

# Offer Management Agreement Summary

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### 1 Offer Management Agreement (OMA)

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Colonial Holding Company Limited (**Issuer**) proposes to offer interest bearing, subordinated unsecured notes for sale to investors (**Offer**).

#### 1.1 Arrangers

Commonwealth Bank of Australia (**CBA**) and Goldman Sachs Australia Pty Limited (**GS**) agree to act as Arrangers and bookmakers to the Offer including providing certain settlement support in respect of the bookbuild.

#### 1.2 Joint Lead Managers

CBA, GS, Citigroup Global Markets Australia Pty Limited, The Royal Bank of Scotland Plc, Australia Branch and Evans and Partners Pty Limited agree to act as joint lead managers (**JLMs**) including providing certain settlement support in respect of their respective firm allocations.

#### 1.3 Fees and Expenses

- (a) The Issuer must pay each of the Arrangers the fees to be agreed between them, as detailed in the Prospectus.
- (b) The Issuer must pay a fee to each of the JLMs based on each JLMs Broker Firm Allocation (as defined in the OMA). If a JLM subscribes for and settles (or procures subscriptions which are settled) the allocation of securities in its Broker Firm Allocation in full, the Arrangers must pay (out of fees received from the Issuer as described in (a) above) in their Settlement Proportions (as defined in the OMA) to that JLM a settling fee of 1% and a management fee of 0.50% in respect of the gross proceeds of that JLMs Broker Firm Allocation.
- (c) The Arrangers must pay (out of fees received from the Issuer as described in (a) above) in their Settlement Proportions to the co-managers a selling fee of 1% of the gross proceeds of their Broker Firm Allocation.
- (d) The fees described in (b) and (c) above are exclusive of any GST.
- (e) The Arrangers must pay, in their Settlement Proportions, any handling fee to non-syndicate brokers and financial planners in Australia as contemplated by the Prospectus.
- (f) The Issuer has also agreed to reimburse the JLMs for all reasonable costs, charges and expenses (except for their legal and tax advice fees) of and incidental to any aspect of the Offer or the OMA provided that the JLMs seek approval of the Issuer prior to incurring any costs or incidental expenses in excess of \$5,000. Payment of costs are to be paid as soon as reasonably practicable after a request for payment or reimbursement is made by a JLM. The JLMs are responsible for all fees and commissions payable to any co-managers appointed by the Arrangers.

## 1.4 Warranties

The OMA contains certain standard representations, warranties and undertakings provided by the parties to each other including but not limited to:

- (a) Each of the parties represent and warrant to each other that, amongst other things:
- (1) **(Status)** It is a validly created and existing entity under relevant laws and it has the power to carry on its business and now conducted and contemplated;
  - (2) **(Power)** It has the power to enter into and perform its obligations under the Offer and the ancillary documents (**Transaction Documents**);
  - (3) **(Authorisation)** It has taken all necessary action to authorise the entry into and the performance of its obligations under the Transaction Documents; and
  - (4) **(Document Binding)** Each Transaction Document is valid and enforceable.
- (b) The Issuer represents and warrants to each of the JLMs that amongst other things:
- (1) **(Accounts)** Its most recent consolidated audited financial statements give a true and fair view of its state of affairs as at the date to which they relate;
  - (2) **(No litigation)** save as disclosed in the Offer document, to the best of its knowledge and belief there has been no litigation or similar event, the adverse determination of which would have a material adverse effect on its ability to comply with its obligations under the Transaction Documents;
  - (3) **(No Event of Insolvency)** No event of insolvency (as defined in the OMA) has occurred in relation to the Issuer or any related body;
  - (4) **(No Default)** It is not in default under any document or agreement binding on it or its property nor is it in default under any law, regulation or similar which has had or would be likely to have a material adverse effect on its ability to comply with its obligations under the Transaction Documents;
  - (5) **(No misrepresentation)** So far as it is aware all, written information provided by its officers or agents to any of the JLMs in or in connection with the Offer documents was true when given in all material respects and not misleading;
  - (6) **(Ranking)** All Notes will constitute, unsecured and subordinated obligations of the Issuer ranking pari passu amongst themselves;
  - (7) **(No immunity)** It does not enjoy any legal immunity;
  - (8) **(No Trustee)** It does not enter into any Transaction Document in its capacity as a trustee of any trust or settlement;
  - (9) **(Offer Materials)** The issue and distribution of the Offer materials will not constitute misleading or deceptive conduct;
  - (10) **(Trust Deed and Trustee)** the Trust Deed is approved by ASIC and the Trust Deed complies with applicable Corporations Act requirements (all as defined in the OMA);
  - (11) **(Quotation)** the Notes are eligible to be quoted on ASX under the ASX Listing Rules and other requirements of ASX;

- (12) **(Business of the Issuer)** the business of the Issuer has been carried on in the ordinary and usual course and there has been no material adverse change in the assets, total liabilities or financial condition or profitability of the Group;
  - (13) **(Due diligence)** the Issuer has conducted and will continue until completion to conduct the due diligence investigations;
  - (14) **(winding up)** it will not at any time up to and including completion, pass any resolution that it be wound up, enter into any scheme or composition with or for the benefit of its creditors, have a receiver or manager appointed to the whole or any part of its assets or undertakings, permit any breach or default whereby it is liable to be wound up or have an administrator appointed to it; and
  - (15) **(Transactions Permitted)** Entry into, observance and performance of its obligations under the Transaction Documents and the carrying out of the transactions contemplated by the Transaction Documents do not and will not violate (i) any law or regulation or judgement ruling, order or decree of any government body or court binding on it (except where such violation could not have an adverse effect on the validity or enforceability, or the ability of the Issuer to perform any of its obligations under the Transaction Documents (ii) its constitution or other constituent documents, (iii) any other instrument, arrangement or agreement which is binding on it or its property.
- (c) The representations and warranties are repeated by Issuer and by each of the JLMs for the benefit of the other party on the date of the OMA and on the date of completion of the Offer.

