

**DATE OF OFFER SPECIFIC PROSPECTUS: 2 MAY 2016**

This Offer Specific Prospectus relates to the offer of "Peet Bonds" or "Bonds", simple corporate bonds by Peet Limited (the "Offer"), under the Base Prospectus dated 2 May 2016 ("Base Prospectus"). This Offer Specific Prospectus must be read together with the Base Prospectus.  
The disclosure document for the Offer consists of this Offer Specific Prospectus and the Base Prospectus dated 2 May 2016.

# PEET BONDS

## PART A: OFFER SPECIFIC PROSPECTUS FOR THE ISSUE OF PEET BONDS – SERIES 1, TRANCHE 1

**ISSUER**

Peet Limited ABN 56 008 665 834

**SOLE ARRANGER AND LEAD MANAGER**

National Australia Bank

**PEET**

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# SECTION ONE

## WHAT YOU NEED TO KNOW

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**1. This Offer Specific Prospectus is not a summary of the information contained in the Base Prospectus. You must read the Base Prospectus together with this Offer Specific Prospectus.**

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2. This Offer Specific Prospectus is only relevant for this offer (the “**Offer**”) of Peet Bonds – Series 1, Tranche 1 (“**Bonds**”). The disclosure document for each offer of Peet Bonds will consist of the Base Prospectus and an offer-specific prospectus for the relevant offer.

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3. A Base Prospectus applies to this Offer.

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4. This Offer Specific Prospectus provides offer details, key dates and other relevant information for the Offer. The Base Prospectus provides additional information that is also critical to your investment decision. You should take all of the information in the Base Prospectus into consideration before making your decision in relation to the Offer.

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5. You should read both the Base Prospectus and the Offer Specific Prospectus in full before making your decision in relation to the Offer.

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6. To make an effective decision, you should read the Base Prospectus at the same time as you read this Offer Specific Prospectus, so that you can consider all of the information about this Offer.

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**7. About this Offer Specific Prospectus**

This Offer Specific Prospectus relates to an offer by Peet Limited (ABN 56 008 665 834) (“**Peet**”) to issue \$75 million of Bonds, with the ability to raise more or less subject to a minimum issue amount of \$50 million, on the terms set out in this Offer Specific Prospectus and the Base Prospectus. This Offer Specific Prospectus and the Base Prospectus are together referred to as the “**Offer Documents**”.

This Offer Specific Prospectus is dated 2 May 2016 and was lodged with the Australian Securities and Investments Commission (“**ASIC**”) on that date. This Offer Specific Prospectus is only relevant to the Offer (i.e. the offer of the Bonds) and expires on the date which is 13 months after the date the document is lodged with ASIC. No Bonds will be issued on the basis of the Offer Documents after that date.

The Bonds are unsecured notes for the purposes of section 283BH of the Corporations Act.

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8. The Offer Documents, including any information referred to or incorporated by reference therein, contain important information that you should read before making a decision to invest in Bonds. Information about Peet can be found in Section 3 (“**About Peet**”) of the Base Prospectus and is also available at [www.peetbonds.com.au](http://www.peetbonds.com.au)

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9. You should rely only on information in the Offer Documents. No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in the Offer Documents. Any information or representation not contained in the Offer Documents may not be relied upon as having been authorised by Peet or any other member of the Group in connection with the Offer.

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**10. The Offer Documents do not provide financial product or investment advice**

The information contained in the Offer Documents does not constitute financial product or investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). It is important that you read the Offer Documents in full before deciding whether to invest in any Bonds and consider the risks that could affect the performance of the Bonds.

The Offer Documents are only relevant for investors or potential investors in the Bonds and should not be used for any other purpose.

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**11. Obtaining the Offer Documents and Application Form**

Paper copies of the Offer Documents, an Application Form and any documents incorporated by reference can be obtained free of charge by calling the Peet Bonds Information Line on 1300 783 261 (within Australia) or +61 3 9415 4232 (outside Australia) Monday to Friday 9.00 am to 5.00 pm, Melbourne time. Electronic copies may also be obtained from [www.peetbonds.com.au](http://www.peetbonds.com.au) during the Offer Period and from [www.peet.com.au](http://www.peet.com.au) following the completion of the Offer.

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**12. Defined words and expressions**

Some words and expressions used in this Offer Specific Prospectus have defined meanings. These words and expressions are capitalised and are defined in Section 6 ("**Glossary**") of the Base Prospectus.

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**ASIC GUIDANCE FOR CORPORATE BOND INVESTORS**

To find out more about the pros and cons of investing in corporate bonds (such as the Bonds), visit ASIC's MoneySmart website: <http://moneysmart.gov.au>.

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## SECTION TWO

### KEY DATES AND OFFER DETAILS

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More information on bonds (such as the Bonds) and things you should consider before making an investment decision can be found on ASIC's MoneySmart website at <http://moneysmart.gov.au>

## KEY DATES FOR THE OFFER

Reinvestment Record Date for determining Eligible Peet Convertible Notes holders for the Reinvestment Offer (7.00 pm Perth time)	Wednesday, 27 April 2016
Record Date for determining Eligible Shareholders, Eligible Employees and Eligible Directors for the Peet Offer (7.00 pm Perth time)	Wednesday, 27 April 2016
Lodgement of original Offer Specific Prospectus with ASIC	Monday, 2 May 2016
Bookbuild to determine Interest Rate and Allocations to Syndicate Brokers and Institutional Investors	Monday, 9 May 2016
Opening Date for the Offer and lodgement of replacement Offer Specific Prospectus with ASIC	Tuesday, 10 May 2016
Closing Date for the Peet Offer and Reinvestment Offer (5.00 pm Perth time)	Friday, 27 May 2016
Closing Date for the Broker Firm Offer (5.00 pm Perth time)	Monday, 6 June 2016
Issue Date	Tuesday, 7 June 2016
Bonds commence trading on ASX on deferred settlement basis	Wednesday, 8 June 2016
Holding Statements despatched by the Registry	Wednesday, 8 June 2016
Bonds commence trading on ASX on normal settlement basis	Friday, 10 June 2016

## KEY DATES FOR THE BONDS

First Interest Payment Date <sup>1</sup>	16 December 2016
Maturity Date	7 June 2021

### Notes

<sup>1</sup> Interest is scheduled to be paid semi-annually on the Interest Payment Dates, until the Maturity Date or any earlier Redemption Date. If any of these scheduled dates is not a Business Day, then the Interest Payment Date will be the next Business Day. The first Interest Payment Date will be 16 December 2016 and subsequent Interest Payment Dates will be 16 June and 16 December in each year to and including the Maturity Date (being 7 June 2021).

### Dates may change

The key dates for the Offer are indicative only and subject to change without notice. Peet may, in consultation with the Lead Manager, vary the timetable, including to close the Peet Offer or the Broker Firm Offer early, extend one or both of them, or to withdraw one or both of them at any time prior to Issue. If any of the dates are changed, subsequent dates may also change. If you decide to invest in the Bonds, you are encouraged to lodge your Application as soon as possible after the Opening Date.

## 2.1 TERMS OF THE BONDS

The following terms (“**Offer Specific Terms**”), together with the terms set out in the Base Prospectus (as supplemented, amended, modified or replaced by the Offer Specific Terms) (“**Base Terms**”), are the terms and conditions of the Bonds, the subject of this Offer Specific Prospectus (“**Terms**”). Unless otherwise specified, capitalised expressions in the Offer Specific Terms have the meanings given in the Base Terms.

		Further information	Page
<b>Issuer</b>	Peet Limited (ABN 56 008 665 834)	Section 3 of this Offer Specific Prospectus	13
		Base Prospectus (Section 3)	21
<b>Peet Bonds – Series 1, Tranche 1</b>	Interest paying, unsubordinated and unsecured debt obligations, issued by Peet. Each Bond is issued on and subject to the provisions of the Trust Deed and the Terms.	Base Terms	
<b>Offer size</b>	\$75 million, with the ability to raise more or less. The minimum Offer size is \$50 million. If total application monies received is less than \$50 million, then no Bonds will be issued under the Offer.		
<b>Face Value and Issue Price</b>	\$100 per Bond		
<b>Offer Structure</b>	The Offer comprises: – Peet Offer – Broker Firm Offer – Institutional Offer – Reinvestment Offer	Section 4 of this Offer Specific Prospectus	23
<b>Minimum Application</b>	50 Bonds for applicants under the Institutional Offer and Broker Firm Offer (\$5,000). 20 Bonds for applicants under the Peet Offer (\$2,000).		
<b>Term</b>	5 years		
<b>Maturity Date</b>	7 June 2021 (unless Redeemed early)		
<b>Guarantor Group</b>	As at the date of this Offer Specific Prospectus, the Issuer expects to be able to meet its payment obligations under the Bonds. Such payment obligations have the benefit of a Guarantee given by the Guarantor Group, being certain wholly-owned Subsidiaries of the Issuer (being each entity which provides a guarantee of any of the Group’s indebtedness owing under any syndicated or other term loan arrangement (excluding any loan made by the Issuer to a Guarantor or a Guarantor to the Issuer)). The Issuer is required at all times to ensure that the Guarantor Group does in fact include each such entity.	Base Terms (Clause 3.3), Base Prospectus (Section 2.1.3 under the heading “Guarantee”), Trust Deed (Clause 1.6 and Schedule 4)	
<b>Interest Rate</b>	Fixed Interest Rate of [•]% per annum	Base Prospectus (Section 2.1.2) Base Terms (Clause 2.3)	9

		Further information	Page
<b>Interest Payment Dates</b>	<p>The first Interest Payment Date will be 16 December 2016 (which means that there will be a long first Interest Period). Interest will be paid semi-annually in arrear on the following dates in each year as well as on the Maturity Date, or any earlier Redemption Date:</p> <ul style="list-style-type: none"> <li>– 16 June</li> <li>– 16 December</li> </ul> <p>If any of these scheduled dates is not a Business Day, then the Interest Payment Date will be the next Business Day. Interest will continue to accrue until that date.</p>		
<b>Business Day Convention</b>	Following Business Day Convention	Base Prospectus (Section 6), Glossary	47
<b>Day Count Fraction</b>	Actual/365 (Fixed)	Base Prospectus (Section 6), Glossary	47
<b>Early Redemption</b>	<p>Peet will only have the right (but not the obligation) to Redeem the Bonds prior to the Maturity Date:</p> <ul style="list-style-type: none"> <li>– following the occurrence of a Tax Event;</li> <li>– following the occurrence of a Change of Control Event; or</li> <li>– when a Clean Up Condition subsists.</li> </ul>	<p>Base Prospectus (Section 2.1.3)</p> <p>Base Terms (Clauses 5.3, 5.4 and 5.5)</p> <p>Definition of “Holder Resolution” in Section 6 (“Glossary”) of the Base Prospectus</p>	11
<b>Early Redemption rights of Holders</b>	<p>Holders of Bonds will only have the right to require Redemption prior to the Maturity Date following the occurrence of a Change of Control Event. To exercise this right, Holders would be required to pass a Holder Resolution directing the Trustee to require the Issuer to Redeem all of the Bonds.</p>	<p>Base Prospectus (Section 2.1.3)</p> <p>Base Terms (Clause 5.4)</p> <p>Definition of “Holder Resolution” in Section 6 (“Glossary”) of the Base Prospectus</p>	11  47
<b>Negative pledge</b>	<p>A negative pledge will apply to the Bonds and it is described in Section 2.1.4 of the Base Prospectus under the heading “Negative pledge”. For the purposes of the definition of “Permitted Security Interest”, the Peet Secured Gearing Ratio would not be greater than 40%. The means, broadly, that Peet can incur secured debt in the form of syndicated and term loans and bonds subject to this Peet Secured Gearing Ratio.</p>	<p>Base Prospectus (Section 2.1.4)</p> <p>Base Terms (Clause 4.1)</p>	15
<b>Limitation on debt incurrence covenant</b>	<p>A limitation on debt incurrence covenant will apply to the Bonds and it is described in Section 2.1.4 of the Base Prospectus under the heading “Limitation on debt incurrence covenant”. For the purposes of the covenant, the Peet Gearing Ratio would be no greater than 50%.</p>	<p>Base Prospectus (Section 2.1.4)</p> <p>Base Terms (Clause 4.2)</p>	15
<b>Ranking on winding up</b>	<p>A Holder’s claim will rank equally with claims of all other unsubordinated and unsecured creditors (other than any obligations preferred by mandatory provisions of applicable law, including employee entitlements and secured creditors). A Holder’s claim will rank ahead of all holders of subordinated instruments and common equity in the Issuer.</p>	<p>Base Prospectus (Section 2.1.5)</p> <p>Base Terms (Clause 3)</p>	17

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		Further information	Page
<b>Events of Default</b>	Events of Default are set out in the Base Terms and described in the Base Prospectus and include non-payment of principal or interest, failure by the Issuer to comply with certain other obligations, cross-default, the insolvency of the Issuer, vitiation of rights or obligations under the Trust Deed or terms of the Bonds, the Guarantee is not (or is claimed by a Guarantor not to be) in full force and effect or it becoming unlawful for the Issuer to perform any of its payment obligations under the Bonds. Holders should be aware that the insolvency Event of Default (set out in Clause 6.1(d) of the Base Terms) only applies in respect of the insolvency of the Issuer (not the insolvency of any other member of the Group).	Base Prospectus (Section 2.1.3) Base Terms (Clause 6)	13
<b>Existing Security</b>	As at the date of this Offer Specific Prospectus, existing financiers of the Issuer and the Guarantor Group have the benefit of security granted by the Issuer and the Guarantor Group. Such security has been granted in respect of \$185.5 million in bank loans. These financiers would, in the event of a winding up of the Issuer, rank for payment ahead of Holders.		
<b>Fees and charges</b>	No fees, charges, brokerage, commission or stamp duty is payable by you on your application for the Bonds.  You may be required to pay brokerage if you sell your Bonds after the Bonds are quoted on ASX.		
<b>Fees and costs associated with the Offer</b>	The total expenses of the Offer (including fees payable to the Lead Manager, legal, accounting, tax, marketing, and administrative fees, as well as printing, advertising and other expenses related to the Offer) are expected to be A\$1.8 million exclusive of GST. All of these expenses have been, or will be, borne by Peet out of the proceeds of the Offer.	Further details incorporated by reference (Section 3.7.4 of this Offer Specific Prospectus)	20
<b>Listing</b>	Peet has applied for the quotation of the Bonds on ASX.  It is expected that the Bonds will be quoted under the code "PPCHA".		
<b>Selling restrictions</b>	Selling restrictions apply to the sale of Bonds in certain foreign jurisdictions.	Base Prospectus (Section 5.3)	43

If you have any questions about the Bonds or the Offer, you should seek advice from your financial adviser or other professional adviser. You can also call the Peet Bonds Information Line on 1300 783 261 (within Australia) or +61 3 9415 4232 (outside Australia) (Monday to Friday 9.00 am – 5.00 pm, Melbourne time) during the Offer Period.

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## SECTION THREE

### OFFER SPECIFIC INFORMATION YOU SHOULD CONSIDER

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### 3.1 BUSINESS UPDATE

Peet's last update to the market coincided with the announcement of its results for the half-year ended 31 December 2015. The key highlights of the announcement included:

- Operating profit<sup>1</sup> and statutory profit<sup>2</sup> after tax of \$18.5 million, up 8% on 1H15
- EBITDA<sup>3</sup> of \$40.3 million
- EBITDA<sup>3</sup> margin increased to 29%, compared to 25% in 1H15
- Earnings per share of 3.8c
- 1,275 lots settled
- Record 2,318<sup>4</sup> contracts on hand as at 31 December 2015 with a value of \$523 million
- Gearing<sup>5</sup> of 30.6%
- Fully franked interim dividend of 1.75 cents per share, up 17% on 1H15

#### Notes

1. Operating profit is a non-IFRS measure that is determined to present the ongoing activities of the Peet Group in a way that reflects its operating performance. Operating profit includes the effects of non-cash movements in investments in associates and joint ventures. Operating profit excludes unrealised fair value gains/(losses) arising from the effect of revaluing assets and liabilities and adjustments for realised transactions outside the core ongoing business activities.
2. Statutory profit after tax means net profit measured in accordance with the Australian Accounting Standards, attributable to the owners of Peet.
3. Pre write-downs of \$ nil and includes effects of non-cash movements in investments in associates and joint ventures.
4. Includes lot equivalents. Excludes Arena, Greenvale englobo sale.
5. Calculated as (total interest bearing liabilities (including land vendor liabilities) less cash)/(total assets adjusted for market value of inventory less cash, less intangible assets). Excludes syndicates consolidated under AASB 10.

You should refer to the Appendix 4D and consolidated financial statements for the half-year ended 31 December 2015 which were lodged with ASX on 25 February 2016 for further details of Peet's results for the period then ended.

### 3.2 USE OF PROCEEDS OF THE OFFER

The proceeds of the Offer will be used for refinancing the \$50 million Peet Convertible Notes issued in 2011 and due to mature 16 June 2016 ("**Peet Convertible Notes**"). The proceeds will also be used to diversify Peet's debt capital structure to further strengthen the Peet Group's balance sheet and to support its growth objectives. The proceeds raised will also be used for ongoing corporate purposes, including paying for the costs of the Offer.

The table below outlines the above, assuming an issue of \$75 million in Bonds (Peet has the ability to raise more or less, subject to a minimum issue amount of \$50 million). The costs set out are estimates and exclusive of GST:

	\$	\$
Funds raised		75,000,000
<b>Less costs of the Offer</b>		
Lead Arranger and Lead Manager fees	1,350,000	
Legal	288,000	
Accounting and tax	28,000	
Registry costs	106,945	
Other (including statutory costs, distribution costs, other)	27,000	1,799,945
<b>Net proceeds of Offer</b>		<b>73,200,055</b>
Less repayment of Peet Convertible Notes		50,000,000
<b>Net proceeds of Offer following repayment of Peet Convertible Notes to further strengthen balance sheet and support growth objectives</b>		<b>23,200,055</b>



The pro forma impacts of the issue of the Bonds and the subsequent repayment of the Peet Convertible Notes are outlined in the following sections of this Offer Specific Prospectus:

- (i) Section 3.3 Effect of the Offer on Peet – this sections includes the pro forma impacts on the Group’s balance sheet as at 31 December 2015;
- (ii) Section 3.4 Key financial ratios – this section shows the pro forma impact on the Key Financial Ratios and other relevant financial ratios; and
- (iii) Section 3.5 Details of ranking and other debt on issue – this section shows the pro forma impact on the Group’s debt maturity profile.

### **3.3 EFFECT OF THE OFFER ON PEET**

#### **3.3.1 HISTORICAL AND PRO FORMA FINANCIAL INFORMATION**

*The unaudited financial information in this section is presented in an abbreviated form and does not contain all of the disclosures that are usually provided in an annual or interim report prepared in accordance with the Corporations Act.*

The historical consolidated balance sheet has been derived from the Group’s half-year financial statements as at and for the half-year ended 31 December 2015, which have been reviewed by the Group’s auditors.

The unaudited pro forma information comprises historical financial information and pro forma adjustments.

Set out below is a summary of Peet’s historical consolidated balance sheet as at 31 December 2015, together with pro forma adjustments that assume the following were completed on 31 December 2015:

- (i) \$75 million Bond issue (pursuant to this Offer Specific Prospectus), which is classified as borrowings – This results in ‘Cash and cash equivalents’ increasing by \$75 million and non-current ‘Borrowings’ increasing by \$75 million.
- (ii) \$1.8 million in transaction costs associated with the Bond issue – Financial liabilities are recognised net of their transaction costs, in accordance with Australian Accounting Standard AASB 9. Accordingly, the payment of the transaction costs results in non-current ‘Borrowings’ and ‘Cash and cash equivalents’ each reducing by \$1.8 million.
- (iii) \$50 million in Peet Convertible Notes, which are classified as ‘Current borrowings’ are repaid – This results in ‘Cash and cash equivalents’ reducing by \$50 million and ‘Current borrowings’ reducing by \$50 million.

### 3.3.2 BALANCE SHEETS AS AT 31 DECEMBER 2015

	Per Appendix 4D 31 December 2015 \$'000	Pro-forma adjustments (i), (ii) & (iii) \$'000	Pro-forma balance sheet \$'000
<b>Current assets</b>			
Cash and cash equivalents	49,307	23,200	72,507
Receivables	64,923	–	64,923
Inventories	87,199	–	87,199
<b>Total current assets</b>	<b>201,429</b>	<b>23,200</b>	<b>224,629</b>
<b>Non-current assets</b>			
Receivables	48,547	–	48,547
Inventories	511,698	–	511,698
Investments accounted for using the equity method	188,080	–	188,080
Property, plant and equipment	10,656	–	10,656
Intangible assets	2,301	–	2,301
<b>Total non-current assets</b>	<b>761,282</b>	<b>–</b>	<b>761,282</b>
<b>TOTAL ASSETS</b>	<b>962,711</b>	<b>23,200</b>	<b>985,911</b>
<b>Current liabilities</b>			
Payables	66,388	–	66,388
Land vendor liabilities	43,000	–	43,000
Derivative financial instruments	746	–	746
Current tax liabilities	6,965	–	6,965
Borrowings	57,500	(50,000)	7,500
Provisions	10,658	–	10,658
<b>Total current liabilities</b>	<b>185,257</b>	<b>(50,000)</b>	<b>135,257</b>
<b>Non-current liabilities</b>			
Land vendor liabilities	80,228	–	80,228
Borrowings	177,560	73,200	250,760
Derivative financial instruments	4,270	–	4,270
Deferred tax liabilities	27,086	–	27,086
Provisions	351	–	351
<b>Total non-current liabilities</b>	<b>289,495</b>	<b>73,200</b>	<b>362,695</b>
<b>TOTAL LIABILITIES</b>	<b>474,752</b>	<b>23,200</b>	<b>497,952</b>
<b>NET ASSETS</b>	<b>487,959</b>	<b>–</b>	<b>487,959</b>
<b>Equity</b>			
Contributed equity	385,936	–	385,936
Reserves	10,705	–	10,705
Retained profits	86,267	–	86,267
<b>Capital and reserves attributable to owners of Peet Limited</b>	<b>482,908</b>	<b>–</b>	<b>482,908</b>
Non-controlling interests	5,051	–	5,051
<b>TOTAL EQUITY</b>	<b>487,959</b>	<b>–</b>	<b>487,959</b>

## 3.4 KEY FINANCIAL RATIOS

### SOURCE OF FINANCIAL INFORMATION

This section describes some of the key financial indicators which will assist investors in assessing the financial position and strength of the Group and the Peet Group. In addition to these key financial indicators, you should review the Group's financial statements contained in Peet's 2015 Annual Report and the Group's financial statements for the half-year ended 31 December 2015.

