arising in the ordinary course of a Secured Guarantor's banking arrangements;
- d. any Security Interest approved by the Noteholders by way of Extraordinary Resolution pursuant to the Meeting Provisions;
- e. any Security Interest provided for 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;
  - ii. a commercial consignment; or
  - iii. a PPS Lease (as defined in the PPSA); and
- f. any other Security Interest in respect of Financial Indebtedness securing up to a maximum aggregate amount at any time that does not exceed A\$2,000,000.

**PPSA** means the *Personal Properties Securities Act 2009* (Cth).

**Prospectus** means the document lodged with ASIC by the Issuer under section 718 of the Corporations Act in relation to the Notes and any Supplementary Prospectus.

**Record Date** in relation to a Payment Date means the close of business in the place where the Register is maintained on the date which is the eighth calendar day before the relevant Payment Date or such other date as may be required by, or determined by the Issuer and agreed with, ASX.

**Redemption Amount** means the Outstanding Principal Amount as at the date of redemption and also includes any other amount in the nature of a redemption amount specified in, or determined in accordance with these Terms and Conditions.

**Register** means a register of Noteholders maintained by the Registrar on behalf of the Issuer pursuant to the Agency and Registry Services Agreement in which is inscribed the information set out in Condition 10.1(b) and includes any subregister established and maintained in CHESS under Applicable Regulation.

# Terms and Conditions of Notes

## Appendix B

**Registrar** means Boardroom Pty Ltd ACN 003 209 836 in its capacity as registrar of the Notes or such other person appointed by the Issuer to establish and maintain the Register on the Issuer's behalf from time to time.

**Related Body Corporate** has the meaning it has in the Corporations Act.

**Relevant Financial Statements** means the most recent audited financial statements of the Relevant Trust for a financial year adjusted to give pro-forma effect to the changes in the Relevant Trust's actual financial position including the incurrence of drawn Financial Indebtedness and the application of the proceeds thereof including any increase in EBIT resulting from any assets acquired by application of the new Financial Indebtedness (in all cases in accordance with applicable Accounting Standards).

**Relevant Period** means, as at any date of determination, the period of twelve months most recently ended prior to the date of determination.

**Relevant Trust** means each of:

- a. the Centuria Capital No. 2 Fund;
- b. the Centuria Capital No. 2 Office Fund;
- c. the Centuria Capital No. 2 Industrial Fund; and
- d. any other trust which becomes a Secured Guarantor after the Issue Date pursuant to Condition 4.5.

**Relevant Trust Deed** means each of:

- a. the trust deed in relation to Centuria Capital No. 2 Fund (formerly named Centuria Special Opportunities Fund) dated 17 May 2016;
- b. the trust deed in relation to the Centuria Capital No. 2 Office Fund dated 18 October 2016;
- c. the trust deed in relation to the Centuria Capital No. 2 Industrial Fund dated 18 October 2016; and
- d. the trust deed in relation to any other Relevant Trust.

**Restricted Securities** has the same meaning in the Listing Rules and extends to Notes that are subject to voluntary restrictions by agreement between the Issuer and one or more Noteholders.

**Restriction Agreement** means an agreement that is required to be concluded under chapter 9 of the Listing Rules or is voluntarily concluded between the Issuer and one or more Noteholders.

**Second Optional Redemption Date** means, in relation to a Note, the date that is 12 months before the Maturity Date of the Note.

**Secured Debt** means all Financial Indebtedness of the Relevant Trust secured by a Security Interest but excludes any Permitted Security Interest referred to under paragraphs (b), (c), (e) and (f) of the definition of Permitted Security Interest.

**Secured Guarantor** means each of:

- a. each Initial Secured Guarantor; and
- b. each other responsible entity or trustee of a Relevant Trust that has:
  - i. acceded to, and provided a Guarantee (and has not been released from such Guarantee) under, the Note Trust Deed from time to time; and
  - ii. acceded to the General Security Deed (and has not been released from the General Security Deed) from time to time.

**Secured Moneys** means all debts and monetary liabilities of each Secured Guarantor (whether alone or not) to or for the account of any of Beneficiary (whether alone or not) in any capacity under or in relation to any Finance Document, irrespective of whether the debts or liabilities:

- a. are present or future;
- b. are actual, prospective, contingent or otherwise;
- c. are at any time ascertained or unascertained;
- d. are owed or incurred by or for the account of the Secured Guarantor alone, or severally or jointly with any other person;
- e. are owed to, or incurred for the account of, any Beneficiary, alone, or severally or jointly with any other person;
- f. are owed to any other person as agent (whether disclosed or not) for or on behalf of any Beneficiary;
- g. are owed or incurred as principal, interest, fees, charges, Taxes, damages (whether for breach of contract, tort or incurred on any other ground), losses, costs or expenses, or on any other account;
- h. would have been payable to a Beneficiary but remains unpaid by reason of a Secured Guarantor being Insolvent; or
- i. are the subject of a right of indemnity from any trust assets in respect of which a Secured Guarantor acts as trustee or responsible entity.

**Security** has the meaning given in the Security Trust Deed.

**Security Pool** means the Security Pool (as defined in the Security Trust Deed) known as the Centuria Capital Security Trust Security Pool.

**Security Pool Collateral Security** means, in respect of a Security Pool, any Collateral Security set out as such in the Security Pool Register with respect to that Security Pool.

**Security Pool Register** means the register created and maintained by the Security Trustee in accordance with the terms of the Security Trust Deed setting out the details of each Security Pool.

**Security Pool Transaction Document** means each document identified as such in the Security Pool Register.

**Security Interest** includes any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind (including under sections 12(1) and (2) and (3) of the PPSA) or any other right of, or arrangement with, any creditor to have its claims satisfied in priority to other creditors with, or from the proceeds of, any asset. It includes retention of title other than in the ordinary course of day-to-day trading and a deposit of money by way of security but it excludes a charge or lien arising in favour of a government agency by operation of statute unless there is default in payment of moneys secured by that charge or lien.

**Security Trust** has the meaning given in the Security Trust Deed.

**Security Trust Deed** means the document entitled "Security Trust Deed" between, among others, the Issuer, the Initial Secured Guarantors, the Note Trustee and the Security Trustee.

**Security Trust Deed Accession Deed (Beneficiary)** has the meaning given in the Security Trust Deed.

**Security Trust Deed Accession Deed (Secured Guarantor)** has the meaning given in the Security Trust Deed.

**Security Trustee** means Melbourne Securities Corporation Limited ACN 160 326 545 in its capacity as trustee of the Security Trust constituted by the Security Trust Deed or such other person appointed under the Security Trust Deed as trustee of the Security Trust.

**Series** means Notes having identical terms (except for their respective Issue Dates, Interest Accrued Dates and Issue Price) and which are expressed to be consolidated and form a single series.

# Terms and Conditions of Notes

## Appendix B

**Settlement Operating Rules** means the settlement operating rules of ASX with any applicable modifications or waivers granted by ASX.

**Subsidiary** has the meaning given in the Corporations Act, but an entity will also be taken to be a Subsidiary of an entity if it is controlled by that entity as determined by the Accounting Standards and, without limitation:

- a. a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share; and
- b. an entity may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation.

**Supplementary Prospectus** means any supplementary or replacement prospectus required to be lodged with ASIC under the Corporations Act in connection with the Notes.

**Tax** includes any tax, levy, impost, deduction, charge, rate, duty, GST or withholding (including stamp and transaction duties) which is levied or imposed a Tax Authority, and any related interest, penalty, charge, fee, fine, expenses or other amount in connection with them except if imposed on, or calculated having regard to, the net income of a Noteholder.

**Tax Act** means the *Income Tax Assessment Act 1936* of the Commonwealth of Australia and, where applicable, the *Income Tax Assessment Act 1997* of the Commonwealth of Australia.

