

13 November 2003



Westfield Management Limited

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Australian Stock Exchange
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The Manager Companies
New Zealand Stock Exchange
Limited
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2 Hunter Street
Wellington New Zealand

Dear Sirs

**WESTFIELD TRUST (ASX:WFT/NZX:WFT)
PROPOSED ISSUE OF 750,000 OPTIONS TO DEUTSCHE BANK, AG**

As announced, WFT proposes to issue 750,000 call options over ordinary units in WFT to Deutsche Bank, AG at a strike price of \$3.75 per option. The options will not be quoted.

The issue is in conjunction with the issue of \$750 million notes to Deutsche Bank, AG. The terms of subscription allow for oversubscriptions up to a total of \$850 million of notes and 850,000 options.

The Responsible Entity will not be seeking WFT member approval in relation to the proposed issue.

A copy of the terms and conditions of the options is attached.

Yours faithfully
Westfield Management Limited
Responsible Entity of Westfield Trust

Simon Tuxen
Company Secretary

Annexure 1 – Terms and Conditions

The following are the Terms and Conditions of the Options to be issued by Westfield Management Limited as responsible entity of the Trust which will be applicable to each of the Options.

1 Introduction

1.1 Definitions

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

Applicable Business Day Convention means in respect of any provision of these Terms and Conditions the Business Day Convention specified in these Terms and Conditions as applicable to any date in respect of the Options or, if none is so specified, the Applicable Business Day Convention for such purpose is the Following Business Day Convention. Different Business Day Conventions may apply, or be specified in relation, to different dates in respect of any Options.

Australian Stock Exchange Limited includes any successor of it and if the Units are not at that time listed or quoted on the Australian Stock Exchange Limited or its successor, the principal stock exchange or securities market on which the Units may be then listed, quoted or dealt in.

Business Day means a day (other than a Saturday or Sunday) on which commercial banks are open for general banking business in Sydney, Melbourne, Luxembourg and London.

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day. The following Business Day Conventions, where specified in these Terms and Conditions in relation to any date applicable to any Option, have the following meanings:

- (a) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (b) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day; and
- (c) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day.

Capital Distribution means:

- (a) any Distribution or part of a Distribution which is a capital distribution and which is formally expressed by the Issuer or formally declared by the Board of Directors of the Issuer to be an extraordinary distribution, a special distribution, or return of value to Members or any analogous or similar term, in which case the Capital Distribution shall be the Fair

Market Value (as determined at the date of announcement of the relevant Distribution) of such Distribution or relevant part of such Distribution;

- (b) that part of any Distribution (not being a Capital Distribution by virtue of paragraph (a) of this definition) which is in excess of an amount equal to 105 per cent. of the consolidated earnings of the Trust for the Distribution Period in respect of which the Distribution is made being those consolidated earnings derived from the normal operating and financing activities of the Trust as evidenced in the accounts of the Trust in respect of that Distribution Period, in which case the Capital Distribution shall be the Fair Market Value (as determined at the date of announcement of the relevant Distribution) of that part of the Distribution which is a Capital Distribution,

provided that in no event shall any amount paid to Members to compensate Members generally for Distribution entitlement differences caused by the issue of Units in any Distribution Period where those Units have Distribution entitlements in respect of any period before their date of issue and where the issue price of those Units reflects that additional entitlement to Distributions constitute a Capital Distribution.

Change of Control means, at any time:

- (a) a person becomes entitled to be registered at that time as a Member in respect of 90% or more of the Units in issue at that time (and to avoid doubt whether or not any proceedings for compulsory acquisition have been commenced at that time); or
- (b) a Trust Scheme or other merger, scheme of arrangement or similar arrangement in respect of all the issued Units (other than those held by the offeror under such scheme) is approved by a resolution of the Members and other holders of securities entitled to vote on the resolution by the required majority,

but does not include any Issuer Reorganisation or any of the above events which arise out of an Issuer Reorganisation.

Change of Control Exercise Period means the period of 42 days commencing on the date on which the Issuer notifies the Optionholders that a Change of Control has occurred.

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

Constitution means the trust deed dated 1 April 1982 constituting the Trust, as amended or supplemented from time to time.

Corporations Act means the Corporations Act 2001 (Cth).

Continuing Entity means the entity formed for the purposes of, or which survives after, the implementation of an Issuer Reorganisation.

Current Market Price means, in respect of a Unit at a particular date, the arithmetic average of the Volume Weighted Average Prices for one Unit for each of the dealing days specified in the relevant period provided that if the Current Market Price per Unit is to be determined for any of Conditions 7.5, 7.6, 7.7, 7.8, 7.9 or 7.10 or for Condition 7.11 where that Condition is being applied to a circumstance that involves, or could involve, the issue of any Units, then the

Volume Weighted Average Prices for one Unit used to calculate the Current Market Price per Unit so determined must be reduced by an amount determined for each of the dealing days on which they are so determined in accordance with the following formula:

$$A = \frac{B}{C} \times D + E$$

where:

- A is the amount of the reduction;
- B is the number of days from the start of the Distribution Period in which the adjustment being effected occurs (**Relevant Distribution Period**) to the date in respect of which the Current Market Price is calculated;
- C is the number of days in the Relevant Distribution Period;
- D is the distribution of net income per Unit for the Applicable Distribution Period; and
- E is, but only where the Unit still has an entitlement to the distribution of net income per Unit for the immediately preceding Distribution Period, that entitlement or, where that entitlement is not at that time forecast and publicly announced, the distribution of net income per Unit for the Applicable Distribution Period; and

Applicable Distribution Period is the Relevant Distribution Period or, if the distribution of net income per Unit for the Relevant Distribution Period is not forecast and publicly announced at the relevant time, the most recent preceding Distribution Period for which the amount of the distribution of net income per Unit is known;

provided further that if such prices are not available on one or more of the days in the relevant period, then the average of such prices which are available in that period shall be used (subject to a minimum of two such prices) and if only one or no such price is available on any of the dealing days in the relevant period the Current Market Price shall be determined in good faith by a Valuer selected by the Issuer.

dealing day means a day on which the Australian Stock Exchange Limited is open for business other than a day on which the Australian Stock Exchange Limited is scheduled to or does close prior to its regular weekday closing time.