#### **You must refer to Section 3.8.2 of the Base Prospectus which describes the Key Financial Ratios.**

The table below sets out the prescribed Key Financial Ratios (Gearing Ratio, Interest Cover Ratio and Working Capital Ratio) which are calculated on the basis prescribed by the Corporations Act and Corporations Regulation 6D.2.06. The intended purpose of this requirement is to give an indication of the capacity of an issuer to meet its obligations to holders under the bonds.

The ratios are based on the Group's financial information for the years ended 30 June 2014 and 30 June 2015 and the half-year ended 31 December 2015 and for the pro forma half-year ended 31 December 2015 (assuming a raising of \$75 million):

<b>Prescribed Key Financial Ratios as at</b>	<b>30 June 14</b>	<b>30 June 15</b>	<b>31 Dec 15</b>	<b>31 Dec 15 (pro forma)</b>
Gearing Ratio (prescribed)	102%	81%	97%	102%
Interest Cover Ratio (prescribed)	2.8x	3.3x	3.4x	3.4x
Working Capital Ratio (prescribed)	1.81x	1.41x	1.09x	1.66x

#### **Other relevant financial ratios**

In overseeing the capital management aspect of its business, Peet focusses on other relevant financial ratios, which include the Peet Gearing Ratio and the Peet Interest Cover ratio.

In addition to an ongoing internal focus on these other relevant financial ratios, Peet has historically reported on these ratios to the market as part of its annual and half-yearly reporting.

The Peet Gearing Ratio is used in the limitation on debt incurrence covenant contained in Clause 4.2 of the Base Terms.

The other relevant financial ratios are based on the Peet Group's financial information for the years ended 30 June 2014 and 30 June 2015 and the half-year ended 31 December 2015 and for the pro forma half-year ended 31 December 2015 (assuming a raising of \$75 million):

<b>Other relevant financial ratios as at</b>	<b>30 June 14</b>	<b>30 June 15</b>	<b>31 Dec 15</b>	<b>31 Dec 15 (pro forma)</b>
Peet Gearing Ratio	30%	24%	31%	31%
Peet Interest Cover Ratio	2.8x	4.0x	4.4x	4.4x

#### **The methods for calculating the "Other relevant financial ratios"**

The method for calculating these "Other relevant financial ratios" and the reasons for their use by Peet are set out in Section 3.8.3 of the Base Prospectus.

### 3.5 DETAILS OF RANKING AND OTHER DEBT ON ISSUE

#### ILLUSTRATION OF RANKING UPON WINDING UP OF PEET

Type of instrument		Existing debt obligations and equity	Amount drawn as at 31 December 2015, adjusted for the assumed amount to be raised under the Offer (\$75m)
Higher ranking ↑ ↓ Lower ranking	Secured debt	Bank loans	\$185.5m
	Unsubordinated unsecured debt	Peet Convertible Notes	\$50.0m
		The Bonds	\$75m
		Fixed rate loan	\$0.2m
	Subordinated, unsecured debt and hybrid instruments	None	None
Ordinary equity	Contributed equity, reserves, retained profits	\$488m	

The tables below set out the maturity profile of the Group's external debt facilities including capital markets debt as at 31 December 2015. It does not include any adjustment for the issue of the Bonds or the purchase or cancellation of any Peet Convertible Notes resulting from the offer to holders of Peet Convertible Notes to fund a subscription for Bonds with the proceeds of a sale of Peet Convertible Notes to Peet, which is described in Section 4.2 ("Reinvestment Offer").

The Peet Group's existing external debt facilities and their maturities are as follows as at 31 December 2015:

Facility	Amount drawn	Maturity
Bank facility	\$160.6m	31 October 2017
Peet Convertible Notes due 2016	\$50.0m	16 June 2016
Bank guarantees	\$18.7m	31 October 2017
Performance bonds outstanding	\$9.7m	31 December 2016

The existing debt obligations and their maturities for Peet syndicates, which form part of the Group as a result of Australian Accounting Standard AASB 10 (but which, where they have bank debt would have their own banking facilities, separate from the banking facilities of the Peet Group) are as follows as at 31 December 2015:

Facility	Amount drawn	Maturity
Multi-option facility <sup>1</sup>	\$20.1m	31 March 2018
Bank facility <sup>2</sup>	\$5.0m	31 March 2016

1. Includes bank guarantees. The facility limit of \$22 million expires on 31 March 2018. The limit reduces to \$19 million on 30 June 2016 and to \$17 million on 31 January 2017.

2. Subsequent to 31 December 2015, maturity was extended to 31 May 2016. The Peet syndicate borrower is in discussions with the relevant lender to further extend the due date of this facility.

The issue of the Bonds and the redemption of the Peet Convertible Notes under the Reinvestment Offer will have the effect of lengthening the debt maturity profile of the Peet Group. The resulting debt maturity profile may reduce the Peet Group's exposure to refinancing risk in the coming years.

The Peet Group's existing external debt facilities and their maturities, assuming the issue of \$75 million in Bonds and the redemption of the Peet Convertible Notes on a pro-forma basis as at 31 December 2015, are as follows:

Facility	Amount drawn	Maturity
Bank facility	\$160.6m	31 October 2017
Bonds	\$75.0m	7 June 2021
Bank guarantees	\$18.7m	31 October 2017
Performance bonds outstanding	\$9.7m	31 December 2016

The existing debt obligations and their maturities for Peet syndicates, which form part of the Group under Australian Accounting Standard AASB 10 (but which, where they have bank debt would have their own banking facilities, separate from the banking facilities of the Peet Group ) are not affected by the issue of the Bonds.

### 3.6 KEY RISKS UPDATE

An outline of some of the risks relating to the Bonds and the Peet Group's business is contained in Section 4 ("Risks") of the Base Prospectus. You should read the Base Prospectus in full before deciding whether to invest in the Bonds.

### 3.7 OTHER INFORMATION

#### 3.7.1 NO MATERIAL BREACHES OF LOAN COVENANTS OR DEBT OBLIGATIONS

Peet has not materially breached any loan covenants or debt obligations in the two years prior to the date of this Offer Specific Prospectus.

#### 3.7.2 BASE PROSPECTUS IS UP-TO-DATE

Other than the information contained in this Offer Specific Prospectus, all information in the Base Prospectus remains current as at the date of this Offer Specific Prospectus.

You must read the Base Prospectus in conjunction with this Offer Specific Prospectus.

#### 3.7.3 PEET BOARD RENEWAL AND REFRESHMENT

As at the date of this report the Board comprised of five non-executive directors (including three independent directors) and one executive director.

Peet has appointed a Nomination Committee which currently comprises the full board.

The Nomination Committee's purpose is to assist the Peet Board in its oversight of:

- identification and appointment of suitable candidates for appointment to the Board;
- plans for succession of the Chairman of the Board and Chief Executive Officer and periodic evaluation of those plans;
- appointment of a lead independent director who will act as the Deputy Chairman of the Board;
- identification and appointment of suitable candidates to the role of Chairman of the Board; and
- assessment of the performance of individual directors and the endorsement of retiring directors seeking re-election.

The three current independent Directors of Peet have been appointed to the Peet Board since 2012.

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### 3.7.4 OTHER IMPORTANT INFORMATION

The following documents have been incorporated by reference and as such form part of the Offer Specific Prospectus.

The following materials are available from Peet's website [www.peetbonds.com.au](http://www.peetbonds.com.au) and a copy of each document can be obtained free of charge by calling the Peet Bonds Information Line on 1300 783 261 (within Australia) or +61 3 9415 4232 (outside Australia) Monday to Friday 9.00 am to 5.00 pm, Melbourne time during the application period of this Offer Specific Prospectus.

- **Trust Deed**, which was filed with ASIC on 2 May 2016. The Bonds and the Guarantee will be constituted under the Trust Deed, which contains the agreement between the Issuer and the Trustee in relation to the Trustee's role, and the circumstances in which the Trustee can or must act in the interests of Holders;
- **Offer Specific Terms**, which were filed with ASIC on 2 May 2016. The Terms consist of the Base Terms as supplemented, amended, modified or replaced by the Offer Specific Terms;
- **Consents to be named**. This is a list of the consents from relevant parties that the Issuer can name them in this Offer Specific Prospectus, filed with ASIC on 2 May 2016; and
- **Summary of interests and benefits**. This is a summary of the interests of certain persons involved in the Offer and the fees they are being paid, including the Directors and relevant advisers, which were filed with ASIC on 2 May 2016. Directors and employees of Peet and its Subsidiaries are permitted to participate in the Offer.

Under the law, Peet must immediately disclose any information which would have a material impact on the trading price of its securities. This information is publicly available through ASIC and ASX. You should consider this information when making an investment decision in relation to the Bonds.

It is important that you read the Base Prospectus and this Offer Specific Prospectus before you make any decision to invest in the Bonds.

### 3.7.5 TRUSTEE'S LIABILITY

The Trustee, being Australian Executor Trustees Limited:

- (a) has not made any statement or purported to make any statement in the Offer Documents or any statement on which a statement in the Offer Documents 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 Offer Documents, or any statements in, or omissions from the Offer Documents, other than the references to its name and the statement(s) and/or report(s) (if any) specified below and included in the Offer Documents with its written consent;
- (c) has given and has not, before the lodgement of the Offer Documents with ASIC, withdrawn its written consent to:
  - be named in the Offer Documents in the form and context in which it is named; and
  - the inclusion in the Offer Documents of the statement(s) and/or report(s) (if any) by that person in the form and context in which they appear in the Offer Documents;
- (d) does not, nor does any related person, make any representation as to the truth and accuracy of the contents of the Offer Documents;
- (e) has relied on Peet for the accuracy of the contents of the Offer Documents; and
- (f) does not, nor does any related person, make any representation or warranty as to the performance of the Bonds or the payment of interest or the redemption of the Bonds.

The interest payments on the Bonds are obligations of Peet and the Guarantor Group and are not guaranteed by the Trustee or any of its directors, employees, officers, affiliates, agents, advisers, intermediaries, related body corporate or any other entity.

The obligation to redeem the Bonds in accordance with their terms is a direct obligation of Peet. Neither the Trustee nor any of its directors, employees, officers, affiliates, agents, advisers, intermediaries, related body corporate or any other entity guarantees the redemption of or prepayment of any principal under the Bonds.

The Trustee is not responsible for monitoring Peet's compliance with the Trust Deed nor Peet's business.

### 3.7.6 TRUSTEE'S PRIVACY POLICY

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

### 3.7.7 ACKNOWLEDGEMENTS

Each person who applies to participate in the Offer, or submits an Application Form will be deemed to have:

- acknowledged having personally received a paper or electronic copy of the Base Prospectus and this Offer Specific Prospectus (and any supplementary or replacement document) accompanying the Application Form and having read them all in full;
- acknowledged that the Applicant(s) understand the Terms and have had an opportunity to consider the suitability of an investment in the Bonds with their professional advisers;
- agreed to be bound by the Terms;
- declared that all details and statements in their Application Form are complete and accurate;
- consented to the use and disclosure of the Applicant's(s') personal information as described in Section 5.2 of the Base Prospectus, and understood and agreed that the use and disclosure of the Applicant's(s') personal information applies to any personal information collected by Peet and any entity in the Peet Group in the course of the applicant's(s') relationship with Peet and any entity in the Peet Group;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that once Peet or the Registry receives an Application form it may not be withdrawn, except as allowed by law;
- acknowledged that, in some circumstances, Peet may not pay any amount payable on Bonds;
- applied for the number of Bonds at the Australian dollar amount shown on the Application Form;
- agreed to being allocated the number of Bonds applied for (or a lower number allocated in a way described in this Offer Specific Prospectus), or no Bonds at all;
- authorised Peet and the Lead Manager and their respective officers or agents, to do anything on the applicant's(s') behalf necessary for Bonds to be allocated to the applicant(s), including to act on instructions received by the Registry upon using the contact details in the Application Form, acknowledged that the information contained in this Offer Specific Prospectus (or any supplementary or replacement document) is not investment advice or a recommendation that Bonds are suitable for the Applicant(s), given the Applicant's(s') investment objectives, financial situation or particular needs;
- declared that the Applicant(s) is an Australian resident or otherwise a person to whom the offer of Bonds can be made, and Bonds issued, in accordance with Section 4.1 of this Offer Specific Prospectus;
- acknowledged that Bonds have not been, and will not be, registered pursuant to the securities laws of any other jurisdiction outside Australia; and
- acknowledged that investments (such as an investment in the Bonds) are subject to risk, including possible delays in repayment and loss of income and principal invested.

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## SECTION FOUR HOW TO APPLY

# A

## 4.1 APPLYING FOR THE BONDS

You may apply for the Bonds under one of the following Offer tranches:

Offer tranches	Who can Apply	When to Apply	How to Apply
<b>Peet Offer</b>	<p>Eligible Shareholders, Eligible Employees and Eligible Directors, being those persons who:</p> <ul style="list-style-type: none"> <li>• (in the case of Eligible Shareholders) are registered as a holder of Ordinary Shares as at 7.00 pm (Perth time) on Wednesday, 27 April 2016;</li> <li>• (in the case of Eligible Employees) are an employee of Peet or its controlled entities as at 7.00 pm (Perth time) on Wednesday, 27 April 2016;</li> <li>• (in the case of Eligible Directors) are a Director as at 7.00 pm (Perth time) on Wednesday, 27 April 2016;</li> <li>• (in the case of Eligible Shareholders) are shown on the register of holders of Ordinary Shares as having an address in Australia (or another jurisdiction to which Peet determines to extend the Peet Offer);</li> <li>• (in the case of Eligible Employees and Eligible Directors) are Australian residents;</li> <li>• are not in the United States or a US person, acting as a nominee for, or for the account or benefit of, a US person; and</li> <li>• who are not otherwise prevented from receiving the Peet Offer under the laws of any jurisdiction as determined by Peet.</li> </ul>	<p>Applications will only be accepted during the Offer Period, which is expected to commence on Tuesday, 10 May 2016. The Closing Date for the Peet Offer is 5.00 pm (Perth time) on Friday, 27 May 2016.</p> <p>Your online Application or paper Peet Offer Application Form must be completed and Application Monies must be received by the Registry by the Closing Date for the Peet Offer.</p>	<p>You can apply online at <a href="http://www.peetbonds.com.au">www.peetbonds.com.au</a></p> <p>Instructions on how to complete your Application are provided online.</p> <p>You will be required to provide your entitlement number which gives you the entitlement to apply under the Peet Offer.</p> <p>Should you wish to apply by paper Application, you can request a free paper copy of the Base Prospectus and this Offer-Specific Prospectus and a Peet Offer Application Form or by contacting the Peet Bonds Information Line on 1300 783 261 (within Australia) or +61 3 9415 4232 (International) Monday to Friday 9.00 am to 5.00 pm (Melbourne time). In the case of Eligible Shareholders, you will be required to provide your Securityholder Reference Number (SRN) or Holder Identification Number (HIN). Instructions on how to complete the Application Form are set out on the form. When applying via a paper Application Form you may pay for the Bonds using cheque(s) and/or money order(s). Your completed Peet Offer Application Form and Application Monies must be received by the Registry by the Closing Date for the Peet Offer which is 5.00 pm (Perth time) on Friday, 27 May 2016.</p>
<b>Institutional Offer</b>	<p>Institutional Investors – that is an investor who was invited by the Lead Manager to bid for the Bonds, who is not a Broker Firm Offer Applicant.</p>	<p>Institutional Investors should contact the Lead Manager for instructions on participating in the Bookbuild.</p>	<p>Applications and settlement procedures for Institutional Investors will be advised by the Lead Manager.</p>

Offer tranches	Who can Apply	When to Apply	How to Apply
<b>Broker Firm Offer</b>	Australian resident retail clients of a Syndicate Broker invited by the Syndicate Broker to participate through the Broker Firm Offer.	<p>Applications will only be accepted during the Offer Period, which is expected to commence on Tuesday, 10 May 2016.</p> <p>The Closing Date for the Broker Firm Offer is 5.00 pm (Perth time) on Monday, 6 June 2016.</p> <p>Your completed Broker Firm Offer Application Form and Application Monies must be received by your Syndicate Broker in accordance with arrangements made between you and your Syndicate Broker.</p>	<p>You must contact your Syndicate Broker for instructions about how to complete your Application.</p> <p>You must not return your Application to the Registry or Peet.</p>
<b>Reinvestment Offer</b>	<p>Eligible Peet Convertible Notes holders.</p> <p>Refer to Section 4.2 of this Offer Specific Prospectus for further information.</p>	<p>Completed Reinvestment Offer Application Forms must be received by the Registry by the Closing Date for the Reinvestment Offer, which is expected to be 5.00 pm (Perth time) on Friday, 27 May 2016 (in either hard copy or online)</p> <p>If you are a client of a Syndicate Broker, you should contact your Syndicate Broker for information about participating in the Reinvestment Offer.</p>	<p>You can apply online at <a href="http://www.peetbonds.com.au">www.peetbonds.com.au</a></p> <p>Instructions on how to complete your Application are provided online.</p> <p>Should you wish to apply by paper Application, you can request a free paper copy of this Prospectus and a Reinvestment Offer Application Form by contacting the Peet Bonds Information Line on 1300 783 261 (within Australia) or +61 3 9415 4232 (International) Monday to Friday 9.00 am to 5.00 pm (Melbourne time) during the Offer Period.</p> <p>Your completed Reinvestment Offer Application Form must be received by the Registry by the Closing Date for the Reinvestment Offer which is 5.00 pm (Perth time) on Friday, 27 May 2016.</p>

## 4.2 PEET CONVERTIBLE NOTES REINVESTMENT OFFER

The Peet Convertible Notes are unsecured convertible notes which were issued by Peet in 2011. The Peet Convertible Notes trade on ASX under the code 'PPCG'.

### (a) Eligibility to participate in the Reinvestment Offer

The following holders of the Peet Convertible Notes are eligible to participate in the Reinvestment Offer ("**Eligible Peet Convertible Notes holders**"):

- registered holders of the Peet Convertible Notes trading on ASX at 7.00 pm (Perth time) on Wednesday, 27 April 2016 (the "**Reinvestment Record Date**");
- holders who are shown on the register of holders of Peet Convertible Notes as having an address in Australia (or another jurisdiction to which Peet determines to extend the Reinvestment Offer); and
- holders who are not in the United States or a US person, acting as a nominee for, or for the account or benefit of, a US person, and who are not otherwise prevented from receiving the Offer under the laws of any jurisdiction as determined by Peet.

### (b) What is the Reinvestment Offer?

The Reinvestment Offer is an option available to Eligible Peet Convertible Notes holders to apply for Bonds and fund their subscription for Bonds by selling to Peet some or all of their Peet Convertible Notes.

Peet Convertible Notes which are not sold to Peet under the Reinvestment Offer will be redeemed for cash on 16 June 2016 (the scheduled maturity date of the Peet Convertible Notes) at which time holders of Peet Convertible Notes who do not participate in the Reinvestment Offer will receive the face value plus any accrued and unpaid interest to that date for each Peet Convertible Note held.

The Reinvestment Offer is not a rollover into a similar investment. The Peet Convertible Notes and the Bonds have different benefits and risks, which must be evaluated independently. The key differences include the following:

- The current coupon on the Peet Convertible Notes is 9.5 per cent. As a consequence of the change in market conditions since 2011 when the Peet Convertible Notes were issued, the coupon for the Bonds of [••] per cent is less than the coupon on the Peet Convertible Notes.
- The Peet Convertible Notes are convertible into ordinary shares of the Issuer in the circumstances described in their terms. The Bonds are not convertible.
- The Maturity Date for the Bonds is 7 June 2021. The maturity date for the Peet Convertible Notes is 16 June 2016.
- The Bonds have additional redemption events and contain covenants.

Refer to Section 4.2(f) below for further consideration of the differences between the Peet Convertible Notes and the Bonds.

Eligible Peet Convertible Notes holders who elect to participate in the Reinvestment Offer will sell their Peet Convertible Notes to Peet for \$100 plus the "Accrued Interest Amount" per Peet Convertible Note sold to Peet.

The "**Accrued Interest Amount**" is an amount per Peet Convertible Note payable to each Eligible 2011 Note holder who elects to participate in the Reinvestment Offer in compensation for the interest the holder would have received for the 174 day period from (and including) 16 December 2015 to (but excluding) the Issue Date for the Bonds (being 7 June 2016) (the "**Stub Period**"). The Accrued Interest Amount will be calculated on the Peet Convertible Notes current coupon of 9.5 per cent per annum for the Stub Period. Assuming the Issue Date is 7 June 2016 and based on an interest rate applicable to the Stub Period of 9.5 per cent per annum, the Accrued Interest Amount would be \$4.5288 per Peet Convertible Note.

\$100 of the proceeds of the sale of a Peet Convertible Note to Peet will be applied to fund the subscription for a Bond and the participating Eligible Peet Convertible Notes holder will receive an amount per Peet Convertible Note sold equal to the sum of the Accrued Interest Amount.

