

7 September 2016

The logo for QUBE, featuring the word "QUBE" in a bold, yellow, sans-serif font against a dark grey rectangular background.

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ASX Announcement / Media Release

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Offer opens for Qube subordinated notes

Qube Holdings Limited (ASX:QUB) announced today it has lodged a replacement prospectus with the Australian Securities and Investments Commission in relation to its offer of Qube Subordinated Notes ("Offer").

The Offer opens today and follows the announcement made by Qube on 1 September 2016 regarding the completion of the bookbuild and the Margin being set at 3.90% per annum.

As announced on 1 September 2016, Qube has increased the Offer size to \$300 million, with the option to raise more or less. The final size of the Offer will depend on the volume of applications received under the Shareholder Offer. Qube reserves the right to scale back applications.

Further information is available in the replacement prospectus attached to this announcement.

Enquiries

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COPIES OF RELEASES

Copies of previous media and ASX announcements issued by Qube are available at Qube's website at www.qube.com.au.

Not for distribution in the United States.

This release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States (as defined in Regulation S of the U.S. Securities Act of 1933, as amended ("U.S. Securities Act")). Notes have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable laws.

QUBE SUBORDINATED NOTES

Prospectus for the issue of Qube Subordinated Notes to be listed on ASX



Issuer

Qube Holdings Limited
ABN 14 149 723 053

Joint Structuring Advisers

National Australia Bank
UBS

Joint Lead Managers

ANZ Securities
National Australia Bank
UBS

Co-Managers

Crestone Wealth Management
JBWere
Morgans

IMPORTANT NOTICES

This Prospectus

This Prospectus is issued by Qube Holdings Limited (ABN 14 149 723 053) ("Qube").

This Prospectus is dated and was lodged with the Australian Securities and Investments Commission ("ASIC") on 7 September 2016. This is a replacement prospectus that replaces the prospectus dated and lodged with ASIC on 30 August 2016 ("Original Prospectus"). This Prospectus expires on the date which is 13 months after 30 August 2016 ("Expiry Date") and no subordinated notes ("Notes") will be issued on the basis of this Prospectus after the Expiry Date.

Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is only available to investors and Eligible Shareholders within Australia in electronic form at www.qubenotes.com.au. The Offer constituted by this Prospectus in electronic form is available only to persons accessing and downloading or printing the electronic copy of the Prospectus within Australia and is not available to persons in any other jurisdictions (including the United States) without the prior approval of Qube and the Joint Lead Managers.

Persons in Australia having received a copy of this Prospectus in its electronic form may, during the Offer Period, obtain a paper copy of this Prospectus (free of charge) by telephoning the Qube Notes Offer Information Line on 1300 850 505 or +61 3 9415 4000 (Monday to Friday—8:30am to 5:00pm (Sydney time)).

Applications for Notes may only be made on an Application Form that is attached to or accompanying this Prospectus following the opening of the Offer. A printable version of this Prospectus may be downloaded in its entirety from www.qubenotes.com.au. If you access an electronic copy of this Prospectus, then you should read "Electronic access to this Prospectus" in Section 6.1 for further information.

Offer

The Offer contained in this Prospectus is an initial public offering of \$300 million of Notes at \$100 per Note with the ability to raise more or less. Refer to Section 1 for further information.

Refunds

If you are not allocated any Notes, or you are allocated fewer Notes than the number of Notes that you applied for, all or some of your application payment (as applicable) will be returned to you (without interest) as soon as possible after the Issue Date. If the Offer does not proceed for any reason, any application payment you have made will be refunded to you (without interest) as soon as possible. No interest will be payable on refunded application payments. Refunds will be made via direct credit (if Qube holds payment instructions on file) or by cheque.

Providing personal information

You will be asked to provide personal information to Qube (directly or via its agents) if you apply for Notes. See section 9.4 and Qube's privacy policy which is available at www.qube.com.au/legal/privacy for

information on how Qube (and its agents) collects, holds and uses this personal information.

Restrictions on distribution

This Prospectus does not constitute an offer of Notes or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. Refer to Section 6.3.2 for further information.

Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Notes are being offered and sold outside the United States only in reliance on Regulation S of the U.S. Securities Act ("Regulation S").

Exposure Period

In accordance with the Corporations Act, the Original Prospectus was subject to an exposure period of seven days from the date of lodgement of the Original Prospectus with ASIC during which the Corporations Act prohibits the processing of applications for Notes ("Exposure Period"). This period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable the Original Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of certain deficiencies in this Prospectus in which case any application may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on applications received during the Exposure Period.

Financial information and forward looking statements

Section 4 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of that information is also set out in Section 4.

All financial amounts contained in this Prospectus are expressed in Australian dollars and are rounded to the nearest million unless otherwise stated. Any discrepancies between totals and the sum of components in tables contained in this Prospectus are due to rounding.

This Prospectus contains forward looking statements which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties.

Any forward looking statements are subject to various risk factors that could cause Qube's actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with the other information in this Prospectus, in particular the risk factors as set out in Section 5.

Defined terms

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary in Appendix C of this Prospectus and in Clause 17.2 of the Terms

in Appendix A. If there is any inconsistency in definitions between the Prospectus and the Terms, the definitions in the Terms prevail.

Time

Unless otherwise stated or implied, references to times in this Prospectus are to Sydney time.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. You should rely only on information in this Prospectus.

Except as required by law, and only to the extent so required, neither Qube nor any other person warrants or guarantees the future performance of Qube, or any return on any investment made pursuant to this Prospectus.

About the Trustee

The Trustee, being Australian Executor Trustees Limited:

- has not made any statement or purported to make any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than as specified below;
- to the maximum extent permitted by law expressly disclaim all liability in respect of, make no representation or any statement regarding, and take no responsibility for, any part of this Prospectus, or any statements in, or omissions from this Prospectus, other than the references to its name and the statement(s) and/or report(s) (if any) specified below and included in the Prospectus with its written consent;
- has given and has not, before the lodgement of the Prospectus with ASIC, withdrawn its written consent:
 - to be named in the Prospectus in the form and context in which it is named; and
 - to the inclusion in the Prospectus of the statement(s) and/or report(s) (if any) by that person in the form and context in which they appear in the Prospectus;
- does not, nor does any related person, make any representation as to the truth and accuracy of the contents of the Prospectus;
- has relied on Qube for the accuracy of the contents of this Prospectus, and
- does not, nor does any related person, make any representation or warranty as to the performance of Notes or the payment of Interest or the redemption of Notes.

The interest payments on Notes are obligations of Qube 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 Notes in accordance with their terms is a direct obligation of Qube. 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 Notes.

HOW TO APPLY FOR QUBE SUBORDINATED NOTES

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

Website

Qube maintains a website at www.qube.com.au. Information contained in, or otherwise accessible through, this or a related website is not a part of this Prospectus.

Further queries

If you are considering applying for Notes under the Offer, this Prospectus is important and should be read in its entirety.

If you have any questions in relation to the Offer, please call the Qube Notes Offer Information Line on 1300 850 505 or +61 3 9415 4000 (Monday to Friday—8:30am to 5:00pm (Sydney time)).

ASIC has published guidance for retail investors who are considering investing in hybrid securities (such as Notes). You can find this guidance by searching 'hybrid securities' at www.moneysmart.gov.au. Retail investors can also call ASIC on 1300 300 630 for further information. ASIC's information on hybrid securities describes, in general terms, potential features of hybrid securities. Investors should carefully assess the specific terms of Notes as described in this Prospectus, which may differ from the general terms described on the ASIC website.

The information provided in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs as an investor. You should carefully read the whole of this Prospectus and consider all of the risk factors that could affect the performance of Notes or Qube in light of your personal circumstances (including financial and taxation issues). Some of the risk factors that you should consider are set out in Section 5. If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in Notes, it is recommended that you seek professional guidance from an independent and appropriately licensed or authorised professional adviser before deciding whether to invest.

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- 1. Read this Prospectus in full**
 - This Prospectus is important and should be read in its entirety.
 - You should have particular regard to the:
 - “Important notices” at the front of this Prospectus;
 - “Investment overview” in Section 1 and “About Qube Subordinated Notes” in Section 2;
 - “Investment risks” in Section 5; and
 - Terms of Issue in Appendix A.
 - In considering whether to apply for Notes, it is important that you consider all risks and other information regarding an investment in Notes in light of your particular investment objectives and circumstances.
-
- 2. Speak to your professional adviser**
 - If you are unsure whether to apply for Notes, you should seek professional guidance from an independent and appropriately licenced professional adviser before deciding whether to invest.
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- 3. Consider ASIC guidance for retail investors**
 - ASIC has published guidance on its MoneySmart website which may be relevant to your consideration of whether to invest in Notes. You can find this guidance by searching 'hybrid securities' at www.moneysmart.gov.au.
 - The guidance includes a series of questions you should ask before you invest in hybrid securities, as well as a short quiz to check your understanding of how hybrids work, their features and risks.
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- 4. Complete and submit your Application Form and application monies (as necessary)**
 - The application process varies depending on whether you participate in the Institutional Offer, Broker Firm Offer or Shareholder Offer.
 - If you have decided to apply for Notes under the Shareholder Offer, you need to apply using the Application Form (either electronic or paper) attached to or accompanying this Prospectus. Your application monies (and paper Application Form, if paying by cheque or money order) must be received by the Closing Date for the Shareholder Offer, expected to be 5:00pm (Sydney time) on 28 September 2016.
 - If you are applying under the Broker Firm Offer, you should contact your Syndicate Broker. Your application must be received by the Closing Date for the Broker Firm Offer, expected to be 10:00am (Sydney time) on 4 October 2016.
 - The Offer may close early so you are encouraged to consider submitting your application as soon as possible after the Opening Date.
 - See Section 6.2 for more details on how to apply for Notes.
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KEY DATES

Key dates for the Offer	Date
Record Date for Eligible Shareholders	25 August 2016
Lodgement of the Original Prospectus with ASIC	30 August 2016
Bookbuild to determine the Margin	1 September 2016
Announcement of the Margin	1 September 2016
Lodgement of this Prospectus with ASIC	7 September 2016
Opening Date for the Offer	7 September 2016
Closing Date for the Shareholder Offer	5:00pm (Sydney), 28 September 2016
Closing Date for the Broker Firm Offer	10:00am (Sydney), 4 October 2016
Issue Date	5 October 2016
Notes begin trading on ASX (on a deferred settlement basis)	6 October 2016
Holding Statements despatched by Registry	7 October 2016
Notes begin trading on ASX (on a normal settlement basis)	10 October 2016
Key dates for Qube Subordinated Notes	Date
First Interest Payment Date ¹	5 January 2017
Maturity Date	5 October 2023

DATES MAY CHANGE

The key dates are indicative only and may change without notice.