Distribution means any distribution, whether of cash, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes without limitation an issue of Units credited as fully or partly paid up by way of capitalisation of profits or reserves) provided that:

- (a) where a cash Distribution is announced which is to be, or may at the election of a holder or holders of Units be, satisfied by the issue or delivery of Units or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of holders or Units be, satisfied by the payment of a cash Distribution then, for the purposes of this definition, the Distribution in question shall be treated as a Distribution of (i) such cash Distribution or (ii) the Fair Market Value (on

the date of announcement of such Distribution or capitalisation, as the case may be, or if later the date on which the number of Units (or amount of property or assets, as the case may be) which may be issued or delivered is determined), of such Units or other property or assets if such Fair Market Value is greater than the Fair Market Value of such cash Distribution;

- (b) any issue of Units falling within Condition 7.3 shall be disregarded;
- (c) a purchase or redemption of Units by the Issuer shall not constitute a Distribution unless in the case of purchases of Units by or on behalf of the Issuer, the volume weighted average price per Unit (excluding expenses) on any one day in respect of such purchases exceeds by more than 5 per cent. the average of the market price (as defined in the Listing Rules of the Australian Stock Exchange Limited) per Unit of the Units on the Australian Stock Exchange Limited on the last 5 days on which sales in the Units were recorded before that day as derived from the Daily Official List of the Australian Stock Exchange Limited at the opening of business either (1) on that day, or (2) where an announcement (excluding for the avoidance of doubt for these purposes, any general authority for such purchases or redemptions approved by a general meeting of Members or any notice convening such a meeting of Members) has been made of the intention to purchase Units at some future date at a specified price, on the last 5 days on which sales in the Units were recorded immediately preceding the date of such announcement, in which case such purchase shall be deemed to constitute a Distribution to the extent that the aggregate price paid (before expenses) per Unit in respect of such Units purchased by the Issuer exceeds 105 per cent of the average of the market price per Unit of the Units determined as aforesaid; and
- (d) in the case of a cash Distribution, the Distribution shall for the purposes of these Terms and Conditions be construed as a reference to the amount thereof exclusive of any associated tax credit and net of the tax (if any) falling to be deducted on payment thereof to a resident of Australia.

Distribution Period means, at any time, an Accrual Period at that time as defined in the Constitution.

Distribution Period Commencement Date means the first day of a Distribution Period.

Distribution Period End Date means the last day of a Distribution Period.

Dollars, \$ or A\$ means the lawful currency of the Commonwealth of Australia.

Early Maturity Date means the date for redemption of Notes under Condition 6.4 of the Note Conditions.

Exercise Date means the date upon which an Exercise Notice is received by the Issuer in accordance with Condition 4.1, but if that date is not a Business Day or if the time of receipt by the Issuer is after 3.00pm (Sydney time) on that date the Exercise Date is the next occurring Business Day.

Exercise Notice means a notice in the form and substance set out in Appendix 1 to these Terms and Conditions.

Exercise Period means, in respect of an Option, the period of time commencing at 10.00am (Sydney time) on 31 December 2003 and ending at 5.00pm (Sydney

time) on the date which falls on the 14th Business Day before (and including) the Maturity Date or, if an Early Maturity Date has been effected before (and including) that Early Maturity Date.

Exercise Price means, in respect of an Option, A\$1,000.

Exercise Property means, in respect of an Option, the number of Units deliverable upon exercise of that Option in accordance with these Terms and Conditions.

Fair Market Value means, with respect to any property on any date, the fair market value of that property as determined in good faith by a Valuer selected by the Issuer provided, that (1) the Fair Market Value of a cash Distribution paid or to be paid shall be the amount of such cash Distribution; (2) the Fair Market Value of any other cash amount shall be the amount of such cash; (3) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by a Valuer selected by the Issuer) the Fair Market Value of such options, warrants or other rights shall equal the arithmetic averages of the daily Volume Weighted Average Prices of such options, warrants or other rights during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights are publicly traded, or such shorter period as such options, warrants or other rights are publicly traded; (4) where options, warrants or other rights are not publicly traded (as aforesaid), the fair market value of such options, warrants or other rights will be determined by a Valuer selected by the Issuer on the basis of a commonly accepted market valuation method and taking account of such factors as the Valuer considers appropriate, including the market price per Unit, the distribution yield per Unit, the volatility of such market price, prevailing interest rates and the terms of such options, warrants or other rights including as to the expiry date and exercise price (if any) thereof; and (5) in the case of (1) converted into Dollars (if declared or paid in a currency other than Dollars) at the rate of exchange used to determine the amount payable to Members who were paid or are to be paid the cash Distribution in Dollars; and in any other case, converted into Dollars (if expressed in a currency other than Dollars) at such rate of exchange as may be determined in good faith by a Valuer selected by the Issuer to be the spot rate ruling at the close of business on that date (or if no such rate is available on that date the equivalent rate on the immediately preceding date on which such a rate is available).

Government Agency means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity and includes any stock exchange.

Issue Date means 1 December 2003.

Issuer means Westfield Management Limited (ABN 41 001 670 579) in its capacity as responsible entity of the Trust.

Issuer Account means the account of the Issuer styled "Perpetual Nominees Limited ACF Westfield Trust" at 255 George Street, Sydney, New South Wales branch of National Australia Bank Account No: 56-350-0527, BSB 082-057 or such other account notified to the Optionholders by the Issuer from time to time.

Issuer Associate means:

- (a) Westfield Holdings Limited (ABN 66 001 671 496) or any Subsidiary of Westfield Holdings Limited or any successor entity of any of them;

- (b) any trust or managed investment scheme of which any entity referred to in paragraph (a) is the trustee or responsible entity (as if such trust or managed investment scheme was a separate entity);
- (c) any entity controlled by any one or more of the entities referred to in paragraphs (a) or (b); or
- (d) any entity formed or acquired by an entity or combination of entities referred to in paragraphs (a), (b) or (c) for the purpose of controlling one or more of the entities referred to in paragraphs (a), (b) or (c).