### (c) Options available to Eligible Peet Convertible Notes holders

Option	Action Eligible Peet Convertible Notes holders may take to implement their preferred option
Option 1 – Apply under the Reinvestment Offer to sell all of your Peet Convertible Notes to fund your subscription for Bonds	<p>If you are an Eligible Peet Convertible Notes holder, you may sell all of the Peet Convertible Notes you held on the Reinvestment Record Date to Peet to fund your subscription for Bonds.</p> <p>To choose this option, you must select 'Option A – Full Reinvestment' on your personalised paper or online Reinvestment Form.</p> <p>If you hold a greater or lesser number of Peet Convertible Notes than shown on the personalised Reinvestment Form, and you select the full reinvestment option, you will be taken to have applied for the sale to Peet of the lower of the number of Peet Convertible Notes specified on your personalised Reinvestment Form and the number of Peet Convertible Notes registered in your name on the Closing Date of the Reinvestment Offer, expected to be 5.00pm (Perth time) Friday, 27 May 2016.</p>
Option 2 – Apply under the Reinvestment Offer to sell only some of your Peet Convertible Notes to fund your subscription for Bonds	<p>If you are an Eligible Peet Convertible Notes holder, you may choose to sell only some of the Peet Convertible Notes you held on the Reinvestment Record Date to Peet to fund your subscription for Bonds.</p> <p>To choose this option, you must select 'Option B – Partial Reinvestment' and specify the number of Peet Convertible Notes to be sold to Peet on your personalised paper or online Reinvestment Form.</p> <p>If you own 50 Peet Convertible Notes or fewer, you must apply to sell all of your Peet Convertible Notes to Peet to participate in the Reinvestment Offer. If you own more than 50 Peet Convertible Notes, you must apply to sell a minimum of 50 Peet Convertible Notes to Peet to participate in the Reinvestment Offer.</p> <p>If you hold a lesser number of Peet Convertible Notes than you elect to sell to Peet on your personalised Reinvestment Form, you will be taken to have applied for the sale of the lower of the number of Peet Convertible Notes you held on the Reinvestment Record Date and the number of Peet Convertible Notes registered in your name on the Closing Date of the Reinvestment Offer, expected to be 5.00pm (Perth time) Friday, 27 May 2016.</p>
Option 3 – Sell your Peet Convertible Notes on market	<p>You may choose to sell or dispose of your Peet Convertible Notes on market (in which case, you may have to pay brokerage) at the prevailing market price, which may be higher or lower than the price you would receive if you were to sell all your Peet Convertible Notes to Peet through the Reinvestment Offer and use the proceeds as you determine. To choose this option, you should contact your broker.</p> <p>If you sell your Peet Convertible Notes on market and use the proceeds to apply for Bonds, you will need to apply under the Peet Offer or Broker Firm Offer and there is a risk you may not receive the level of allocation you may have through participation in the Reinvestment Offer.</p> <p>The market price of Peet Convertible Notes is subject to change from time to time. As at the close of trading on 29 April 2016, the market price per Peet Convertible Note was \$103. Up-to-date information about the market price of Peet Convertible Notes can be obtained from <a href="http://asx.com.au">asx.com.au</a> (ASX code 'PPCG').</p> <p>If you sell your Peet Convertible Notes on market you may have to pay brokerage and your ability to sell and the price at which you sell your Peet Convertible Notes depends on the liquidity of the market and the trading price at that time.</p>
Option 4 – take no action	<p>You are not required to participate in the Reinvestment Offer, or to sell your Peet Convertible Notes on market and as such, you are not required to take any action.</p>

### (d) Eligible Peet Convertible Notes holders who are also clients of Syndicate Brokers

Eligible Peet Convertible Notes holders who are either an Australian resident retail or a high-net-worth client of a Syndicate Broker may apply for Bonds through the Reinvestment Offer or under the Broker Firm Offer. You should contact your Syndicate Broker for instructions on how to apply under the Broker Firm Offer.

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### (e) Ineligible holders of Peet Convertible Notes

If you are a holder of the Peet Convertible Notes with a registered address outside Australia on the Reinvestment Record Date (or you otherwise do not fulfil the requirements set out in Section 4.2(a) above), then you are ineligible to participate in the Reinvestment Offer. In these circumstances, you are limited to Options 3 or 4 in the table in Section 4.2(c) above.

### (f) Comparison between Peet Convertible Notes and Bonds

There are a number of key differences between Peet Convertible Notes and Bonds. A comparison of the key features of Peet Convertible Notes and Bonds is set out in summary form below. This comparison is not exhaustive. You should seek your own independent advice for an exhaustive comparison.

Feature	Peet Convertible Notes	Bonds
Issuer	Peet Limited	Peet Limited
Guarantor	None	Yes (refer to the Guarantor Group outlined in Section 2.1 of this Offer Specific Prospectus)
Legal form	Convertible debt obligations	Unsecured debt obligations
Issue Price/Face Value	\$100 per Peet Convertible Note	\$100 per Peet Bond
Term	5 years	5 years
Issuer early redemption	Yes, for regulatory reasons (including taxation reasons), on a change of control, event of default or if 10 per cent or less remain on issue	Yes, for taxation reasons, on a change of control or if less than 10 per cent remain on issue
Conversion rights	Yes – convertible to Ordinary Shares in certain circumstances	No
Coupon	9.50 per cent	[••] per cent
Interest rate	Fixed	Fixed
Interest payments	Mandatory, not deferrable	Mandatory, not deferrable
Payment frequency	Semi-annually	Semi-annually
Transferable	Yes – quoted on ASX	Yes – to be quoted on ASX
Negative pledge	No	Yes – refer to Clause 4.1 of the Base Terms and Section 2.1 above under the heading “Negative pledge”
Limitation on debt incurrence	No	Yes – refer to Clause 4.2 of the Base Terms and Section 2.1 above under the heading “Limitation on debt incurrence covenant”
Holder early redemption rights	Yes – If a change of control event or delisting event or event of default occurs. A holder may also request conversion of Peet Notes for Peet Ordinary Shares	Only if a change of control event occurs (and provided that a Holder Resolution is passed in favour of requiring redemption)

**(g) Risks associated with participating in the Reinvestment Offer**

Once you apply to participate in the Reinvestment Offer, you will not be able to sell your Peet Convertible Notes on market. If you apply to participate in the Reinvestment Offer, it is your responsibility to ensure that you do not sell or dispose of any of those Peet Convertible Notes in respect of which you have applied to participate, other than as part of the Reinvestment Offer.

If you apply to participate in the Reinvestment Offer you are taken to agree to a holding lock being placed on the Peet Convertible Notes you have elected to sell, pending completion of the Reinvestment Offer—but it is your obligation to ensure that you do not transfer those Peet Convertible Notes. If you do, the number of Bonds you may be allocated will be reduced to the extent the required number of Peet Convertible Notes are not available on the Closing Date of the Reinvestment Offer.

Once you have submitted an Application Form under the Reinvestment Offer, you will not be able to successfully deal with those Peet Convertible Notes unless the holding lock which will be placed on those Peet Convertible Notes is released (which will only occur if the Offer does not proceed).

If you elect to participate in the Reinvestment Offer but the Offer (including the Reinvestment Offer) does not proceed, those Peet Convertible Notes that you elected to sell to Peet to fund a subscription for Bonds will be released from the holding lock as soon as practicable.

Once released, you can sell your Peet Convertible Notes on ASX at the prevailing market price subject to the liquidity of that market. Any application payment in respect of additional Bonds will be refunded to you. Peet Convertible Notes not sold to Peet under the Reinvestment Offer (and not sold on the ASX) will remain outstanding until redeemed by Peet on 16 June 2016.

**(h) Brokerage and stamp duty**

No brokerage or stamp duty is payable on the sale of your Peet Convertible Notes to Peet under the Reinvestment Offer or your application for Bonds.

Peet Convertible Notes holders who choose to sell their Peet Convertible Notes on market may be required to pay any applicable brokerage.

## (i) Taxation implications of options available to Eligible Peet Convertible Notes holders

Taxation implications may arise as a result of Peet Convertible Notes holders electing to participate in the Reinvestment Offer to apply for Bonds and fund their subscription for Bonds by selling to Peet some or all of their Peet Convertible Notes. The potential taxation implications associated for each Option available to Peet Convertible Note holders, as outlined in subsection 4.2(c) of this Offer Specific Prospectus are detailed below.

Option	Taxation implications relevant to the preferred option
Option 1 – Apply under the Reinvestment Offer to sell all of your Peet Convertible Notes to fund your subscription for Bonds	<p>The Peet Convertible Notes held by Australian resident individuals should be subject to the rules applicable to “traditional securities” for the purposes of the Australian Tax Act. Any gain made on the sale of the Peet Convertible Notes (where the amount received on sale exceeds the cost of subscription for, or purchasing, the Peet Convertible Notes), would be included in the assessable income of the Australian resident holder, usually in the year of income in which the holder becomes entitled to receive the proceeds of sale.</p> <p>Under the Reinvestment Offer, Peet Convertible Note holders will sell their Convertible Note for \$100 plus the “Accrued Interest Amount” as outlined in subsection 4.2(b) of this Offer Specific Prospectus.</p> <p>As the gain would be included in the assessable income of the Australian resident holder, the gain would not be subject to the capital gains tax provisions and the capital gains tax discount would not apply, even if the Peet Notes were held for more than 12 months.</p>
Option 2 – Apply under the Reinvestment Offer to sell only some of your Peet Convertible Notes to fund your subscription for Bonds	<p>The Peet Convertible Notes held by Australian resident individuals should be subject to the rules applicable to “traditional securities” for the purposes of the Australian Tax Act. Any gain made on the sale of the Peet Convertible Notes (where the amount received on sale exceeds the cost of subscription for, or purchasing, the Peet Convertible Notes), would be included in the assessable income of the Australian resident holder, usually in the year of income in which the holder becomes entitled to receive the proceeds of sale.</p> <p>Under the Reinvestment Offer, Peet Convertible Note holders will sell their Convertible note for \$100 plus the “Accrued Interest Amount” as outlined in subsection 4.2(b) of this Offer Specific Prospectus.</p> <p>As the gain would be included in the assessable income of the Australian resident holder, the gain would not be subject to the capital gains tax provisions and the capital gains tax discount would not apply, even if the Peet Convertible Notes were held for more than 12 months.</p>
Option 3 – Sell your Peet Convertible Notes on market	<p>The Peet Convertible Notes held by Australian resident individuals should be subject to the rules applicable to “traditional securities” for the purposes of the Australian Tax Act. Any gain made on the sale of the Peet Convertible Notes (where the amount received on sale exceeds the cost of subscription for, or purchasing, the Peet Convertible Notes), would be included in the assessable income of the Australian resident holder, usually in the year of income in which the holder becomes entitled to receive the proceeds of sale.</p> <p>As the gain would be included in the assessable income of the Australian resident holder, the gain would not be subject to the capital gains tax provisions and the capital gains tax discount would not apply, even if the Peet Convertible Notes were held for more than 12 months.</p> <p>Any loss made by an Australian resident individual holder from the sale of the Peet Convertible Notes (where the amount received on sale is less than the cost of subscribing for or purchasing the Peet Convertible Notes), would be an allowable deduction, usually in the year in which the sale occurs. The capital gains tax provisions would not apply in relation to the loss incurred in those circumstances.</p>
Option 4 – Take no action	<p>As outlined in subsection 4.2(b) of this Offer Specific Prospectus, Peet Convertible Note holders who do not participate in the Reinvestment Offer will redeem their Peet Convertible Notes for cash on 16 June 2016.</p> <p>The Peet Convertible Notes held by Australian resident individuals should be subject to the rules applicable to “traditional securities” for the purposes of the Australian Tax Act. Any gain made on the redemption of the Peet Convertible Notes (where the amount received on redemption exceeds the cost of subscription for, or purchasing, the Peet Convertible Notes), would be included in the assessable income of the Australian resident holder, usually in the year of income in which the holder becomes entitled to receive the proceeds of the redemption.</p> <p>As the gain would be included in the assessable income of the Australian resident holder, the gain would not be subject to the capital gains tax provisions and the capital gains tax discount would not apply, even if the Peet Notes were held for more than 12 months.</p>



### 4.3 MINIMUM APPLICATION

The amount you have to pay for each Peet Bond is \$100. The minimum application size is 50 Bonds (\$5,000) for Applicants under the Institutional Offer and Broker Firm Offer. The minimum application for Applicants under the Peet Offer is 20 Bonds.

### 4.4 NO BROKERAGE OR STAMP DUTY

You do not have to pay brokerage or stamp duty on your Application for Bonds. However, you may have to pay brokerage (and applicable GST) on any subsequent purchases or sales of Bonds on the ASX.

### 4.5 EXPOSURE PERIOD

The Corporations Act prohibits Peet from processing Applications to subscribe for Bonds under the Offer Documents in the seven day period after the lodgement date of this Offer Specific Prospectus (“**Exposure Period**”). This period may be extended by ASIC by up to a further seven days.

This period is to enable this Offer Specific Prospectus (and the Base Prospectus) to be examined by market participants prior to the raising of funds. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

### 4.6 ALLOCATION POLICY AND REFUNDS

#### Bookbuild

The Bookbuild is a process that will be conducted by the Lead Manager before the Opening Date.

In this process, the Bookbuild participants are invited to lodge bids for Bonds. On the basis of those bids, Peet, in consultation with the Lead Manager, will determine the Interest Rate and the firm allocations to Bookbuild participants, being Syndicate Brokers and certain Institutional Investors.

Peet may change the size of the Offer following the close of the Bookbuild.

#### Peet Offer

If possible, having regard to the total level of Applications under the Offer, Peet will endeavour to provide Applicants under the Peet Offer with an Allocation of Bonds. However, Peet does not guarantee any minimum Allocation under the Peet Offer and the extent of any Allocation will ultimately depend on the total level of Applications under the Offer.

Peet has the absolute discretion to determine the method and extent of the Allocation to Applicants under the Peet Offer.

In particular, Peet, in consultation with the Lead Manager, reserves the right (at its discretion) to:

- allocate to any Eligible Shareholder, Eligible Employee or Eligible Director all Bonds for which they have applied; or
- allocate to any Eligible Shareholder, Eligible Employee or Eligible Director a lesser number of Bonds for which they have applied, or none at all.

#### Broker Firm Offer

If you have applied under the Broker Firm Offer, your Syndicate Broker is responsible for determining your Allocation from their Broker Firm Allocation. Peet takes no responsibility for any allocation, scale-back or rejection that is decided by your Syndicate Broker.

#### Institutional Offer

Allocations to Institutional Investors will be determined by Peet in consultation with the Lead Manager following the Bookbuild.

#### Reinvestment Offer

Applications under the Reinvestment Offer will be treated with priority.

## 4.6 ALLOCATION POLICY AND REFUNDS (CONTINUED)

### Refunds

Until the Bonds are Issued, Peet will hold the Application Monies in a trust account. The account will be established and kept solely for the purpose of depositing Application Monies and dealing with those funds.

If you are not Allocated any Bonds or less than the number of Bonds you applied for, you will receive a refund cheque as soon as practicable after the Closing Date. No interest will be payable on Application Monies which are refunded.

## 4.7 ISSUE AND QUOTATION OF BONDS

It is expected that the Bonds will be quoted on the ASX under the ASX code PPCHA. If ASX does not grant permission for the Bonds to be quoted by the Issue Date, the Bonds will not be Issued and all Application Monies will be refunded (without interest) as soon as practicable.

## 4.8 TRADING AND HOLDING STATEMENTS

### (a) Commencement of trading of Bonds on ASX

It is expected that the Bonds will begin trading on ASX on a normal settlement basis on Friday, 10 June 2016.

It is your responsibility to determine your holding of Bonds before trading to avoid the risk of selling Bonds you do not own. You should also check your holding by asking your broker or calling the Peet Bonds Information Line on 1300 783 261 (within Australia) or +61 3 9415 4232 (outside Australia) Monday to Friday 9.00 am to 5.00 pm, Melbourne time, after close of the Offer Period.

### (b) Holding Statements

Peet will apply for the Bonds to participate in CHESS and, if accepted, no certificates will be issued. Instead, a Holding Statement will be mailed to Holders.

If your holding of the Bonds changes, you will receive an updated Holding Statement.

### (c) Provision of TFN and/or ABN

When your Holding Statement is mailed, you will be also be mailed a form on which to provide your TFN and/or ABN should you wish to do so (see Section 5.1.8 ("Provision of TFN and/or ABN") of the Base Prospectus).

### (d) Provision of bank account details for payments

Interest will be paid in Australian dollars by direct credit into nominated Australian financial institution accounts (excluding credit card accounts), for Holders with a registered address in Australia. For all other Holders, Interest will be paid by Australian dollar cheque. When your Holding Statement is mailed, you will also be mailed a form on which to provide your bank account details for payments of Face Value and Interest.

## **CORPORATE DIRECTORY**

### **REGISTERED OFFICE OF THE ISSUER**

Peet Limited  
Level 7, 200 St Georges Terrace  
Perth WA 6000

### **LEGAL ADVISER**

King & Wood Mallesons  
Level 61, Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

### **ACCOUNTING ADVISER**

BDO Australia  
38 Station Street  
Subiaco WA 6008

### **TAX ADVISER**

BDO Australia  
38 Station Street  
Subiaco WA 6008

### **REGISTRY**

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
Perth WA 6000

### **PEET BONDS INFORMATION LINE**

1300 783 261 (within Australia)  
+61 3 9415 4232 (outside Australia)  
9.00 am to 5.00 pm (Melbourne time), Monday to Friday

### **WEBSITE**

[www.peetbonds.com.au](http://www.peetbonds.com.au)

### **SOLE ARRANGER AND LEAD MANAGER**

National Australia Bank Limited  
Level 25, 255 George Street  
Sydney NSW 2000

### **TRUSTEE**

Australian Executor Trustees Limited  
Level 22, 207 Kent Street  
Sydney NSW 2000

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**Peet Limited**

ACN 008 665 834

Level 7, 200 St Georges Terrace Perth WA 6000

Telephone (08) 9420 1111 | Facsimile (08) 9481 4712

[www.peet.com.au](http://www.peet.com.au)

**PEET**

**DATE OF BASE PROSPECTUS: 2 MAY 2016**

This Base Prospectus contains information that is relevant to all offers of simple corporate bonds ("Bonds") made by Peet Limited during the period from 2 May 2016 to 2 May 2019 (the "Covered Period"). To make an informed investment decision about a particular offer of Bonds, you must read this Base Prospectus together with the relevant Offer Specific Prospectus for the Tranche of Bonds you are considering investing in.

# PEET BONDS

## PART B: BASE PROSPECTUS

### ISSUER

Peet Limited ABN 56 008 665 834

**PEET**

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# SECTION ONE

## WHAT YOU NEED TO KNOW

# B

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1. **To make an informed investment decision about the Bonds, you should read the Offer Specific Prospectus and this Base Prospectus before investing.**

.....

2. **About this Base Prospectus**

There will be a separate Offer Specific Prospectus for each offer of Bonds during the life of this Base Prospectus. The disclosure document for each such offer of Bonds during the Covered Period will consist of this Base Prospectus and an Offer Specific Prospectus for the offer.

Peet Limited (ABN 56 008 665 834) ("**Peet**" or the "**Issuer**") may, from time to time, offer simple corporate bonds, which are unsecured and unsubordinated debt securities and are referred to in this Base Prospectus as Bonds.

This Base Prospectus is dated 2 May 2016 and a copy was lodged with the Australian Securities and Investments Commission ("**ASIC**") on that date.

This Base Prospectus will be the Base Prospectus for Bonds for three years from the time it is lodged with ASIC.

This Base Prospectus alone is not an offer of Bonds. The offer is contained in the Offer Specific Prospectus, this Base Prospectus and other information that is incorporated by reference into the Offer Specific Prospectus and this Base Prospectus.

The Base Prospectus and the relevant Offer Specific Prospectus are together referred to in the Base Prospectus as the "**Offer Documents**".

Neither ASIC nor ASX Limited ("**ASX**") take any responsibility for the contents of the Offer Documents or the merits of an investment in the Bonds.

The Bonds are unsecured notes for the purposes of section 283BH of the Corporations Act.

.....

3. **Documents relevant to the Bonds**

The Base Terms and the Trust Deed, which are incorporated by reference into this Base Prospectus, (see Section 3.6 ("**Trust Deed relating to Peet**") of this Base Prospectus) are relevant to the Bonds and can be obtained from [www.peetbonds.com.au](http://www.peetbonds.com.au) during the Covered Period.

Additional information about Peet and the Bonds is publicly available through ASIC and ASX, and additional information on Peet can be obtained from [www.peet.com.au](http://www.peet.com.au) and additional information on the Bonds can be obtained from [www.peetbonds.com.au](http://www.peetbonds.com.au) (see Section 2 ("**About the Bonds**") and Section 3 ("**About Peet**") of this Base Prospectus).

.....

4. **The Offer Documents do not provide financial product or investment advice**

The information contained in the Offer Documents does not constitute financial product or investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). It is important that you read the Offer Documents in full before deciding whether to invest in any Bonds and consider the risks that could affect the performance of the Bonds.

The Offer Documents are only relevant for investors or potential investors in the Bonds and should not be used for any other purpose.

.....

5. **Obtaining the relevant Offer Specific Prospectus and other documents**

The Offer Documents (and, during the Offer Period, the Application Form) and any other documents relevant to Peet or the Bonds may be obtained electronically from [www.peetbonds.com.au](http://www.peetbonds.com.au)

If you access the relevant Offer Specific Prospectus and Base Prospectus electronically, the following conditions apply:

- you must download the entire Base Prospectus and the relevant Offer Specific Prospectus;
- your Application will only be valid where you have completed an Application Form that was attached to or accompanied by this Base Prospectus and the relevant Offer Specific Prospectus; and
- this Base Prospectus and the relevant Offer Specific Prospectus are available to you electronically only if you are accessing and downloading or printing the electronic copy of them in Australia.