Qube and the Joint Lead Managers may agree to vary the timetable, including extending any Closing Date, closing the Offer early without notice or accepting late applications, whether generally or in particular cases, or withdrawing the Offer at any time before Notes are issued.

If you wish to apply for Notes, you are encouraged to apply as soon as possible after the Opening Date.

CHANGES IN THIS PROSPECTUS FROM THE ORIGINAL PROSPECTUS

This Prospectus dated 7 September 2016 differs from the Original Prospectus in certain respects. The key differences are set out below.

The Bookbuild to determine the Margin was completed on 1 September 2016, with the Margin set at 3.90% per annum.

Qube has increased the size of the Offer to \$300 million, with the ability to raise more or less. As a result of the increased size of the Offer, consequential changes have been made in this Prospectus (including the pro forma financial information in Section 4.5 and the information on financial ratios in Section 4.6). The expenses of the Offer are now expected to be approximately \$7.1 million with net proceeds of approximately \$293 million.

Following completion of the Bookbuild, Qube has determined that a general offer to members of the public in Australia will no longer be conducted.

The end date for the satisfaction of conditions precedent for the financial close of the contractual arrangements for the Moorebank Intermodal Project has been extended from 5 September 2016 to 23 September 2016.

As announced to the ASX on 2 September 2016, Robert Dove has resigned as a non-executive director.

The relevant interest in Ordinary Shares held by Alan Miles has been updated to 7,644 Ordinary Shares.

In light of the changes made to the Original Prospectus, you are encouraged to carefully review this Prospectus even if you have read the Original Prospectus.

1. Interest Payments are scheduled to be paid quarterly in arrears on the Interest Payment Dates being each 5 April, 5 July, 5 October and 5 January each year unless deferred in accordance with the Terms. If any Interest Payment Date is not a Business Day, then the Interest Payment Date will occur on the next Business Day.

CHAIRMAN'S LETTER

1 September 2016

Dear investor

On behalf of the Board, I am pleased to offer you the opportunity to invest in Qube Subordinated Notes (or "Notes").

Qube is one of Australia's largest providers of integrated import and export logistics services targeting freight moving to and from ports. In addition to its existing operations covering port and bulk logistics, landside logistics and strategic development assets, Qube has recently acquired 50% of the Patrick Terminals business ("Patrick") and agreed to acquire the remaining 33% of the Moorebank land and related intermodal terminal development project ("Moorebank"). These completed and announced (but not yet completed) acquisitions represent key milestones in achieving the company's vision, providing it with ownership of high quality infrastructure assets that complement Qube's existing operations and position it for long term growth.

Notes are subordinated notes with a Maturity Date on 5 October 2023, seven years after the Issue Date, and are intended to be listed on ASX.

Holders will receive quarterly interest payments at a rate equal to the Bank Bill Rate plus a margin ("Margin"). The Margin was determined under the Bookbuild and is 3.90% per annum.

Qube intends to raise \$300 million through the offer of Notes, with the ability to raise more or less. The Offer forms part of Qube's ongoing funding strategy and the proceeds will be used for general corporate purposes including the development of the Moorebank project and for funding other growth opportunities for Qube.

This Prospectus contains information about Qube and the Offer. You should read this Prospectus carefully before deciding whether to invest in Notes and, in particular, you should consider the risk factors set out in Section 5 before deciding whether to apply for Notes.

If, after reading this Prospectus, you have any questions about the Offer or how to apply for Notes, please call the Qube Notes Offer Information Line on 1300 850 505 or +61 3 9415 4000 (Monday to Friday—8:30am to 5:00pm (Sydney time)) or contact your broker. If you are uncertain whether Notes are a suitable investment, you should consult an independent and appropriately licensed or authorised professional adviser.

On behalf of the Board, I invite you to consider this investment opportunity.

Yours faithfully



Chris Corrigan, Chairman

Qube Holdings Limited



01.
INVESTMENT
OVERVIEW

01. INVESTMENT OVERVIEW

This Section provides a summary of key information that may help you assess whether to invest in Notes.

1.1 Key features of the Offer

Topic	Summary	Further information
Who is the issuer?	<ul style="list-style-type: none"> Qube Holdings Limited (ABN 14 149 723 053), being an S&P/ASX 100 company listed on the ASX with a market capitalisation of approximately A\$3.8 billion (as at 26 August 2016). Qube is one of Australia's largest providers of integrated import and export logistics services. 	Section 3.1
What are Qube Subordinated Notes?	<ul style="list-style-type: none"> Qube Subordinated Notes (or "Notes") are subordinated notes with a Maturity Date seven years after the Issue Date (5 October 2023). Holders will be entitled to receive quarterly interest payments at a rate equal to the Bank Bill Rate plus the Margin. 	Section 1.2 and Section 2
What are the key Offer details?	<ul style="list-style-type: none"> Offer size is \$300 million, with the ability to raise more or less. Issue Price is \$100 per Note. This is also the Face Value. 	Section 2.1
What is the purpose of the Offer?	<ul style="list-style-type: none"> The Offer forms part of Qube's ongoing funding strategy. The proceeds will be used for general corporate purposes including the development of Moorebank and for funding other growth opportunities for Qube. 	Section 2.1
Important matters to be aware of	<p>No conversion or voting rights</p> <ul style="list-style-type: none"> Notes are not convertible into Ordinary Shares (or any other securities) and have no rights to vote. <p>ASX listed</p> <ul style="list-style-type: none"> Holders may seek to sell Notes on ASX but there is no guarantee they will be able to do so, or do so at an acceptable price. This may particularly be the case if Qube's financial position or performance, or broader economic or market conditions, materially deteriorate. <p>Seek professional advice</p> <ul style="list-style-type: none"> If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in Notes, you should seek professional guidance from an independent and appropriately licensed or authorised professional adviser before deciding whether to invest. 	Section 1.3 and Section 5

1.2 Key terms of Qube Subordinated Notes

Topic	Summary	Further information
Interest Payments	<ul style="list-style-type: none"> Interest Payments are floating rate and payable quarterly in arrears. Floating interest rate equal to the Bank Bill Rate plus the Margin. The Margin was determined under the Bookbuild and is 3.90% per annum. Interest is to be paid by direct credit or, at Qube's option, by cheque. Interest Payments will not have any franking credits attached to them. 	Section 2.2 Clauses 3 and 5.1 of the Terms

Topic	Summary	Further information													
Maturity Date	<ul style="list-style-type: none"> 5 October 2023 (seven years after the Issue Date). Qube is not obliged to redeem Notes before the Maturity Date (unless an Event of Default occurs and is subsisting, and the requisite proportion of Holders specified in the Terms directs or requests the Trustee to notify Qube that Notes are to be redeemed). The circumstances in which Qube may redeem Notes before the Maturity Date are described below. 	Section 2.3 and Clauses 4.1 and 9.1 of the Terms													
Qube's redemption rights	<ul style="list-style-type: none"> Qube may redeem all Notes at any time if a Change of Control Event, Clean-up Event or Tax Event occurs. 	Section 2.3.5 Clause 4.2 of the Terms													
Holders' redemption rights	<ul style="list-style-type: none"> Holders have no redemption rights prior to the Maturity Date, except where there is a Change of Control Event 	Section 2.3.4 Clauses 4.3 and 9.1 of the Terms													
Unsecured	<ul style="list-style-type: none"> Notes are unsecured, meaning repayment is not secured by a mortgage, charge or other security over any of Qube's assets. 	Section 2.4.1 Clause 1.1 of the Terms													
Ranking	<ul style="list-style-type: none"> Notes constitute unsecured and subordinated debt obligations of Qube and will at all times rank equally and without any preference among themselves In the event of winding-up of Qube, Notes will rank: <ul style="list-style-type: none"> – ahead of Ordinary Shares; – equal with any other subordinated creditors which rank or are expressed to rank pari passu with Notes (of which there are currently none); and – behind all unsubordinated (or senior) creditors, and any subordinated creditors not ranking or expressed to rank pari passu with the Notes. 	Section 2.4 Clause 2.1 of the Terms													
Subordinated	<ul style="list-style-type: none"> The table below illustrates how the Notes would rank upon a liquidation of Qube and Qube's obligations in respect of existing debt facilities and equity: <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Existing debt instruments and equity</th> <th>Amount drawn/ on issue²</th> </tr> </thead> <tbody> <tr> <td rowspan="2" style="vertical-align: middle;">Higher ranking</td> <td>Bank debt and finance leases</td> <td>\$592 million</td> </tr> <tr> <td>Qube Subordinated Notes</td> <td>\$300 million</td> </tr> <tr> <td rowspan="2" style="vertical-align: middle;">Lower ranking</td> <td>Preference Shares</td> <td>Nil³</td> </tr> <tr> <td>Ordinary Shares</td> <td>\$2,271 million</td> </tr> </tbody> </table>		Existing debt instruments and equity	Amount drawn/ on issue ²	Higher ranking	Bank debt and finance leases	\$592 million	Qube Subordinated Notes	\$300 million	Lower ranking	Preference Shares	Nil ³	Ordinary Shares	\$2,271 million	Section 2.4 Clause 2.1 of the Terms
	Existing debt instruments and equity	Amount drawn/ on issue ²													
Higher ranking	Bank debt and finance leases	\$592 million													
	Qube Subordinated Notes	\$300 million													
Lower ranking	Preference Shares	Nil ³													
	Ordinary Shares	\$2,271 million													
Listing	<ul style="list-style-type: none"> Application will be made for Notes to be quoted on ASX under the code "QUBHA" 	Sections 2.1.7 and 6.3.3													

1.3 Comparison between Ordinary Shares, Notes, typical corporate senior bonds and hybrids

There are differences between Ordinary Shares, Qube Subordinated Notes, typical corporate senior bonds and hybrids that may be issued by corporate issuers. You should consider these differences in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) before deciding whether to invest in Notes.