**Tax Authority** means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official, having power to tax to which the Issuer becomes subject in respect of payments made by it of principal or interest in respect of the Notes.

**Terms and Conditions** means these terms and conditions of issue of Notes.

**Test Date** means each date on which:

- a. any Security Interest has been granted by a Secured Guarantor pursuant to paragraph (a) of the definition of 'Permitted Security Interest';
- b. new Financial Indebtedness of a Relevant Trust has been incurred or entered into by a Secured Guarantor after the Issue Date, unless on that date a Test Date arises under paragraph (a) of this definition;
- c. a Secured Guarantor has refinanced, amended, amended and restated or extended any Financial Indebtedness of a Relevant Trust of which it is the Trustee after the Issue Date; and
- d. any Capital Distribution has been made by a Secured Guarantor to any entity that is not a Secured Guarantor.

**Third Optional Redemption Date** means, in relation to a Note, the date that is six months before the Maturity Date of the Note.

**Total Tangible Assets** means the aggregate amount of all assets of the Relevant Trust as shown in the Relevant Financial Statements of the Relevant Trust, but adjusted if necessary (without any double counting) so as to exclude any intangible assets (including goodwill and trademarks, as calculated in accordance with the Relevant Financial Statements of the Relevant Trust).

**Tranche** means Notes issued on the same Issue Date, the terms of which are identical in all respects.

**Trustee** means any person who performs the role of responsible entity or trustee of any Relevant Trust.

**Unsecured Guarantor** means Centuria Capital Limited ACN 095 454 336.

**Wholesale Notes** means the direct, secured, unconditional and unsubordinated notes issued by the Issuer to institutional and wholesale investors pursuant to an information memorandum dated 11 October 2018 and any additional information memorandum issued by the Issuer from time to time in respect of any further issue of notes to institutional and wholesale investors.

### 1.2 References to certain general terms

Unless the contrary intention appears, a reference in these Terms and 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. 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. anything (including an amount) is a reference to the whole and each part of it;
- d. a document includes any variation or replacement of it;
- e. "law" includes common law, principles of equity and laws made by parliament (and laws made by parliament include federal or state laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- f. a time of day is a reference to Sydney time;
- g. if a notice must be given within a certain period of days, the day on which the notice is given, and the day on which the thing is to happen, are not to be counted in calculating that period;
- h. the word "person" includes an individual, corporation, company, firm, tribunal, undertaking, association, organisation, partnership, joint venture, trust, limited liability company, unincorporated organisation or government or any agency, instrumentality or political subdivision thereof; in each case whether or not being a separate legal entity;
- i. a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns; and
- 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.

### 1.3 Number

The singular includes the plural and vice versa.

### 1.4 Headings

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

### 1.5 Terms

- a. The Issuer will issue the Notes on the terms set out in these Terms and Conditions.
- b. For the purposes of the Security Trust Deed:
  - i. these Terms and Conditions are to be regarded as "Terms and Conditions";
  - ii. the Prospectus and any Supplementary Prospectus are to be regarded as an "Information Memorandum";
  - iii. the Notes are to be regarded as "Notes"; and
  - iv. there is no "Pricing Supplement" in respect of the Notes.

# Terms and Conditions of Notes

## Appendix B

### 2 Form, title and terms

#### 2.1 Constitution under the Note Trust Deed

- a. The Notes are debt obligations of the Issuer constituted by, and owing under, the Note Trust Deed.
- b. Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Note Trust Deed.

#### 2.2 Form

- a. Each Note is issued in registered uncertificated form by entry in the Register.
- b. Each Note is a separate debt obligation of the Issuer and may (subject to compliance with Condition 5) be transferred separately from any other Note.

#### 2.3 Currency and amounts

Notes will be issued in Australian dollars in a single denomination of \$100.

#### 2.4 Note owners

- a. Subject to paragraph (c), the person whose name is inscribed in the Register as the registered owner of any Note from time to time will be treated by the Issuer, the Paying Agent and the Registrar as the absolute owner of such Note for all purposes whether or not any payment in relation to such Note is overdue and regardless of any notice of ownership or any other interest inscribed in the Register. Two or more persons registered as Noteholders are taken to be joint holders with right of survivorship between them.
- b. Subject to paragraph (c), upon a person acquiring title to a Note by virtue of becoming registered as the owner of that Note, all rights and entitlements arising by virtue of the Note Trust Deed in respect of that Note vest absolutely in the registered owner of the Note, so that no person who has previously been registered as the owner of the Note nor any other person has or is entitled to assert against the Issuer, any Guarantor or the Registrar or the registered owner of the Note for the time being and from time to time any rights, benefits or entitlements in respect of the Note.
- c. None of the Issuer, any Guarantor nor the Registrar nor any other person is, except as required by order of a court of competent jurisdiction, or as required by law, obliged to take notice of any other claim to or in respect of Notes.
- d. Without limitation, except as provided by statute or as required by order of a court of competent jurisdiction, no notice of any trust (whether express, implied or constructive) may be inscribed in the Register in respect of a Note and the Registrar is not obliged to recognise any trust.

#### 2.5 Inscription conclusive

Each inscription in the Register in respect of a Note is:

- a. sufficient and conclusive evidence to all persons and for all purposes that the person whose name is so inscribed is the registered owner of the Note;
- b. evidence for the benefit of the relevant Noteholder, that a separate and individual acknowledgement by the Issuer of its indebtedness to that person is constituted by and owing under the Note Trust Deed and of the vesting in such person of all rights vested in a Noteholder by the Note Trust Deed; and
- c. evidence that the person whose name is so inscribed is entitled to the benefit of an unconditional and irrevocable undertaking by the Issuer constituted by the Note Trust Deed that the Issuer will make all payments of principal and interest (if any) in respect of the Note and otherwise comply with its obligations under and in accordance with these Terms and Conditions (and, for the avoidance of doubt, the Issuer is not obliged to make any payment in respect of a Note to any person who is not inscribed in the Register as the holder of that Note).

#### 2.6 Manifest errors

The making of, or the giving effect to, a manifest error in an inscription into the Register will not avoid the constitution, issue or transfer of a Note. The Registrar must correct any manifest or proven error of which it becomes aware.

#### 2.7 CHESS

The Notes will be entered into and dealt with in CHESS. For so long as the Notes remain in CHESS the rights of a person holding an interest in the Notes are subject to the Settlement Operating Rules.

### 3 Status of the Notes and Security

#### 3.1 Status of the Notes

The Notes constitute direct, secured, unconditional and unsubordinated obligations of the Issuer ranking equally among themselves and with all Wholesale Notes and in priority to all unsecured obligations of the Issuer, except liabilities mandatorily preferred by law.

#### 3.2 Guarantee

- a. The Guarantee made by the Unsecured Guarantor is a direct, unsecured and unsubordinated obligation of the Unsecured Guarantor and ranks *pari passu* with all present and future unsubordinated and unsecured obligations of the Unsecured Guarantor, except liabilities mandatorily preferred by law.
- b. The Guarantee made by the Secured Guarantors constitutes direct, secured, unconditional and unsubordinated obligations of the Secured Guarantors ranking equally among themselves and in priority to all unsecured obligations of the Secured Guarantors, except liabilities mandatorily preferred by law.