Paper copies of this Base Prospectus and the relevant Offer Specific Prospectus can be obtained free of charge by calling the Peet Bonds information line on 1300 783 261 (within Australia) or +61 3 9415 4232 (outside Australia) Monday to Friday 9.00 am to 5.00 pm (Melbourne time).

.....

6. **Applications for the Bonds**

Applications for the Bonds may only be made by filling out the Application Form accompanying the relevant Offer Specific Prospectus for that Tranche of Bonds during the period from the Opening Date to the Closing Date applicable to that offer (the relevant “Offer Period”). Information on who is eligible to apply for the Bonds and how to make an Application will be set out in the relevant Offer Specific Prospectus.

7. **Providing personal information**

You will be asked to provide personal information to Peet (directly or via its agents) if you apply for the Bonds. See Section 5.2 (“Privacy”) of this Base Prospectus for information on how Peet and its agents collect, hold, and use this personal information.

8. **Selling restrictions in foreign jurisdictions**

For details on the selling restrictions that apply to the purchase of Bonds by investors in foreign jurisdictions, see Section 5.3 (“Selling restrictions”) of this Base Prospectus.

9. **No representation other than in the Offer Documents**

No person is authorised to provide any information or to make any representation in connection with any Bonds that are not contained in the Offer Documents. Any information or representation not contained in the Offer Documents may not be relied upon as having been authorised by Peet.

10. **Defined words and expressions**

Some words and expressions used in the Offer Documents have defined meanings. These words and expressions are capitalised and are defined in Section 6 (“Glossary”) of this Base Prospectus.

A reference to A\$ or Australian cents in the Offer Documents is a reference to Australian currency. A reference to time in the Offer Documents is a reference to Perth, Australia time unless otherwise stated.

11. **Forward-looking statements**

The Offer Documents may contain forward-looking statements concerning Peet’s business, operations, and financial performance and condition as well as Peet’s plans, objectives and expectations for its business, operations, and financial performance and condition. Any statements contained in the Offer Documents that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as “aim”, “anticipate”, “assume”, “believe”, “could”, “due”, “estimate”, “expect”, “goal”, “intend”, “may”, “objective”, “plan”, “predict”, “potential”, “positioned”, “should”, “target”, “will”, “would” and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates, forecasts and projections about Peet’s business and the industry in which Peet operates and Peet management’s beliefs and assumptions. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond Peet’s control.

Peet does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in the Offer Documents will actually occur and you are cautioned not to place undue reliance on the forward-looking statements.

Unless required by law, Peet does not intend to publicly update or revise any forward-looking statements to reflect new information or future events.

12. **More information**

If you have any questions about the Bonds, you should seek advice from your financial advisor or other professional advisor. You can also call the Peet Bonds Information Line on 1300 783 261 (within Australia) or +61 3 9415 4232 (outside Australia) Monday to Friday 9.00 am to 5.00 pm (Melbourne time).

To find out more about the pros and cons of investing in corporate bonds (such as the Bonds), visit ASIC’s MoneySmart website: <http://www.moneysmart.gov.au>

ASIC and ASX have also published guidance for retail investors who are considering investing in bonds such as the Bonds. Information on where to obtain a copy of this guidance is set out in Section 2.2.1 (“Other guidance from ASIC and ASX”) of this Base Prospectus.

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## SECTION TWO ABOUT THE BONDS

# B

More information on corporate bonds (such as the Bonds) and things you should consider before making an investment decision can be found on ASIC's MoneySmart website at [www.moneysmart.gov.au](http://www.moneysmart.gov.au)

## 2.1 SUMMARY OF THE PROGRAMME

This Base Prospectus relates to a programme for the issuance of Bonds ("**Programme**") established by the Issuer under which Bonds may be issued in one or more series (each a "**Series**") made up of one or more tranches (each a "**Tranche**") during the Covered Period, subject to the publication of an Offer Specific Prospectus applicable to the relevant Tranche.

The relevant Offer Specific Prospectus will contain the terms and information specific to the Tranche, including:

- Face Value and Issue Price;
- Interest Rate;
- Interest Payment Dates;
- Issue Date;
- Maturity Date;
- listing on ASX; and
- selling restrictions,

together with any other terms and conditions and information not set out in this Base Prospectus.

This Base Prospectus must be read together with the relevant Offer Specific Prospectus, which are together referred to as the "Offer Documents". Details of where you can obtain a copy of the relevant Offer Specific Prospectus are set out on Page 4 ("Obtaining the relevant Offer Specific Prospectus and other documents") of this Base Prospectus and on Peet's website at [www.peetbonds.com.au](http://www.peetbonds.com.au)

The following summary should be read in conjunction with the remainder of this Base Prospectus and the relevant Offer Specific Prospectus and any other documents incorporated by reference into the Offer Documents or referred to in the Offer Documents.

		Further information	Page
<b>2.1.1 GENERAL</b>			
<b>Issuer</b>	Peet Limited (ABN 56 008 665 834).	Section 3 of this Base Prospectus	21
<b>Programme</b>	A simple corporate bond issuance programme under which the Issuer may issue unsubordinated and unsecured simple corporate bonds (" <b>Bonds</b> "). The Bonds will be offered within one or more Series made up of one or more Tranches.  Each Series of Bonds is likely to have different features from each other, including the Issue Date, Face Value, Maturity Date (which may not be later than 15 years after the Issue Date), Interest Rate, Interest Payment Dates and any other features described in the relevant Offer Specific Prospectus.	Base Terms	
<b>What is a Peet Bond?</b>	An unsubordinated and unsecured debt obligation, issued by the Issuer, which pays Interest periodically. Each Bond is issued on and subject to the terms and conditions of the Series of Bonds set out in the Offer Documents and the Trust Deed.	Base Terms	
<b>Face Value and Issue Price</b>	\$100 per Bond (unless a different amount is specified in the Offer Specific Prospectus).	Base Terms (Clause 1.3)	
<b>Currency</b>	Australian dollars.		
<b>Terms</b>	The terms of the Bonds comprise the Base Terms as supplemented, amended, modified or replaced by the Offer Specific Terms set out in the relevant Offer Specific Prospectus.	Base Terms, Offer Specific Prospectus	

	Further information	Page
<b>2.1.1 GENERAL (CONTINUED)</b>		
<p><b>Key benefits</b></p> <ul style="list-style-type: none"> <li>– Issued by Peet</li> <li>– Periodic payments of Interest in cash which are calculated at either a fixed or a variable interest rate (comprised of a reference rate and a fixed margin) as specified in the relevant Offer Specific Prospectus</li> <li>– Interest payments cannot be deferred by Peet                             <ul style="list-style-type: none"> <li>– they are not discretionary and must be paid on the Interest Payment Dates specified in the Offer Specific Prospectus</li> </ul> </li> <li>– Will have a fixed term of up to a maximum of 15 years, as specified in the Offer Specific Prospectus</li> <li>– May be sold by investors on ASX prior to maturity, assuming there is a liquid market</li> <li>– Will rank equally with each other and at least equally with all other unsubordinated and unsecured creditors of Peet. However, they rank behind any creditors preferred by law and any secured creditors</li> <li>– Provide investors with an opportunity to diversify their investment portfolio</li> </ul> <p>There are risks associated with investing in Peet and the Bonds. These risks are outlined in Section 4 (“<b>Risks</b>”) of this Base Prospectus. You must read the risk section along with the remainder of this Base Prospectus and the relevant Offer Specific Prospectus in full before deciding whether to invest in Bonds.</p>		
<b>2.1.2 INTEREST</b>		
<p><b>Interest is payable</b></p>	<p>The Bonds will pay Interest at either a fixed or floating Interest Rate which will be set out in the Offer Specific Prospectus.</p>	<p>Offer Specific Prospectus</p>
<p><b>Interest Rate</b></p>	<p>The Interest Rate for each Interest Period will be a fixed Interest Rate or a floating Interest Rate.</p> <p>If the Bonds have a fixed Interest Rate, the Interest Rate (expressed as a percentage per annum) will be set out in the Offer Specific Terms. The amount of Interest payable on each Interest Payment Date will be set out in the Offer Specific Terms, or will be calculated on the basis set out under the heading “Calculation of Interest payable” below.</p> <p>If the Bonds have a floating Interest Rate, the Interest Rate (expressed as a percentage per annum) for each Interest Period will be calculated according to the following formula:</p> <p><b>Interest Rate = Market Rate + Margin</b></p> <p>The Market Rate will be the “<b>BBSW Rate</b>” (or such other rate specified in the Offer Specific Terms) and the Margin will be the rate (expressed as a percentage per annum) which is specified in the Offer Specific Terms.</p>	<p>Base Terms (Clause 2), Offer Specific Prospectus</p>

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		Further information	Page
<b>2.1.2 INTEREST (CONTINUED)</b>			
<b>BBSW Rate</b>	<p>The BBSW Rate is the average mid-rate for prime bank eligible securities having a tenor closest to the Interest Period on the Reuters BBSW screen page on the first day of each Interest Period.</p> <p>The BBSW Rate is a key benchmark interest rate for the Australian money market. It is currently based on an average of rates for the relevant period obtained from approved trading venues by the Australian Financial Markets Association.</p> <p>The BBSW Rate changes to reflect supply and demand within the cash and currency markets.</p>	Definition of "BBSW Rate" in Section 6 (" <b>Glossary</b> ") of this Base Prospectus	47
<b>Calculation of Interest payable</b>	<p>If the Bonds have a floating Interest Rate or a fixed interest payment amount is not specified in the Offer Specific Prospectus, Interest on each Bond for each Interest Period will be calculated using the following formula:</p> <p><b>Interest = Interest Rate x Face Value x Day Count Fraction</b></p> <p>where the Face Value, Interest Rate and Day Count Fraction are set out in the relevant Offer Specific Prospectus.</p> <p>Peet will announce to ASX the applicable Interest Rate and the amount of Interest payable per Bond for each Interest Period.</p> <p>This announcement will be made as soon as practicable after Peet makes its determination of the Interest Rate and the amount of Interest payable, but in any event, no later than the fourth Business Day of each Interest Period.</p>	Base Terms (Clauses 2.5 and 2.7)	
<b>Interest payments are mandatory</b>	Interest payments are not deferrable and are mandatory. Failure to pay interest within 10 Business Days after the due date will constitute an Event of Default.	Base Terms (Clause 2 and 6)	
<b>Interest Payment Date</b>	Interest Payment Dates will be set out in the relevant Offer Specific Prospectus.	Offer Specific Prospectus	
<b>Interaction between the Interest Rate and the yield</b>	<p>If a Series of Bonds pays a fixed interest rate, an increase in market interest rates may cause the trading price of the Bonds to fall more than an equivalent Bond that pays a floating interest rate.</p> <p>If a Series of the Bonds pays a floating interest rate then the interest rate will fluctuate (both increase and decrease) over time with movements in the Market Rate. This may also affect the yield on the Bonds. Holders should refer to the ASX and ASIC guidance (referred to in Section 2.2.1 of this Base Prospectus) which helps explain the measures of return on bonds.</p>	Section 4 of this Base Prospectus	29



		Further information	Page
<b>2.1.3 TERM, MATURITY DATE, REDEMPTION AND EVENTS OF DEFAULT</b>			
<b>Term/Maturity Date</b>	The Bonds will have a fixed term of no more than 15 years and the Maturity Date will be specified in the relevant Offer Specific Prospectus.	Offer Specific Prospectus	
<b>Repayment of Face Value on the Maturity Date</b>	On the Maturity Date, Holders will receive: <ul style="list-style-type: none"> <li>– the Face Value; plus</li> <li>– the final payment of Interest for the period from (and including) the preceding Interest Payment Date to (but excluding) the Maturity Date,</li> </ul> unless the Bonds are Redeemed early in the circumstances set out below.	Base Terms (Clause 5.1), Offer Specific Prospectus	
<b>Early Redemption rights for Peet</b>	<p>Peet will have the right (but not the obligation) to Redeem all (but not some) of the Bonds prior to the Maturity Date on the occurrence of a Tax Event or a Change of Control Event or if a Clean Up Condition subsists.</p> <p>A “<b>Tax Event</b>” will occur if, as a result of a change in a law or in the application or interpretation of a law, there is a more than insubstantial risk that:</p> <ul style="list-style-type: none"> <li>– any payment to a Holder under a Bond will be subject to an amount of withholding or deduction in respect of any Taxes or other governmental charges for which Peet must pay an Additional Amount; or</li> <li>– payment of Interest will not be allowed as a deduction for the purposes of Peet’s Australian tax.</li> </ul> <p>A “<b>Clean Up Condition</b>” will subsist in respect of a Series if less than 10 per cent of the aggregate Face Value of the Bonds of that Series remain on issue.</p> <p>In order to exercise the above Redemption rights, Peet must satisfy certain notification and timing requirements which are set out in Clause 5 of the Base Terms (and may also be specified in the Offer Specific Terms).</p> <p>On Redemption, Holders will be paid the “<b>Redemption Amount</b>”, being the Face Value of each Bond and any accrued Interest up to (but excluding) the Redemption Date.</p> <p>Early Redemption on the occurrence of a Change of Control Event is described below.</p>	Base Terms (Clauses 5.3, 5.4 and 5.5), Offer Specific Prospectus	

		Further information	Page
<b>2.1.3 TERM, MATURITY DATE, REDEMPTION AND EVENTS OF DEFAULT (CONTINUED)</b>			
<b>Early Redemption rights for Holders and Peet on the occurrence of a Change of Control Event</b>	<p>If a Change of Control Event occurs, the Holders may, by passing a Holder Resolution, direct the Trustee to require Peet to redeem all (but not some) of the Bonds of a Series. The Issuer also has an option to Redeem all (but not some) of the Bonds of a Series on the occurrence of a Change of Control Event.</p> <p>Broadly, a <b>"Change of Control Event"</b> will occur if after the Issue Date:</p> <ul style="list-style-type: none"> <li>– any person makes a takeover bid (as defined in the Corporations Act) to acquire some or all of the Issuer's Ordinary Shares and the offer is, or becomes, unconditional and (i) the bidder has acquired at any time during the offer period a relevant interest in more than 50% of the Ordinary Shares on issue or (ii) the directors of the Issuer unanimously recommend acceptance of the offer under the takeover bid, and acceptance of that offer would result in the bidder having a relevant interest in 100% of the Ordinary Shares on issue; or</li> <li>– a court approves a proposed scheme of arrangement under Part 5.1 of the Corporations Act which, when implemented, will result in a person having a relevant interest in 100% of the Ordinary Shares on issue.</li> </ul> <p>Peet must inform Holders and make an announcement to ASX if a Change of Control Event occurs as soon as reasonably practicable after the occurrence.</p> <p>Clause 5.4 of the Base Terms sets out certain notification and timing requirements which apply in respect of a Redemption on the occurrence of a Change of Control Event. Such information may also be specified in the Offer Specific Terms.</p>	<p>Base Terms (Clause 5.4) and definition of "Holder Resolution" in Section 6 ("Glossary") of this Base Prospectus</p> <p>Holders should refer to the definitions of <b>"Change of Control Event"</b> in Clause 12.4 of the Base Terms for further detail on what constitutes a change of control of Peet</p>	
<b>Repayment upon early Redemption</b>	<p>If the Bonds are Redeemed before the Maturity Date, you will receive the Redemption Amount being:</p> <ul style="list-style-type: none"> <li>– the Face Value; plus</li> <li>– the accrued Interest for the period from (and including) the preceding Interest Payment Date to (but excluding) the Redemption Date.</li> </ul>	<p>Base Terms (Clauses 5.3, 5.4 and 5.5), Offer Specific Prospectus</p>	

	Further information	Page
<b>2.1.3 TERM, MATURITY DATE, REDEMPTION AND EVENTS OF DEFAULT (CONTINUED)</b>		
<b>Events of Default</b>	<p>An “<b>Event of Default</b>” will occur in relation to a Series of Bonds if:</p> <ul style="list-style-type: none"> <li>– The Issuer fails to pay within 10 Business Days after the due date any amount payable by it (interest or principal).</li> <li>– The Issuer fails to comply with any of its other material obligations under the terms of the Bonds or the Trust Deed and such failure remains unremedied for a period of 30 Business Days after the Issuer has received written notice from the Trustee in respect of the failure.</li> <li>– Any Financial Indebtedness greater than A\$5 million (or its equivalent in any other currency) of any member of the Peet Group becomes due and payable or can be made due and payable before its stated maturity date due to the occurrence of a default under that Financial Indebtedness.</li> <li>– An Insolvency Event occurs in respect of the Issuer (not any other member of the Group).</li> <li>– The Guarantee is not (or is claimed by a Guarantor not to be) in full force and effect.</li> <li>– All or any rights or obligations of the Issuer, Holders or the Trustee under the Trust Deed or terms of the Bonds are terminated or are or become void, illegal, invalid, unenforceable or of limited force and effect.</li> <li>– It is, at any time unlawful for the Issuer to perform any of its payment obligations under the Bonds.</li> </ul> <p>Any further Events of Default will be set out in the relevant Offer Specific Prospectus.</p> <p>If a payment Event of Default (described in the first point above) is subsisting, the Issuer will not declare or pay a dividend or make any distribution on any issued share in the Issuer, or pay any interest or other amounts in respect of any debt security issued which ranks behind the Bonds in priority to payment of Interest in respect of Bonds.</p>	<p>Base Terms (Clause 6.1), Offer Specific Prospectus</p>
<b>Consequences of an Event of Default</b>	<p>If an Event of Default occurs and is continuing in relation to the Bonds of a Series, the Trustee may in its discretion declare the Face Value (together with all accrued but unpaid Interest (if any)) to be immediately due and payable to the Holders.</p> <p>The Trustee is not bound to take the action referred to above unless it is directed by Special Resolution to do so (and has been indemnified as required under the Trust Deed and is not otherwise restricted by law from doing so).</p>	<p>Base Terms (Clause 6.3) and definition of “Special Resolution” in Section 6 (“Glossary”) of this Base Prospectus</p>

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<b>2.1.3 TERM, MATURITY DATE, REDEMPTION AND EVENTS OF DEFAULT (CONTINUED)</b>		
<b>Guarantee</b>	<p>As at the date of this Base Prospectus, the Issuer expects to be able to meet its payment obligations under the Bonds. Such payment obligations have the benefit of a Guarantee given by the Guarantor Group. The Guarantor Group comprises certain wholly-owned Subsidiaries of the Issuer, being each entity which provides a guarantee of any of the Group's indebtedness owing under any syndicated or other term loan arrangement (excluding any loan made by the Issuer to a Guarantor or a Guarantor to the Issuer). The Issuer is required at all times to ensure that the Guarantor Group does in fact include each such entity.</p> <p>Under the terms of the Guarantee, each member of the Guarantor Group has unconditionally and irrevocably, and jointly and severally, guaranteed to the Trustee and to each Holder the due and punctual payment of moneys owing to Holders under the Bonds. This means that, if the Issuer defaults in the due and punctual payment of moneys owing to Holders under the Bonds, the Trustee (on behalf of the Holders) can make a demand for payment from any member of the Guarantor Group. Holders should be aware that the ability of each member of the Guarantor Group to make such payments depends on the financial capacity of all members of the Group (including the Issuer). The Guarantee is not a bank guarantee.</p>	Base Terms (Clauses 3.3 and 4.3) and Trust Deed (Clause 1.6 and Schedule 4)

	Further information	Page
2.1.4 COVENANTS – NEGATIVE PLEDGE AND RESTRICTIONS ON THE INCURRENCE OF INDEBTEDNESS BY PEET		
<b>Negative pledge</b>	<p>The Issuer will not (and will ensure that no other member of the Guarantor Group will) create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its (or a member of the Guarantor Group's) present or future assets or revenues to secure any Relevant Indebtedness or any guarantee relating to any Relevant Indebtedness.</p> <p>The Issuer or a member of the Guarantor Group may create or permit to subsist a Security Interest (which is not a Permitted Security Interest) if, at the same time, either the same Security Interest, an equal ranking security or such other security as is approved by a Special Resolution of the Holders is also granted in favour of the Holders.</p> <p>"Security Interest" is broadly defined and means any mortgage, charge, pledge, lien or other security interest securing any obligation.</p> <p>"Permitted Security Interest" means a Security Interest granted in connection with any Relevant Indebtedness, provided that after giving pro-forma effect to the incurrence of such Relevant Indebtedness and the application of the proceeds thereof, the Peet Secured Gearing Ratio would not be greater than the percentage specified in the Offer Specific Terms.</p> <p>"Relevant Indebtedness" broadly means any indebtedness incurred on or after the Issue Date by the Issuer or a member of the Guarantor Group under debentures or bonds (or other like instruments) which are listed on a stock exchange or traded over-the-counter or a syndicated or bilateral term loan arrangement (except loans made by the Issuer to a member of the Guarantor Group or a member of the Guarantor Group to the Issuer).</p> <p>"Peet Secured Gearing Ratio" means Peet Secured Gearing Ratio Debt divided by Peet Gearing Ratio Assets, expressed as a percentage. Holders should be aware that syndicates which are consolidated pursuant to Australian Accounting Standard AASB 10 are excluded from, and instead treated as equity accounted associates in, the Peet Secured Gearing Ratio, and that the components of the ratio are defined in clause 12.4 of the Base Terms and in the Glossary in Section 6 of this Base Prospectus.</p>	<p>Base Terms (Clause 4.1) and definition of "Special Resolution" in Section 6 ("Glossary") of this Base Prospectus</p>