2. Pro Forma, as at 30 June 2016. See Section 4.5 for details of Pro Forma adjustments.

3. Currently Qube does not have any preference shares on issue.

01. INVESTMENT OVERVIEW (CONT.)

The following comparison is a summary only, and does not encompass all of Qube's funding sources. For further information about Qube's funding sources, refer to Section 4.

	Ordinary Shares	Typical corporate hybrid	Qube Subordinated Notes	Typical senior corporate bonds
Legal form	Shares	Notes	Notes	Notes or debentures
Security	Not applicable	Unsecured	Unsecured	Typically unsecured
Term	Perpetual (unless bought back)	Typically 60 years	7 years	Typically 3 to 15 years
Call date(s)	None	Typically from 5 years	None	Typically none. Longer dated instruments may have call or prepayment rights subject to payment of a make-whole amount
Payments	Dividends, payable at the absolute discretion of the Board. Dividends can have franking credits attached to them	Deferrable, payable at the absolute discretion of the Board	Compulsory interest payments. Interest payments cannot have any franking credits attached to them	Interest payments typically payable on a compulsory basis with no provision for deferral. Interest payments cannot have any franking credits attached to them
Payment amounts	Based on Qube's level of profitability and the Board's prevailing dividend policy (though ultimately at the absolute discretion of the Board), subject to the Corporations Act	Based on a floating or fixed rate	Based on a floating rate as described in Section 2.2	Based on a floating or fixed interest rate
Payment accumulation	None	Deferred interest payments are typically cumulative	Unpaid interest payments are cumulative and compounding	Unpaid interest payments are cumulative and compounding
Ranking in the event of a winding-up	Rank behind all other securities and obligations	Rank senior only to ordinary equity	Rank ahead of Ordinary Shares and behind all unsubordinated (or senior) creditors of Qube	Rank ahead of all subordinated creditors including Notes and all classes of shares
Voting rights	Yes	No	No	No
Transferability	Quoted and can be traded on ASX under the code 'QUB'	Can be traded on ASX. Likely to be less liquid than Ordinary Shares and it is possible that no liquid market may develop	Expected to be quoted and, if so, can generally be traded on ASX under the code "QUBHA" Likely to be less liquid than Ordinary Shares and it is possible that no liquid market may develop	Yes, although typically not quoted

1.4 Overview of Qube

Topic	Summary	Further information
One of Australia's largest provider of integrated import and export logistics services	<ul style="list-style-type: none"> Qube has nationwide operations near ports and rail facilities from which it provides a broad range of logistics services. Listed on the ASX with a market capitalisation of A\$3.8 billion (as at 26 August 2016), Qube employs around 3,400 full time employees and operates three divisions covering port and bulk logistics, landside logistics and strategic development assets. 	Section 3.1
Logistics division	<ul style="list-style-type: none"> Qube Logistics operates across 36 sites nationally, providing an integrated suite of logistics solutions covering multiple aspects of the supply chain, including the physical and documentary processes and tasks such as road and rail transport of containers to and from ports (and related services). 	Section 3.2.1
Ports & Bulk division	<ul style="list-style-type: none"> Qube's Ports & Bulk division is focused on the provision of stevedoring, processing, storage and logistics services relating to the import and export of mainly non-containerised freight, with a major focus on automotive, bulk and break bulk products in Australia and New Zealand. It includes Qube Ports & Bulk as well as three associates being Australian Amalgamated Terminals (Qube interest: 50%), Northern Stevedoring Services (Qube interest: 50%) and PrixCar (Qube interest: 25%). 	Section 3.2.2
Strategic Assets division (Moorebank)	<ul style="list-style-type: none"> The Moorebank intermodal terminal development is a 243ha area located in the south-western Sydney suburb of Moorebank. It is expected to become the largest intermodal logistics precinct in Australia. Qube's import-export ("IMEX") and interstate rail terminal operations are expected to handle up to 1.5 million TEUs per annum. Related logistics activities planned to be undertaken on the site include high specification warehousing, distribution, customs and quarantine processing. 	Section 3.2.3
Strategic Assets division (other assets)	<ul style="list-style-type: none"> Qube has a number of other strategic assets within its portfolio including a 37.5% interest in the Quattro Ports grain storage and handling joint venture, a 50% interest in the TQ Holdings fuel storage joint venture, and a 100% interest in land at Minto. The Minto land is presently leased to PrixCar but the site could be developed in the future as an intermodal terminal with a rail terminal and related warehousing. 	Section 3.2.3
Patrick Terminals business ("Patrick")	<ul style="list-style-type: none"> In August 2016, Qube completed the acquisition of a 50% interest in Patrick from Asciano Limited ("Asciano"). The business is one of two major established national operators providing container stevedoring services in the Australian market with operations in the four largest container ports in Australia. Qube's interest in Patrick is expected to be reported through one of Qube's existing divisions or in a newly created Terminals division. 	Section 3.2.4

01. INVESTMENT OVERVIEW (CONT.)

Topic	Summary	Further information
Business strategy	<ul style="list-style-type: none"> Qube's business strategy is to acquire, develop and operate key strategic assets in Australia's logistics supply chain. In particular, Qube seeks to deliver value for investors over the medium to long term by developing logistics solutions to address inefficiencies in import and export logistics chains for the benefit of its customers. Qube's recent acquisition of a 50% interest in Patrick and development of the Moorebank project are a continuation of this strategy and are expected to bring significant benefits to Qube and its customers. 	Section 3.3

1.5 Key risks associated with Qube Subordinated Notes

Topic	Summary	Further information
Notes are subordinated obligations	<ul style="list-style-type: none"> There may be a shortfall of funds to pay all amounts ranking senior to and equally with Notes in an event of a winding-up of Qube. This would result in Holders not receiving any payment if claims ranking senior to Notes were not satisfied in full, or otherwise not receiving payment in full. 	Section 5.1.1
Changes in Interest Rate	<ul style="list-style-type: none"> The Interest Rate is a floating rate, equal to the sum of the Bank Bill Rate plus the Margin. The Bank Bill Rate will fluctuate and therefore the Interest Rate will fluctuate. Over the term of Notes, the Interest Rate may be lower or higher than the initial Interest Rate on the Issue Date. If the Interest Rate decreases, there is a risk that the return on Notes may become less attractive compared to returns on other investments, including investments which carry fixed interest rates. Qube does not guarantee any particular rate of return on Notes. 	Section 5.1.2
Qube may redeem Notes under certain circumstances	<ul style="list-style-type: none"> The Redemption Amount may be less than the current market value of Notes at the time of redemption. The timing of redemption of Notes may not accord with a Holder's individual financial circumstances or tax position. 	Section 5.1.3
No rights for Holders to request or require redemption	<ul style="list-style-type: none"> Holdings have no right to request or require redemption of Notes before 5 October 2023 (the Maturity Date), unless an Event of Default occurs and is subsisting, and other conditions are met, or on a Change of Control Event and other conditions are met. Unless redeemed by Qube, Holders can only realise their investment in Notes by a sale on ASX or a private sale or on the Maturity Date. There is a risk that the sale price on ASX or under private sale will be less than the Issue Price or market value of Notes. Brokerage fees may also be payable if Notes are sold through a broker. 	Section 5.1.4

Topic	Summary	Further information
No limitation on issuing senior or equal ranking securities	<ul style="list-style-type: none"> The Directors are at all times authorised to issue further notes (whether redeemable or not) or other securities which rank ahead of, equally with or behind Notes, whether in respect of distributions or dividends, ranking on a Winding-Up or otherwise. However, under the Offer Management Agreement, Qube has undertaken not to issue ASX listed hybrid securities or ASX listed debt securities for 120 days after completion of the Offer. Nothing in the Terms prevents Qube from granting security in respect of its existing debts, or debts which it may incur in the future, and if it did so those debts would rank ahead of the Notes in a Winding-Up. 	Sections 5.1.5 and 9.2.5
The market price for Notes may fluctuate	<ul style="list-style-type: none"> The market price of Notes may fluctuate and they may trade below the Face Value due to various factors, including investor perceptions, global economic conditions, interest rates, credit spreads, movements in the market price of Ordinary Shares or senior or other subordinated debt 	Section 5.2.1
Liquidity of trading in the Notes is not certain	<ul style="list-style-type: none"> Qube will apply for Notes to be listed on ASX. However, Notes will have no established trading market when issued and a trading market may never develop. Insufficient liquidity may have an adverse effect on a Holders' ability to sell their Notes and Notes may trade at a market price below their Face Value. The market for Notes is likely to be less liquid than the market for Ordinary Shares and you may be unable sell your Notes at an acceptable price, if at all. 	Section 5.2.2
Qube may issue further securities	<ul style="list-style-type: none"> Qube may raise further debt or issue securities that rank equally with or ahead of Notes. This may affect a Holder's ability to be repaid on a winding-up of Qube. 	Section 5.1.9
Holders' enforcement rights may be restricted	<ul style="list-style-type: none"> Enforcement of Holders' rights requires the taking of action by the Trustee. The Trustee is not bound to take any action under the Trust Deed unless it is directed to do so in writing by Holders of at least 25% of the total Face Value of all Notes outstanding or by a Special Resolution of the Holders, the Trustee's liability is limited as noted in Section 9.1.3 and the Trustee has been indemnified against any expense or liability which it may thereby incur. 	Section 5.1.7
Qube may fail to pay Face Value, Interest or other amounts	<ul style="list-style-type: none"> There is a risk that Qube may not pay when scheduled or default on payment of some or all of the Face Value, Interest or other amounts payable on Notes. If Qube does not pay the amount owing, Holders may lose some or all of the money invested in Notes. 	Section 5.1.8
Qube may alter the Terms under certain circumstances	<ul style="list-style-type: none"> Subject to the Terms and complying with the Corporations Act and all other applicable laws, Qube may, without the consent of the Holders or the Trustee, alter the Terms in certain circumstances. 	Section 5.1.10
There may be tax consequences from investing in Notes	<ul style="list-style-type: none"> A general description of the Australian taxation consequences of investing in Notes is set out in Section 7. Holders should be aware that there is a risk that the Commissioner of Taxation may take a different view to the conclusions described in Section 7. 	Section 5.1.6
More information about these and other risks associated with Notes	<ul style="list-style-type: none"> There are a number of other risks associated with an investment in Notes, which are outlined in Section 5.1 	