#### 3.3 Security

- a. Amounts due under the Notes and the Note Trust Deed are guaranteed and secured by the Security (including the Guarantee). The Security Trustee holds the Security on trust for the Beneficiaries (as defined in the Security Trust Deed, and which includes the Note Trustee and the Noteholders) subject to the terms of the Security Trust Deed. By the Note Trustee being a party to the Security Trust Deed, the Noteholders receive, through the Note Trustee, the benefit of the Security Trust Deed and the Security.
- b. Pursuant to the terms of the Security Trust Deed, the Security will form part of a Security Pool to be known as the "Centuria Capital Security Trust Security Pool" to be held on trust by the Security Trustee for the benefit of all Security Pool Beneficiaries which includes each holder of Wholesale Notes and each Noteholder of the Notes. The Security Pool Beneficiaries will include, among others, the holders of any further Tranches and Series of Notes and Wholesale Notes which may be issued by the Issuer. If such further Tranches and Series of Notes and Wholesale Notes have the benefit of any additional security, such security will be added to and form part of the Security Pool and will be held on trust by the Security Trustee for the benefit of all Security Pool Beneficiaries at such time which will include, among others, each holder of Wholesale Notes, each Noteholder and each holder of such further Tranche and Series of Notes and/or Wholesale Notes. In the event that such further Tranche and Series of Notes and/or Wholesale Notes does not have the benefit of any additional security, the holders of such Tranche and Series of Notes and/or Wholesale Notes will have the benefit of the Security in the Security Pool which has been granted in respect of these Notes and/or Wholesale Notes and will themselves be Security Pool Beneficiaries (together with, among others, each holder of Wholesale Notes and each Noteholder of these Notes). All consents, instructions, resolutions and directions in respect of the Security Pool and the Security Pool Transaction Documents will be made on a collective basis among all Security Pool Beneficiaries pursuant to the terms of the Security Trust Deed.



# Terms and Conditions of Notes

## Appendix B

### 4 Negative Pledge and Financial and other Covenants

#### 4.1 Negative pledge

Each Secured Guarantor will not create or permit to subsist any Security Interest upon the whole or any part of the present or future assets or revenues of its Relevant Trust other than a Permitted Security Interest.

#### 4.2 Financial covenants

a. The Issuer shall ensure that the ratio of the aggregate principal amount of all Secured Debt to Total Tangible Assets of the Relevant Trusts of all Secured Guarantors will at all times be in aggregate not more than 0.65:1.

b. A Secured Guarantor may only:

- i. incur any new Financial Indebtedness after the Issue Date; and/or
- ii. refinance, amend, amend and restate or extend any Financial Indebtedness after the Issue Date,

if, after giving pro-forma effect to the incurrence of such Financial Indebtedness and the application of the proceeds thereof, including any increase in EBIT resulting from any assets acquired by application of the new Financial Indebtedness, the Interest Cover Ratio is greater than 2:1.

c. If an Event of Default has occurred and is subsisting, no Guarantor will declare or pay a Distribution.

#### 4.3 Other covenants

a. Each Secured Guarantor will ensure that it will not (whether in a single transaction or a series of related transactions) Dispose of any assets (other than, for the avoidance of doubt, cash), other than:

i. Disposals:

- A. in the ordinary course of business and on arm's length commercial terms of any assets;
- B. where the assets are waste, obsolete and are not required for the efficient operations of its business;
- C. in exchange for other assets comparable or superior as to type, value and quality;
- D. Permitted Security Interests; or
- E. where the assets are being disposed of to another Secured Guarantor; and

ii. where an amount equal to the net proceeds of the Disposal is used within 180 days after such Disposal to:

- A. purchase, acquire, develop, redevelop or construct productive assets for use by the Secured Guarantor in its business; and/or
- B. prepay or repay any secured Financial Indebtedness incurred by the Issuer in accordance with Condition 7.4; or

iii. as shall be approved by an Extraordinary Resolution of Noteholders; or

iv. any Disposal not otherwise described in paragraphs (i) to (iii) provided that:

- A. each such Disposal is for cash consideration on arm's length terms and at fair market value; and
- B. the aggregate fair market value of the assets Disposed of by the Secured Guarantor during any 12 month period does not, in aggregate, exceed A\$2,000,000.

b. Each Guarantor will do everything necessary to maintain its corporate existence.

c. Each Guarantor will comply with all laws binding on it where a failure to comply would have a material adverse effect on the ability of the Guarantor to comply with its obligations under the Notes, the Guarantee and/or the Security (as applicable).

#### 4.4 Covenant testing

a. The Issuer will provide the Note Trustee not later than:

- i. 120 days after each 30 June; and
- ii. 90 days after each 31 December,

with a certificate signed by an Authorised Officer of the Unsecured Guarantor which certifies that the Secured Guarantors are in compliance with the covenant set out in Condition 4.2(a) as at 30 June or 31 December, as applicable.

b. The Issuer will provide the Note Trustee not later than 30 days after each applicable Test Date with a certificate signed by an Authorised Officer of the Unsecured Guarantor which certifies whether, in the Authorised Officer's opinion and after having made all reasonable enquiries, the Centuria Group has where applicable:

- i. in respect of a Test Date arising under paragraph (a) of the definition of 'Test Date' complied with the covenants set out in Conditions 4.1, 4.2 (on a pro forma basis) and 4.3(c) on that Test Date;
- ii. in respect of a Test Date arising under paragraph (b) of the definition of 'Test Date', complied with the covenants set out in Conditions 4.2 (on a pro forma basis) and 4.3(c) on that Test Date;
- iii. in respect of a Test Date arising under paragraph (c) of the definition of 'Test Date' complied with the covenants set out in Conditions 4.2 (on a pro forma basis) and 4.3(c) on that Test Date; and
- iv. in respect of a Test Date arising under paragraph (d) of the definition of 'Test Date' complied with the covenants set out in Conditions 4.1 and 4.3(c) on that Test Date.

c. Where a Secured Guarantor has Disposed of an asset for an amount greater than A\$5,000,000 pursuant to paragraphs (i) and (ii) of Condition 4.3(a), then the Issuer will provide the Note Trustee not later than 30 days after the date which is the earlier to occur of:

- i. 180 days after the Disposal; and
- ii. the date on which the net proceeds of the Disposal have been applied in accordance with Condition 4.3(a)(ii),

with a certificate signed by an Authorised Officer of the Unsecured Guarantor which certifies whether, in the Authorised Officer's opinion and after having made all reasonable enquiries, the relevant Secured Guarantor has complied with paragraphs (i) and (ii) of Condition 4.3(a) in respect of that Disposal.

d. In the case of any certificate to be provided under any of paragraphs (a), (b) or (c), in the event that the Centuria Group is not in compliance with any such covenant, such certificate will give reasonable detail of such non-compliance (including any relevant figures and calculations) and the steps being taken to remedy the same.

e. Upon the written request of a Noteholder (but not otherwise), the Note Trustee will provide a copy of any certificate provided to it under this Condition 4.4.

f. If the Note Trustee (acting either on its own discretion or upon receipt of a written request of a Noteholder) requests, within 10 Business Days of the Issuer providing a certificate pursuant to Conditions 4.4(d) or 4.4(e) a Secured Guarantor will provide (at its own cost), any document or other information that the Note Trustee may reasonably request that is necessary or desirable to allow the Note Trustee to determine whether or not the Secured Guarantor is in compliance with each of the covenants set out in Conditions 4.1, 4.2, 4.3(a)(i) and 4.3(c) above as at the relevant Test Date.

# Terms and Conditions of Notes

## Appendix B

### 4.5 Accession of additional Secured Guarantor

If, following a Disposal permitted under Condition 4.3(a), the Issuer determines that it is necessary for another responsible entity or trustee of a trust within the Centuria Group to accede as a Secured Guarantor in order to ensure that the Secured Guarantors are in compliance with their obligations under paragraph (a) of the definition of Permitted Security Interest, the Issuer must procure that within 10 Business Days of such Disposal that such responsible entity or trustee of the relevant trust has acceded to, and provided a Guarantee, under the Security Trust Deed and has entered into a general security deed substantially on the same terms as the General Security Deed (as determined by the Security Trustee in its sole discretion), in each case, in accordance with the terms of the relevant Finance Documents and entered into, or provided, any other documents or authorisations in connection with its accession as the Note Trustee or Security Trustee may reasonably require. The Noteholders authorise each of the Note Trustee and the Security Trustee to execute any such documents as may be required in order to effect the same.