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	Further information	Page
2.1.4 COVENANTS – NEGATIVE PLEDGE AND RESTRICTIONS ON THE INCURRENCE OF INDEBTEDNESS BY PEET (CONTINUED)		
<b>Limitation on debt incurrence covenant</b>	<p>The Issuer will not incur (and will ensure that no member of the Guarantor Group incurs) any Financial Indebtedness on or after the Issue Date if the incurrence of such Financial Indebtedness would result in the Peet Gearing Ratio being greater than the percentage specified in the Offer Specific Terms.</p> <p>“Financial Indebtedness” means any indebtedness, present or future, actual or contingent in relation to money borrowed or raised or any other financing.</p> <p>“Peet Gearing Ratio” means Peet Gearing Ratio Debt divided by Peet Gearing Ratio Assets, expressed as a percentage. Holders should be aware that syndicates which are consolidated pursuant to Australian Accounting Standard AASB 10 are excluded from, and instead treated as equity accounted associates in, the Peet Gearing Ratio, and that the components of the ratio are defined in clause 12.4 of the Base Terms and in the Glossary in Section 6 of this Base Prospectus.</p>	Base Terms (Clause 4.2)

		Further information	Page										
<b>2.1.5 SECURITY AND RANKING</b>													
<b>Security</b>	The Bonds are unsecured. This means that they are not secured against any asset of the Issuer or any of its Subsidiaries or any other person.	Base Terms (Clause 3), Offer Specific Prospectus											
<b>Ranking on a winding up of Peet</b>	<p>On a winding up of the Issuer, the Bonds of all Series will rank for payment of Face Value and accrued and unpaid Interest equally with each other and at least equally with all other unsubordinated and unsecured obligations of the Issuer (other than any obligations preferred by mandatory provisions of applicable law, including employee entitlements and secured creditors).</p> <p>The table below illustrates how the Bonds would rank on a winding up of the Issuer:</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Illustrative examples<sup>1</sup></th> </tr> </thead> <tbody> <tr> <td>Preferred and secured debt</td> <td>Liabilities preferred by law including employee entitlements, tax-related liabilities and secured creditors</td> </tr> <tr> <td><b>Unsubordinated and unsecured debt</b></td> <td><b>Bonds and notes (including the Bonds), trade and general creditors</b> ←</td> </tr> <tr> <td>Subordinated instruments</td> <td>Any preference shares or other securities expressed to rank behind unsubordinated and unsecured debt</td> </tr> <tr> <td>Equity securities</td> <td>Shareholders' interests in Peet</td> </tr> </tbody> </table> <p>Peet is a holding company and some of its assets are its investments in other members of the Group. As a holding company, Peet is dependent upon intercompany transfers of funds from other members of the Peet Group to meet its obligations under the Terms.</p> <p>Information on the facility limits and amounts drawn down on Peet's existing financing facilities will be set out in Section 3 of the relevant Offer Specific Prospectus.</p> <p>Peet has secured debt obligations and these obligations would rank ahead of the Bonds in a winding up of Peet.</p>	Type	Illustrative examples <sup>1</sup>	Preferred and secured debt	Liabilities preferred by law including employee entitlements, tax-related liabilities and secured creditors	<b>Unsubordinated and unsecured debt</b>	<b>Bonds and notes (including the Bonds), trade and general creditors</b> ←	Subordinated instruments	Any preference shares or other securities expressed to rank behind unsubordinated and unsecured debt	Equity securities	Shareholders' interests in Peet	Base Terms (Clause 3), Offer Specific Prospectus	
Type	Illustrative examples <sup>1</sup>												
Preferred and secured debt	Liabilities preferred by law including employee entitlements, tax-related liabilities and secured creditors												
<b>Unsubordinated and unsecured debt</b>	<b>Bonds and notes (including the Bonds), trade and general creditors</b> ←												
Subordinated instruments	Any preference shares or other securities expressed to rank behind unsubordinated and unsecured debt												
Equity securities	Shareholders' interests in Peet												

<sup>1</sup> This diagram and the descriptions are simplified and illustrative only, and do not include every type of security or obligation that may be issued or entered into by Peet, or every potential claim against Peet in a winding up. Peet will from time to time issue additional securities or incur other obligations that rank ahead of, equally with, or behind, the Bonds.

		Further information	Page
<b>2.1.5 SECURITY AND RANKING (CONTINUED)</b>			
<b>Further issues of securities</b>	<p>Peet may, from time to time, issue additional Series of Bonds in accordance with this Base Prospectus and the relevant Offer Specific Prospectus that will be issued at the time of that offering.</p> <p>Peet will use its reasonable endeavours to ensure that each Series of Bonds will be quoted on a stock exchange under a code specified in the relevant Offer Specific Prospectus.</p> <p>Peet also has the right to issue other securities that have the same or different terms and conditions to the Bonds. These securities may rank ahead of, equally with, or behind the Bonds. Such issues may be subject to the negative pledge and limitation on debt incurrence covenant.</p>	Base Terms (Clauses 4.1, 4.2 and 10.4), Offer Specific Prospectus	
<b>2.1.6 FURTHER INFORMATION</b>			
<b>No voting rights of Holders</b>	<p>Holders do not have a right to vote at meetings of shareholders of Peet. However, Holders are entitled to vote on certain matters that affect their rights under the Trust Deed.</p>	Base Terms (Clause 1.10), Trust Deed	
<b>Taxation implications</b>	<p>You should seek professional tax advice that takes into account your particular circumstances before deciding whether to invest in the Bonds.</p>	<p>Section 4.2(i) of Offer Specific Prospectus</p> <p>Section 5.1 of this Base Prospectus</p>	<p>28</p> <p>40</p>
<b>Listing</b>	<p>Expected to be quoted on the ASX.</p>	Offer Specific Prospectus	
<b>Amendment of Terms</b>	<p>Peet may, with the approval of the Trustee, but without the consent of Holders, amend the terms of a Series of Bonds if Peet is of the opinion that the amendment:</p> <ul style="list-style-type: none"> <li>– is of a formal or technical or minor nature</li> <li>– is made to cure any ambiguity or correct any manifest or proven error</li> <li>– is necessary or expedient for the purposes of listing the Bonds, offering the Bonds for subscription or sale or complying with the provisions of any statute or the requirements of any statutory authority or complying with applicable regulation, or</li> <li>– in any other case where such amendment is not materially prejudicial to the interests of Holders of that particular Series as a whole.</li> </ul> <p>Other amendments to the terms of a Series of Bonds may be made with consent obtained through a properly convened meeting of Holders of that Series pursuant to the Base Terms and the Trust Deed.</p>	Base Terms (Clause 10.3)	



		Further information	Page
<b>2.1.6 FURTHER INFORMATION (CONTINUED)</b>			
<b>Trust Documents</b>	<p>The terms and conditions of the Bonds are set out in the Trust Deed.</p> <p>The Trust Deed is incorporated by reference into this Base Prospectus and is available from <a href="http://www.peetbonds.com.au">www.peetbonds.com.au</a>.</p>	<p>Section 5.5 of this Base Prospectus</p> <p>Base Terms</p>	45
<b>Trustee</b>	<p>The Trustee for Holders of the Bonds is Australian Executor Trustees Limited ACN 007 869 794.</p> <p>The Trustee holds on trust (for the benefit of Holders) the right to enforce Peet's obligations in respect of the Bonds and the right to enforce the Guarantors' obligations under the Guarantee. The Trustee does not guarantee repayment of the Face Value of the Bonds or the payment of Interest on the Bonds.</p>	<p>Section 5.5 of this Base Prospectus</p> <p>Base Terms</p>	45
<b>Fees and charges</b>	No fees, charges, brokerage, commission or stamp duty is payable by you on your application for the Bonds. You may be required to pay brokerage if you sell your Bonds after the Bonds are quoted on a stock exchange.	Offer Specific Prospectus	
<b>Selling restrictions</b>	The distribution of the Offer Documents, the offer or sale of Bonds may be restricted by laws in certain jurisdictions.	Section 5.3 of this Base Prospectus	43
<b>Governing law</b>	Western Australia.	Section 5.6 of this Base Prospectus, Base Terms (Clause 10.5)	45

## 2.2 HOW A BOND WORKS

A bond is an agreement between a company and an investor that the investor will lend the company an amount of money, which the company will repay to the investor at the end of an agreed period. The “face value” of a bond represents the principal amount that the company has promised to repay to the investor and is the basis for the calculation of the interest payable on the bond. Generally, the issue price (i.e. the amount that the investor pays the company for the bond) is the same amount as the face value (unless otherwise specified).

While the company is borrowing the money, the company will periodically pay interest to the investor. The amount of interest payable on each bond is equal to the face value multiplied by the agreed interest rate. Interest is payable periodically.

If bonds are listed on a stock exchange and an investor does not wish to hold the bonds for the whole term, the investor can sell them on the stock exchange. However, depending upon the price at which the bonds are trading on the stock exchange, the bonds may be sold for an amount more, less or equal to the face value.

Bonds may be considered as part of a diversified investment plan. In an investment portfolio, bonds may perform a different role to conservative investments such as savings and deposit accounts, as the market value of bonds can go up and down depending on economic conditions and interest rates.

The main risks of investing in bonds include:

- the company issuing the bonds may experience financial difficulty, meaning it may not make interest payments when they are due;
- the company issuing the bonds may go out of business entirely, meaning that investors may not be repaid, including any outstanding interest at that time; and
- investors may not be able to sell their bonds on the ASX or the relevant securities exchange on which the Bonds are listed to exit their investment before their maturity date, or may only be able to do so at a loss.

Refer to Section 4 of this Base Prospectus for further consideration of risks.

### 2.2.1 OTHER GUIDANCE FROM ASIC AND ASX

ASIC and ASX have published guidance for retail investors who are considering investing in bonds such as the Bonds.

ASIC’s guidance is called “Investing in corporate bonds?” and can be found at [www.moneysmart.gov.au](http://www.moneysmart.gov.au). Free copies of this publication can also be obtained by calling ASIC on 1300 300 630 (from Australia) or +61 3 5177 3988 (from outside Australia).

ASX’s guidance is called “Understanding Bonds” and can be found at <http://www.asx.com.au/products/bonds.htm>. Free copies of this publication can also be obtained by calling ASX on 131 279 (within Australia) or +61 2 9338 0000 (outside of Australia).

For a further explanation of how a bond works, please refer to [www.moneysmart.gov.au](http://www.moneysmart.gov.au)

### 2.2.2 OTHER GUIDANCE IN THIS BASE PROSPECTUS

Bonds such as the Bonds have certain risks. You should read Section 4 (“**Risks**”) of this Base Prospectus for information about the key risks associated with the Bonds.

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# SECTION THREE

## ABOUT PEET

# B

## 3.1 INFORMATION ABOUT PEET AND THE BONDS

A publicly listed company must release financial reports and continuously disclose information that may have an impact on the price of its listed securities. This information is available publicly on the relevant market exchange. You should consider this information when making an investment decision about bonds. While this information is important, it is not considered part of the disclosure document for the offer of bonds using this Base Prospectus. Copies of documents lodged with ASIC in relation to Peet may be obtained from, or inspected at an ASIC office, and certain of this information is incorporated by reference in the Offer Documents. Copies of documents lodged with ASX can be obtained from [www.asx.com.au](http://www.asx.com.au)

In addition, the following information can be obtained from Peet's corporate website ([www.peet.com.au](http://www.peet.com.au)):

- Peet's annual and half-year financial reports; and
- Continuous disclosure notices submitted by Peet to ASX.

## 3.2 BUSINESS DESCRIPTION

### 3.2.1 OVERVIEW

Peet Limited is the Issuer of the Bonds and a member of the Group. The Group acquires, develops and markets quality residential land estates and has been part of the community for 120 years.

Originally established in Western Australia and historically linked with the development of some of Perth's most prestigious suburbs, Peet expanded into Victoria in 1997 and Queensland in 2002.

In 2004, Peet continued its expansion with the purchase of its first estate in New South Wales and later that same year, listed on the ASX.

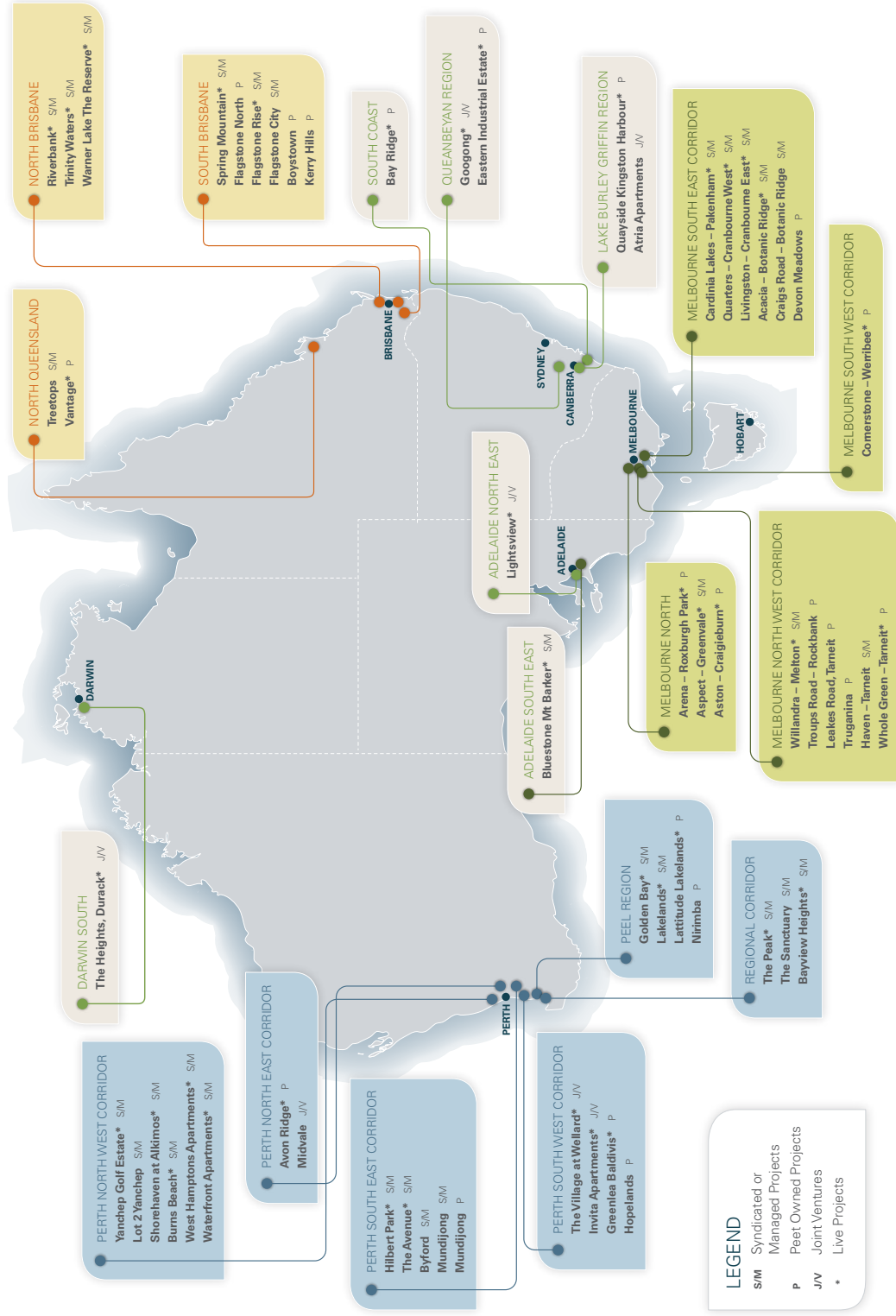
Peet acquired a controlling interest in CIC Australia Limited in 2013 (and 100% of the company in 2015), providing it with projects in every Australian mainland state and territory.

Today, the Group employs approximately 240 staff with offices located in Perth, Melbourne, Brisbane, Canberra, Darwin and Adelaide. Team members are appropriately skilled, with qualifications or experience relevant to the development industry.

Peet ensures that the necessary experts and consultants such as project engineers, surveyors, planners, urban designers, environmental scientists and landscape architects are engaged to facilitate development of its residential land estates.

## 3.2.2 THE PEET PORTFOLIO

The diagram below displays the location of the projects owned and/or managed by the Group nationally.



The Group acquires, develops and markets residential land estates predominantly under a capital efficient funds management model. The Board of Directors and the executive management group of Peet considers that the Group's business has the following reportable business segments:

### 3.2.3 DEVELOPMENT BUSINESS

Peet, either itself or via one its wholly-owned Subsidiaries, acquires parcels of land in Australia, primarily for residential development purposes. Certain land holdings will also produce non-residential blocks of land. Revenue is derived predominantly from the settlement of the sale of land and this part of the business seeks to derive development profits.

### 3.2.4 FUNDS MANAGEMENT BUSINESS

Peet, either itself or via one of its wholly-owned Subsidiaries, enters into asset and funds management agreements with external capital providers. Peet and/or the external capital provider commit equity funds towards the acquisition of land and this is generally supplemented with debt funds either at the time of acquisition or during the development phase of a project.

Peet and/or its wholly-owned Subsidiaries may derive fees from underwriting, capital raising and asset identification services. Ongoing project related fees (project management and selling fees, performance fees and profit shares) are then derived by Peet and/or its wholly-owned Subsidiaries for the duration of a particular project.

### 3.2.5 JOINT VENTURE BUSINESS

Joint arrangements are entered into with government, statutory authorities and private landowners. The form of these arrangements can vary from project to project but generally involves Peet and/or its wholly-owned Subsidiaries undertaking the development of land on behalf of the landowner.

Peet and/or its wholly-owned Subsidiaries are typically entitled to ongoing fees for management of the development project and also a share of any profits derived from the development project.

## 3.3 DIRECTORS AND SENIOR MANAGEMENT

### 3.3.1 BOARD OF DIRECTORS

As at the date of this document, Peet's Board of Directors comprises:

- Anthony Wayne (Tony) Lennon – Non-executive Chairman
- Brendan David Gore – Managing Director and Chief Executive Officer
- Anthony James Lennon – Non-executive Director
- Trevor James Allen – Independent Director
- Vicki Krause – Independent Director
- Robert John McKinnon – Independent Director

Information on Peet's Directors is regularly updated on Peet's website at [www.peet.com.au](http://www.peet.com.au) and is updated in each annual report lodged by Peet with ASX.

### 3.3.2 SENIOR MANAGEMENT

As at the date of this document, Peet's Executive Team (who also form the balance of the key management personnel) comprises:

- Brendan David Gore – Managing Director and Chief Executive Officer
- Peter James Dumas – Chief Investment Officer
- Brett Charles Fullarton – Chief Financial Officer
- Dom Scafetta – Group Company Secretary

Information on Peet's Executive Team is regularly updated on Peet's website at [www.peet.com.au](http://www.peet.com.au) and is updated in each annual report lodged by Peet with ASX.

### 3.4 BUSINESS STRATEGY

Peet's strategy continues to be based around leveraging the diversity of its national land bank; working in partnership with wholesale, institutional and retail investors; and continuing to meet market demand for a mix of residential product in the growth corridors of major Australian cities.

Key elements of Peet's strategy include:

- continuing to deliver high-quality, masterplanned communities, adding value and facilitating additional investment in amenity and services wherever possible;
- managing the Group's land bank of approximately 48,000 lots to achieve optimal shareholder returns;
- continuing to assess opportunities to selectively acquire strategic residential land holdings in a disciplined manner under its funds management platform;
- an ongoing focus on maximising return on capital employed in all its key markets;
- extending opportunities, where appropriate, for wholesale, institutional and retail investors to participate in residential land developments;
- maintaining a focus on cost and debt reduction; and
- continuing to identify and assess growth opportunities in line with our strategic objectives and as appropriate in market conditions.

### 3.5 GOVERNANCE ARRANGEMENTS

Good corporate governance is a fundamental aspect of Peet's culture and business practices, with the key facets of its Governance Structure outlined in each annual report. A copy of Peet's current Corporate Governance Statement can be accessed at [www.peet.com.au](http://www.peet.com.au)

A copy of past annual reports (including for the year ended 30 June 2015) can be obtained from ASX's website ([www.asx.com.au](http://www.asx.com.au)) or from Peet's website at [www.peet.com.au](http://www.peet.com.au)

### 3.6 TRUST DEED RELATING TO PEET

The Trust Deed dated 2 May 2016 is the agreement between Peet and the Trustee in relation to the Trustee's role. It has been incorporated by reference and as such forms part of the Offer of the Bonds. It is available at [www.peetbonds.com.au](http://www.peetbonds.com.au)

The Trust Deed constitutes the Bonds and the Guarantee of the Bonds. Peet and the Guarantors have undertaken to the Trustee to pay amounts due and payable in respect of each Bond in accordance with the Trust Deed. Peet makes a number of covenants with the Trustee for the benefit of Holders including to comply with its obligations under the Bonds and Chapter 2L of the Corporations Act.

## 3.7 ROLE OF THE TRUSTEE

The Corporations Act requires that when debt securities, such as the Bonds, are offered and a prospectus is required, an issuer must appoint a trustee to help protect the interests of investors and to facilitate the ongoing monitoring of Peet. An issuer is obliged to report regularly to the trustee, including quarterly reports, information about security interests and half-yearly and annual financial reports.

Peet has appointed Australian Executor Trustees Limited (ACN 007 869 794) as the Trustee for Holders of the Bonds. Under the Trust Deed, the Trustee holds on trust (for the benefit of Holders) the right to enforce Peet's obligations in respect of the Bonds and the Guarantors' obligations in respect of the Guarantee. The Trustee has the power to call meetings of the Holders and provide information to and make recommendations to the Holders. The Trustee is not responsible for monitoring any breach of the Trust Deed, the occurrence of any Event of Default under the Terms, Peet's compliance with the Trust Deed or Peet's businesses except as required by law. In this regard, the Trustee has a statutory duty to exercise reasonable diligence to ascertain:

- (a) whether the property of Peet and the Guarantor Group that is or should be available (whether by way of security or otherwise) will be sufficient to repay the amount deposited or lent when it becomes due; and
- (b) whether Peet has committed any breach of the Terms, the provisions of the Trust Deed or Chapter 2L of the Corporations Act.