Issuer Reorganisation means:

- (a) a consolidation, amalgamation, merger, scheme of arrangement, Trust Scheme (including a Proposal as defined in clause 27 of the Constitution) of the Trust with or into another person or entity which is an Issuer Associate or where at least 90% of the outstanding Units at that time in the Trust or all or substantially all of the assets of the Trust are acquired by an Issuer Associate or where an Issuer Associate otherwise obtains, or has the right to acquire, such Units or assets (other than one where the Trust is the continuing entity and which does not result in a reclassification or change of all the Units outstanding); and
- (b) a takeover offer, tender offer, takeover scheme, exchange offer or scheme or other event by one or more Issuer Associates that results or will result, in that or those Issuer Associates acquiring, or otherwise obtaining or having the right to acquire by any means at least 90% of the outstanding Units at the time in the Trust or all or substantially all of the assets of the Trust.

managed investment scheme has the meaning given in the Corporations Act;

Maturity Date means 5 January 2009.

Member has the meaning given to that term in the Constitution.

Note means a Note as defined in the Note Conditions.

Noteholder means a Noteholder as defined in the Note Conditions.

Note Conditions means the Terms and Conditions of the Notes contained in annexure 1 of the Note Deed Poll.

Note Deed Poll means the deed poll dated on or about the date of the Deed Poll executed by the Issuer and entitled "Westfield Trust 2009 Note Terms – Deed Poll".

Note Redemption Election means, in respect of an Option, or one or more Options, the election by the Optionholder by completion of the section of the Exercise Notice headed "Note Redemption Election" to pay all or part of the Exercise Price of that Option or those Options by redemption of a Note or Notes and by application of the moneys payable on that redemption in payment of all or part of that Exercise Price.

Note Register means the Register as defined in the Note Conditions.

Option means an option to require the Issuer to issue Units in the Trust on the terms and conditions set out in these Terms and Conditions.

Optionholder means a person whose name is for the time being entered in the Register as a holder of an Option.

Option Price means, in respect of an Option, A\$12.80.

Option Register means a register, including any branch register, of Optionholders established and maintained by the Issuer in which is entered the names and addresses of Optionholders whose Options are carried on that register and kept in accordance with the Corporations Act and the Constitution.

Record Date has the meaning given to it in the Constitution.

responsible entity has the meaning given in the Corporations Act.

securities includes, without limitation, Units and options, warrants or other rights to subscribe for or purchase or acquire Units.

Settlement Date means in respect of the exercise of an Option the date which falls on the 3rd Business Day occurring after the Exercise Date of that Option.

Settlement Taxes means all Taxes assessed, incurred or payable on or in connection with:

- (a) the exercise of an Option;
- (b) the issue of Units or the delivery of other Exercise Property consequent upon the exercise of an Option; or
- (c) the payment of, or the receipt of, the Exercise Price in connection with the exercise of an Option.

Specified Office of the Issuer in respect of an Option means, at any time, the place at which notices are to be given to the Issuer at that time in accordance with Condition 9.1.

Strike Price means, in respect of an Option, A\$3.75 or such other amount determined by application of Condition 7.

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

Tax means:

- (a) any tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding; or
- (b) any income, stamp or transaction duty, tax or charge,

which is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or other amount imposed on or in respect of any of the above.

Trust means the managed investment scheme styled "Westfield Trust" (ARSN 090 849 746) constituted under the Constitution.

Trust Fund means the assets and property held by the Issuer as responsible entity of the Trust.

Trust Scheme means a merger or similar arrangement effected through Member approval and, if required, an amendment to the Constitution and includes a Proposal as defined in clause 27 of the Constitution.

Units has the meaning given to that term in the Constitution, or, if Condition 7.19 applies Equivalent Property as defined in Condition 7.19.

Valuer means a bank, investment bank or accountant of good repute in Australia selected by the Issuer and independent of the Issuer.

Volume Weighted Average Price means, in respect of a Unit or other security on any dealing day, the daily volume weighted average sale price per Unit or that other security appearing on or derived from the Daily Official List of the Australian Stock Exchange Limited (but excluding sales other than in the ordinary course of trading of the Australian Stock Exchange Limited (including any transaction referred to in the Business Rules of the Australian Stock Exchange Limited as special, crossings prior to the commencement of normal trading, crossings during the closing phase and the after hours adjust phase, any overseas trades or trades pursuant to the exercise of options over Units and any overnight crossings)) or if not so available from such other source determined by a Valuer selected by the Issuer to be appropriate on such dealing day, but if a Valuer cannot make such a determination the Volume Weighted Average Price shall be that available on the closest dealing day on which it was available.

1.2 Interpretation

In these Terms and Conditions unless the contrary intention appears:

- (a) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (b) the singular includes the plural and vice versa;
- (c) the word “person” includes a firm, body corporate, an unincorporated association or an authority;
- (d) a reference to a person includes a reference to the person’s executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (e) a reference to any thing (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively and to each of them individually;
- (f) a reference to the Issuer is a reference to the Issuer in its capacity as responsible entity of the Trust;
- (g) a reference to a time of day is a reference to that time in Sydney; and
- (h) references to any issue or offer or grant to Members “as a class” or “by way of rights” shall be taken to be references to an issue or offer or grant to all or substantially all Members other than Members to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer.

1.3 Headings

Headings are inserted for convenience and do not affect the interpretation of these terms and conditions.

1.4 Inclusive expressions

Specifying anything in these Terms and Conditions after the words “includes” or “for example” or similar expressions does not limit what else is included unless there is express wording to the contrary.

2 Form and title

2.1 Constitution of Options

- (a) Each Option is an obligation of the Issuer constituted under the Deed Poll and takes the form of entries in the Register.
- (b) Each Option is issued subject to these Terms and Conditions the Constitution and the Prospectus.

2.2 Independent obligations

The obligations of the Issuer in respect of each Option constitute separate and independent obligations which the Optionholder to whom those obligations are owed is entitled to enforce without having to join any other Optionholder or any predecessor in title of the Optionholder.