## 1.5 Indemnities

Subject to certain exclusions relating to, amongst other things, fraud, recklessness, wilful misconduct or negligence by an indemnified party, the Issuer agrees to keep the JLMs and certain affiliated parties indemnified from loss in connection with the Offer.

## 1.6 Conditions Precedent

- (a) The obligations of each JLM as set out in the OMA, are subject to the satisfaction of various conditions precedent. The conditions precedent include, but are not limited to, the Prospectus being lodged; delivery of the due diligence report and various sign offs from the Issuer's management and certain advisers.
- (b) In addition, the JLMs will have no obligations in relation to settlement and settlement support unless and until certain conditions have been met by the Issuer, including, but not limited to:
  - (1) a duly executed completion certificate is delivered to each JLM by the completion date (in the form provided in the OMA);
  - (2) the period referred to in section 727(3) of the Corporations Act has expired (including any extension by ASIC);
  - (3) lodgement by the Issuer of the replacement prospectus with ASIC; and
  - (4) ASX indicating in writing that it will grant official quotation of the Notes on ASX the Issuer listing approval subject only to customary pre-quotation conditions, on or before 9.00am on the completion date.

## 1.7 Termination Rights

If any of the following events occur at any time before completion, the JLMs may terminate the OMA, by notice to the Issuer:

- (a) the Issuer's credit rating by Standard & Poor's is downgraded or withdrawn or that credit rating is placed on credit watch negative; or
- (b) A material breach by the Issuer or the Issuer's group (**Group**) of the Corporations Act, its constitution, any of the documents related to the Offer or any of the Listing Rules; or
- (c) Any of the Offer documents do not comply in all material respects with the Corporations Act, the Listing Rules or any other applicable law or regulation; or
- (d) approval is refused or not granted, other than subject to customary conditions, to the official quotation of the notes on ASX on or before 8:30am on the completion date, or if granted, the approval is subsequently withdrawn, qualified or withheld; or
- (e) ASIC issues an order or interim order under section 739 of the Corporations Act; or
- (f) an application is made by ASIC for an order under sections 1324B or 1325 of the Corporations Act in relation to the Prospectus or ASIC commences any investigation or hearing under Part 3 of the Australian Securities & Investments Commission Act 2001 (Cwlth) in relation to the Prospectus; or
- (g) any person (other than a JLM) who has previously consented to the inclusion of its name in the Prospectus (or any supplementary Prospectus) or to be named in the Prospectus withdraws that consent; or
- (h) the Issuer withdraws the Prospectus or the Offer; or
- (i) various other events including but not limited to a substantial decrease in the level of the Australian Indices; a suspension (persisting for at least one business day) in trading in the securities of Commonwealth Bank of Australia on ASX (other than a trading halt); or a suspension of certain key world stock markets; or a general moratorium of banking in Australia, the United States or the UK; or a calamity or world wide crisis or change in the financial, political or economic conditions in certain key countries.

## 1.8 Material Termination Events

If any of the following events occur at any time before completion, the JLMs may terminate the OMA, by notice to the Issuer but only if the JLM has reasonable and bona fide grounds to believe that the event has or is likely to have a materially adverse effect on the outcome of the Offer or on settlement of the Offer or performance of the secondary market trading of the notes during the 30 day period following quotation on ASX:

- (a) any adverse change occurs (or becomes known), in respect of various criteria relating to the Issuer, after lodgement of the Prospectus; or
- (b) there occurs a new circumstance that has arisen since the Prospectus was lodged that would have been required to be included in the Prospectus if it had arisen before the Prospectus was lodged in relation to the Issuer, the Issuer or any entity in the Group; or

- (c) hostilities not existing at the date of the OMA commence (whether war has been declared or not) or a major escalation in existing hostilities occurs in certain key worldwide countries or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world; or
- (d) a change in senior management or the board of directors of the Issuer occurs or a director or senior executive of the Issuer is charged with an indictable offence; or
- (e) there is introduced, or there is a public announcement of a proposal to introduce a new law of policy which does or is likely to prohibit or regulate the Offer, capital issues or stock markets, or there is a Tax Event (as defined in the OMA); or
- (f) a default by the Issuer in the performance of any of its obligations under any of the documents relating to the Offer occurs or a warranty in the Offer documents is not true or correct; or
- (g) the completion certificate provided by the Issuer is not true or correct; or
- (h) a statement contained in the Prospectus is misleading or deceptive, or a matter is omitted from the Prospectus (having regard to the provisions of Part 6D.2 of the Corporations Act); or
- (i) the due diligence report which is prepared by the Issuer or any other information supplied by or on behalf of the Issuer to a JLM in relation to the Group or the Offer is misleading or deceptive; or
- (j) any aspect of the Offer does not comply with the Corporations Act, the Listing Rules or any other applicable law or regulation.