## 3.8 FINANCIAL INFORMATION

### 3.8.1 FINANCIAL STATEMENTS

Peet's annual reports contain the consolidated statement of comprehensive income and consolidated balance sheet for the relevant financial year-end and comparable period. Peet's annual reports and half-year reports are available from Peet's website at [www.peet.com.au](http://www.peet.com.au) and from the ASX's website at [www.asx.com.au](http://www.asx.com.au)

### 3.8.2 KEY FINANCIAL RATIOS

The Corporations Act requires Peet to disclose certain Key Financial Ratios, calculated in accordance with regulation 6D.2.06 of the Corporations Regulation, that are relevant to Peet. These are a Gearing Ratio, a Working Capital Ratio and an Interest Cover Ratio, in each case for Peet on a consolidated basis.

The Key Financial Ratios are not used as the basis for the covenants which are included in the Base Terms (described in Clauses 4.1 and 4.2), so any change in the Key Financial Ratios does not affect the rights of Holders.

#### Gearing Ratio

The Gearing Ratio is calculated in accordance with regulation 6D.2.06(3) of the Corporations Regulations. It indicates the liabilities of Peet on a consolidated basis in proportion to its equity on a consolidated basis. The higher the Gearing Ratio, the higher the level of debt being carried by an issuer as a proportion of its capital base. The table below shows how the Gearing Ratio is calculated for the Group:

Gearing Ratio	
Basis	Calculated in accordance with regulation 6D.2.06(3) of the Corporations Regulations
Formula	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Ratio as at 31 December 2015	97%
Calculation (numerator)	Total Liabilities
Calculation (denominator)	Total Equity



### 3.8.2 KEY FINANCIAL RATIOS (CONTINUED)

#### Working Capital Ratio

The Working Capital Ratio is calculated in accordance with regulation 6D.2.06(4) of the Corporations Regulations, as follows:

$$\text{Working Capital ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

The Group's Working Capital Ratio as at 31 December 2015 was 1.09 times.

The Working Capital Ratio indicates whether an issuer has sufficient short term assets to meet its short term liabilities. Generally, a higher ratio indicates a greater ability to meet liabilities over the short term, including unexpected liabilities.

In the Group's case approximately 43% of its current assets at 31 December 2015 comprised land inventory which is recorded at the lower of cost and net realisable value (in accordance with Australian Accounting Standards Board AASB 102 Inventory). The inventory does not take into account any uplift in value over and above the costs incurred in achieving relevant planning and development approvals or in development costs incurred. If the current inventory was adjusted for market value as at 31 December 2015, the Working Capital Ratio at that date would be higher.

#### Interest Cover Ratio

The Interest Cover Ratio is calculated in accordance with regulation 6D.2.06(5) of the Corporations Regulations. The Interest Cover Ratio provides an indication of an issuer's ability to meet its interest payments from earnings. Generally, a low Interest Cover Ratio may indicate an issuer could face difficulties in servicing its debt if earnings decrease or interest rates increase.

A decrease in the Interest Cover Ratio may also indicate that the ability of an issuer of bonds such as the Bonds to make interest payments under the bonds has diminished (because of a decrease in its interest coverage position).

The table below shows how the Interest Cover Ratio is calculated for the Group.

Interest Cover Ratio	
Basis	Calculated in accordance with regulation 6D.2.06(5) of the Corporations Regulations
Formula	$\frac{\text{EBITDA}}{\text{Net Interest Expense}}$
Ratio as at 31 December 2015	3.4 times
Calculation (numerator)	Net profit before tax <b>Add:</b> Depreciation, net interest and amortisation <b>Equals:</b> EBITDA
Calculation (denominator)	Net Interest Expense

### 3.8.3 OTHER RELEVANT FINANCIAL RATIOS

In overseeing the capital management aspect of its business, Peet focusses on other relevant financial ratios, which include the Peet Gearing Ratio and the Peet Interest Cover ratio.

In addition to an ongoing internal focus on these other relevant financial ratios, Peet has historically reported on these ratios to the market as part of its annual and half-yearly reporting.

The calculations of the Peet Gearing Ratio, which is used in the limitation on debt incurrence covenant contained in clause 4.2 of the Base Terms, and the Peet Interest Cover Ratio are shown in the table below.

These other relevant financial ratios are based on the Peet Group's financial information which are derived from the Group's consolidated financial statements. Holders should be aware that syndicates which are consolidated pursuant to Australian Accounting Standard AASB 10 are excluded from, and instead treated as equity accounted associates in, the Peet Gearing Ratio and the Peet Interest Cover Ratio.

	Peet Gearing Ratio	Peet Interest Cover Ratio
Basis	Calculated in accordance with the definition of "Peet Gearing Ratio" in the Base Terms	Calculated in accordance with the definition of "Peet Interest Cover Ratio" in secured bank debt terms
Formula	$\frac{\text{Peet Gearing Ratio Debt}}{\text{Peet Gearing Ratio Assets}}$	$\frac{\text{Adjusted EBIT}}{\text{Adjusted Interest Expense}}$
Ratio as at 31 December 2015	31%	4.4 times
Calculation (numerator)	Peet Gearing Ratio Debt: Peet Group Interest Bearing Liabilities (together with Peet Land Vendor Liabilities) less Peet Group Cash (see Clause 12.4 of Base Terms for definitions)	Net profit before tax <b>Add:</b> Amortised interest and finance expenses Finance costs (net of capitalised interest) <b>Equals:</b> Adjusted EBIT (calculated on a rolling 12 months basis)
Calculation (denominator)	Peet Gearing Ratio Assets: Peet Group Assets less Peet Group Cash and Peet Group Intangible Assets (see Clause 12.4 of Base Terms for definitions)	Net Interest Expense <b>Add:</b> Capitalised interest <b>Equals:</b> Adjusted Interest Expense (calculated on a rolling 12 months basis)

The definitions of the components in the calculation of these other relevant ratios can be found in Clause 12.4 of the Base Terms and in the Glossary of this Base Prospectus.

These other relevant ratios, and the adjustments thereto in comparison to the Key Financial Ratios, allow the Peet Group to monitor its capital management requirements in line with the Peet business model and its stated strategies as described in Sections 3.2 and 3.4, respectively, of this Base Prospectus.

Other than adjustment associated with the accounting for syndicates pursuant to Australian Accounting Standard AASB 10, mentioned previously, the following difference to the Key Financial Ratios is highlighted in respect to the Peet Gearing Ratio.

The assets included in the denominator for the calculation of the Peet Gearing Ratio include an adjustment for the market value of inventory. Inventory is measured at the lower of cost and net realisable value pursuant to Australian Accounting Standard AASB 2 Inventory. Accordingly, inventory does not take into account any uplift in value over and above the costs incurred in achieving relevant planning and development approvals or in development costs incurred. The adjustment made to assets in the Peet Gearing Ratio calculation more accurately reflects the asset base of the Peet Group.

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# SECTION FOUR

## RISKS

# B

## 4.1 INTRODUCTION

Before investing in the Bonds, you should consider whether the Bonds are a suitable investment for you. The MoneySmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) is run by ASIC to help people make smart choices about their personal finances. In particular, it includes guidance for retail investors who are considering investing in bonds.

You should be aware that there are risks associated with the Peet business and an investment in Peet generally. Peet's business and financial performance may affect its ability to fulfil its obligations under, or in respect of, the Terms, the credit quality of Peet, and hence the Bonds themselves. General economic factors may also affect an investment in Peet or the performance of Peet.

Many of these risks are outside the control of the Directors and Peet, including some of the risk factors set out in this Section and other matters mentioned in the Offer Documents. This Section 4 is not intended to list every risk that may be associated with an investment in Peet and the Bonds. You should seek your own professional advice on such matters.

## 4.2 MAIN RISKS ASSOCIATED WITH THE BONDS

The main risks of investing in the Bonds are:

- Peet may experience financial difficulty, such that it cannot make interest payments when they are due;
- Peet may go out of business entirely, in which case investors will not be repaid, including any outstanding interest at that time; and
- investors may not be able to sell the Bonds on the ASX or the relevant securities exchange on which the Bonds are listed to exit their investment before their maturity date, or may only be able to do so at a loss.

### 4.2.1 MARKET PRICE OF THE BONDS

The market price of the Bonds may fluctuate due to various factors including general movements in interest rates, credit margins, the Australian and international investment markets, international economic conditions, changes in inflation rates and inflationary expectations, the market price of any other Peet debt, factors that affect Peet's financial position and performance or credit worthiness, global geo-political events and hostilities, investor perceptions and other factors beyond the control of Peet and its Directors.

It is possible that the Bonds may trade at a market price below their Face Value. If the Bonds trade at a market price below the amount at which you acquired them, there is a risk that if you sell them prior to the Maturity Date, you may lose some of the money you invested.

### 4.2.2 LIQUIDITY OF THE BONDS

Peet has applied for the Bonds to be listed on ASX. However, the Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may be less liquid than the market for other securities. If Holders wish to sell their Bonds, they may be unable to do so easily or at an acceptable market price, or at all if insufficient liquidity exists in the market for the Bonds.

### 4.2.3 CHANGES IN THE INTEREST RATE PAYABLE

For any Series of Bonds issued with a floating interest rate, the Interest Rate for each Interest Period will be calculated on the first Business Day of that Interest Period by reference to a Market Rate, which will be influenced by a number of factors and varies over time. The Interest Rate will fluctuate (both increase and decrease) over time with movement in the Market Rate.

If a Series of Bonds is issued with a fixed interest rate, the Interest Rate for each Interest Period will be fixed and not vary over time. As the Market Rate fluctuates, there is a risk that the Interest Rate may become less attractive when compared to the rates of return available on other securities, which could decrease the trading price of fixed rate bonds.

### 4.2.4 PEET MAY DEFAULT ON PAYMENT OF FACE VALUE OR INTEREST

Depending upon its performance and financial position, Peet's cash flows and capital resources may not be sufficient to pay some or all of the Face Value or Interest due on Bonds as and when payable under their terms.

#### 4.2.5 RESTRICTIONS ON HOLDERS RIGHTS AND RANKING IN A WINDING-UP

Each series of Bonds will be unsecured and unsubordinated. In the event of a winding-up of Peet, assuming the Bonds have not been previously Redeemed, Holders will be entitled to be paid the Redemption Amount for each outstanding Bond.

The claim for this amount ranks behind any secured creditors of Peet and any other creditors preferred by law, such as employees. It ranks ahead of obligations which by their terms or at law rank behind the Bonds (including subordinated instruments and shareholders' interests in Peet), and equally with other Bonds and any other obligations of Peet which by their terms or at law rank equally with the Bonds (such as general and trade creditors of Peet).

Subject to the relevant gearing ratio limits specified in the Offer Specific Prospectus, Peet may incur additional obligations that may rank ahead of the Bonds. These additional obligations may be secured, subject to the provisions of the negative pledge condition in the Bonds. The negative pledge condition in the Bonds permits Peet to secure other Bonds, syndicated loans and term loan arrangements without having to accord security to the Bonds or equal ranking with the Bonds, subject to meeting the relevant gearing ratio limits specified in the Offer Specific Prospectus.

If there is a shortfall of funds on a winding-up to pay the amounts above, there is a risk that Holders will not receive the full payment (or any part thereof) to which they are otherwise entitled.

The majority of Peet's assets are held via its wholly-owned Subsidiaries and Peet is dependent on intercompany transfers to meet its obligations under the terms of the Bonds.

#### 4.2.6 UNLESS SPECIFIED IN THE RELEVANT OFFER SPECIFIC PROSPECTUS, THERE IS A RISK OF EARLY REDEMPTION

The Bonds may be Redeemed early in certain circumstances, including following certain changes in taxation law (a "**Tax Event**"), a Change of Control Event, or where less than 10 per cent of the Series of Bonds remain on issue (this is a "**Clean Up Condition**"). In the event of an early Redemption of the Bonds, you may not receive the returns you expected to receive on the Bonds (if held until maturity) by investing the proceeds in alternative investment opportunities at that time.

Refer to Section 2 ("**About the Bonds**") of this Base Prospectus and Clause 5 of the Base Terms for information relating to the events that may trigger an early redemption of the Bonds.

#### 4.2.7 UNLESS SPECIFIED IN THE RELEVANT OFFER SPECIFIC PROSPECTUS, HOLDERS MAY ONLY COLLECTIVELY REQUEST EARLY REDEMPTION FOLLOWING A CHANGE OF CONTROL EVENT

Holders of the Bonds have the option to require Peet to Redeem their Bonds prior to the Maturity Date upon the occurrence of a Change of Control Event, but only if they pass a Holder Resolution in favour of exercising that option. Individual Holders have no right to require Redemption of Bonds in any circumstances.

To realise your investment prior to Redemption or the Maturity Date, you can sell your Bonds on the ASX, or the relevant securities exchange on which the Bonds are listed, at the prevailing market price. However, depending on market conditions at the time, the Bonds may be trading at a market price below the Face Value for that particular Series, and/or the market for the Bonds may not be liquid and you may not be able to sell your Bonds.

#### 4.2.8 FUTURE ISSUES OF SECURITIES BY PEET

Peet has the right to create and issue any class of debt securities, including an additional Series of Bonds, without the approval of Holders. Any such future debt securities issuance by Peet is subject to the relevant gearing ratio limits specified in the Offer Specific Prospectus.

An investment in Bonds carries no right to participate in any future issue of debt securities by Peet.

No prediction can be made as to the effect, if any, of any future issuance of debt securities by Peet on the market price or liquidity of the Bonds.

#### 4.2.9 CORPORATE ACTIONS

The Terms do not provide Holders with any rights in the event that Peet undertakes any transactions that may involve the restructure of the Group, such as asset disposals or acquisitions, or other corporate transactions. Any such transactions would only give rise to rights for Holders if they constituted a Change of Control Event. Any such transactions by Peet may be subject to the relevant gearing ratio limits specified in the Offer Specific Prospectus.

#### 4.2.10 TAXATION CONSIDERATIONS

Holders should be aware that future changes in taxation law, including changes in interpretation or application of the law by the courts or taxation authorities, may affect the taxation treatment of an investment in Bonds, or the holding and disposal of Bonds.

In addition, if any changes in taxation law or the interpretation or application of law by the courts or taxation authorities result in any payment to a Holder being subject to an amount of withholding or deduction in respect of any taxes or governmental charges or in the payment of interest on the Bonds not being allowed as a deduction to Peet, then Peet is entitled to Redeem the Bonds.

### 4.3 KEY BUSINESS RISKS ASSOCIATED WITH PEET AND THE GROUP

Key risks relating to Peet are set out below. It is not, however, possible to describe all the risks to which Peet and its business may become subject and which may impact adversely on Peet's prospects and performance. Specific risk factors which may have a significant impact on the future performance of Peet include the following:

#### 4.3.1 RESIDENTIAL PROPERTY MARKET CONDITIONS

Peet derives earnings from its development business, funds management business and joint venture business based on the future value and sale of residential lots. Should the future market value and/or sales volumes be lower than expected, as a result of negative market conditions, Peet's earnings and returns to investors could be negatively impacted.

General and specific market conditions also have an impact on the rate of fall overs (sales cancellations) of lots already under contract. A significant number of contracts for the sale of residential lots are signed up on a 'conditional' basis (e.g. subject to finance or subject to sale). As market conditions deteriorate, the level of fall overs may increase.

Property market conditions have a significant impact on the ability of investor buyers, both domestically and internationally, to settle on sales contracts. The Group does not have a direct sales channel into foreign markets. Its sales exposure is predominantly across first home buyers, second and third home buyers, builders, domestic investors and domestic investor groups.

#### 4.3.2 PROPERTY VALUES

Unanticipated factors can influence the realisable value of the Group's property and property-related assets. These include:

- the profit and risk factors, including discount rates applied, that are considered appropriate by professional valuers, for any properties held by Peet, in response to changes in market conditions;
- changes in the conditions of town planning consents applicable to Peet's projects, as a consequence of changes to council policies;
- development cost increases including, but not limited to, construction, consultants, imposition of taxes and increases to State and Local Government charges will reduce the profitability of Peet;
- the presence of previously unidentified threatened flora and fauna species, which may influence the amount of developable land on major projects;
- the activities of lobby groups;
- general cost increases;
- archaeological or ethnographic claims, including native title claims; and
- land resumptions for roads and major infrastructure, which cannot be adequately offset by the amount of compensation eventually paid, if any.

#### 4.3.3 REZONING AND PLANNING APPROVAL DELAYS

The sale of lots in Peet's residential projects depends on obtaining rezoning and planning approvals. If these approvals take longer than expected, or are not obtained, Peet's sales volumes and profitability could be negatively impacted.

#### 4.3.4 INTEREST RATES AND BANK LENDING CRITERIA

Increases in interest rates and/or the tightening of lending criteria for the provision of mortgage financing could have the effect of reducing the affordability and availability of properties for purchasers, therefore reducing demand and the number of lot sales made by Peet and its managed projects. Interest rates also impact on Peet's costs of funds.

#### 4.3.5 REGULATORY REVIEW OF BANKS

Recent calls for formal regulatory reviews of banks (whether by Government or ASIC) coupled with increased APRA focus may result in banks tightening lending criteria and or increasing the costs of funding.

#### 4.3.6 APARTMENT MARKET

There is a risk that at any point in time there may be an over-supply of apartment product across Australian markets. As at 31 December 2015, Peet's exposure to medium density/apartment product represented a very minor proportion of its landbank. Peet's exposure to apartments is currently limited to low and medium-rise product with no exposure to high-rise towers. Peet does not currently have a direct sales channel into foreign markets to sell its medium density/apartment product.

#### 4.3.7 SALES PRICES

Lower than expected sales prices across Peet's portfolio of projects would generally result in lower profits by reducing the settlement revenue from the Development business and the fee income from the funds management and joint venture businesses.

#### 4.3.8 INFLATION AND CONSTRUCTION COSTS

Higher than expected inflation rates generally, or specific to the broadacre, residential development industry, could be expected to increase operating costs and development costs and potentially reduce the value of the Group's land. These cost increases may be offset by increased selling prices, although there can be no certainty that increased selling prices will be achieved.

#### 4.3.9 AVAILABILITY OF FUNDING AND REFINANCING RISK

Peet's business is capital intensive. Peet's ability to raise funds on favourable terms for future refinancing, development and acquisitions depends on a number of factors including general economic conditions, political, capital and credit market conditions and the reputation, performance and financial strength of Peet's business. These factors could increase the cost of funding, or reduce the availability of funding, as well as increase Peet's refinancing risk for maturing debt facilities.

Peet's ability to refinance its debt facilities as they fall due, and on terms and conditions that are suitable to it and allow it to seek to implement its strategies, will depend upon market conditions, Peet's operating performance and the policies of its financiers. If the debt facilities are not refinanced and need to be repaid, it is possible that Peet will need to realise assets for less than their fair value, which would impact future cash flows and profits. If debt facilities are refinanced on terms that are not conducive to Peet implementing its strategies, Peet may be required to amend, or hold off on the implementation of, its strategies in the short-term until suitable debt facility terms and conditions can be sourced.

#### 4.3.10 CHANGES IN GOVERNMENT POLICY

Changes in government policy (including fiscal, monetary and regulatory policies at federal, state and local levels), including policies on government land development, public housing, immigration and first homebuyer assistance and delays in the granting of approvals or the registration of subdivision plans may affect the amount and timing of Peet's future profits. State government and/or council development contributions may be introduced or increased in jurisdictions, impacting land values and the profitability of projects.

#### **4.3.11 BREACH OF FINANCIAL COVENANTS**

As at the date of this Prospectus, Peet was in compliance with all covenants (or has in place any necessary waivers) under its debt facilities. Proceeds from the Bond, together with other capital management initiatives will strengthen Peet's balance sheet.

The financial covenants in Peet's debt facilities relate to Peet's earnings, cash flow and asset values, and a material movement in any of these may cause covenants under Peet's debt facilities to be breached. If a breach occurs, this is likely to have negative consequences for Peet, including the possibility of early repayment of drawn debt.

Property assets are by their nature illiquid investments. This may make it difficult to sell assets quickly to repay debt.

#### **4.3.12 INABILITY TO LAUNCH FURTHER RETAIL SYNDICATES AND INSTITUTIONAL JOINT VENTURES**

Peet's business model depends on the ability to successfully raise money from retail and institutional investors. An inability to launch further syndicates and joint ventures may result in a reduction of earnings from the funds management/joint ventures segments of the business. The inability to sell down inventory from Peet's balance sheet into new syndicates or joint ventures over time may require Peet to obtain funding from other sources which may be expensive or difficult to obtain.

#### **4.3.13 PERFORMANCE OF EXISTING SYNDICATES AND JOINT VENTURES**

Peet generally derives a combination of project management, marketing and selling fees, performance fees and profit shares from Peet Syndicates and joint ventures. Poor performance by any or a number of these Peet Syndicates and joint ventures may impact negatively on the revenues and profitability of Peet. Peet may also elect to provide loans to some of its Peet Syndicates and joint ventures which will reduce capital available to Peet.

#### **4.3.14 MAJOR SUPPLIERS' RISK**

Peet may face the risk of a civil contractor or other major service provider encountering financial difficulty and being unable to complete contracted works either in a timely fashion or at all.

In the event of a civil contractor or other major service provider being unable to complete its work in a timely manner, the timing of settlement of lots may be delayed resulting in a greater risk of lots under contract falling over, additional holding costs and/or a delay in the receipt of settlements proceeds or fees.