2.3 Price

An Option is issued at its Option Price.

3 Exercise rights

3.1 Exercise Period

An Option may only be exercised at any time during the Exercise Period in accordance with these Terms and Conditions. Each Option lapses and ceases to be of any effect at the end of the Exercise Period.

3.2 Entitlement

Subject to these Terms and Conditions, each Option entitles the Optionholder to require the Issuer to issue to the Optionholder (or its nominee or nominees nominated in accordance with these Terms and Conditions) the number of Units constituting the Exercise Property for that Option on the Exercise Date of that Option.

3.3 Exercise Property

The number of Units to be issued upon exercise of an Option will subject to Condition 3.4, be calculated in accordance with the following formula:

$$U = \frac{A}{B}$$

where:

- U is the number of Units;
- A is the amount of the Exercise Price expressed as a number; and
- B is the Strike Price as at the Exercise Date, adjusted in accordance with Condition 7, expressed as a number.

3.4 No fractions

- (a) No fraction or part of a Unit comprised in the Exercise Property which is not divisible shall be delivered or issued on exercise of an Option.
- (b) The Issuer is not under any obligation to make any payment to an Optionholder, and an Optionholder is not entitled to make any deduction or withholding from the Exercise Price, in respect of any such fraction or part.
- (c) Any such fraction or part will be rounded down to the nearest whole multiple of a Unit.
- (d) If more than one Option is exercised by an Optionholder under the one Exercise Notice, the Exercise Property to be delivered and the Exercise Price payable in respect of such exercise must be calculated on the basis that all such Options are aggregated.

3.5 No partial exercise

An Option may only be exercised in whole and not in part.

4 Procedure for Exercise

4.1 Exercise Notice

- (a) To exercise an Option, the Optionholder must give to the Issuer at the Issuer's Specified Office, by delivery or in accordance with Condition 9.1, a duly completed Exercise Notice signed by or on behalf of the Optionholder and if signed on behalf of the Optionholder together with evidence of the authority of the person or persons so signing.
- (b) To be effective an Exercise Notice must:
 - (1) be given to the Issuer during the Exercise Period;
 - (2) be legible and completed in English;
 - (3) be duly completed (including as to the Regulation S Warranty contained in it); and
 - (4) be properly executed by or on behalf of the Optionholder.
- (c) The Issuer may rely on any signatures or evidence of authority as being correct and is not bound to make any inquiry.

- (d) An effective Exercise Notice, once given, is irrevocable and binds the Optionholder giving it.
- (e) An Exercise Notice is not effective until received by the Issuer at its Specified Office by delivery or in accordance with Condition 9.1.
- (f) All costs and expenses incurred or caused by an ineffective Exercise Notice shall be for the account of the relevant Optionholder and that Optionholder indemnifies the Issuer from and against all such costs and expenses incurred or suffered by the Issuer.

4.2 Exercise Price Payment

- (a) To be effective an Exercise Notice must be accompanied by:
 - (1) each of:
 - (A) the total Exercise Price for the Options subject to the Exercise Notice payable to the Issuer in immediately available funds including by direct transfer into the Issuer Account; or
 - (B) if the Optionholder elects the Note Redemption Election, by completion of the Note redemption election section of the Exercise Notice in compliance with Condition 4.2(b); or
 - (C) by any combination of Condition 4.2(a)(1)(A) and (B) which adds up to the total Exercise Price for the Options subject to the Exercise Notice; and
 - (2) an amount in immediately available funds payable to the Issuer in respect of Settlement Taxes payable by the Issuer in connection with the exercise of that Option or the delivery of Exercise Property in connection with that exercise.
- (b) If an Optionholder elects to pay the Exercise Price in whole or in part by utilising the Note Redemption Election:
 - (1) it may only do so in respect of one or more whole number of Notes; and
 - (2) it must, at that time, be entered on the Note Register as a Noteholder of at least the number of Notes comprised in its Note Redemption Election.
- (c) The Exercise Price must be paid in full and without set-off or counterclaim or deduction or withholding on any account unless such deduction or withholding is required by law.
- (d) If any deduction or withholding on any account is required by law, the Optionholder must pay an additional amount so that the Issuer receives an amount, after accounting for all deductions and withholdings and any Tax payable by the Issuer in respect of that additional amount, equal to the full Exercise Price.

4.3 Settlement Taxes

An Optionholder must pay all Settlement Taxes payable on or in connection with the exercise of an Option and indemnifies the Issuer from all such Settlement

Taxes for which the Issuer is, or becomes, liable. This Condition 4.3 survives the exercise and settlement of an Option.

4.4 Invalid exercise

- (a) If an Exercise Notice is not effective, or by these Terms and Conditions is regarded as not being effective, the purported exercise of Options subject to it is invalid and of no effect. The Issuer is not bound to (but may in its absolute discretion without notice to any person) recognise, nor act upon, an ineffective Exercise Notice.
- (b) If an Exercise Notice is, or by these Terms and Conditions is regarded as, ineffective, the Issuer will notify the Optionholder within a reasonable time after the Issuer has determined it to be ineffective.

5 Settlement

5.1 Settlement Date

If an Optionholder exercises an Option and complies in all respects with Condition 4 in respect of such exercise, then before 9.30am (Sydney time) on the Settlement Date, the Issuer must:

- (a) issue to the Optionholder (or its nominee or nominees nominated in accordance with these Terms and Conditions) the number of Units constituting the Exercise Property in respect of that Option; and
- (b) otherwise comply with the Constitution and the Corporations Act in respect of that issue.

5.2 CHESS Securities

- (a) Units to be issued and delivered on the Settlement Date will, if listed at that time, be delivered in uncertificated form through the securities trading system known as the Clearing House Electronic Sub-register System operated by ASX Settlement and Transfer Corporation Pty Limited (**CHESS**) (or any successor licensed clearance and settlement facility applicable to the Units).
- (b) Units delivered through CHESS will be delivered to the account specified by an Optionholder in the Exercise Notice given by it by no later than the time required under the rules of CHESS.