01. INVESTMENT OVERVIEW (CONT.)

1.6 Key risks associated with Qube and its associates

Topic	Summary	Further information
Economic conditions	<ul style="list-style-type: none"> The operating and financial performance of Qube's businesses are influenced by a variety of general economic and business conditions. Australian economic growth and population growth are key variables in relation to demand for consumer goods, many of which are imported through Australia's container terminals. 	Section 5.3.1
Key personnel	<ul style="list-style-type: none"> The operational and financial performance of Qube's businesses is influenced by its ability to attract and retain experienced management. 	Section 5.3.2
Access to property and rent expense	<ul style="list-style-type: none"> Some of Qube's businesses, including those of its associates, lease and license significant infrastructure and other properties and assets such as rail terminals, container parks and stevedoring facilities. These leases and licences carry renewal risk upon expiry. These businesses are heavily reliant upon long term access to critical sites/properties. <ul style="list-style-type: none"> For example, the Patrick business requires access, at sustainable costs, to port infrastructure to be able to provide its container stevedoring services to its customers. The Fremantle lease, which currently expires in 2017, is subject to an Expression of Interest process being conducted by the Fremantle Port Authority which has been deferred. It will be important for Patrick's financial performance that it is able to secure long term access to the Fremantle terminal on acceptable terms. 	Section 5.3.3
Constraints on development	<ul style="list-style-type: none"> The ability of Qube to benefit from development of its strategic assets will depend on, among other things, receipt of necessary planning and other third party approvals including approvals from relevant planning authorities. 	Section 5.3.4
Capital expenditure	<ul style="list-style-type: none"> The operations carried on by some of Qube's businesses are capital intensive and require significant investment to be made in capital equipment. The operating and financial performance of these businesses will be partly reliant on their ability to effectively manage major capital projects within required budgets and timeframes and on sufficient funding being available. The Moorebank project will require significant capital expenditure to become operational and achieve the scale required to achieve maximum returns. The expected capital expenditure includes certain projects that Qube is contractually committed to delivering including the construction of an import-export rail terminal and an interstate rail terminal within specified timeframes. The financial returns from the project will depend on Qube's ability to finance the required capital expenditure on acceptable terms and within the target time frames. 	Section 5.3.5
Early stage projects	<ul style="list-style-type: none"> Investments in new projects (including the Moorebank project) during a development or construction phase are likely to be subject to additional risks. These include the project not being completed within budget or the agreed timeframe and that the income derived from project is lower than expected. 	Section 5.3.6

Topic	Summary	Further information
Exposure to commodity prices, volumes and cycles	<ul style="list-style-type: none"> Qube's businesses are exposed, through their customers, to global demand for commodities. Revenues and margins from the provision of bulk logistics services may be materially adversely impacted by reduced global demand for bulk commodities or changes in global commodity prices. Also, the impact of commodity cycles can reduce the growth in containerised exports, which can have a negative impact on the financial performance of Patrick. 	Section 5.3.7
Risks from acquisitions	<ul style="list-style-type: none"> Qube's business strategy involves it continuing to seek growth opportunities, including through acquisitions. There are inherent risks in respect of integrating an acquisition, including the risk that potential synergies may not be realised, which may impact Qube's financial performance. 	Section 5.3.8
Risk of industrial action	<ul style="list-style-type: none"> A number of operational employees of Qube's businesses (including its associates) are members of trade unions and/or are covered by collective agreements. There is a risk of strikes and other forms of industrial action in connection with the negotiation or renegotiation of such collective agreements. Australia's industrial relations laws afford various rights to employees to engage in industrial action, which can cause significant disruption to the group's customer service performance (including in particular Patrick). 	Section 5.3.15
More information	<ul style="list-style-type: none"> More information about these and other risks associated with Qube, the Notes and the market for the Notes generally is contained in Sections 5.1, 5.2 and 5.3 	Sections 5.1, 5.2 and 5.3

1.7 Further information about the Offer

Topic	Summary	Further information
When is the Offer Period?	<ul style="list-style-type: none"> The key dates, including details of the Offer Period, are set out on page 3. Further details are included in Section 6. 	Key Dates and Section 6
Is there a minimum amount to be raised?	<ul style="list-style-type: none"> No. The Offer is for the issue of Notes to raise \$300 million, with the ability to raise more or less. 	
Is the Offer underwritten?	<ul style="list-style-type: none"> No. 	
What is the pro forma balance sheet of Qube following the Offer?	<ul style="list-style-type: none"> Refer to Section 4.5, which sets out the Pro Forma Historical Balance Sheet. 	Section 4.5
How is the Offer structured and who can apply?	<ul style="list-style-type: none"> The Offer comprises: <ul style="list-style-type: none"> an Institutional Offer to Institutional Investors; a Broker Firm Offer made to eligible clients of Syndicate Brokers; and a Shareholder Offer made to Eligible Shareholders. 	Sections 6.1 and 6.2
Who is an Eligible Shareholder?	<ul style="list-style-type: none"> A registered holder of Ordinary Shares or Notes with a registered address in Australia at 7:00pm (Sydney time) on 25 August 2016 and who is resident in Australia. 	Section 6.2
How can I apply?	<ul style="list-style-type: none"> Broker Firm Applicants should contact their Syndicate Broker. Shareholder Applicants should complete an electronic or paper copy of the Application Form and pay the application monies either electronically or by cheque or money order. 	Section 6.2

01. INVESTMENT OVERVIEW (CONT.)

Topic	Summary	Further information
What is the allocation policy?	<ul style="list-style-type: none"> The allocation policy for Broker Firm Applicants will be determined by the Syndicate Brokers. Allocations for Shareholder Applicants will be determined by Qube and the Joint Lead Managers after the Closing Date. Qube will endeavour to provide Shareholder Applicants with an allocation under the Shareholder Offer of at least 50 Notes. However, Qube does not guarantee any minimum allocation under the Shareholder Offer and the extent of any allocation will ultimately depend on the total level of applications under the Offer. 	Section 6.2
Is there a minimum application size?	<ul style="list-style-type: none"> Your application must be for a minimum of 50 Notes (\$5,000). If your application is for more than 50 Notes, then you must apply in incremental multiples of 10 Notes—that is, in incremental multiples of \$1,000. 	Section 6.2
Is brokerage, commission or stamp duty payable?	<ul style="list-style-type: none"> No brokerage, commission or stamp duty is payable by you on your application. You may be required to pay brokerage if you sell your Notes on ASX after Notes have been quoted on ASX. 	Section 6.1
What are the tax implications of investing in Notes?	<ul style="list-style-type: none"> A general description of the Australian taxation consequences of investing in Notes is set out in Section 7. That discussion is in general terms and is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, investors should seek independent advice in relation to their individual tax position. 	Section 7
When will I receive confirmation that my application has been successful?	<ul style="list-style-type: none"> If you are an applicant in the Shareholder Offer or Broker Firm Offer, you will be able to call the Qube Notes Offer Information Line on 1300 850 505 or +61 3 9415 4000 (Monday to Friday—8:30am to 5:00pm (Sydney time)) from 5 October 2016 to confirm your allocation. Applicants under the Broker Firm Offer will also be able to confirm their allocation of Notes through the Syndicate Broker from whom they received their allocation. 	Section 6.2
When will Notes be issued?	<ul style="list-style-type: none"> Qube expects that Notes will be issued on 5 October 2016. 	Key dates
When will Notes begin trading?	<ul style="list-style-type: none"> Qube expects that Notes will begin trading on 6 October 2016 on a deferred settlement basis. 	Key dates
When will Holding Statements be despatched?	<ul style="list-style-type: none"> Qube expects that Holding Statements will be despatched by 7 October 2016. 	Key dates
Where can I find more information about the Offer?	<ul style="list-style-type: none"> If you have any questions in relation to the Offer, please call the Qube Notes Offer Information Line on 1300 850 505 or +61 3 9415 4000 (Monday to Friday—8:30am to 5:00pm (Sydney time)). If you are a Broker Firm Applicant, you should also contact your Syndicate Broker. 	Section 6

1.8 Key information about people, interests and benefits

Topic	Summary	Further information
Who are the Qube Directors?	<ul style="list-style-type: none"> • Chris Corrigan (Chairman) • Sam Kaplan (Deputy Chairman) • Maurice James (Managing Director) • Allan Davies (Non Executive) • Ross Burney (Non Executive) • Peter Dexter (Non Executive) • Alan Miles (Non Executive) 	Section 8.1
Who are the senior management team?	<ul style="list-style-type: none"> • Maurice James (Managing Director) • Paul Digney (Chief Operating Officer) • Paul Lewis (Chief Financial Officer) • William Hara (Director – Strategic Assets and General Counsel, Company Secretary) • John Digney (Director – Qube Logistics) • Todd Emmert (Director – Qube Bulk) • Michael Sousa (Director – Qube Ports) 	Section 8.2
What significant benefits and interests are payable to Directors and other persons associated with the Offer or Qube?	<p>Interest or benefit:</p> <ul style="list-style-type: none"> • Directors—Director’s fees. • Management—remuneration. • Advisers and other service providers—fees for services. • Syndicate Brokers – a selling fee of up to 1.00% of the value of Notes allocated to Syndicate Brokers in the Bookbuild. • Participation in the Offer <ul style="list-style-type: none"> – Directors (and their associates) may participate in the issue of Notes. 	Section 8.3
How will the expenses of the Offer be paid?	<ul style="list-style-type: none"> • The total expenses of the Offer will be paid out of the proceeds of the Offer. 	

01. INVESTMENT OVERVIEW (CONT.)

1.9 What should you do?

Topic	Summary
Read this Prospectus in full	<ul style="list-style-type: none">• If you are considering applying for Notes under the Offer, this Prospectus is important and should be read in its entirety.
Determine if you are eligible to apply	<ul style="list-style-type: none">• The Offer is being made to:<ul style="list-style-type: none">– Institutional Investors;– Broker Firm Applicants who are invited to apply under the Broker Firm Offer; and– Eligible Shareholders, who may apply under the Shareholder Offer.
Consider and consult	<ul style="list-style-type: none">• Consider all risks and other information regarding an investment in Notes in light of your particular investment objectives and circumstances.• If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in Notes or not, it is recommended that you seek professional guidance from an independent and appropriately licensed or authorised professional advisor before deciding whether to invest.• ASIC has published guidance for retail investors who are considering investing in hybrid securities (such as Notes). You can find this guidance by searching 'hybrid securities' at www.moneysmart.gov.au. Retail investors can also call ASIC on 1300 300 630 for further information. ASIC's information on hybrid securities describes, in general terms, potential features of hybrid securities. Investors should carefully assess the specific terms of Notes as described in this Prospectus, which may differ from the general terms described on the ASIC website.
Complete and submit your Application Form	<ul style="list-style-type: none">• The application process varies depending on whether you participate in the Institutional Offer, Broker Firm Offer or Shareholder Offer.• See Section 6.2 for more details.• The Offer may close early so, if you wish to apply for Notes, you are encouraged to consider submitting your application as soon as possible after the Opening Date.