In addition to the above, if a major civil contractor or other major service provider is unable to complete its work, (for example, because it becomes insolvent or is otherwise unable to perform its contractual obligations) requiring Peet to appoint an alternative service provider to complete outstanding works, Peet may have to incur additional expenses than would otherwise have been the case. Insurance may not be available to cover such additional expenses (for example, Peet's insurance may not cover those events or insurance held by that civil contractor or other service provider may not cover those events or entitle Peet to recover under such policy).

#### **4.3.15 INCREASE IN UNEMPLOYMENT RATE**

Sales of lots in Peet's residential projects may be negatively impacted by a sustained increase in the unemployment rate in Australia, particularly in key markets where Peet has residential projects. This impact could be through a reduction in the number of lots sold and/or in the value of lots sold and profit achieved.

#### **4.3.16 INVENTORY WRITE DOWNS**

Unanticipated factors affecting the value of land or development costs, including environmental issues, native title claims, land resumptions, failure to obtain rezoning, market conditions and major infrastructure charges might impact future earnings through a write down in property values.

#### **4.3.17 DEPENDENCE ON KEY PERSONNEL**

Peet is reliant on a number of key personnel employed by Peet. Loss of such personnel, or inability to attract suitably qualified personnel, may have a materially adverse impact on Peet's business and financial performance. Peet's efforts to retain and develop key personnel may also result in additional expenses which could adversely affect its profitability.



#### 4.3.18 ACQUISITIONS AND JOINT VENTURES

Peet may make strategic acquisitions of businesses and joint ventures as part of its growth strategies. Peet is also required to replenish its landbank. There can be no assurance that Peet will be able to successfully identify, acquire or integrate such acquisitions or joint ventures. Peet may also elect to fund acquisitions using existing or new bank facilities. The Directors will adopt prudent financial practices in assessing the appropriate funding mix.

Whilst it is Peet's policy to conduct a thorough due diligence process in relation to any such acquisition, risks remain that are inherent in such acquisitions, such as the reliance on advice from consultants and assumptions made, which may prove to be incorrect.

Subject to relevant joint venture agreements, Peet may be unable to control the actions of its joint venture partners and therefore cannot guarantee that the joint ventures will be operated or managed in accordance with Peet's preferred direction or strategy. Joint venture partners and/or co-investment partners may change their internal investment strategies requiring them to exit existing arrangements with Peet or which prevents them from entering into future potential transactions with Peet.

#### 4.3.19 ENVIRONMENTAL AND CULTURAL HERITAGE MATTERS

The discovery of, or incorrect assessment of costs associated with, environmental matters, cultural heritage or contamination on any of Peet's projects could have an adverse effect on the profitability and timing of receipt of revenue from that project. Peet's policy is to endeavour to undertake environmental and cultural heritage due diligence on any property before acquisition, subject to time constraints and in the absence of indicative environmental concerns.

There is a risk that a property development may be contaminated now or in the future. Government regulatory authorities may require such contamination to be remediated. There is a risk that Peet may be required to undertake any such remediation at its own cost. Further, environmental laws impose penalties for environmental damage and contamination, which can be material in size. Such events could adversely affect Peet's financial performance or financial condition.

#### 4.3.20 AUSTRALIAN FINANCIAL SERVICES LICENCE

Peet, via one of its wholly-owned Subsidiaries, holds an Australian Financial Services Licence ("AFSL") that entitles it to conduct a financial services business as part of its funds management business. Earnings from Peet's funds management business are significant and failure to comply with the requirements of the AFSL may have a significant impact on Peet's earnings and cash flows.

#### 4.3.21 CAPITAL EXPENDITURE

The risk of unforeseen capital or other expenditure requirements for Peet may impact returns to investors.

#### 4.3.22 INSURANCE

Peet carries a range of insurance products for (amongst other things) workers compensation, public liability, professional indemnity, industrial special risks and directors & officers. However, Peet's insurance will not cover every potential risk associated with its operations.

The occurrence of a significant adverse event, the risks of which are not fully covered by insurance, could have a material adverse effect on Peet's financial condition and financial performance. Dependent on the type of coverage, Peet may have to incur an excess prior to any payment by the insurer or pay for any difference between the full replacement cost and insured amount. Peet may also incur increases to its insurance premium applicable to other areas of cover as a result of the event.

Peet may not be able to recover under its insurance if the company or companies providing the insurance (or any reinsurance) are under financial distress or fail.

#### 4.3.23 OCCUPATIONAL HEALTH AND SAFETY

Peet may face the risk of workplace injuries, which may result in production or industrial stoppages, workers' compensation claims, related common law claims and potential work health and safety prosecutions. Peet has in place a range of practices and policies which seek to provide a safe working environment for its employees, customers and visitors.

#### 4.3.24 COMPETITION RISK

Peet may face the risk of loss of market share in the various residential corridors in which it operates as a result of the launch of competitors' residential estates. Such competition may result in the reduction of sales of residential lots or reduction in sales prices of residential lots or both. This may negatively impact on profits and cash flows and the ability of Peet to meet its interest paying and debt repayment obligations.

### 4.4 GENERAL RISKS

#### 4.4.1 GENERAL ECONOMIC AND FINANCIAL MARKET CONDITIONS

General economic conditions (both domestic and international), long-term inflation rates, exchange rate movements, interest rate movements and movements in the general market for ASX and internationally listed securities, changes in domestic or international fiscal, monetary, regulatory and other government policies, changes in investor sentiment and perceptions, geo-political conditions such as acts or threats of terrorism, military conflicts or international hostilities may have a significant impact on the performance of the Group and adversely impact Peet's ability to pay interest and repay the Face Value and may affect the price of the Bonds. As a result of the above mentioned factors, Peet is unable to forecast the market price for the Bonds and they may trade on the ASX at a price that is below Face Value.

#### 4.4.2 MARKET RISKS

Market risk is the risk of an adverse event in the financial markets that may result in a loss of earnings for entities in the Group.

Market risk includes exposures to funding risk (that is, being unable to meet financial obligations as they fall due or over-reliance on a funding source whereby market or environmental changes limit access to that funding source and thereby increase overall funding costs or cause difficulty in raising funds).

#### 4.4.3 REPUTATIONAL RISK

Issues of a varying nature may arise that would give rise to reputational risk and cause harm to the Group's business dealings and prospects. These issues include appropriately dealing with potential conflicts of interest, legal and regulatory requirements, issues of ethics, money laundering laws, trade sanctions legislation, privacy, information security policies, sales and trading practices and conduct by companies in which the Group holds strategic interests. Failure to address these issues appropriately could give rise to additional legal risk, subject entities within the Group to regulatory actions, fines and penalties, or harm the reputation of Peet or the Group among its shareholders, customers and investors including its co-investors and joint venture partners in the marketplace.

The material failure of a Peet Syndicate may also have a material negative impact on the reputation of Peet, making it more difficult to launch new Peet Syndicates (refer to Sections 4.3.12 and 4.3.13 for further information).

#### 4.4.4 LITIGATION, CLAIMS AND DISPUTES

From time to time, the Group may be exposed to the risk of litigation or disputes with various parties arising from the conduct of its business, including contractual counterparties, shareholders, Peet syndicate investors, past and present employees, regulators, co-investment partners, competitors, suppliers and customers. As well as the risk of financial damage, such claims also carry a risk of damage to the reputation of Peet and the Group. Although the Group holds liability insurance, this insurance may not cover all potential claims or may not be adequate to indemnify Peet for all liability that may be incurred or loss which may be suffered.

Losses, liability or legal expenses as a result of litigation proceedings could have a material adverse effect on the Group's business and the financial performance of Peet. Whilst entities within the Group may from time to time make certain provisions against the possibility of adverse outcomes, there is no guarantee that the provisioned amounts (if any) will adequately cover any such loss suffered or liability incurred.

It is possible a material and costly claim, whether successful or not, could distract management from its core business and impact the value of the assets, income and dividends of Peet.

#### **4.4.5 TAXATION**

The Group is subject to taxation legislation in the various jurisdictions in which it has operations and conducts business. Any significant change in taxation law or its interpretation and application by an administrative body could have an adverse effect on the results of its operations. Peet manages taxation risk, in relation to specific transactions, generally by obtaining opinions from taxation specialists but may also seek rulings from revenue authorities. Peet employs a proactive approach to managing potential disputes with revenue authorities.

#### **4.4.6 CHANGES IN AUSTRALIAN ACCOUNTING STANDARDS**

Peet is subject to the usual business risks that there may be changes in Australian accounting standards which have an adverse financial impact on Peet or members of the Group. Holders should be aware that the Key Financial Ratios and the ratios used by Peet (disclosed in Section 3.8.2 and Section 3.8.3) are calculated by reference to figures from the accounts of Peet prepared on the basis of the Australian accounting standards in place as at the date of issuance of the Bonds. The Issuer has the right under the Terms to notify Holders and the Trustee that components of the ratios will instead be determined in accordance with Australian accounting standards in force at the time of making the determination.

#### **4.4.7 GENERAL OPERATIONAL RISKS**

Peet is subject to various operational type risks which may have an impact on its business. These may include risks related to technology, processes and procedures, systems and employee-related risks.

### **4.5 OTHER RISKS**

The above risks are not exhaustive of the risks faced by potential investors in the Bonds. The risks outlined above and other risks may materially affect the future value and performance of the Bonds. Accordingly, no assurances or guarantees of future performance, profitability, Interest or return of the Face Value are given by Peet in respect of the Bonds. You should consult your financial or professional adviser in light of your own particular investment objectives, financial circumstances and particular needs before deciding whether to apply for the Bonds.

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## **SECTION FIVE**

### OTHER INFORMATION YOU SHOULD CONSIDER

# **B**

## 5.1 SUMMARY OF INFORMATION ON TAX CONSEQUENCES OF INVESTING IN THE BONDS

The following is a summary of the Australian withholding tax treatment under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, "**Australian Tax Act**") and the Tax Administration Act 1953 of Australia ("**TAA**"), of payments of interest (as defined under Australian Tax Act) by the Issuer on the Bonds and certain other Australian tax matters.

This summary applies to Holders that are residents of Australia and certain entities that are not residents of Australia. This summary is not exhaustive and you should seek advice from your tax adviser or other professional adviser before deciding to invest in Bonds. In particular, the advice does not deal with Holders who acquire or hold their Bonds outside their country of tax residence (for example through a permanent establishment) or Holders who hold the Bonds on behalf of other persons. In addition, this summary does not deal with the position of certain classes of Holders including, without limitation, dealers in securities, custodians or Holders who otherwise hold Bonds as assets used in carrying on a business of securities' trading, banking or investment.

This summary is not intended to be, nor should it be construed as being, investment, legal or tax advice to any particular Holder.

This summary is based on Australian tax laws and regulations, interpretations of such laws and regulations, and administrative practice as at the date of this Base Prospectus. Prospective Holders of the Bonds should also be aware that particular terms of issue of any Series of Bonds may affect the tax treatment of that Series of Bonds. Information regarding taxes in respect of the Bonds may also be set out in an Offer Specific Prospectus. More information on the tax implications associated with investing in bonds can be found on the Australian Taxation Office's website [www.ato.gov.au](http://www.ato.gov.au)

### 5.1.1 INTEREST

The Australian Tax Act characterises securities as either "debt interests" (for all entities) or "equity interests" (for companies), including for the purposes of interest withholding tax ("**IWT**") imposed under Division 11A of Part III of the Australian Tax Act. For Australian IWT purposes, "interest" is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts. The Issuer intends that the Bonds will be characterised as "debt interests" for the purposes of the tests contained in Division 974 and that the returns paid on the Bonds be "interest" for the purpose of section 128F of the Australian Tax Act.

#### a. Resident Holders

Australian residents are generally required to include any Interest in their assessable income each year. Whether these amounts should be recognised as assessable income on a cash receipts or accruals basis (including whether they are subject to Division 230 – see the summary below) will depend on the individual circumstances of the Holder. Australian residents holding their Bonds and receiving payments of Interest in Australia should not be subject to IWT.

#### b. Non-resident Holders

Non-resident Holders will generally be subject to IWT at the rate of 10 per cent on any Interest they receive. IWT is a final tax and non-resident Holders should not be subject to any other Australian tax such as income tax.

Peet intends to issue the Bonds in a manner which will satisfy the requirements of section 128F of the Australian Tax Act. If Peet satisfies the requirements of section 128F, then payments of Interest to non-resident Holders (that are not "Offshore Associates" of Peet) should not be subject to IWT and should not be subject to any other tax such as income tax in Australia.

### 5.1.2 DISPOSAL OF THE BONDS

#### a. Australian resident Holders

The Bonds are intended to be "traditional securities" for the purposes of the Australian Tax Act. In relation to a traditional security, Australian resident Holders that are not subject to Division 230 are generally required to include any gain in their assessable income in the income tax year in which a disposal occurs. Such a gain will be equal to the difference between the consideration for the acquisition and disposal of the traditional security plus any relevant costs associated with the acquisition or disposal. Losses may be included as an allowable deduction in respect of taxable income in the income tax year in which the disposal occurs.

If a capital gains tax event should also occur on the disposal of a traditional security, any such capital gain or capital loss will be disregarded to the extent to which that gain or loss is included either as assessable income or an allowable deduction.

## 5.1.2 DISPOSAL OF THE BONDS (CONTINUED)

### b. Non-Australian resident Holders

Non-resident Holders may be subject to Australian income tax on any gain realised on the disposal of their Bonds (depending upon whether or not that gain has an Australian source). However, a non-resident Holder may be eligible for relief from Australian income tax if that Holder is entitled to the benefit of a double tax agreement between Australia and the non-resident Holder's country of residence (for tax purposes).

## 5.1.3 APPLICATION OF DIVISION 230

Division 230 of the Australian Tax Act contains tax-timing rules for certain taxpayers for bringing to account gains and losses from certain "financial arrangements". However, Division 230 does not apply in relation to traditional securities to certain taxpayers, including individuals and certain other entities (e.g. certain superannuation entities and managed investment schemes) which satisfy various turnover or asset threshold tests, unless they make an election that Division 230 applies to all of their "financial arrangements".

If payments of Interest are exempt from IWT under section 128F of the Tax Act 1936, Division 230 will not operate to override this exemption.

## 5.1.4 PAYMENT OF ADDITIONAL AMOUNTS

As set out in more detail in the Base Terms for the Bonds, and unless expressly provided to the contrary in the relevant Offer Specific Terms, if the Issuer is at any time required by law to withhold or deduct an amount in respect of Taxes imposed in Australia in respect of the Bonds, the Issuer must, subject to certain exceptions, pay Additional Amounts so that after making the deduction and further deductions applicable, the Holder is entitled to receive (at the time the payment is due) the amount it would have received if no withholdings or deductions had been required to be made. If the Issuer is compelled by law in relation to any Bonds to withhold or deduct an amount in respect of which Additional Amounts must be paid, the Issuer will have the option to redeem the Bonds in accordance with the Base Terms.

## 5.1.5 DEATH DUTIES

No Bonds will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death.

## 5.1.6 ADDITIONAL WITHHOLDINGS FROM CERTAIN PAYMENTS TO NON-RESIDENTS

The Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia (other than payments of interest and other amounts which are already subject to the current IWT rules or specifically exempt from those rules). Regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The possible application of any future regulations to the proceeds of any sale of the Bonds will need to be monitored.

## 5.1.7 SUPPLY WITHHOLDING TAX

Payments in respect of the Bonds can be made free and clear of any "supply withholding tax".

## 5.1.8 PROVISION OF TFN AND/OR ABN

The TAA can impose withholding tax (currently at the rate of 49 per cent) on the payment of interest on certain types of registered securities, such as the Bonds.

However, where a Holder has provided Peet with their TFN or, in certain circumstances, their ABN, or has notified Peet that they are exempt from providing this information, Peet is not required to withhold any amount on account of tax from payments of interest to the Holder.

A Holder may choose not to provide his or her TFN or ABN to Peet.

If payments of interest are exempt from IWT under section 128F of the Australian Tax Act or otherwise subject to IWT, then non-resident Holders should not be subject to any withholding tax under these rules.

### 5.1.9 GARNISHEE DIRECTIONS

The Australian Commissioner of Taxation may give a direction requiring the Issuer to deduct from any payment to a Holder of the Bonds any amount in respect of Australian tax payable by a Holder. If the Issuer is served with such a direction, then the Issuer will comply with that direction and make any deduction required by that direction.

### 5.1.10 GST

GST is not payable on the issue, receipt, disposal or redemption of the Bonds.

GST is not payable in relation to the payment of Face Value or Interest by Peet.

### 5.1.11 STAMP DUTY

No stamp duty should be payable on the issue, receipt, disposal or redemption of the Bonds.

### 5.1.12 FATCA

The Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 ("**FATCA**") establish a new due diligence, reporting and withholding regime. FATCA aims to detect U.S. taxpayers who use accounts with "foreign financial institutions" ("**FFIs**") to conceal income and assets from the U.S. Internal Revenue Service ("**IRS**").

Under FATCA, a 30 per cent withholding may be imposed (i) in respect of certain U.S. source payments, (ii) from 1 January 2017 in respect of gross proceeds from the sale of assets that give rise to U.S. source interest or dividends and (iii) from 1 January 2017, at the earliest, in respect of "foreign passthru payments" (a term which is not yet defined under FATCA), which are, in each case, paid to or in respect of entities that fail to meet certain certification or reporting requirements ("**FATCA withholding**").

Financial institutions through which payments on the Bonds are made may be required to withhold on account of FATCA. A withholding may be required if (i) an investor does not provide information sufficient for the Issuer or the relevant financial institution to determine whether the investor is subject to FATCA withholding or (ii) an FFI to or through which payments on the Bonds are made is a "non-participating FFI".

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

Further, Australia and the United States signed an intergovernmental agreement ("**Australian IGA**") in respect of FATCA on 28 April 2014. The Australian Government has enacted legislation amending, among other things, the TAA to give effect to the Australian IGA ("**Australian Amendments**"). Under the Australian Amendments, Australian FFIs will generally be able to be treated as "deemed compliant" with FATCA. Depending on the nature of the relevant FFI, FATCA withholding may not be required from payments made with respect to the Bonds other than in certain prescribed circumstances. Under the Australian Amendments, an FFI may be required to provide the Australian Taxation Office with information on financial accounts (for example, the Bonds) held by U.S. persons and recalcitrant account holders and on payments made to non-participating FFIs. The Australian Taxation Office is required to provide that information to the IRS.

In the event that any amount is required to be withheld or deducted from a payment on the Bonds as a result of FATCA, pursuant to the terms and conditions of the Bonds, no additional amounts will be paid by the Issuer as a result of the deduction or withholding.

FATCA is particularly complex legislation. The above description is based in part on U.S. Treasury regulations published on 28 January 2013 and 6 March 2014, official guidance and the Australian Amendments, all of which are subject to change.

*Investors should consult their own tax advisers to determine how these rules may apply to them under the Bonds.*



## 5.2 PRIVACY

### 5.2.1 GENERAL

If you lodge an Application, Peet will collect information about you. Peet will use this information to process your Application, administer your Bonds and keep in touch with you in relation to your Bonds. Your information may also be shared within the Group so that you can be told about products, facilities or services offered or distributed by the Group or other matters concerning the Group that Peet thinks may be of interest to you.

Peet may disclose this information for these purposes to its Subsidiaries and to Peet Syndicates and joint venture entities on a confidential basis, as well as to agents, contractors and third party service providers that provide services on its or their behalf (e.g. the Registry and a printing firm or mail house engaged to print and mail statements to you). Some of these parties may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

If you used a financial adviser who recommended your investment in the Bonds (as indicated on your Application Form), Peet may disclose details of your holding to that adviser.

Peet will also disclose this information if required or permitted to do so by law or if you consent to or request the disclosure.

If you think Peet's records of your personal information are incorrect or out of date, you can contact Peet and request that your personal information be corrected. Subject to certain exceptions, you may access your personal information at any time by contacting the Registry in writing. Peet is permitted to charge a fee for such access.

You may choose not to provide your personal information or to limit the information you provide, in which case Peet may not be able to process your Application, administer your Bonds, or make payments to you.

## 5.3 SELLING RESTRICTIONS

The distribution of the Offer Documents (including electronic copies) in jurisdictions outside Australia may be restricted by law. If you come into possession of the Offer Documents in a jurisdiction outside Australia, you should seek advice on, and observe any such restrictions. If you fail to comply with such restrictions, that failure may constitute a violation of applicable securities law. Peet disclaims all liabilities to such persons. The Offer Documents and the Bonds have not been and will not be, registered in any jurisdiction other than Australia. In particular, the Bonds have not been and will not be registered under the United States Securities Act of 1933 ("**US Securities Act**"), as amended or the securities laws of any state of the United States and may not be offered or re-sold in the United States or to or for the account or benefit of US Persons except in transactions exempt from the registration requirements of the US Securities Act. The Offers and the possession or distribution of the Offer Documents may be further subject to the specific restrictions set out in the relevant Offer Specific Prospectus.

### Hong Kong

WARNING: The Offer Documents have not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor have they been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**"). No action has been taken in Hong Kong to authorise or register the Offer Documents or to permit the distribution of the Offer Documents or any documents issued in connection with it. Accordingly, the Bonds have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Bonds has been or will be issued or has been or will be in the possession of any person for the purpose of issue in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Bonds may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of the Offer Documents have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of the Offer Documents, you should obtain independent professional advice.

## 5.3 SELLING RESTRICTIONS (CONTINUED)

### New Zealand

The Offer Documents have not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). The Bonds are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

### Singapore

The Offer Documents and any other materials relating to the Bonds have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, the Offer Documents and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Bonds, may not be issued, circulated or distributed, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

The Offer Documents have been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return the Offer Documents immediately. You may not forward or circulate the Offer Documents to any other person in Singapore.