5.3 Certificates

If, and only if, at the time settlement effected under Condition 5.1 title to Exercise Property is evidenced by certificates or other documents of title, the Issuer must procure that such certificates or other documents of title are promptly despatched to the Optionholder (or such nominee or nominees) in accordance with written directions contained in the applicable Exercise Notice.

5.4 Listing

Promptly after the issue of any Exercise Property issued by the Issuer which is in a class of securities listed on the Australian Stock Exchange, the Issuer shall, in accordance with the rules of the Australian Stock Exchange Limited, apply for, and take other steps reasonably necessary to procure, the listing of that Exercise Property in that class of securities.

5.5 Nominees

- (a) If an Optionholder wants any Exercise Property to be delivered by the Issuer upon exercise of an Option issued in the name of a nominee or nominees of the Optionholder it must complete the Nominee Election in the applicable Exercise Notice.
- (b) Any nomination under Condition 5.5(a) does not release an Optionholder from performance of its obligations.

6 Status of the Exercise Property and Options

6.1 Status of Units

Units issued upon exercise of Options:

- (a) will be issued as fully paid; and
- (b) will only be entitled to Distributions calculated from and including the Distribution Period Commencement Date for the Distribution Period in which they are issued; and
- (c) will in all other respects (other than rights to Distributions which shall be limited to the entitlement referred to in Condition 6.1(b)) rank pari passu in all respects with the fully paid Units on issue on the date such Units are issued.

6.2 Status of Options

- (a) Despite any provision in the Constitution to the contrary, but subject to law, Optionholders have no right to vote on any resolution in respect of a proposed or actual Trust Scheme or other merger, scheme of arrangement or similar arrangement or Issuer Reorganisation as a separate class.
- (b) Each Optionholder irrevocably waives any right to vote on any resolution in respect of the proposed or actual Trust Scheme or other merger, scheme of arrangement or similar arrangement or Issuer Reorganisation as a separate class.
- (c) No Optionholder is entitled to participate in new issues of Units without exercising the Option.

6.3 Transferability

Options are transferable in accordance with the Constitution.

7 Adjustments

7.1 Adjustments

The Strike Price or the Exercise Property shall be adjusted as set out in this Condition 7.

7.2 Consolidation etc

If and whenever there shall be a consolidation or division of the Units the Strike Price shall be adjusted by multiplying the Strike Price in force immediately prior to such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the number of issued Units immediately before such alteration; and

B is the number of issued Units immediately after such alteration.

Such adjustment shall become effective on and from the date the consolidation or division takes effect.

7.3 Issue by way of capitalisation

If and whenever the Issuer shall issue any Units credited as fully paid to the Members by way of capitalisation of profits or reserves (including any premium account or capital redemption reserve) other than (1) any such Units issued instead of the whole or part of a cash Distribution which the Members concerned would or could otherwise have received or (2) where the Members may elect to receive a cash Distribution in lieu of Units, the Strike Price shall be adjusted by multiplying the Strike Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of the issued Units immediately before such issue; and

B is the aggregate number of the issued Units immediately after such issue.

Such adjustment shall become effective on and from the date of issue of such Units.

7.4 Capital Distribution

If and whenever the Issuer shall pay or make any Capital Distribution to the Members, the Strike Price shall be adjusted by multiplying the Strike Price in force immediately prior to such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price per Unit determined over the 5 dealing days immediately preceding the date of the first public announcement of the relevant Capital Distribution or, in the case of a purchase of Units, on which such Units are purchased; and
- B is the portion of the Fair Market Value of the Capital Distribution attributable to one Unit, with such portion being determined by dividing the Fair Market Value of the aggregate Capital Distribution by the number of Units entitled to receive the Capital Distribution (or, in the case of a purchase of Units by or on behalf of the Issuer, by the number of Units issued and outstanding immediately prior to such purchase).

Such adjustment shall become effective on and from the date on which such Capital Distribution is made.

7.5 Rights issue of Units

If and whenever the Issuer shall issue Units to Members as a class by way of rights, or issue or grant to Members as a class by way of rights, options, warrants or other rights to subscribe for or purchase any Units, in each case at a price per Unit which is less than 95 per cent. of the Current Market Price per Unit determined over the 5 dealing days immediately preceding the date of the first public announcement of the terms of the issue or grant of such Units, options, warrants or other rights, the Strike Price shall be adjusted by multiplying the Strike Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Units in issue immediately before such announcement;
- B is the number of Units which the aggregate amount (if any) payable for the Units issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Units comprised therein would purchase at such Current Market Price per Unit; and
- C is the number of Units issued or, as the case may be, the maximum number of Units which may be issued upon exercise of such options, warrants, or rights.

Such adjustment shall become effective on the first date on which the Units are traded ex-rights, ex-options or ex-warrants on the Australian Stock Exchange Limited.

7.6 Issue of other securities by way of rights

If and whenever the Issuer shall issue any securities (other than Units or options, warrants or other rights to subscribe for or purchase any Units) to Members as a class by way of rights or grant to Members as a class by way of rights any options, warrants or other rights to subscribe for or purchase any securities (other than Units or options, warrants or other rights to subscribe for or purchase Units), the

Strike Price shall be adjusted by multiplying the Strike Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price per Unit determined over the 5 dealing days immediately preceding the first date on which the terms of such issue or grant are publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Unit.

Such adjustment shall become effective on the first date on which the Units are traded ex-rights, ex-options or ex-warrants on the Australian Stock Exchange Limited.

7.7 Issue at a discount

If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 7.5 above) wholly for cash or for no consideration any Units (other than Units issued on the exercise of Options or on the exercise of any rights of conversion into, or exchange or subscription for, Units), or issue or grant (otherwise than as mentioned in Condition 7.5 above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase any Units (other than the Options, which term shall include any further options issued pursuant to Condition 8 and consolidated and forming a single series with the Options), in each case at a price per Unit which is less than 90 per cent. of the Current Market Price per Unit determined over the 5 dealing days immediately preceding the date of the first public announcement of the terms of such issue or grant, the Strike Price shall be adjusted by multiplying the Strike Price in force immediately prior to such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Units in issue immediately before such announcement;
- B is the number of Units which the aggregate consideration (if any) receivable for the issue of such additional Units or, as the case may be, for the Units to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Unit; and
- C is the number of Units to be issued pursuant to such issue of such additional Units or, as the case may be, the maximum number of Units which may be issued upon exercise of such options, warrants or rights.