## 5 Transfers of Notes

### 5.1 Title

Title to Notes passes when details of a transfer of the Notes are entered in the Register.

### 5.2 Compliance with law

Notes may only be transferred in accordance with all Applicable Regulations.

### 5.3 Transfers in whole

A Note is transferable in whole (but not in part).

### 5.4 Transfer

- a. A Noteholder may transfer a Note:
- while the Note is lodged in CHESS, in accordance with the Settlement Operating Rules;
  - at any other time:
    - by a proper transfer under any other computerised or electronic system recognised by the Corporations Act; or
    - by any proper or sufficient instrument of transfer of marketable securities under applicable law.
- b. The Registrar must register a transfer of a Note to or by a person who is entitled to make or receive the transfer as a consequence of:
- death, bankruptcy, liquidation, mental incapacity or winding-up of a Noteholder; or
  - a vesting order by a court or other body with power to make the order on receiving the evidence that the Registrar or the Issuer requires.

### 5.5 The Issuer may request holding lock or refuse to register transfer

If Notes are quoted on ASX, and if permitted to do so by the Listing Rules and the Corporations Act, the Issuer may:

- request the operator of CHESS or the Registrar, as the case may be, to apply a holding lock to prevent a transfer of Notes approved by and registered on the operator's electronic sub-register or Notes registered on an issuer-sponsored sub-register, as the case may be; or
- refuse to register a transfer of Notes.

### 5.6 The Issuer must request holding lock or refuse to register transfer

- The Issuer must request the operator of CHESS or the Registrar, as the case may be, to apply a holding lock to prevent a transfer of Notes approved by and registered on the operator's electronic sub-register or Notes registered on an issuer-sponsored sub-register, as the case may be, if the Corporations Act, the Listing Rules or the terms of a Restriction Agreement require the Issuer to do so.
- The Issuer must refuse to register any transfer of Notes if the Corporations Act, the Listing Rules or the terms of a Restriction Agreement require the Issuer to do so, and may only refuse to register a transfer if such transfer would contravene or is forbidden by Applicable Regulation or these Terms and Conditions or it is otherwise permitted to do so under the Note Trust Deed.
- During a breach of the Listing Rules relating to Restricted Securities, or a breach of a Restriction Agreement, the holder of the Restricted Securities is not entitled to any interest (or other distribution on), or voting rights in respect of, the Restricted Securities.

### 5.7 Notice of holding locks and refusal to register transfer

If, in the exercise of its rights under Conditions 5.5 and 5.6, the Issuer requests the application of a holding lock to prevent a transfer of Notes or refuses to register a transfer of Notes, it must, within 5 Business Days after the date the holding lock is requested or the refusal to register a transfer, give written notice of the request or refusal to the Noteholder, to the transferee and the broker lodging the transfer, if any. Failure to give such notice does not, however, invalidate the decision of the Issuer.

### 5.8 Delivery of instrument

If an instrument is used to transfer Notes according to Condition 5.4, it must be delivered to the Registrar, together with such evidence (if any) as the Registrar reasonably requires to prove the title of the transferor to, or right of the transferor to transfer, the Notes.

### 5.9 Effect of transfer

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under the Note Trust Deed and these Terms and Conditions in respect of the transferred Notes and the transferee becomes so entitled.

### 5.10 Transfer of unidentified Notes

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

## 6 Interest

### 6.1 Application

Notes will bear a floating rate of interest as specified in the Prospectus.

### 6.2 Period of accrual of interest

- Interest accrues on the Outstanding Principal Amount of Notes from the Issue Date at the Interest Rate. Interest ceases to accrue on such Notes from the Maturity Date unless default is made in the payment of any principal amount in respect of such Notes.
- If default is made, any overdue principal of a Note continues to bear interest at the last applicable Interest Rate, both before and after any demand or judgment, until the date on which payment is made in full to the relevant Noteholder.

### 6.3 Interest Payment Dates

Interest is payable in arrears on the relevant Interest Payment Dates.

# Terms and Conditions of Notes

## Appendix B

### 6.4 Calculation of Interest Amount

The Interest Amount must be calculated by the Issuer by applying the Interest Rate to the Outstanding Principal Amount of each relevant Note, multiplying such sum by the number of days in the relevant Interest Period divided by 365. The rate determined by the Issuer must be expressed as a percentage rate per annum.

### 6.5 Notification of Interest Rate and Interest Amount

The Issuer will notify ASX of the Interest Rate, the Interest Amount and the relevant Interest Payment Date. In relation to any Note, the Interest Amount and the Interest Payment Date (but in no event, the Interest Rate) so notified may be subsequently amended without notice if and to the extent that the Interest Period is extended or shortened.

### 6.6 Notification, etc to be final

Except as provided in Condition 6.5, all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 by the Issuer are (in the absence of manifest or proven error) binding on the Guarantors, the Registrar, the Note Trustee and all Noteholders.

### 6.7 Calculation of Interest Rate

- a. The Interest Rate applicable to the Notes during the Interest Period will be the sum of the Margin and the BBSW rate.
- b. If the Issuer is unable to determine the Interest Rate for any Interest Period, the Interest Rate for such Interest Period will be the Interest Rate applicable to the Notes for the immediately preceding Interest Period.

### 6.8 Negative Interest Rate

If the Interest Rate at any time is negative then despite any other Condition, no interest will be payable by the Issuer in respect of Notes while the Interest Rate is negative and no Noteholder will be obliged to pay the Issuer any amount in respect of the negative Interest Rate.

### 6.9 Business Days

If any Interest Payment Date, Optional Redemption Date or the Maturity Date is not a Business Day, interest will be paid on the next succeeding Business Day, unless that day falls in the next calendar month in which case that date will be the preceding Business Day, without any additional interest.

### 6.10 Rounding

For the purposes of any calculations required under these Terms and Conditions:

- a. all percentages resulting from the calculations must be rounded to the nearest one ten-thousandth of a percentage point (with 0.00005 per cent. being rounded up to 0.0001 per cent.);
- b. all figures must be rounded to four decimal places (with halves being rounded up); and
- c. all amounts that are due and payable must be rounded (with halves being rounded up) to one cent.

## 7. Redemption and Purchase

### 7.1 Redemption on maturity

The Issuer agrees to redeem each Note on its Maturity Date by payment of 100 per cent. of the Outstanding Principal Amount of each Note (together with any accrued interest, if any, to the Maturity Date) unless:

- a. the Note has been previously redeemed; or
- b. the Note has been purchased and cancelled.

### 7.2 Early redemption at the option of Noteholders

Upon the occurrence of a Change of Control, each Noteholder will have the right to require the Issuer to redeem all (but not some) of its Notes at a redemption price equal to 105 per cent. of the Outstanding Principal Amount of each Note being redeemed (together with any accrued interest, if any, to the date of redemption) (the Change of Control Redemption Price) in accordance with this Condition 7.2. Within 30 days after a Change of Control, the Issuer shall deliver a notice to the Registrar and the Note Trustee requesting that the Note Trustee promptly notifies Noteholders stating:

- a. that a Change of Control has occurred and that such Noteholder has the right to require the Issuer to redeem such Notes at the Change of Control Redemption Price;
- b. the proposed redemption date (which shall be no earlier than 30 days nor later than 50 days from the date on which such notice is delivered) (the Change of Control Redemption Date) and setting out a form of the exercise notice to be provided by the Noteholders to the Issuer (with a copy to the Note Trustee and the Registrar) (the Change of Control Event Exercise Notice), together with instructions on how to submit that notice; and
- c. that the last day on which the Noteholder may provide the Change of Control Event Exercise Notice in respect of all of its Notes to the Issuer (with a copy to the Note Trustee and the Registrar) is the day falling 10 days prior to the Change of Control Redemption Date (the Change of Control Exercise Date).