Any offer is not made to you with a view to the Bonds being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Bonds. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## 5.4 DEALINGS IN PEET BONDS

Peet or any member of the Group may purchase or resell the Bonds or cancel repurchased Bonds from time to time.

## 5.5 MATERIALS INCORPORATED BY REFERENCE

The following is a list of material referred to, but not set out in full, in this Base Prospectus. However, the material (or relevant extracts of the material) is incorporated by reference and, as such, forms part of the offer of Bonds covered by this Base Prospectus.

The following materials are available from Peet's website [www.peatbonds.com.au](http://www.peatbonds.com.au) and a copy of each document can be obtained free of charge by calling the Peet Bonds Information Line on 1300 783 261 (within Australia) or +61 3 9415 4232 (outside Australia) Monday to Friday 9.00 am to 5.00 pm (Melbourne time) during each Offer Period:

- Information on Peet's Directors, which is set out in paragraph "1. Directors" contained in the section titled "Director's Report" of Peet's annual report for 2015 which was filed with ASX on 23 October 2015;
- Information on Peet's Senior Management, which is set out in paragraph "13. Remuneration Report (Audited)" contained in the section titled "Director's Report" of Peet's annual report for 2015 which was filed with ASX on 23 October 2015;
- Information on Peet's Corporate Governance Arrangements, which is set out in the Appendix 4G ("Key to Disclosures – Corporate Governance Council Principles and Recommendations") which was filed with ASX on 23 October 2015;
- Trust Deed, which was filed with ASIC on 2 May 2016. The Bonds will be constituted under the Trust Deed, which also contains the agreement between the Issuer and the Trustee in relation to the Trustee's role, and the circumstances in which the Trustee can or must act in the interests of Holders; and
- The Base Terms (which are included as a schedule to the Trust Deed) were filed with ASIC on 2 May 2016. The Base Terms are the terms and conditions of the Bonds as referred to in the Base Prospectus. The Base Terms will be supplemented, amended, modified or replaced by the Offer Specific Terms published in the relevant Offer Specific Prospectus.

## 5.6 GOVERNING LAW

This Base Prospectus, any Offer Specific Prospectus and the contracts that arise from the acceptance of Applications are governed by the law applicable in Western Australia, Australia and each Applicant submits to the exclusive jurisdiction of the courts of Western Australia, Australia.

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## SECTION SIX

### GLOSSARY

# B

Term	Meaning
<b>\$, A\$, AUD or dollars</b>	Australian dollar currency
<b>AASB</b>	The Australian Accounting Standards Board
<b>AASB 9</b>	AASB 9 Financial Instruments, means the Australian accounting standard dealing with financial instruments as issued by the AASB
<b>AASB 10</b>	AASB 10 Consolidated Financial Statements, means the Australian accounting standard dealing with consolidated financial statements as issued by the AASB
<b>ABN</b>	Australian Business Number
<b>Actual/365 (Fixed)</b>	The meaning given in the definition of "Day Count Fraction" Clause 12.4 of the Base Terms.
<b>Additional Amount</b>	An additional amount payable by the Issuer under Clause 9.2 ("Withholding tax gross up") of the Base Terms
<b>Adjusted EBIT</b>	The adjusted earnings before interest and tax and is the numerator in the calculation of the Peet Interest Cover Ratio as shown in Section 3.8.3
<b>Adjusted Interest Expense</b>	The adjusted interest expense and is the denominator in the calculation of the Peet Interest Cover Ratio as shown in Section 3.8.3
<b>Allocation</b>	The number of Bonds allocated under the offer for each Tranche of Bonds to Applicants under each Offer tranche (as specified in the relevant Offer Specific Prospectus). Allocate has a corresponding meaning
<b>Applicant</b>	A person who lodges an Application Form in accordance with the relevant Offer Specific Prospectus
<b>Application</b>	A valid application for a particular Tranche of Bonds, as specified in the Offer Specific Prospectus, made through a completed Application Form in accordance with the relevant Offer Specific Prospectus
<b>Application Form</b>	A paper or electronic form (as the context requires) attached to, or accompanying, an Offer Specific Prospectus upon which an Application for Bonds may be made
<b>Application Monies</b>	The amount payable on each Application, being the Face Value multiplied by the number of Bonds applied for
<b>Arrangers</b>	Refer to the front cover of the relevant Offer Specific Prospectus
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASIC Guide</b>	The guide published by ASIC entitled 'Investing in corporate bonds?'
<b>ASX</b>	ASX Limited ABN 98 008 624 691 or the securities market operated by it (as the context requires)
<b>ASX Listing Rules</b>	The listing rules of ASX, with any modification or waivers which ASX may grant (as the context requires)
<b>Australian Tax Act</b>	Both the Income Tax Assessment Acts of 1936 and 1997 of Australia
<b>Base Prospectus</b>	This base prospectus which was lodged with ASIC on 2 May 2016
<b>Base Terms</b>	The base terms of the Bonds as incorporated by reference in this Base Prospectus and available on the Peet website <a href="http://www.peetbonds.com.au">www.peetbonds.com.au</a>
<b>BBSW Rate</b>	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 BBSW screen page at approximately 10.10am on the first day of the Interest Period. However, if such rate does not appear, or if it does appear but the Issuer determines that there is an obvious error in that rate, "BBSW Rate" means the rate for that day will be the rate determined by the Issuer having regard to comparable indices then available
<b>Board</b>	The board of directors of Peet acting as a board
<b>Bookbuild</b>	The process through which Syndicate Brokers and Institutional Investors bid for a firm Allocation of a particular Series of Bonds

Term	Meaning
<b>Bonds</b>	“Simple corporate bonds” to be offered by the Issuer under this Base Prospectus and the relevant Offer Specific Prospectus pursuant to sections 713A-713E of the Corporations Act, defined as “Peet Bonds” in the Base Terms
<b>Broker Firm Allocation</b>	The Allocation allocated to a Syndicate Broker through the Bookbuild process
<b>Broker Firm Offer</b>	The offer as in the relevant Offer Specific Prospectus
<b>Business Day</b>	A day which is a Business Day within the meaning of the ASX Listing Rules
<b>Business Day Convention</b>	The meaning given in Clause 12.4 of the Base Terms
<b>Cash</b>	Means cash as calculated under Australian accounting standards issued by the AASB
<b>Change of Control Event</b>	The meaning given in Clause 12.4 of the Base Terms
<b>CHES</b>	Clearing House Electronic Subregister System
<b>Clean Up Condition</b>	Has the meaning given in Clause 12.4 of the Base Terms
<b>Closing Date</b>	Refer to the “Key dates” Section of the relevant Offer Specific Prospectus
<b>Co-Managers</b>	Refer to the front cover of the relevant Offer Specific Prospectus
<b>Corporations Act</b>	Corporations Act 2001 (Cth)
<b>Corporations Regulations</b>	Corporations Regulations 2001 (Cth)
<b>Covered Period</b>	From 2 May 2016 to 2 May 2019
<b>Day Count Fraction</b>	Refer to the relevant Offer Specific Prospectus
<b>Director</b>	Director of Peet
<b>EBIT</b>	Earnings before Net Interest Expense and taxes
<b>EBITDA</b>	Earnings before Net Interest Expense, taxes, depreciation and amortisation, for the relevant reporting period
<b>Eligible Director</b>	The meaning given in the relevant Offer Specific Prospectus
<b>Eligible Employee</b>	The meaning given in the relevant Offer Specific Prospectus
<b>Eligible Shareholder</b>	The meaning given in the relevant Offer Specific Prospectus
<b>Event of Default</b>	The happening of any of the events set out in Clause 6.1 of the Base Terms
<b>Face Value</b>	Refer to the relevant Offer Specific Prospectus
<b>FATCA</b>	Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010
<b>FFIs</b>	Foreign financial institutions
<b>Financial Indebtedness</b>	Any indebtedness, present or future, actual or contingent in relation to money borrowed or raised or any other financing
<b>Following Business Day Convention</b>	The date is postponed to the first following day that is a Business Day
<b>Gearing Ratio</b>	The meaning given in regulation 6D.2.06 of the Corporations Regulations and as described in Section 3.8.2
<b>Group</b>	The Issuer, its Subsidiaries from time to time and any syndicate consolidated into the Group pursuant to AASB 10 issued by the Australian Accounting Standards Board
<b>GST</b>	The goods and services tax as defined in the A New Tax System (Goods and Services Tax) Act 1999
<b>Guarantee</b>	The guarantee of the Bonds set out in Schedule 4 to the Trust Deed

Term	Meaning
<b>Guarantor Group</b>	All entities party to the Trust Deed as "Guarantors", all of whom are wholly-owned Subsidiaries of Peet, and each other entity that has provided a Guarantee
<b>HIN</b>	Holder Identification Number
<b>Holder</b>	A registered holder of Bonds
<b>Holder Resolution</b>	Either: <ul style="list-style-type: none"> <li>• a resolution passed at a meeting of Holders duly called and held under the Meeting Provisions: <ul style="list-style-type: none"> <li>– by more than 50 per cent. of the persons voting on a show of hands (unless sub-paragraph (ii) below applies); or</li> <li>– if a poll is duly demanded, then by a majority consisting of more than 50 per cent. of the votes cast; or</li> </ul> </li> <li>• a resolution passed by postal ballot or written resolution by Holders representing (in aggregate) more than 50 per cent. of the Face Value of all of the outstanding Bonds in the series</li> </ul>
<b>Holding Statement</b>	A statement issued to Holders by the Registry which sets out the number of Bonds issued to that Holder
<b>Insolvency Event</b>	Will occur in relation to a body corporate if: <ul style="list-style-type: none"> <li>• it is (or states that it is) insolvent (as defined in the Corporations Act) or</li> <li>• it is in liquidation, in provisional liquidation, under administration (other than in circumstances where the appointment of the administrator or liquidator is stayed, withdrawn, dismissed or terminated within 30 Business Days) or wound up (each as defined in the Corporations Act)</li> </ul>
<b>Institutional Investor</b>	An investor to whom the Bonds are able to be offered under applicable laws without the need for any prospectus, registration or other formality (other than a registration or formality which Peet is willing to comply with) and who has been invited by the Lead Manager(s) to bid for the Bonds
<b>Institutional Offer</b>	The offer as described in the relevant Offer Specific Prospectus
<b>Intangible Assets</b>	Means intangible assets as calculated under Australian accounting standards issued by the AASB
<b>Interest</b>	Interest payable on each Bond in accordance with clause 2 of the Base Terms
<b>Interest Cover Ratio</b>	The meaning given in regulation 6D.2.06 of the Corporations Regulations and as described in Section 3.8.2
<b>Interest Payment Dates</b>	Refer to the relevant Offer Specific Prospectus
<b>Interest Period</b>	Each period commencing on (and including) the previous Interest Payment Date to (but excluding) the next Interest Payment Date. However: <ol style="list-style-type: none"> <li>a. the first Interest Period commences on (and includes) the Issue Date or any other date specified in the Offer Specific Terms; and</li> <li>b. the final Interest Period ends on (but excludes) the Maturity Date or a Redemption Date</li> </ol>
<b>Interest Rate</b>	Refer to the relevant Offer Specific Prospectus
<b>Inventories</b>	Means inventories as calculated under Australian accounting standards issued by the AASB
<b>IRS</b>	U.S. Internal Revenue Service
<b>Issue</b>	The process of issuing Bonds of a particular Series to Holders. Issue and Issued have corresponding meanings
<b>Issuer</b>	Peet Limited (ABN 56 008 665 834)
<b>Issue Date</b>	In respect of a Bond, the date specified in the Offer Specific Terms as the date on which the Bond is, or is to be, Issued
<b>Issue Price</b>	The price at which a Tranche of Bonds is issued



Term	Meaning
<b>IWT</b>	Interest withholding tax
<b>Key Financial Ratios</b>	The Gearing Ratio, the Working Capital Ratio and the Interest Cover Ratio. Refer to Section 3.8.2
<b>Lead Manager(s)</b>	Refer to the front cover of the relevant Offer Specific Prospectus
<b>Margin</b>	Refer to the relevant Offer Specific Prospectus
<b>Market Rate</b>	The meaning given in Clause 2.4(a) of the Base Terms
<b>Maturity Date</b>	Refer to the relevant Offer Specific Prospectus
<b>Meeting Provisions</b>	The provisions for meetings of the Holders set out in schedule 6 of the Trust Deed
<b>Modified Following Business Day Convention</b>	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
<b>Net Interest Expense</b>	For the relevant reporting period means, finance costs as disclosed on the face of Peet's consolidated statement of profit or loss, plus interest and finance costs expensed through cost of sales. This figure is disclosed in Peet's segment reporting for the full-year ended 30 June and half-year ended 31 December.
<b>Offer</b>	The offer made by Peet under this Base Prospectus and the relevant Offer Specific Prospectus of a particular Tranche of Bonds to raise the amount stated in the relevant Offer Specific Prospectus
<b>Offer Documents</b>	The Base Prospectus and the relevant Offer Specific Prospectus
<b>Offer Manager Agreement</b>	Offer management agreement entered into between Peet and the Lead Manager(s) relating to the relevant Offer
<b>Offer Period</b>	The period from the Opening Date to the Closing Date
<b>Offer Specific Prospectus</b>	The Offer Specific Prospectus relating to an Offer of a Tranche of Bonds
<b>Offer Specific Terms</b>	The offer specific terms of a tranche of Bonds contained in the relevant Offer Specific Prospectus
<b>Offshore Associate</b>	An associate (as defined in section 128F of the Australian Tax Act) of the Issuer that is either: <ul style="list-style-type: none"> <li>a. a non-resident of Australia which does not acquire the Bonds in carrying on a business at or through a permanent establishment in Australia; or</li> <li>b. a resident of Australia that acquires the Bonds in carrying on a business at or through a permanent establishment outside Australia.</li> </ul>
<b>Opening Date</b>	Refer to the "Key dates" Section of the relevant Offer Specific Prospectus
<b>Ordinary Shares</b>	Ordinary shares on issue in the Issuer
<b>Participating Brokers</b>	Any participating organisation of ASX invited by the Lead Manager to participate in the Bookbuild
<b>Peet</b>	Peet Limited (ABN 56 008 665 834)
<b>Peet Convertible Notes</b>	Peet Convertible Notes issued by Peet in 2011
<b>Peet Gearing Ratio</b>	Peet Gearing Ratio Debt divided by Peet Gearing Ratio Assets, expressed as a percentage
<b>Peet Gearing Ratio Assets</b>	Peet Group Assets less Peet Group Cash and Peet Group Intangible Assets
<b>Peet Gearing Ratio Debt</b>	Peet Group Interest Bearing Liabilities together with Peet Land Vendor Liabilities less Peet Group Cash
<b>Peet Group</b>	The Group, excluding any syndicate consolidated into the Group pursuant to AASB10 of the Australian Accounting Standards Board. These syndicates are instead treated as equity accounted associates

Term	Meaning
<b>Peet Group Assets</b>	The total assets of the Peet Group as set out in the Peet Group Financial Statements (adjusted for the market value of inventory)
<b>Peet Group Cash</b>	Cash and cash equivalents held by the Peet Group, less any cash and cash equivalents subject to a Security Interest including Security Interests held in trust for third parties, as at the date of the Peet Group Financial Statements. "Cash" and "cash equivalents" have the meanings given in the Applicable Accounting Standards
<b>Peet Group Financial Statements</b>	The annual or half year financial statements of the Peet Group derived from the most recent published annual or half year financial statements of the Group prepared in accordance with applicable law and Applicable Accounting Standards
<b>Peet Group Intangible Assets</b>	The intangible assets of the Peet Group as set out in the Peet Group Financial Statements
<b>Peet Group Interest Bearing Liabilities</b>	The total secured and unsecured borrowings of the Peet Group as set out in the Peet Group Financial Statements
<b>Peet Group Secured Interest Bearing Liabilities</b>	The total secured borrowings of the Peet Group as set out in the Peet Group Financial Statements
<b>Peet Interest Cover Ratio</b>	The meaning given in Section 3.8.3 of this Base Prospectus
<b>Peet Land Vendor Liabilities</b>	The total land vendor liabilities of the Peet Group as set out in the Peet Group Financial Statements
<b>Peet Offer</b>	The Offer as described in the Offer Specific Prospectus
<b>Peet Secured Gearing Ratio</b>	Peet Secured Gearing Ratio Debt divided by Peet Gearing Ratio Assets, expressed as a percentage
<b>Peet Secured Gearing Ratio Debt</b>	Peet Group Secured Interest Bearing Liabilities (excluding Peet Land Vendor Liabilities) less Peet Group Cash
<b>Peet Syndicates</b>	Companies or trusts established by Peet using external equity capital, including such entities where Peet and/or one of its wholly-owned Subsidiaries co-invests with external equity capital providers
<b>Permitted Security Interest</b>	A Security Interest granted in connection with any Relevant Indebtedness, provided that after giving pro-forma effect to the incurrence of such Relevant Indebtedness based on the Peet Group Financial Statements and the application of the proceeds thereof, the Peet Secured Gearing Ratio would not be greater than the percentage specified in the Offer Specific Terms
<b>Programme</b>	A programme for the issuance of Bonds
<b>Redemption</b>	In relation to a Bond, to redeem that Bond in accordance with Clause 5 of the Base Terms. "Redeem" and "Redeemed" have corresponding meanings
<b>Redemption Amount</b>	In respect of a Bond, the Face Value plus the accrued Interest for the period from (and including) the preceding Interest Payment Date to (but excluding) the Redemption Date
<b>Redemption Date</b>	In respect of a Bond, the Maturity Date or any earlier date specified by the Issue as the Redemption Date in accordance with the Terms
<b>Register</b>	The register of Bonds maintained by the Registry on Peet's behalf and including any sub-register established and maintained in CHES
<b>Registry</b>	Computershare Investor Services Pty Limited or such other person as may be appointed registrar of the Bonds from time to time
<b>Reinvestment Offer</b>	The offer to holders of Peet Convertible Notes to subscribe for Bonds using proceeds from the Peet Convertible Notes

Term	Meaning
<b>Relevant Indebtedness</b>	Means: <ul style="list-style-type: none"> <li>• notes, bonds, debentures, loan stock, bearer participation certificates, depositary receipts, certificates of deposit or other similar securities or instruments (including Bonds of another Series, but not including the Bonds of the relevant Series) evidencing indebtedness of the Issuer or a Guarantor which are for the time being, or are intended to be or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or on any other public securities market (whether or not initially distributed by way of private placement); and</li> <li>• any indebtedness of the Issuer or a Guarantor owing under syndicated or term loan arrangements (excluding any loan made by the Issuer to a Guarantor or a Guarantor to the Issuer)</li> </ul> <p>in each case, which is incurred on or after the Issue Date</p>
<b>Security Interest</b>	A mortgage, charge, pledge, lien or other security interest securing any obligation
<b>Series</b>	An issue of Peet Bonds made up of one or more Tranches, all of which are expressed to be consolidated and form a single series and are issued on the same Terms, except that the Issue Date and interest commencement date may be different in respect of different Tranches of a Series.
<b>SFA</b>	Securities and Futures Act of Singapore
<b>SFO</b>	Securities and Futures Ordinance (cap. 571) of the Laws of Hong Kong
<b>Special Resolution</b>	Either: <ul style="list-style-type: none"> <li>• a resolution passed at a meeting of Holders duly called and held under the Meeting Provisions: <ul style="list-style-type: none"> <li>– by more than 75 per cent. of the persons voting on a show of hands (unless sub-paragraph (ii) below applies); or</li> <li>– if a poll is duly demanded, then by a majority consisting of more than 75 per cent. of the votes cast; or</li> </ul> </li> </ul> <p>a resolution passed by postal ballot or written resolution by Holders representing (in aggregate) more than 75 per cent. of the Face Value of all of the outstanding Bonds in the series</p>
<b>SRN</b>	Securityholder Reference Number
<b>Subsidiary</b>	The meaning given to that term in Division 6 of Part 1.2 of the Corporations Act
<b>Syndicate Broker</b>	Any of the Lead Manager(s), Co-Managers and Participating Brokers
<b>TAA</b>	Tax Administration Act 1953 of Australia
<b>Tax</b>	Any tax, levy, impost, charge or duty (including stamp and transaction duties) imposed by any authority and any related interest, penalty, fine or expense in connection with it, except if imposed on, or calculated having regard to, the net income of the Holder
<b>Tax Act 1936</b>	Income Tax Assessment Act, 1936 (Cth)
<b>Tax Act 1997</b>	Income Tax Assessment Act, 1997 (Cth)
<b>Tax Event</b>	The meaning given in Clause 12.4 of the Base Terms
<b>Terms</b>	The full terms of each Series of Bonds as set out in the Base Terms as supplemented, amended, replaced or as modified by the terms of a particular Tranche of Bonds set out in the relevant Offer Specific Prospectus
<b>TFN</b>	Tax File Number
<b>Total Assets</b>	Total assets as calculated under Australian accounting standards issued by the AASB
<b>Tranche</b>	An Offer of Bonds specified as such in the applicable Offer Specific Prospectus

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<b>Term</b>	<b>Meaning</b>
<b>Trust Deed</b>	The trust deed dated 2 May 2016 between Peet and the Trustee, pursuant to which the Bonds may be issued (as amended or supplemented from time to time)
<b>Trustee</b>	Australian Executor Trustees Limited (ACN 007 869 794) or such other trustee as may hold office as trustee under the Trust Deed from time to time.
<b>Working Capital Ratio</b>	The meaning given in regulation 6D.2.06 of the Corporations Regulations and as described in Section 3.8.2

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**Peet Limited**

ACN 008 665 834

Level 7, 200 St Georges Terrace Perth WA 6000

Telephone (08) 9420 1111 | Facsimile (08) 9481 4712

[www.peet.com.au](http://www.peet.com.au)

**PEET**