Such adjustment shall become effective on the date of issue of such additional Units or, as the case may be, the grant of such options, warrants or rights.

7.8 Other issues at a discount

If and whenever the Issuer, any Subsidiary of the Issuer or (at the direction or request of or pursuant to any binding arrangements with the Issuer or any Subsidiary of the Issuer) any Issuer Associate (otherwise than as mentioned in Conditions 7.5, 7.6 or 7.7 above) shall issue wholly for cash or for no consideration any securities (other than the Options, which term shall for this purpose include any further options issued pursuant to Condition 8 and consolidated and forming a single series with the Options) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Units (or shall grant any such rights in respect of existing securities so issued) and the consideration per Unit receivable upon conversion, exchange or subscription is less than 90 per cent. of the Current Market Price per Unit determined over the 5 dealing days last preceding the date of the first public announcement of the terms of issue of such securities (or the terms of such grant), the Strike Price shall be adjusted by multiplying the Strike Price in force immediately prior to such issue (or grant) by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Units in issue immediately before such issue or grant (but where the relevant securities carry rights of conversion into or rights of exchange or subscription for Units which have been issued by the Issuer for the purposes of or in connection with such issue, less the number of such Units so issued);
- B is the number of Units which the aggregate consideration (if any) receivable for the Units to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to such securities or, as the case may be, for the Units to be issued would purchase at such Current Market Price per Unit; and
- C is the maximum number of Units to be issued or otherwise made available upon conversion or exchange of such securities or upon the exercise of such right of subscription attached thereto at the initial conversion, exchange or subscription price or rate or, as the case may be, the maximum number of Units which may be issued,

provided that if at the time of issue of the relevant securities or date of grant of such rights (the **"Specified Date"**) such number of Units is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such securities are converted or exchanged or rights of subscription are exercised or at such other time as may be provided) then for the purposes of this Condition 7.8, "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the date of issue of such securities or, as the case may be, the grant of such rights.

7.9 Modification of rights

If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities (other than the Options and any further options issued pursuant to Condition 8 and consolidated and forming a single series therewith) as are mentioned in Condition 7.8 above (other than in accordance with the terms (including terms as to adjustment) applicable to such securities upon issue) so that following such modification the consideration per Unit receivable has been reduced and is less than 90 per cent of the Current Market Price per Unit determined over the 5 dealing days last preceding the date of the first public announcement of the proposals for such modification, the Strike Price shall be adjusted by multiplying the Strike Price in force immediately prior to such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Units in issue immediately before such modification (but where the relevant securities carry rights of conversion into or rights of exchange or subscription for Units which have been issued by the Issuer for the purposes of or in connection with such issue, less the number of such Units so issued);
- B is the number of Units which the aggregate consideration (if any) receivable for the Units to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price per Unit or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Units which may be issued or otherwise made available upon conversion or exchange of such securities or upon the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as a Valuer, selected by the Issuer shall, acting as an expert, consider appropriate for any previous adjustment under this Condition 7.9 or Condition 7.8 above,

provided that if at the time of such modification (the “Specified Date”) such number of Units is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such securities are converted or exchanged or rights of subscription are exercised or at such other times as may be provided) then for the purposes of this Condition 7.9, “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange or subscription had taken place on the Specified Date.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

7.10 Offer at discount

If and whenever the Issuer, any Subsidiary of the Issuer or (at the direction or request of or pursuant to any binding arrangements with the Issuer or any Subsidiary of the Issuer) any Issuer Associate shall offer any securities in connection with which offer Members as a class are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Strike Price falls to be adjusted under Condition 7.5 above (or would fall to be so adjusted if the relevant issue or grant was at less than 90 per cent of the Current Market Price per Unit determined over the relevant 5 dealing days) or under Condition 7.6 above) the Strike Price shall be adjusted by multiplying the Strike Price in force immediately before the making of such offer by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price per Unit determined over the 5 dealing days immediately preceding the date on which the terms of such offer are publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the relevant offer attributable to one Unit.

Such adjustment shall become effective on the first date on which the Units are traded ex-rights on the Australian Stock Exchange Limited.

7.11 Other dilutive effects

If the Issuer (acting reasonably) determines that an adjustment should be made to the Strike Price as a result of one or more events or circumstances not referred to in this Condition 7 (even if the relevant event or circumstance is specifically excluded from the operation of Conditions 7.2 to 7.10 above), the Issuer shall, at its own expense and acting reasonably, request a Valuer, selected by the Issuer, acting as expert, to determine as soon as practicable what adjustment (if any) to the Strike Price is fair, reasonable and value neutral in respect of the Option to take account thereof and the date on which such adjustment should take effect and upon such determination, such adjustment (if any) shall be made and take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this Condition 7.11 if such Valuer is so requested to make such a determination not more than 21 days after the date on which the relevant event or circumstance arises.

7.12 Change of Control

If:

- (a) a Change of Control occurs; and
- (b) an Optionholder exercises an Option and the Exercise Date is within the Change of Control Exercise Period,

then the Strike Price shall be adjusted as set out below but in each case adjusted, if appropriate, proportionally on each adjustment of the Strike Price under Conditions 7.2 to 7.11:

Exercise Date	Strike Price
On or before 5 July 2004	\$3.37
Thereafter, but on or before 5 January 2005	\$3.41
Thereafter, but on or before 5 July 2005	\$3.46
Thereafter, but on or before 5 January 2006	\$3.50
Thereafter, but on or before 5 July 2006	\$3.54
Thereafter, but on or before 5 January 2007	\$3.58
Thereafter, but on or before 5 July 2007	\$3.63
Thereafter, but on or before 5 January 2008	\$3.67
Thereafter, but on or before 5 July 2008	\$3.71
Thereafter, but on or before the Maturity Date	\$3.75