02.
ABOUT QUBE
SUBORDINATED
NOTES

02. ABOUT QUBE SUBORDINATED NOTES (CONT.)

This Section provides information about Notes.

2.1 General

Topic	Summary	Further information
2.1.1 What are Notes?	<ul style="list-style-type: none"> Notes are unsecured, subordinated notes which will mature on 5 October 2023 (seven years after the Issue Date) and pay Holders quarterly interest payments based on a floating rate. 	Clauses 1.1, 2 and 3 of the Terms
2.1.2 What is the Offer?	<ul style="list-style-type: none"> An Offer of Notes by Qube to raise approximately \$300 million with the ability to raise more or less. 	Section 6
2.1.3 What am I required to pay?	<ul style="list-style-type: none"> Notes will be offered at an issue price of \$100 per Note. This is also the Face Value of each Note. Applications must be for a minimum of 50 Notes (\$5,000) If your application is for more than 50 Notes, then you must apply in incremental multiples of 10 Notes – that is, incremental multiples of \$1,000. 	Clause 1.2 of the Terms Section 6.2
2.1.4 Why is Qube issuing Notes?	<ul style="list-style-type: none"> Qube is issuing Notes as part of its ongoing funding strategy. The proceeds will be used for general corporate purposes including the development of the Moorebank project and for funding other growth opportunities for Qube. 	
2.1.5 What is the term and maturity of Notes?	<ul style="list-style-type: none"> Notes have a term of seven years and will mature on 5 October 2023. 	Section 2.3 Clauses 4.1 and 17.2 of the Terms
2.1.6 Can the Maturity Date change?	<ul style="list-style-type: none"> No. The Maturity Date is 5 October 2023. Investors will receive Face Value on this date (together with any accrued but unpaid interest for the relevant Interest Period), otherwise an Event of Default will arise. 	Clauses 4.1 of the Terms
2.1.7 Will Notes be quoted on ASX?	<ul style="list-style-type: none"> Qube will apply for Notes to be quoted on ASX and are expected to trade under ASX code “QUBHA”. 	Section 6.3.3

2.2 Interest payments

Topic	Summary	Further information
2.2.1 What are Interest Payments?	<ul style="list-style-type: none"> Interest Payments are floating rate and cumulative interest payments payable quarterly in arrears. 	Clause 3 of the Terms
2.2.2 Are Interest Payments deferrable?	<ul style="list-style-type: none"> No. Interest Payments must be paid on an Interest Payment Date otherwise this will constitute an Event of Default unless one of the limited exceptions applies. 	Clause 3.1 of the Terms
2.2.3 Will Interest Payments be franked or unfranked?	<ul style="list-style-type: none"> Unfranked. Interest Payments will not have any franking credits attached to them. 	Section 7

Topic	Summary	Further information										
2.2.4 How will the Interest Rate be calculated?	<ul style="list-style-type: none"> The Interest Rate will be calculated as the Bank Bill Rate plus the Margin. The Interest Rate will be calculated as follows: Interest Rate = Bank Bill Rate + Margin where: Bank Bill Rate means the Bank Bill Rate (expressed as a percentage per annum) on the Issue Date (for the first Interest Period) or on the first Business Day of the Interest Period; and Margin was determined under the Bookbuild and is 3.90% per annum. As an example, assuming the Bank Bill Rate for the first Interest Period is 1.75% per annum: <table border="1" data-bbox="539 792 1161 936"> <tr> <td>Bank Bill Rate</td> <td>1.75% per annum</td> </tr> <tr> <td>Plus Margin</td> <td>3.90% per annum</td> </tr> <tr> <td>Illustrative Interest Rate</td> <td>5.65% per annum</td> </tr> </table> 	Bank Bill Rate	1.75% per annum	Plus Margin	3.90% per annum	Illustrative Interest Rate	5.65% per annum	Clause 3.2 of the Terms				
Bank Bill Rate	1.75% per annum											
Plus Margin	3.90% per annum											
Illustrative Interest Rate	5.65% per annum											
2.2.5 How will Interest Payments be calculated for each Interest Period?	<ul style="list-style-type: none"> Interest Payments on each Interest Payment Date will be calculated using the following formula: $\frac{\text{Interest Rate} \times \text{Face Value} \times N}{365}$ where: Interest Rate means the rate (expressed as a percentage per annum) calculated as set out in Section 2.2.4; Face Value means \$100 per Note; and N means the number of days in the Interest Period calculated as set out in the Terms. Following the formula above, if the Interest Rate was 5.65% per annum, then the Interest Payment on each Note for the first Interest Period would be calculated as follows: <table border="1" data-bbox="539 1464 1161 1756"> <tr> <td>Illustrative Interest Rate</td> <td>5.65% per annum</td> </tr> <tr> <td>Multiplied by the Face Value</td> <td>× \$100.00</td> </tr> <tr> <td>Multiplied by the number of days in the Interest Period</td> <td>× 91</td> </tr> <tr> <td>Divided by 365</td> <td>÷ 365</td> </tr> <tr> <td>Illustrative Interest Payment for the first Interest Period per Note</td> <td>\$1.41</td> </tr> </table> The above example is for illustrative purposes only and does not indicate, guarantee or forecast the actual Interest Payment for the first or any subsequent Interest Period. Actual Interest Payments may be higher or lower than this example. The Interest Rate for the first Interest Period will be set on the Issue Date and will include the Margin determined under the Bookbuild. 	Illustrative Interest Rate	5.65% per annum	Multiplied by the Face Value	× \$100.00	Multiplied by the number of days in the Interest Period	× 91	Divided by 365	÷ 365	Illustrative Interest Payment for the first Interest Period per Note	\$1.41	Clause 3.3 of the Terms
Illustrative Interest Rate	5.65% per annum											
Multiplied by the Face Value	× \$100.00											
Multiplied by the number of days in the Interest Period	× 91											
Divided by 365	÷ 365											
Illustrative Interest Payment for the first Interest Period per Note	\$1.41											

02. ABOUT QUBE SUBORDINATED NOTES (CONT.)

Topic	Summary	Further information																								
2.2.6 How will Interest Payments be paid to Holders?	<ul style="list-style-type: none"> Interest Payments will be paid in Australian dollars by direct credit into an account denominated in Australian dollars at a financial institution notified by the Holder to the Registry no later than the Record Date, or at Qube's option by cheque sent by prepaid post to the address of the Holder in the Register. Where a payment cannot be made by Qube, for example, where a Holder has not provided account details, or because of another reason described in the Terms, the amount of the uncompleted payment will be held in a non-interest bearing special purpose account maintained by Qube or the Registry and applied in accordance with the Terms. 	Clause 5.1 of the Terms																								
2.2.7 What is the Bank Bill Rate?	<ul style="list-style-type: none"> The Bank Bill Rate is a benchmark interest rate for the Australian money market commonly used by major Australian financial institutions to lend cash to each other over a 90 day period. This rate changes to reflect the supply and demand within the cash market. The graph below illustrates the movement in the Bank Bill Rate over the last 10 years. The rate on 29 August 2016 was 1.73% per annum. <table border="1"> <caption>Approximate Bank Bill Rate Data (2006-2016)</caption> <thead> <tr> <th>Year</th> <th>Approximate Rate (% per annum)</th> </tr> </thead> <tbody> <tr><td>Aug 06</td><td>6.5</td></tr> <tr><td>Aug 07</td><td>7.0</td></tr> <tr><td>Aug 08</td><td>8.5</td></tr> <tr><td>Aug 09</td><td>3.5</td></tr> <tr><td>Aug 10</td><td>5.0</td></tr> <tr><td>Aug 11</td><td>5.0</td></tr> <tr><td>Aug 12</td><td>4.0</td></tr> <tr><td>Aug 13</td><td>3.0</td></tr> <tr><td>Aug 14</td><td>2.8</td></tr> <tr><td>Aug 15</td><td>2.5</td></tr> <tr><td>Aug 16</td><td>1.7</td></tr> </tbody> </table> <ul style="list-style-type: none"> The above graph is for illustrative purposes only and does not indicate, guarantee or forecast the actual Bank Bill Rate. The actual Bank Bill Rate for the first and any subsequent Interest Periods may be higher or lower than the rates in the above graph. 	Year	Approximate Rate (% per annum)	Aug 06	6.5	Aug 07	7.0	Aug 08	8.5	Aug 09	3.5	Aug 10	5.0	Aug 11	5.0	Aug 12	4.0	Aug 13	3.0	Aug 14	2.8	Aug 15	2.5	Aug 16	1.7	Clause 3.2 of the Terms
Year	Approximate Rate (% per annum)																									
Aug 06	6.5																									
Aug 07	7.0																									
Aug 08	8.5																									
Aug 09	3.5																									
Aug 10	5.0																									
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Aug 12	4.0																									
Aug 13	3.0																									
Aug 14	2.8																									
Aug 15	2.5																									
Aug 16	1.7																									
2.2.8 When are the Interest Payment Dates?	<ul style="list-style-type: none"> Interest Payments are scheduled to be paid quarterly in arrears on the Interest Payment Dates being each 5 April, 5 July, 5 October and 5 January in each year. If any of these dates are not Business Days, then the Interest Payment Date will occur on the next Business Day. The first Interest Payment will be made on 5 January 2017. 	Clauses 3.1, 3.3 and 17.2 of the Terms																								

2.3 Maturity

Topic	Summary	Further information
2.3.1 When do Notes mature?	<ul style="list-style-type: none"> Notes mature on 5 October 2023 Qube may also elect to redeem Notes at any time if a Change in Control Event, Clean-up Event or Tax Event occurs. 	Clauses 4.1, 9.1 and 17.2 of the Terms