To exercise its right under this Condition 7.2, a Noteholder must deliver a duly completed and signed Change of Control Event Exercise Notice to the Issuer (with a copy to the Note Trustee and the Registrar) (or as otherwise directed) on or before the Change of Control Exercise Date.

In this Condition, "Change of Control" means, on any date, an event where a party other than a member of the Centuria Group which held (directly or indirectly) 50 per cent. or less of the issued shares of any of:

- d. the Trustee of any Relevant Trust; or
- e. the Unsecured Guarantor,

subsequently holds (directly or indirectly) more than 50.1 per cent. of the issued shares of that Trustee or Guarantor on that date.

### 7.3 Early redemption at the option of the Issuer

The Issuer may redeem all or some of the Notes before their Maturity Date on each Optional Redemption Date by payment of:

- a. 101.00 per cent. of the Outstanding Principal Amount of each Note being redeemed on the First Optional Redemption Date; and
- b. 100.00 per cent. of the Outstanding Principal Amount of each Note being redeemed on the Second Optional Redemption Date or Third Optional Redemption Date,

together with any accrued interest, if any, to the date of redemption.

However, the Issuer may only do so if:

- c. the amount of Notes to be redeemed is a whole multiple of their Denomination; and
- d. the Issuer has given at least 10 days (and not more than 60 days) prior notice to the Registrar, the Note Trustee, the Noteholders and ASX.

### 7.4 Early redemption at the option of the Issuer in connection with asset disposals

If the Issuer is required to prepay Notes in accordance with Condition 4.3(a)(ii)(B), the Issuer will give written notice thereof to the holders of all Notes then outstanding, which notice shall (i) refer specifically to this Condition 7.4 and describe in reasonable detail the Disposal giving rise to such prepayment of Notes, (ii) specify the principal amount of each Note held by such holder to be prepaid, and (iii) specify a Business Day for such prepayment not less than 30 days and not more than 60 days after the date of such notice (the Disposal Prepayment Date).

# Terms and Conditions of Notes

## Appendix B

The Issuer shall prepay on the Disposal Prepayment Date, the Notes at par, together with interest accrued thereon to (but excluding) the Disposal Prepayment Date.

In the case of each partial prepayment of the Notes, the principal amount of the Notes to be prepaid shall be allocated among all of the Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid Outstanding Principal Amounts.

### 7.5 Early redemption on Tax Event

The Issuer may redeem all (but not some) of the Notes on any Interest Payment Date before their Maturity Date at a redemption price equal to the Outstanding Principal Amount of each Note (together with any accrued interest, if any, to the date of redemption) if, as a consequence of an amendment to or a change in, or announced amendment to or prospective change in:

- a. the law or a binding judicial decision, directive, ruling or determination; or
- b. an administrative decision (with which the Issuer is required to comply, or habitually complies) interpreting, applying or clarifying those laws or judicial decisions, directives, rulings or determinations,

occurring after the Issue Date, the Issuer is required, or is likely to be required, to pay an additional amount in respect of a Note under Condition 9 (a Tax Event).

However, the Issuer may only do so if the Issuer obtains (and provides copies to the Note Trustee and the Registrar to be made available to each Noteholder upon request):

- c. a certificate signed by an Authorised Officer stating that such amendment or change has occurred or there is an announced amendment or prospective change (irrespective of whether such amendment or change is then effective) describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures available to it; and
- d. an opinion of independent legal or tax advisers of recognised standing to the effect that such amendment or change has occurred or there is an announced amendment or prospective change (irrespective of whether such amendment or change is then effective) and that the Issuer has or will become obliged to pay such Additional Amounts as a result of such amendment or change or announced amendment or prospective change; and

has given not less than 30 days (nor more than 60 days) prior notice to the Registrar, the Note Trustee, the Noteholders and ASX that it wishes to redeem the Notes early.

### 7.6 Partial redemptions

If only some of the Notes are to be redeemed under Condition 7.3, the Notes to be redeemed will be specified in the notice and selected by the Issuer:

- a. in a fair and reasonable manner; and
- b. in compliance with any applicable law or directive.

### 7.7 Notice of redemption is irrevocable

Any notice of redemption given under this Condition 7 is irrevocable.

### 7.8 Late payment

If an amount payable is not paid under this Condition 7 when due, then interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the last applicable Interest Rate until the date on which payment is made in full to the relevant Noteholder.

### 7.9 Purchase

The Issuer and any of its Related Bodies Corporate may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased under this Condition 7.9 by the Issuer in its personal capacity or by any of its Related Bodies Corporate may be held, resold or cancelled at the discretion of the purchaser and (if the Notes are to be cancelled, the Issuer), subject to compliance with any legal and regulatory requirements. Any Notes redeemed or purchased by the Issuer must be cancelled immediately and may not be reissued or resold.

### 7.10 Effect of redemption

Upon the redemption of a Note in accordance with this Condition 7, all rights conferred, or restrictions imposed, by the Note will cease to have effect.

## 8 Payments

### 8.1 Payment of principal

Payments of the principal in respect of a Note will be made to each person registered at 10.00 am on the Maturity Date or other date on which payment of principal is due as the Noteholder of the Note (or to the first person registered in the case of joint Noteholders).

### 8.2 Payment of interest

Payments of interest in respect of a Note will be made to each person registered on the Record Date as the Noteholder of that Note (or to the first person registered in the case of joint Noteholders).

### 8.3 Manner of payments

All payments under a Note will be made by the Issuer by direct credit to a bank account maintained by a Noteholder with a financial institution specified by the Noteholder to the Registrar before the Record Date.

### 8.4 Payments by cheque to a Noteholder

- a. In the event that a Noteholder has failed to notify the Registrar of an account to which payments can be made, the Issuer may make payments by cheque in respect of Notes held by that Noteholder.
- b. Any such cheque will be sent by prepaid ordinary post on the Business Day immediately preceding the relevant Interest Payment Date, Maturity Date or other date on which payment is due to the address of the Noteholder appearing in the Register at the close of business on the Record Date. Where two or more persons are inscribed in the Register on such date as joint Noteholders of the relevant Note, the Issuer will make payment to the first named holder in the Register.
- c. Any cheque sent to a Noteholder is sent at the Noteholder's risk and is taken to be received by the Noteholder on the due date for payment. Where payments are made by cheque the Issuer will not be required to pay any additional amounts as a consequence of any Noteholder not receiving payment on the due date in immediately available funds.

### 8.5 Business Days

If a payment is due under a Note on a day which is not a Business Day the date for payment will be the next succeeding Business Day, unless that day falls in the next calendar month in which case that date will be the preceding Business Day, and the Noteholder is not entitled to any additional interest.

### 8.6 Payments subject to fiscal laws

All payments are subject to Condition 9 and to any applicable fiscal or other laws and regulations.

# Terms and Conditions of Notes

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### 9 Taxation

#### 9.1 Payments made free and clear without set-off, counterclaim or deductions

All payments under the Notes must be made free and clear of, and without withholding or deduction for, or by reference to any Tax, unless such withholding or deduction is required by law.

#### 9.2 Additional payments

If the Issuer or a Guarantor is obliged by a law to make a deduction in respect of Tax from any payment under the Notes it shall promptly pay the relevant Noteholder on the due date for payment such additional amounts (**Additional Amounts**) as may be necessary so that the relevant Noteholder receives a net amount (after allowance for any further deduction) equal to the amount it would have received if no deduction had been made, except that no Additional Amounts shall be payable under this Condition 9:

- a. to, or to a third party on behalf of, a Noteholder who is liable to such Taxes in respect of any Note by reason of the Noteholder having some connection with the Commonwealth of Australia (or a political subdivision of it) other than the mere holding of such Note or receipt of payment (whether in respect of principal, Redemption Amount, interest or otherwise) in respect of it;
- b. to, or to a third party on behalf of, a Noteholder 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 similar cause for exemption to any Tax Authority in the place where payment under the Note is made;
- c. where the Note is presented for payment more than 30 days after the due date except to the extent that a Noteholder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day;
- d. to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of the Note by reason of the Noteholder being an "Offshore Associate" of the Issuer not acting in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act; or
- e. to, or to a third party on behalf of an Australian resident Noteholder or a non-resident Noteholder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if that person has not supplied an Australian business number, a tax file number or exemption details as may be necessary to enable the payment to be made without such withholding or deduction.