7.13 Final Adjustment Figure

On the Exercise Date in respect of any Option exercised, the Strike Price will, in addition to any other adjustment effected under this Condition 7, be adjusted in accordance with the following formula:

$$ASP = SP + (AD \times \frac{D}{P})$$

where:

ASP is the Strike Price adjusted under this Condition 7.13

SP is what the Strike Price would otherwise be on that Exercise Date

AD is the aggregate amount per Unit of Distributions (other than Capital Distributions) paid by the Issuer in respect of a Unit to Members in respect of the Distribution Period occurring immediately before the Distribution Period ending on the Distribution Period End Date occurring immediately before that Exercise Date, or, if before that Exercise Date the Issuer has publicly announced the amount of Distribution per Unit (other than Capital Distributions) it will pay on the next occurring date for Distributions in respect of the Distribution Period ending on the Distribution Period End Date occurring immediately before that Exercise Date occurs, the amount of that publicly announced Distribution (other than Capital Distributions) per Unit;

D is the number of days from (but excluding) that Exercise Date back to (and including) the Distribution Period Commencement Date for the Distribution Period in which the Exercise Date occurs; and

P is the number of days in the Distribution Period ending on the Distribution Period End Date occurring immediately on or after that Exercise Date.

7.14 Overriding provision

Despite the foregoing provisions of this Condition 7, where the circumstances giving rise to any adjustment pursuant to this Condition 7 have already resulted or will result in an adjustment to the Strike Price or where the circumstances giving rise to any adjustment arise by virtue of any other circumstances which have already given or will give rise to any adjustment to the Strike Price or where more than one event which gives rise to an adjustment to the Strike Price occurs within such a short period of time that, in the reasonable opinion of the Issuer, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be advised by a Valuer selected by the Issuer to be in its opinion appropriate to give the intended result and provided further that, for the avoidance of doubt, the issue of Units pursuant to the exercise of Options shall not result in an adjustment to the Strike Price.

7.15 Application for certain Conditions

For the purpose of any calculation of the consideration receivable or price pursuant to Condition 7.5, 7.6, 7.7, 7.8 and 7.9, the following provisions shall apply:

- (a) the aggregate consideration receivable for Units issued for cash shall be the amount of such cash;
- (b) (x) the aggregate consideration receivable for Units to be issued or otherwise made available upon the conversion or exchange of any securities shall be deemed to be the consideration received or receivable for any such securities and (y) the aggregate consideration receivable for Units to be issued or otherwise made available upon the exercise of rights of subscription attached to any securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration received or receivable for such securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration is so attributed the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the date of the first public announcement of the terms of issue of such securities or, as the case may be, such options, warrants or rights, plus in the case of each of (x) and (y) above, the additional minimum consideration (if any) upon the conversion or exchange of such securities, or upon the exercise of such rights of subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (z) the consideration per Unit receivable upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration referred to in (x) or (y) above (as the case may be);
- (c) if the consideration determined pursuant to (a) or (b) above (or any component thereof) shall be or are expressed in currency other than Dollars it shall be converted into Dollars at such rate of exchange as may be determined in good faith by a Valuer selected by the Issuer to be the

spot rate ruling at the close of business on the date of the first public announcement of the terms of issue of such securities, divided by the number of Units to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate; and

- (d) in determining consideration pursuant to the above no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting or placing or management of the issue of relevant Units or otherwise in connection therewith.

7.16 Retroactive adjustments

If the Exercise Date in relation to any Option shall be after the Record Date for any such issue, distribution, grant or offer (as the case may be) as mentioned in Condition 7.3 to 7.6 and 7.10, or any such issue as is mentioned in Condition 7.7 and 7.8 which is made to the Members or any of them, but before the relevant adjustment becomes effective under Condition 7 (such adjustment, a **Retroactive Adjustment**), the Issuer shall (conditional upon the relevant adjustment becoming effective) procure that there shall be issued to the exercising Optionholder, in accordance with the instructions contained in the Exercise Notice (subject to any applicable exchange control or other laws or other regulations), such additional number of Units (if any) (the **Additional Units**) as, together with the Units issued or to be issued on exercise of the relevant Option and any fraction of an Units not so issued, is equal to the number of Units which would have been required to be issued on exercise of such Option if the relevant adjustment to the Strike Price had in fact been made and become effective immediately after the relevant Record Date.

7.17 Decision of Valuer

- (a) A written opinion of a Valuer selected by the Issuer in respect of any adjustment to the Strike Price effected under this Condition 7 or any other determination under these Terms and Conditions shall be conclusive and binding on the Issuer and each Optionholder except in the case of manifest or proven error.
- (b) A Valuer acts as an expert only.

7.18 Strike Price adjustments

Each time the Strike Price is redetermined under this Condition 7 it must be calculated to no fewer than four decimal places with no rounding up or down. Notice of any adjustments shall be given to Optionholders in accordance with Condition 9 as soon as practicable after the determination thereof

7.19 Issuer Reorganisation and substitution

- (a) If an Issuer Reorganisation occurs the Issuer may cancel all outstanding Options but only if the Continuing Entity grants to each Optionholder by execution of a deed poll or other binding arrangement an option to require the Continuing Entity to issue or deliver at the Exercise Price Equivalent Property on terms and conditions substantially the same as these Terms and Conditions.

- (b) The Issuer may cancel Options only when the Continuing Entity complies with Condition 7.19(a) by notice to the Optionholders to that effect. Such notice may be given before Condition 7.19(a) is complied with but only takes effect upon Condition 7.19(a) being complied with. Each Option is immediately cancelled in accordance with any such notice.
- (c) Equivalent Property means a number of securities in the Continuing Entity which a Valuer determines is equivalent to the Exercise Property which would have been issued to an Optionholder upon the exercise of an Option on the date such Option is cancelled.

8 Further issues

The Issuer may, from time to time, without the consent of any Optionholder issue further options having the same terms and conditions as the Options in all respects (or in all respects except for the Issue Date) so as to form a single series of Options. This Condition 8 does not limit the Issuer's rights to issue, without the consent of any Optionholder, any other securities, including other options.