Topic	Summary	Further information
2.3.2 What will happen on the Maturity Date?	<ul style="list-style-type: none"> Unless previously redeemed, all outstanding Notes will be redeemed by Qube on the Maturity Date (5 October 2023). 	Clause 4.1 of the Terms
2.3.3 What will I receive on the Maturity Date?	<ul style="list-style-type: none"> <p>• Holders will receive the sum of:</p> <ul style="list-style-type: none"> – 100% of the Face Value of each Note being redeemed (i.e. \$100 per Note); and – any accrued but unpaid Interest Payment for the final Interest Period in respect of that Note. <p>The aggregate of the above amounts is called the Redemption Amount.</p> • Payment of any Redemption Amount in respect of a Note will be made to the person registered at 10:00am on the Redemption Date as the Holder of that Note. • Refer to Section 2.4.3 for information on what may be received if an Event of Insolvency occurs. 	Clauses 4.1, 5.1 and 17.2 of the Terms
2.3.4 Can I request redemption before the Maturity Date?	<ul style="list-style-type: none"> • No. Holders do not have a right to request redemption of Notes, unless a Change of Control Event occurs (and in such case, subject to the provisions of the Terms). • In addition, if an Event of Default occurs and is subsisting, the requisite proportion of Holders specified in the Terms may, in summary, direct or request the Trustee to: <ul style="list-style-type: none"> – notify Qube the total Redemption Amount of Notes is due and payable (which amount will immediately become due and payable when the notice is served); and – institute proceedings for the winding-up of Qube, prove in the winding-up of Qube and/or claim in the liquidation or administration of Qube, for the amount payable under the Terms. <p>If this were to occur (and, for example, a liquidator is appointed to wind up Qube), Notes held by the Holders will effectively rank ahead of Ordinary Shares and behind other creditors of Qube as described in section 2.4.</p> 	Clause 9.1 of the Terms
2.3.5 What is a Change of Control Event, Clean-up Event or Tax Event?	<ul style="list-style-type: none"> • A summary of these events, which give Qube the right to redeem Notes, is as follows: <ul style="list-style-type: none"> – a Change of Control Event will occur if any person either alone or together with its associates (as defined in the Corporations Act), either in a single transaction or series of related transactions, acquires more than 50% of the ordinary shares of Qube; and – a Clean-up Event will occur, in summary, if Qube or any of its related bodies corporate has, individually or in aggregate, purchased (and cancelled) or redeemed Notes equal to or in excess of 80% of the aggregate Face Value of Notes issued on the Issue Date; and – a Tax Event will occur if: <ul style="list-style-type: none"> – any Interest Payment would not be deductible by Qube for tax purposes; or – any payment of interest or principal outstanding would be subject to an amount of withholding or deduction for tax purposes for which Qube must pay an additional amount, <p>as a result of a change in law or interpretation of law.</p> 	Clauses 4.2 and 17.2 of the Terms

02. ABOUT QUBE SUBORDINATED NOTES (CONT.)

Topic	Summary	Further information
2.3.6 Can Qube buy Notes on ASX?	<ul style="list-style-type: none"> • Yes. Qube or any Subsidiary of Qube may purchase or procure others to purchase beneficially for its account Notes in any manner and at any price subject to any applicable laws, the Listing Rules and any rules of any other securities exchange on which any of Notes are quoted from time to time. Such acquired Notes may be surrendered for cancellation or held or resold. 	Clause 4.6 of the Terms

2.4 Security and ranking

Topic	Summary	Further information
2.4.1 Notes are described as “unsecured”. What does this mean?	<ul style="list-style-type: none"> • Repayment of the Face Value (or other money owing in respect of Notes) is not secured by a mortgage, charge or other security over any of Qube’s assets. Notes are “unsecured notes” for the purposes of the Corporations Act (section 283BH). 	Clause 1.1 of the Terms
2.4.2 Notes are described as “subordinated”. What does this mean and how will Notes rank in an Event of Insolvency?	<ul style="list-style-type: none"> • Claims of Holders in respect of Notes are subordinated to claims of other creditors of Qube such that, if at any time an Event of Insolvency occurs, the amount payable to Holders will only be paid after amounts owing to all other creditors of Qube have been paid in full, other than: <ul style="list-style-type: none"> – claims of other subordinated creditors that rank or are expressed to rank equal with the Notes; and – claims in respect of Ordinary Shares or ranking equally with Ordinary Shares. • Qube may create further subordinated or senior ranking obligations in the future. • Holders will rank senior to the rights and claims of holders of any Ordinary Shares. • To give effect to the above, the amount payable to a Holder in respect of a Note if an Event of Insolvency occurs may not be the Redemption Amount but a lesser amount determined in the manner described below. 	Clause 2.1 of the Terms
2.4.3 What will be payable to Holders if an Event of Insolvency occurs?	<ul style="list-style-type: none"> • Notes will effectively rank in an Event of Insolvency (e.g. if a liquidator is appointed to wind up Qube) ahead of Ordinary Shares and behind all other creditors of Qube. • There may be a shortfall of funds to pay all amounts ranking senior to and equally with Notes if an Event of Insolvency occurs. This would result in Holders not receiving any payment if claims ranking senior to Notes were not satisfied in full, or otherwise not receiving a full return of capital or any interest due and unpaid at that time. 	Clause 2.1 of the Terms
2.4.4 Illustration of ranking of Qube’s obligations in respect of existing debt instruments and equity upon a liquidation	The table below illustrates how Notes would rank upon a liquidation of Qube against Qube’s obligations in respect of existing debt instruments and equity. This is a simplified capital structure and does not specifically identify every type of security issued by Qube or every potential claim against Qube in a liquidation.	

Topic	Summary	Further information
2.4.4 Illustration of ranking of Qube's obligations in respect of existing debt instruments and equity upon a liquidation (cont.)	Existing debt instruments and equity	Amount drawn/ on issue⁴
	Higher ranking	Bank debt and finance leases \$592 million
		Qube Subordinated Notes \$300 million
	Lower ranking	Preference Shares Nil ⁵
		Ordinary Shares \$2,271 million

2.5 Other

Topic	Summary	Further information
2.5.1 Can Qube issue further notes or other instruments?	<ul style="list-style-type: none"> Qube reserves the right to issue further notes or other securities upon such terms as to ranking (including those that rank ahead of Notes), dividends or interest, conversion, redemption and otherwise as Qube may determine at the time of issue. Notes do not confer on Holders any right to subscribe for new securities in Qube, or to participate in any bonus issues. 	Clauses 7 and 8 of the Terms
2.5.2 Trustee and Trust Deed	<ul style="list-style-type: none"> Qube has appointed a Trustee as required by chapter 2L of the Corporations Act. The Trustee holds certain rights in relation to Notes on trust for Holders under the Trust Deed. In certain circumstances, the Trustee will act on behalf of Holders. The Trustee holds on trust for the Holders the right to enforce any obligations of Qube under the Terms and the Trust Deed. The Trustee will be entitled to take any action against Qube to enforce any obligations of Qube, subject to the Terms and Trust Deed. A copy of the Trust Deed can be obtained from www.qube.com.au 	Section 9.1
2.5.3 What voting rights do Notes carry at meetings of holders of Ordinary Shares?	<ul style="list-style-type: none"> Holders have no voting rights at meetings of holders of Ordinary Shares. 	
2.5.4 What is an Event of Default?	<ul style="list-style-type: none"> An Event of Default will occur, in summary, if: <ul style="list-style-type: none"> Qube fails to pay any Redemption Amount or Interest Payment which is due and payable in respect of Notes within: <ul style="list-style-type: none"> in the case of any amount representing or in the nature of interest, five Business Days of the due date for payment; and in the case of any amount representing or in the nature of principal, two Business Days of the due date for payment, <p>unless its failure to pay is caused by administrative or technical error or a Disruption Event (as defined below) and payment is made within 10 Business Days of the due date for payment or, in the case of a Disruption Event that continues for longer than 10 Business Days of the due date for payment, within 5 Business Days of the end of the Disruption Event; or</p>	

4. Pro Forma, as at 30 June 2016. See Section 4.5 for details of Pro Forma adjustments.

5. Currently Qube does not have any preference shares on issue.

02. ABOUT QUBE SUBORDINATED NOTES (CONT.)

Topic	Summary	Further information
2.5.4 What is an Event of Default? (cont.)	<ul style="list-style-type: none"> – Qube fails to comply with any of its other material obligations under the Terms of the Notes or the Trust Deed and such failure, if it is capable of being remedied, is not remedied to the satisfaction of the Trustee within 30 Business Days after Qube has received written notice from the Trustee in respect of the failure; or – an order is made (other than an order successfully appealed or permanently stayed within 60 days) by an Australian court or a resolution passed by the shareholders of Qube for the winding up of Qube (other than for the purposes of a solvent reorganisation), <p>provided that the non-payment by Qube of any amount due and payable in respect of any Notes in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction (in each case as is applicable to such payment) shall not constitute an Event of Default.</p>	Clause 17.2 of the Terms
2.5.5 What is a Disruption Event?	<ul style="list-style-type: none"> • A “Disruption Event” means either or both of: <ul style="list-style-type: none"> – a material disruption to payment systems or financial markets that are required to operate in order for payments to be made under the Notes); and/or – any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of any party that prevents Qube or any other party from making payments under the Notes or from communicating with other parties in accordance with the Terms, <p>and which in each case is not caused by, and is beyond the control of, Qube.</p>	
2.5.6 What will happen if an Event of Default occurs?	<ul style="list-style-type: none"> • If an Event of Default occurs and while it is subsisting, the Trustee may, and must if so directed by a Special Resolution of the Holders or requested by the requisite proportion of Holders specified in the Terms, notify Qube that the total Redemption Amount of Notes is due and payable. • The total Redemption Amount of Notes will become due and payable immediately once that notice is served on Qube by the Trustee. The Trustee may institute proceedings for the winding-up of Qube for the amount payable under the Terms of the Notes. 	Clauses 9.1 and 9.2 of the Terms
2.5.7 Tax implications of investing in Notes	<ul style="list-style-type: none"> • The taxation implications of investing in Notes will depend on an investor’s individual circumstances. Prospective investors should obtain their own taxation advice. A general outline of the Australian taxation implications is included in the Australian taxation summary in Section 7. Non-Australian Holders should not be subject to Australian income tax in respect of Interest Payments received on their Notes. This is on the basis that Qube intends to satisfy the requirements of section 128F of the Australian Tax Act in respect of Interest paid on Notes (see Section 7). 	Section 7