In addition, any amounts to be paid by the Issuer or any Guarantor on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (**FATCA Withholding**). Neither any Guarantor nor the Issuer will be required to pay additional amounts on account of any FATCA Withholding.

### 10 Register

#### 10.1 Registrar's role

The Issuer agrees to procure that the Registrar does the following things:

- a. establish and maintain the Register in Sydney or such other city in New South Wales as the Issuer and the Registrar may agree;
- b. inscribe or cause to be inscribed in the Register:
  - i. the number and principal amount of Notes held by each Noteholder;
  - ii. the full name and address of the Noteholder;
  - iii. any declaration of non-residence, tax file number or Australian business number or exemption details;
  - iv. the Issue Date, Maturity Date and any interest rate and payment details of the Note;
  - v. the Tranche and Series of the Note;
  - vi. any payment instructions notified by the Noteholder or provided by the Issuer or the Paying Agent in respect of a Noteholder;
  - vii. all subsequent transfers and changes of ownership of the Note;
  - viii. the details of any marking which has been provided in respect of the Note; and
  - ix. such other information as is required by all applicable laws or as the Issuer and Registrar agree; and
- c. comply with the obligations expressed in the Note Trust Deed to be performed by the Registrar.

#### 10.2 Registrar

- a. In acting in connection with the Notes, the Registrar acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.
- b. The Issuer reserves the right at any time to terminate the appointment of the Registrar and to appoint successor or additional registrars.

#### 10.3 Multiple Noteholders

- a. Subject to the Corporations Act, if more than four persons are the Noteholders of a Note, the names of only four such persons will be inscribed in the Register.
- b. Subject to the Corporations Act, if more than one person is the holder of a Note, the address of only one of them will be inscribed on the Register. If more than one address is notified to the Registrar, the address recorded in the Register will be the address of the Noteholder whose name appears first in the Register.

#### 10.4 Issuer not liable for mistakes

The Issuer is not liable for any mistake in the Register, except to the extent that the mistake is attributable to the Issuer's own fraud, negligence or wilful default.

#### 10.5 Noteholder change of address

A Noteholder must promptly notify any change of address to the Registrar.

#### 10.6 Closing of Register

On publishing a notice by such means as the Issuer may determine or otherwise as may be required by law or the Listing Rules, the Issuer may close the Register for any period not exceeding in any one year the maximum period permitted by law or the Listing Rules in aggregate in any calendar year.

#### 10.7 CHES sub-register

If the Notes are lodged in CHES, the rules and regulations of CHES with respect to any Register prevail to the extent of any inconsistency with this Condition 10.



# Terms and Conditions of Notes

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### 11 Events of Default

#### 11.1 Events of Default

Each of the following is an Event of Default in respect of the Notes:

- a. **(non-payment of principal)** the Issuer fails to pay any principal in respect of the Notes when due, unless that default is caused by a technical or administrative error by a bank or financial institution in the transmission of funds and is remedied within 2 Business Days of its occurrence;
- b. **(non-payment of interest)** the Issuer fails to pay any interest in respect of the Notes when due and the failure to pay continues for a period of 3 Business Days;
- c. **(other non-compliance)** the Issuer or any other Guarantor:
  - i. fails to comply with any of its obligations in connection with a Note (other than, in respect of the Issuer, in relation to the payment of money referred to in paragraphs (a) and (b)) or any Note Document; and
  - ii. if the non-compliance is capable of remedy, it is not remedied within 10 Business Days after notice of such default shall have been given to the Issuer or the relevant Guarantor by the Note Trustee specifying such non-compliance;
- d. **(cross default)** any Financial Indebtedness of the Issuer or any other Guarantor or, in each case, any of their Subsidiaries for amounts totalling more than A\$5,000,000 (or its equivalent in any other currency) in aggregate:
  - i. is not satisfied on the later of their due date or the end of any applicable grace period; or
  - ii. has become due and payable before its scheduled maturity by reasons of a default or event of default;
- e. **(insolvency)** the Issuer or any other Guarantor:
  - i. is, or under legislation is presumed or taken to be, Insolvent; or
  - ii. stops or suspends or threatens to stop or suspend payment of all or a class of its debts;
- f. **(obligations unenforceable)** any Finance Document is or becomes (or is claimed to be by the Issuer, any other Guarantor or anyone on their behalf) wholly or any part of a material provision of it void, voidable or unenforceable or any Finance Document ceases to wholly or in relation to any part of a material provision of it have full force and effect or the whole or any part of a material provision of it is declared by any court of competent jurisdiction to be void or unenforceable;
- g. **(no litigation)** any judgement or award, or judgements or awards, in an amount exceeding in aggregate A\$5,000,000 (or its equivalent in any other currency) are obtained against the Issuer or any other Guarantor or any of their assets and are not set aside or satisfied within 30 days unless the Issuer or such Guarantor(s) (as applicable) are diligently and in good faith pursuing an appeal;
- h. **(Relevant Trusts)** in respect of a Relevant Trust:
  - i. the Relevant Trust is held or is conceded by the Trustee not to have been constituted or to have been imperfectly constituted;
  - ii. subject to Condition 15, the Trustee ceases to be authorised under the Relevant Trust to hold the assets of the Relevant Trust in its name and to perform its obligations under the Finance Documents; or
  - iii. subject to Condition 15, the Trustee ceases to be entitled to be indemnified out of the assets of the Relevant Trust in respect of its obligations under the Finance Documents or to have a lien over them;
- i. **(cessation of business)** the Issuer or any other Guarantor ceases to carry on business generally and no other body corporate assumes the business of that person; and
- j. **(enforcement against assets)** any expropriation, attachment, sequestration, distress or execution is levied or enforced against any asset or assets of the Issuer or any other Guarantor worth (in aggregate) more than A\$5,000,000.

#### 11.2 Notification

If an Event of Default occurs, the Issuer or a Guarantor must promptly (and in any event within 2 days) after becoming aware of it notify the Note Trustee the Registrar and the Noteholders of the occurrence of the Event of Default (specifying details of it).

#### 11.3 Consequences of an Event of Default

If the Note Trustee is notified of an Event of Default in accordance with clause 11.2 or otherwise has knowledge of an Event of Default which is subsisting, the Note Trustee must:

- a. in the case of an Event of Default under Condition 11.1(a), Condition 11.1(b), Condition 11.1(e) or Condition 11.1(h)(i) or (ii), give written notice to the Security Trustee of that Event of Default in accordance with the Security Trust Deed;
- b. convene a meeting of the Noteholders; and
- c. if and only if so directed by way of a resolution of Noteholders holding at least 25 per cent. of the Outstanding Principal Amount of the Notes (which will be a "requisite number of Beneficiaries" for the purposes of clause 7.2(a) of the Security Trust Deed and a "Requisite Majority" for the purposes of clause 7.2(e) of the Security Trust Deed):
  - i. by written notice (an **Acceleration Notice**), declare in respect of the Notes the Redemption Amount (together with all accrued interest and all other amounts payable under each Note) to be due and payable immediately or on such other date specified in the Acceleration Notice; and
  - ii. give written notice to the Security Trustee of the delivery of the Acceleration Notice in accordance with clause 7.2(c) of the Security Trust Deed; and
  - iii. if permitted to do so in accordance with the Security Trust Deed, give an instruction to the Security Trustee under clause 7.2(e) of the Security Trust Deed.