9 Notices

9.1 To the Issuer

A notice or other communication to the Issuer in connection with a Option:

- (a) must be in writing addressed as follows:

- (1) to the Issuer, to:

Address: 24th Floor, Westfield Towers
100 William Street
Sydney NSW 2011

Facsimile: (02) 9358 7077

Attention: Company Secretary

or to such other address or facsimile number as may be notified by the Issuer to the Optionholders;

- (b) is taken to be given or made, as the case may be, on the date it is received which:
 - (1) in the case of a facsimile is deemed to be the time indicated in a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient notified for the purpose of this Condition 9.1; and
 - (2) in the case of a posted letter, on the third (seventh, if posted to or from a place outside Australia) day after posting.

9.2 To Optionholders

A notice or other communication to a Optionholder in connection with an Option must be in writing and may be given in the manner set out in clause 13 of the Constitution as if an Optionholder was a "Member" referred to in that clause 13.

9.3 Notice of Change of Control

If a Change of Control occurs then the Issuer shall, as soon as practicable after it occurs, notify the Optionholders of that occurrence.

10 Limitation of Issuer's liability

10.1 Liability of Issuer limited to Trust property

The Issuer issues Options only in its capacity as responsible entity of the Trust and in no other capacity. A liability arising under or in connection with an Option can be enforced against the Issuer only to the extent to which it can be satisfied out of property of the Trust out of which the Issuer is actually indemnified for the liability. This limitation of the Issuer's liability applies despite any other provision of these Terms and Conditions (except Condition 10.3) and extends to all liabilities and obligations of the Issuer in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to these Terms and Conditions.

10.2 Optionholders may not sue Issuer in its personal capacity

Optionholders may not sue the Issuer in its personal capacity or seek the appointment of a liquidator, administrator, receiver or similar person to the Issuer or prove in any liquidation, administration or arrangement of or affecting the Issuer.

10.3 Limitation does not apply if fraud, negligence or breach of duty

The provisions of this Condition 10 do not apply to any obligation or liability of the Issuer to the extent that it is not satisfied because under the Constitution or by operation of law there is a reduction in the extent of the Issuer's indemnification out of the assets of the Trust, as a result of the Issuer's fraud, negligence or breach of duty.

10.4 Issuer's liability to be limited

The Issuer is not obliged to enter into any commitment or obligation in addition to its obligations under these Terms and Conditions, unless the Issuer's liability is limited in a manner satisfactory to the Issuer in its absolute discretion.

10.5 This Condition applies to entire Terms and Conditions

All of the terms, clauses and conditions of these Terms and Conditions and any other Transaction Documents are subject to this Condition 10.

11 Governing law and jurisdiction

11.1 Governing law

These Terms and Conditions and the Options are governed by the law in force in New South Wales.

11.2 Submission and jurisdiction

- (a) The Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them.
- (b) Each Optionholder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them.

Appendix 1 to Terms and Conditions

- Form of Exchange Notice

Westfield Trust

2008 Options

Exercise Notice

To: Westfield Management Limited
as responsible entity of the Westfield Trust
[insert current Specified Office]

Date:

1 Exercise

I/We *[insert name of Optionholder as it appears in the Option Register]* (the **Optionholder**) gives you notice of exercise of *[insert number of Options]* Options registered in my/our name.

2 Payment

I/We:

- (a) enclose a bank cheque in the sum of A\$*[insert amount]* payable to you;
- (b) have transferred to the Issuer Account an amount of A\$* *[plus sufficient evidence to enable Issuer to identify the payment into that account]*;
- (c) exercise the Note Redemption Election in the manner set out in paragraph 3 below,

in payment of the aggregate Exercise Price.

3 Note Redemption Election

I/We elect the Note Redemption Election in respect of **[**]** Notes registered in my/our names in the Note Register.

4 Settlement Taxes

I/We:

- (a) enclose a bank cheque for A\$*;
- (b) have transferred to the Issuer Account an amount of A\$* *[plus sufficient evidence to enable Issuer to identify the payment into that account]*,

in payment of Settlement Taxes.

5 Nominee

We nominate:

- (a) [name] of [address] as our nominees in respect of [**] Options;
- (b) [name] of [address] as our nominee in respect of [**] Options;
- (c) etc.

6 Regulation S Warranty

I/We represent and agree that at the time of execution of this Exercise Notice and at settlement on the Settlement Date:

- (a) none of us nor the person who has the beneficial interest in the Option (each a **Relevant Person**), is acquiring the Units to be delivered on exchange of such Option in an offshore transaction (within the meaning of Regulation S (“**Regulation S**”) under the Securities Act of 1933, as amended (the “**Securities Act**”);
- (b) each Relevant Person understands that the Units to be delivered upon exchange of such Option have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States;
- (c) each Relevant Person understands that the Issuer has not registered and will not register under the Investment Company Act;
- (d) each Relevant Person understands that the Units may not be offered, sold, pledged or otherwise transferred except in compliance with the Securities Act and other applicable law and only in an offshore transaction in accordance with Rule 903 or 904 of Regulation S; and
- (e) each Relevant Person will not deposit or cause to be deposited any of such Units to be issued upon exercise of the Option in any unrestricted depositary receipt facility established or maintained by a depositary bank in the United States.

No Units to be issued upon exchange of the Option will be delivered to a holder of Options or a beneficial interest herein unless such holder satisfies the foregoing conditions.

7 Details of CHESS Accounts

[Insert relevant details]

8 Constitution

I/We agree that upon issue of the Units I/We will be bound by, and will comply in all respects with, the Constitution.

9 Interpretation

In this notice words and expressions defined in the Terms and Conditions annexed to the Deed Poll dated [**] 2003 executed by Westfield Management Limited (ABN 41 001 670 579) as responsible entity of the Westfield Trust (ARSN 090 849 746) and entitled "Westfield Trust 2008 Option Terms – Deed Poll".

Signed:

By: [Name of signatory]

for [name of Optionholder]

By:

[Name – evidence of authority to sign for the Optionholder must be included]