Topic	Summary	Further information
2.5.8 Can Qube amend the Terms?	<ul style="list-style-type: none"> • Yes. In summary, subject to complying with all applicable laws and the Terms, Qube may amend the Terms without the consent of Holders or the Trustee, if the amendment is, in the opinion of Qube: <ul style="list-style-type: none"> – of a formal, minor or technical nature; – necessary to comply with any law, the requirements of a statutory authority, or the Listing Rules; – necessary or expedient to enable the Notes to be listed for quotation on any stock exchange or offered for subscription or sale under the laws in force in any place; or – is not likely to be, or to become, prejudicial to the interests of the Holders and (before the alteration becomes effective) Qube provides the Trustee with an opinion of independent legal advisers of recognised standing in New South Wales that the alteration is not likely to be, or to become, prejudicial to the interests of the Holders, <p>provided that the amendment would not give rise to a Tax Event, or alter or conflict with any of the rights and obligations of the Trustee.</p> • Qube may also amend the Terms if the amendment has been approved by a resolution passed at a meeting of the Holders (or, in the case of an amendment to provisions requiring a Special Resolution or an amendment to the procedure for amendments to the Terms, by a Special Resolution of Holders). 	Clauses 10.1 and 10.2 of the Terms



03.
ABOUT QUBE

03. ABOUT QUBE

3.1 QUBE BUSINESS OVERVIEW

Qube is one of Australia's largest providers of integrated import and export logistics services targeting freight moving to and from ports. It has nationwide operations near ports, rail facilities and customer sites (including mine sites) from which it provides a broad range of logistics services. Listed on the ASX with a market capitalisation of A\$3.8 billion (as at 26 August 2016), Qube employs around 3,400 full time employees and operates three divisions covering port and bulk logistics, landside logistics and strategic development assets.

In August 2016, Qube completed the acquisition of a 50% interest in the Patrick Terminals business from Asciano. Qube's interest in Patrick is expected to be reported through one of Qube's existing divisions or in a newly created Terminals division.

Qube			
Logistics Division	Ports & Bulk Division	Strategic Assets Division	Patrick
<p>Provides a broad range of services relating to the import and export of containerised cargo.</p> <p>Offers an integrated solution suite covering multiple aspects of the supply chain.</p> <p>Operates nationally, providing services across 36 sites in Australia including in all capital city ports, and has an expanding footprint in inland metropolitan and country regional areas with connections to Australian ports.</p>	<p>Provides a broad range of logistics services relating to the import and export of mainly non-containerised freight, with a focus on automotive, bulk and break bulk products including vehicles, forestry products, oil and gas projects and general cargo.</p> <p>National operator, with 30 port facility locations in Australia, and provides port and stevedoring services in 14 locations in New Zealand.</p>	<p>Holds interests in strategically located properties suitable for development into logistics infrastructure and operations.</p> <p>Developing Moorebank, expected to become the largest intermodal logistics precinct in Australia, another property at Minto, and holds investments in Quattro and TQ Holdings for development and operation of grain and fuel storage and handling terminals.</p>	<p>Owns a 50% interest in Patrick, one of two major established national operators providing container stevedoring services in the Australian market with operations in the four largest container ports in Australia.</p> <p>The business holds lease concessions for and operates shipping container terminals in the four largest container ports in Australia.</p> <p>Market share of c.48% (based on contracted lifts) in FY15 across the terminals in which it operates.</p>

3.2 DESCRIPTION OF QUBE BUSINESSES

3.2.1 Logistics division

Qube Logistics offers an integrated solution suite covering multiple aspects of the import/export supply chain. This includes the physical and documentary processes and tasks such as road and rail transport of containers to and from ports, operation of full and empty container parks, customs and quarantine services, warehousing, intermodal terminals, international freight forwarding and bulk rail haulage for rural commodities. The business operates nationally with strategic locations near the ports in key capital cities.

Qube Logistics continues to invest in infrastructure such as warehouses and container parks/depots to meet customer needs and continuously looks for value accretive bolt on acquisitions. Qube Logistics will be a foundation tenant for new warehousing and the operator of both the import-export and interstate rail terminals at the Moorebank intermodal terminal.

03. ABOUT QUBE (CONT.)

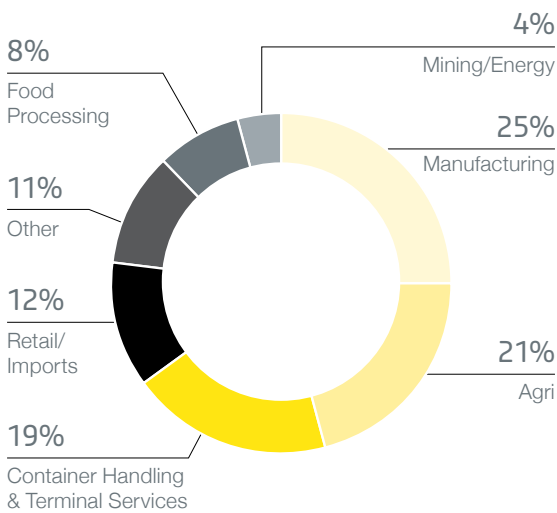
Qube Logistics provides services across 36 sites nationally. It has facilities located in all Australian capital city ports and an expanding footprint in inland metropolitan and country regional areas with connections to Australian ports.

Key services provided

- Road transport
- Container parks
- Container hire and sales
- Container freight stations
- Rail transport
- Rail terminal operator
- Global freight forwarding
- Warehousing and distribution
- Bonded customs and quarantine services
- Special projects
- Supply chain logistics

The chart below sets out Qube Logistics' indicative FY16 revenue segmentation by industry.

Qube Logistics – indicative FY16 revenue segmentation



3.2.2 Ports & Bulk division

Qube's Ports & Bulk division provides a broad range of logistics services relating to the import and export of mainly non-containerised freight, with a major focus on automotive, bulk and break bulk products in Australia and New Zealand.

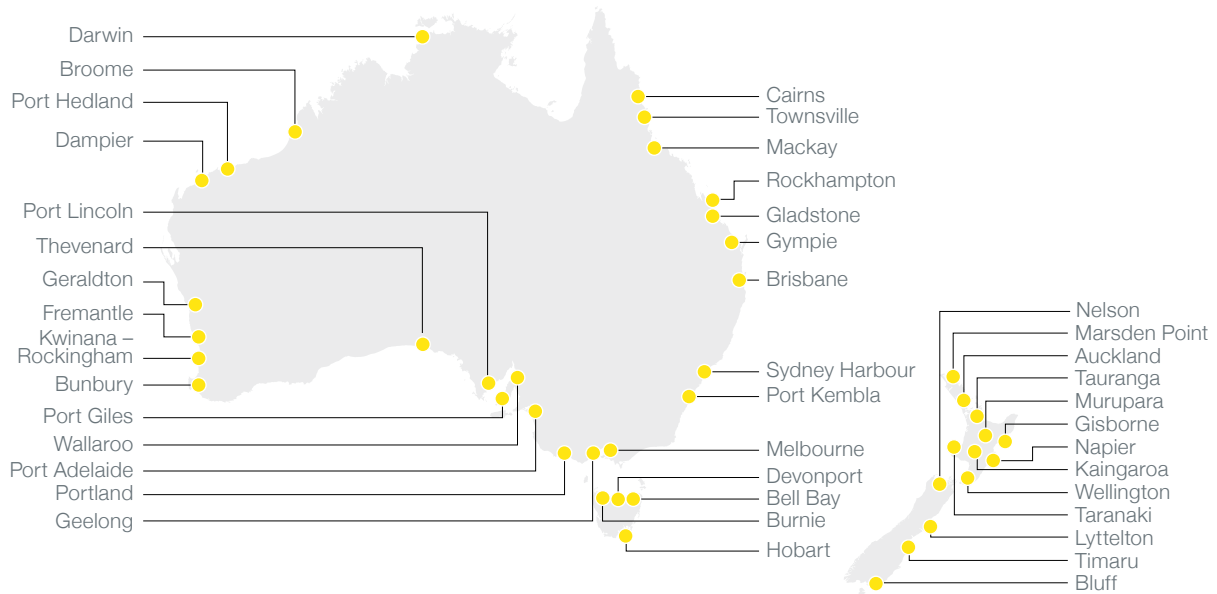
Qube's port logistics activities are focused on the provision of an integrated logistics solution for the automotive industry, covering a range of activities including facilities management, stevedoring, processing and delivery. This division also provides stevedoring and related logistics services for the oil and gas industry, forestry products and project and general cargo.

Qube's bulk logistics activities are aimed at offering customers a comprehensive logistics solution from mine-to-ship, covering activities including transport, stockpile management, ship loading facilities and stevedoring. Qube handles a diverse range of commodities including iron ore, copper concentrate, nickel concentrate and mineral sands. The main operations are located in Western Australia and Queensland.

The division is continuing to invest in infrastructure for its many clients including warehouses for storage of bulk products and mine to ship solutions involving Qube's RotaBox™ container rotating and discharging solution.

Qube's Ports & Bulk division is a national operator with 30 port facility locations in Australia including on-wharf and port precinct facilities in all Australian capital city ports, as well as both dry bulk materials and general cargo facilities in regional port locations. The division also provides port and stevedoring services in 14 locations in New Zealand, with a particular focus on forestry-related products and services.

Key locations

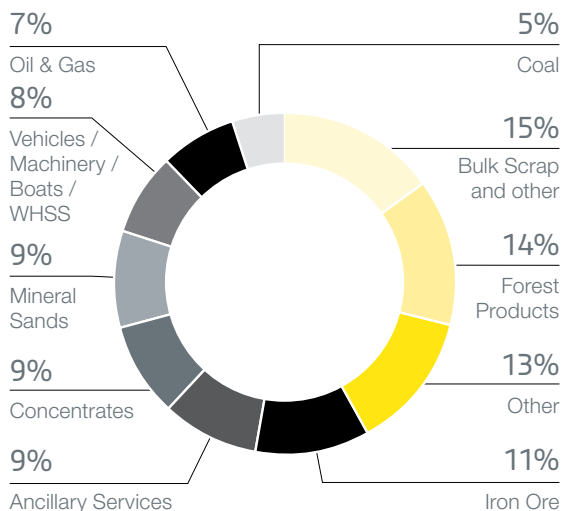


The charts below outline the indicative annual stevedoring volume segmentation by commodity, as well as the indicative FY16 revenue segmentation by cargo category for the Qube Ports & Bulks division.