#### 11.4 Enforcement through Note Trustee

- a. Subject to paragraph (b), the Noteholders hold all rights through the Note Trustee and do not have any direct rights to enforcement against the Issuer.
- b. Subject to the terms of the Security Trust Deed, a Noteholder may enforce its rights directly against the Issuer to enforce any right or remedy under or in respect of any Note or the Note Trust Deed if the Note Trustee, having become bound to do so, fails to enforce its rights against the Issuer within five days from the date that the Note Trustee is notified by a Noteholder of the failure, and such failure is continuing.

# Terms and Conditions of Notes

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### 11.5 Obligations of Note Trustee on occurrence of Event of Default

Subject to section 283DA of the Corporations Act, the Note Trustee:

- a. is under no obligation to monitor or make enquiries as to whether an Event of Default has occurred;
- b. will rely only on the direction of the Noteholders, notification by the Security Trustee or notification by the Issuer in determining whether an Event of Default has occurred, and the Note Trustee is not to be regarded as having knowledge of the occurrence of an Event of Default in the absence of such direction or notification;
- c. must promptly notify the Noteholders if it becomes aware of the occurrence of an Event of Default under paragraph (b);
- d. will rely only on the direction of the Noteholders in determining whether to declare the Redemption Amount due and payable in accordance with Condition 11.3;
- e. is not responsible to the Issuer or any other party for the consequences of any action it takes upon the resolutions of the Noteholders given in accordance with these Terms and Conditions or pursuant to an Extraordinary Resolution or an Ordinary Resolution; and
- f. is not taken to have knowledge or to be aware of the passing of a resolution referred to in Condition 11.3(c) or passing of an Extraordinary Resolution or an Ordinary Resolution referred to in paragraph (e) unless:
  - i. it has convened or attended the meeting at which such resolution was passed; or
  - ii. it receives a copy of such resolution certified as true and correct by the chairman of the meeting at which such resolution was passed; or
  - iii. in the case of such a resolution passed in writing, it has been presented with the instrument or instruments by which the resolution was passed within the period after the Notification Date (as such term is defined in the Meetings Provisions) for Noteholders to pass the written resolution.

## 12 Prescription

The Notes will become void unless claims in respect of principal and/or interest (as applicable) are made within a period of ten years (in the case of principal) and five years (in the case of interest) of the due date for that payment.

## 13 Amendments

- a. Each of these Terms and Conditions may be amended by the Issuer, without the consent of any Noteholder:
  - i. for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions;
  - ii. if the amendment is of a formal, minor or technical nature;
  - iii. if the amendment is necessary or expedient for the purposes of enabling Notes to be:
    - A. listed, or to retain quotation on, any securities exchange;
    - B. lodged in a clearing system or to remain lodged in a clearing system; or
    - C. offered for subscription or for sale under the laws for the time being in force in any place;
  - iv. if the amendment is necessary to comply with:
    - A. the provisions of any statute or the requirements of any statutory authority; or
    - B. the Listing Rules or the listing or quotation requirements of any securities exchange on which the Issuer may propose to seek a listing of Notes; or

- v. in any other manner which the Issuer and the Note Trustee deem necessary or desirable,

and, in each case, which is not prejudicial to the interests of the Noteholders (in the opinion of the Note Trustee).

- b. Each of these Terms and Conditions may otherwise be varied with the approval of the Noteholders by way of an Ordinary Resolution unless the variation affects timing or amount of payments, modifies or suspends the Maturity Dates or changes the Interest Rate or is another matter expressly set out in the Meeting Provisions as requiring an Extraordinary Resolution, in which case the approval of the Noteholders by way of an Extraordinary Resolution is required.
- c. Any such modification or amendment shall be binding on the Noteholders and any such modification or amendment shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable after it has been made.

## 14 Notices

### 14.1 Notices to Noteholders

A notice or other communication is properly given by the Issuer, the Note Trustee or the Registrar to a Noteholder if it is:

- a. in writing signed on behalf of the Issuer, the Note Trustee or the Registrar (as applicable) (by original or electronic signature);
- b. addressed to the person to whom it is to be given; and
- c. either:
  - i. delivered personally;
  - ii. sent by pre-paid mail to that person's address as shown in the Register;
  - iii. sent by fax to the fax number (if any) nominated by that person;
  - iv. sent by electronic message to the electronic address (if any) nominated by that person.

### 14.2 When notices to Noteholders take effect

Notices or other communications from the Issuer, the Note Trustee or the Registrar to Noteholders take effect on the day the notice or communication was delivered or sent.

### 14.3 Non-receipt of notice by a Noteholder

The non-receipt of a notice or other communication by a Noteholder or an accidental omission to give notice to a Noteholder will not invalidate the giving of that notice either in respect of that Noteholder or generally.

### 14.4 Notices to the Issuer

A notice or other communication given to the Issuer, the Note Trustee or the Registrar in connection with Notes must be:

- a. in legible writing or typing and in English;
- b. addressed as shown below;
  - i. in the case of the Issuer:

**Attention: Company Secretary**

**Address: Level 41, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000**

or

**Email: [contactus@centuria.com.au](mailto:contactus@centuria.com.au)**

or to such other address or email address as the Issuer notifies to Noteholders as its address or email address (as the case may be) for notices or other communications in respect of the Notes from time to time;

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ii. in the case of the Note Trustee:

**Attention: The Directors**

**Address: Melbourne Securities Corporation Limited  
Level 2, 395 Collins Street  
Melbourne VIC 3000**

or

**Email: notices@msc.group**

or to such other address or email address as the Note Trustee notifies to Noteholders as its address or email address (as the case may be) for notices or other communications in respect of the Notes from time to time; or

iii. in the case of the Registrar:

**Attention: C/O: Centuria Capital Fund No.2**

**Address: Boardroom Pty Limited  
Level 12, Grosvenor Place  
225 George Street  
Sydney NSW 2000**

or

**Email: NoteOffer@CenturiaInvestor.com.au**

or to such other address or email address as the Registrar notifies to Noteholders as its address or email address (as the case may be) for notices or other communications in respect of the Notes from time to time;

- c. (except as regards a communication sent by email) signed by the person making the communication or by a person duly authorised by that person; and
- d. delivered or posted by prepaid post or sent by email to the email address in each case in accordance with Condition 14.4(b).

### 14.5 When notices to take effect

Notices or other communications from Noteholders to the Issuer, the Note Trustee or the Registrar take effect from the time they are received or taken to be received unless a later time is specified in them.

### 14.6 Deemed receipt of notices

A letter or email is taken to be received:

- a. in the case of a posted letter, on the sixth day (or the tenth day, if posted to or from a place outside Australia) after being posted; and
- b. in the case of an email, when the sender receives an automated message confirming delivery.

Despite paragraphs (a) and (b), if a letter or email is received after 5.00pm in the place or receipt or on a day that is not a Business Day, it is taken to be received at 9.00am on the next Business Day.

## 15 Substitution

### 15.1 Substitution of the Issuer

The Issuer or any other Guarantor which is a Trustee of a Relevant Trust (or any previous substitute under these provisions) may, without the consent of the Noteholders or the Note Trustee, be replaced and substituted as Trustee of the Relevant Trust and, in the case of the Issuer, as principal debtor in respect of the Notes and, in the case of any other Guarantor, as a guarantor in respect of the Notes (and by subscribing for any Notes, each Noteholder expressly consents to such replacement and substitution) by:

- a. any company incorporated in the Commonwealth of Australia of which 100 per cent. of the shares or other equity interests (as the case may be) carrying the right to vote are directly or indirectly owned by the Unsecured Guarantor; or
- b. any company incorporated in the Commonwealth of Australia which directly or indirectly owns 100 per cent. of the shares or other equity interests (as the case may be) carrying the right to vote in the Unsecured Guarantor,

(in such capacity, the Substitute), provided that:

- c. a deed poll, an amending deed to the general security deed (on the terms set out below), a Security Trust Deed Accession Deed (Secured Guarantor) and such other documents shall be executed by the Substitute, the Issuer and the other Guarantors (or any previous substitute under these provisions), as applicable, as may be necessary to give full effect to the substitution (together the Substitution Documents) and (without limiting the generality of the foregoing) pursuant to which:
  - i. the Substitute shall become the trustee in accordance with, and pursuant to, the terms of the Relevant Trust Deed;
  - ii. the Substitute shall, as applicable, undertake in favour of each Noteholder to be bound by these Terms and Conditions and the provisions of the Note Trust Deed and each other relevant Finance Document to which the Trustee (or any previous substitute) is a party as fully as if the Substitute had been named in such Finance Documents as the principal debtor in place of the Issuer (or any previous substitute);
  - iii. the Substitute shall have entered into an amending deed in respect of the General Security Deed with the sole purpose of that document being to replace the Trustee of the Relevant Trust as a party with the Substitute so as to ensure that on and from the date on which the substitution takes effect there continues to exist a Security Interest over all of the Relevant Trust's present (and after-acquired) assets on the same terms as originally granted by the Trustee under the General Security Deed; and
  - iv. the Substitute shall accede to the Security Trust Deed as a Secured Guarantor in accordance with the terms of the Security Trust Deed;
- d. each of the Substitute and the other Guarantors agrees to indemnify each Noteholder, the Note Trustee and the Security Trustee against:
  - i. any Tax that is imposed on such Noteholder by (or by any Tax Authority in or of) the Commonwealth of Australia with respect to any Note and that would not have been so imposed had the substitution not been made; and
  - ii. any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;

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e. all necessary governmental and regulatory approvals and consents for:

- i. such substitution;
  - ii. the granting of the Security Interest by the Substitute as described in paragraph (c)(iii); and
  - iii. the performance by the Substitute and the other Guarantors of their respective obligations under the Substitution Documents having been obtained and being in full force and effect;
- f. the Notes would continue to be eligible to be held within any applicable clearing system;
- g. the Substitute (or any previous substitute) shall have delivered or procured the delivery to the Note Trustee of a copy of one or more legal opinions (as applicable) addressed to the Note Trustee, the Security Trustee, the Issuer, the Substitute and the other Guarantors from one or more leading firm of lawyers (as applicable) to the effect that the Substitution Documents constitute the legal, valid and binding obligations of the parties to them, such opinion(s) to be dated not more than seven days prior to the date of substitution of the Substitute;
- h. there is no outstanding Event of Default in respect of the Notes;
- i. any solicited credit rating assigned to the Notes will remain the same or be improved when the Substitute replaces and substitutes the relevant Trustee (or any previous substitute) in respect of the Notes, and this has been confirmed in writing by each rating agency which has assigned any credit rating to the Notes; and
- j. the substitution complies with all applicable requirements established under the laws of the Commonwealth of Australia.

### 15.2 Release of the Issuer

Where the relevant Trustee being substituted was the Issuer, upon the execution of the Substitution Documents as referred to in Condition 15.1, the Substitute shall be deemed to be named in the Notes as the principal debtor in place of the Issuer (or of any previous substitute under these provisions) and the Notes shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Substitution Documents shall operate to release the Issuer (or such previous substitute, as applicable) from all of its obligations in respect of the Notes.

### 15.3 Substitution Documents

The Substitution Documents shall be deposited with and held by the Note Trustee for so long as any Note remains outstanding and for so long as any claim made against the Substitute or the Issuer or (if different) the other Guarantors by any Noteholder in relation to the Notes or the Substitution Documents shall not have been finally adjudicated, settled or discharged. The Substitute and the other Guarantors shall acknowledge in the Substitution Documents the right of every Noteholder to the production of the Substitution Documents for the enforcement of any of the Notes or the Substitution Documents.

### 15.4 Notice of Substitution

Not later than 15 Business Days after the execution of the Substitution Documents, the Substitute shall give notice thereof to the Noteholders and the Note Trustee in accordance with Condition 14.

## 16 Further Issues

Subject to applicable law, the issuer may from time to time and without the consent of the Noteholders or the Note Trustee create and issue further Notes or securities or other similar instruments, whether subordinated or not or ranking in priority equal with or behind the Notes. The Issuer may issue further Notes so as to form a single Series with any Tranche of Notes.

## 17 Meetings of Noteholders

Meetings of Noteholders may be convened in accordance with the Meeting Provisions. Any such meeting may consider any matters affecting the interests of Noteholders, including the variation of the terms of the Notes and the granting of approvals, consents and waivers to the Issuer, and the declaration of an Event of Default.

## 18 Governing law and submission to jurisdiction

### 18.1 Governing law

The Notes are governed by, and shall be construed in accordance with, the laws of the State of New South Wales, Australia.

### 18.2 Jurisdiction

The Issuer and each Guarantor submits irrevocably and unconditionally to the non-exclusive jurisdiction of the courts of the State of New South Wales, Australia and courts of appeal from them. The Issuer and each Guarantor waives any right it has to object to a suit, action or proceedings being brought in those courts of the State of New South Wales, Australia, including by claiming that the proceedings been bought in an inconvenient forum or that those courts do not have jurisdiction.

## 19 Quotation on ASX

The Issuer must use all reasonable endeavours and provide all such documents, information and undertakings as may be reasonably necessary to procure, at its own expense, admission of the Issuer to the official list of ASX and quotation of Notes on ASX.

# Corporate directory

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## Directors

### CHAIR AND NON-EXECUTIVE DIRECTOR

Garry Charny

### EXECUTIVE DIRECTORS

John McBain

Jason Huljich

### NON-EXECUTIVE DIRECTORS

John Slater

Susan Wheeldon

Kristie Brown

Peter Done

Nicholas Collishaw

Wee Peng Cho

### SECRETARY

Anna Kovarik

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## Proposed ASX Code

ASX: C2FHA

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## Registered Office

Level 41, Chifley Tower,  
2 Chifley Square, Sydney, NSW, 2000

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## Joint Lead Managers

### MORGANS FINANCIAL LIMITED

Level 29, Riverside Centre  
123 Eagle Street, Brisbane, QLD, 4000

### NATIONAL AUSTRALIA BANK

Level 25, 255 George Street  
Sydney, NSW, 2000

### SHAW AND PARTNERS

Level 7, Chifley Tower  
2 Chifley Square, Sydney, NSW, 2000

### WESTPAC INSTITUTIONAL BANK

A DIVISION OF WESTPAC BANKING CORPORATION  
Level 2, Westpac Place, 275 Kent Street  
Sydney, NSW, 2000

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## Co-manager

### ALTERIS PRIVATE

Level 9, 60 Carrington Street  
Sydney, NSW, 2000

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## Legal Adviser

### HWL EBSWORTH LAWYERS

Level 14, Australia Square  
264-278 George Street, Sydney, NSW, 2000

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## Investigating Accountant

### ERNST & YOUNG STRATEGY AND TRANSACTIONS LIMITED

200 George Street  
Sydney, NSW, 2000

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## Auditor

### KPMG

Level 38, Tower Three International Towers Sydney  
300 Barangaroo Avenue, Sydney, NSW, 2000

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## Note Trustee and Security Trustee

### MELBOURNE SECURITIES CORPORATION LIMITED

Level 2, 395 Collins Street,  
Melbourne, VIC, 3000

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## Registry

### BOARDROOM PTY LIMITED

Level 12, Grosvenor Place,  
225 George Street, Sydney, NSW, 2000

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## Offer Information Line

Phone: 1300 721 637 (within Australia)  
Phone: +61 2 8023 5428 (outside Australia)  
Email: NoteOffer@CenturiaInvestor.com

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## Issuer Details

Phone: +61 2 8923 8923  
Fax: +61 2 9460 2960  
Web: [centuria.com.au](http://centuria.com.au)  
Email: [contactus@centuria.com.au](mailto:contactus@centuria.com.au)