Qube Ports & Bulk – annual stevedoring volumes (indicative)

Commodity	Units	Volume
Vehicles	#	760,000
Bulk products (iron ore, nickel, manganese, coal, copper)	Mt	25.0
Fertiliser	Mt	1.4
Forest products (timber, woodchips)	Mt	13.0
Grain	Mt	0.3
Steel products (bar, plate, rod, coal)	Mt	0.5

Qube Ports & Bulk – indicative FY16 revenue segmentation



03. ABOUT QUBE (CONT.)

In addition, Qube has investments in a number of related transport and logistics businesses:

- **Australian Amalgamated Terminals (AAT):** a multi-user facility provider to stevedores, operating terminals in all of the major Australian ports except Fremantle. One of AAT's primary businesses is providing facilities for handling vehicle imports. Qube currently owns a 50% joint venture interest in AAT, with the other 50% interest owned by Brookfield Infrastructure ("Brookfield"). Qube has an option to purchase the remaining 50% interest from Brookfield, subject to ACCC approval. The ACCC has commenced its review of the acquisition and has indicated a provisional decision date of 6 October 2016.
- **PrixCar:** one of Australia's largest automotive storage, processing and rectification services. Qube currently owns an indirect 25% interest in PrixCar through its 50% joint ownership of "K" Line Auto Logistics ("KLAL") with Kawasaki Kisen Kaisha. The other 50% interest is owned by Toll Holdings Limited.
- **Northern Stevedoring Services (NSS):** a provider of stevedoring and related integrated logistics services, primarily to the bulk and break bulk product markets in North Queensland. Qube owns a 50% interest in NSS, with the other 50% interest owned by Glencore.

3.2.3 Strategic Assets division

Qube's Strategic Assets division holds interests in a number of strategically located properties suitable for development into logistics infrastructure and operations.

Moorebank

The Moorebank intermodal terminal development is expected to become the largest intermodal logistics precinct in Australia. The precinct comprises an area of over 243 hectares located in South Western Sydney. When completed, the precinct will comprise both import/export ("IMEX") and interstate rail terminals with complementary warehousing and distribution facilities. The precinct comprises two parcels of land that following financial close of the contractual arrangements for the Moorebank Intermodal Project are expected to be sub-leased to Qube for up to 99 years.

Following financial close of the contractual arrangements for the Moorebank Intermodal Project, Qube will have 100% of the development, operating, property and asset management rights for the project. The project is expected to bring significant benefits to Qube, its customers and the broader logistics chain through more efficient movement of freight on rail relative to current trucking operations.

Location



The Moorebank intermodal terminal development is located at the junction of the M5 and M7 motorways and future rail access to the Southern Sydney Freight Line (SSFL).

This strategic location is expected to alleviate logistics inefficiencies resulting from Sydney's road congestion through removing road freight demand from the existing road network between Port Botany and Western Sydney by increasing the rail modal share of freight movements.

Site layout and operations



The IMEX and interstate rail terminal operations are expected to handle up to 1.5 million TEUs per annum. Related logistics activities planned to be undertaken on the site include high specification warehousing, distribution, customs and quarantine processing.

The IMEX terminal is expected to comprise four 650m rail sidings. The terminal's design for future fully automated operation is focused on productivity and maximising throughput through the use of locomotive side shifters, automated rail mounted gantries and auto-horizontal transport servicing on-site warehousing and truck interchange areas.

The interstate rail terminal is expected to comprise five 900m rail sidings and four 1,800m marshalling yards.

It is anticipated that the precinct will comprise up to 850,000m² of integrated warehousing when fully developed. This is expected to attract importers and national distributors due to the logistics efficiencies of being co-located with IMEX and interstate rail terminals, resulting in lower transport costs.

03. ABOUT QUBE (CONT.)

Timetable for development

Qube has not yet achieved financial close of the contractual arrangements for the Moorebank Intermodal Project. Refer to Section 5.3.8 for more information on financial close.

The design services work required for the construction of the rail line linking the South Sydney freight line to the precinct has been completed with construction to commence following financial close. The cost of the rail link is being funded by MIC.

There has been strong tenant interest from national retail chains and logistics suppliers. Over 50,000m² of area has already been leased by Qube and Qube is in discussions with a number of parties regarding the development and leasing of new warehousing.

Ownership and capital expenditure

In August 2016, Qube announced that it had entered into an agreement to acquire Aurizon's 33% interest in the Moorebank Industrial Property Trust (MIPT), which owns the 83ha freehold land at Moorebank, as well as all of Aurizon's interests in development of the rail terminals and associated warehousing under the 99 year lease agreements across the entire 243ha Moorebank precinct. If completed, the transaction will bring Qube's ownership of MIPT and the Moorebank project to 100%.

In addition to delivering Qube 100% of the financial returns from the project, the increase in Qube's ownership to 100% is expected to enhance the deliverability of the project and maximise flexibility for funding and partnering options for the warehouse development.

The increased ownership will also increase Qube's minimum required funding over the first 5 years of the Moorebank project by around \$125 million. Following completion, the total minimum required funding by Qube for the first 5 years is expected to be approximately \$375 million.

This acquisition is expected to be completed about the same time as financial close with MIC.

Other strategic assets

In addition to Moorebank, Qube has a number of other strategic assets within its portfolio:

- **Minto property (Qube interest: 100%):** the Minto property is located on the dedicated freight rail line, and part of the site is currently being leased to PrixCar (in which Qube owns a 25% interest) for the processing and storage of motor vehicles. The opportunity exists to develop Minto into an intermodal terminal with on-site warehousing, albeit on a smaller scale than Moorebank.
- **Quattro Ports grain joint venture (Qube interest: 37.5%):** a multi-user grain storage, handling and export facility that has been developed at Port Kembla, NSW. Qube holds a 37.5% interest in the joint venture, with the other interests held by COFCO Agri, Emerald Grain and Cargill. The grain storage facility is located on a property subleased from AAT. Qube Logistics has rail contracts for the cartage of bulk grain to the terminal for the three joint venture partners..
- **TQ Holdings joint venture (Qube interest: 50%):** established for the purpose of developing a major fuel storage facility in Port Kembla and potentially other sites in response to opportunities created by a shortage of fuel storage capacity in Australia. Qube and Japanese petroleum group TonenGeneral each hold a 50% interest in the joint venture.

3.2.4 Patrick

In August 2016 Qube completed the acquisition of a 50% interest in Patrick from Asciano. This investment is expected to be reported through one of Qube's existing divisions or in a newly created Terminals division.

Patrick is one of two established national operators providing container stevedoring services in the Australian market, with a market share of c.48% (based on contracted lifts) in FY15 across the terminals in which it operates. A third terminal operator has entered the market in Brisbane and Sydney several years ago and has not established significant market shares or secured substantial customer volumes. A third terminal operator is expected to commence operations in Melbourne towards the end of 2016.

Patrick provides services to a range of global shipping lines and holds lease concessions for and operates shipping container terminals in the four largest container ports in Australia, being East Swanson Dock in Melbourne, Port Botany in Sydney, Fisherman Islands in Brisbane and Fremantle in Western Australia.

Location	Lease term	Footprint	Equipment	Capacity p.a.
Port Botany (Sydney)	2043	1,400m quay line 4 berths	<ul style="list-style-type: none"> • 8 cranes • 45 straddle carriers and other cargo handling equipment 	1.6m TEU
East Swanson Dock (Melbourne)	2034	885m quay line 3 berths	<ul style="list-style-type: none"> • 7 cranes • 54 straddle carriers and other cargo handling equipment 	1.4m TEU
Fisherman Islands (Brisbane)	2045	922m quay line 3 berths	<ul style="list-style-type: none"> • 5 cranes • 31 straddle carriers and other cargo handling equipment 	0.8m TEU
Port of Fremantle (Fremantle)	2017	766m quay line 2 berths	<ul style="list-style-type: none"> • 4 cranes • 41 cargo handling pieces of equipment 	0.6m TEU

The business has recently undergone a substantial reinvestment program, including automation of the Port Botany terminal in Sydney. Both the Fisherman Islands and the Port Botany terminals now operate with automated straddles, which has resulted in significant operational and cost efficiencies.

Patrick is owned in 50/50 joint venture between Qube and Brookfield Infrastructure (“Brookfield”), together with Brookfield’s co-investors including GIC Private Limited, British Columbia Investment Management Corporation and Qatar Investment Authority. The business is managed by a separate management team under the leadership of CEO Michael Jovicic, nominated by Qube.

The Fremantle lease, which currently expires in 2017, is subject to an Expression of Interest process being conducted by the Fremantle Port Authority which has been deferred.

3.3 QUBE’S BUSINESS STRATEGY

3.3.1 Overview

Qube’s business strategy is to acquire, develop and operate key strategic assets in Australia’s logistics supply chain. In particular, Qube seeks to deliver value for investors over the medium to long term by developing logistics solutions to address inefficiencies in import and export logistics chains for the benefit of its customers.

The table below sets out the target markets and target market characteristics which are focussed on within Qube’s strategy.

Target Markets	Market Characteristics
<ul style="list-style-type: none"> • Motor vehicles • Bulk resources • Forestry products • Oil and gas • Containers • Rural commodities 	<ul style="list-style-type: none"> • Attractive long term growth outlooks • Fragmentation or inefficiencies in the logistics supply chains • Impacted by structural change or decline in local manufacturing • Geographical advantages • Balanced mix between imports and exports

03. ABOUT QUBE (CONT.)

3.3.2 Key strategic initiatives

Moorebank Logistics Park

The intermodal terminal at Moorebank Sydney is one of the largest and most significant new port related infrastructure projects currently being undertaken in Australia and is expected to deliver long term earnings growth for Qube. Key benefits of the Moorebank project include:

- Transformational project, consistent with Qube's strategy of investment in growth and diversification.
- Substantial benefits for customers are expected including enhanced logistics outcomes through efficient movement of freight on rail.
- Strategic piece of critical infrastructure for Sydney's future logistics needs.
- Expected to alleviate congestion by reducing freight demand on the existing road network between Port Botany and the airport precinct and Western Sydney.
- Multiple potential revenue streams for Qube from the provision of terminal operations, property management, construction management, warehouse rental and associated logistics services.

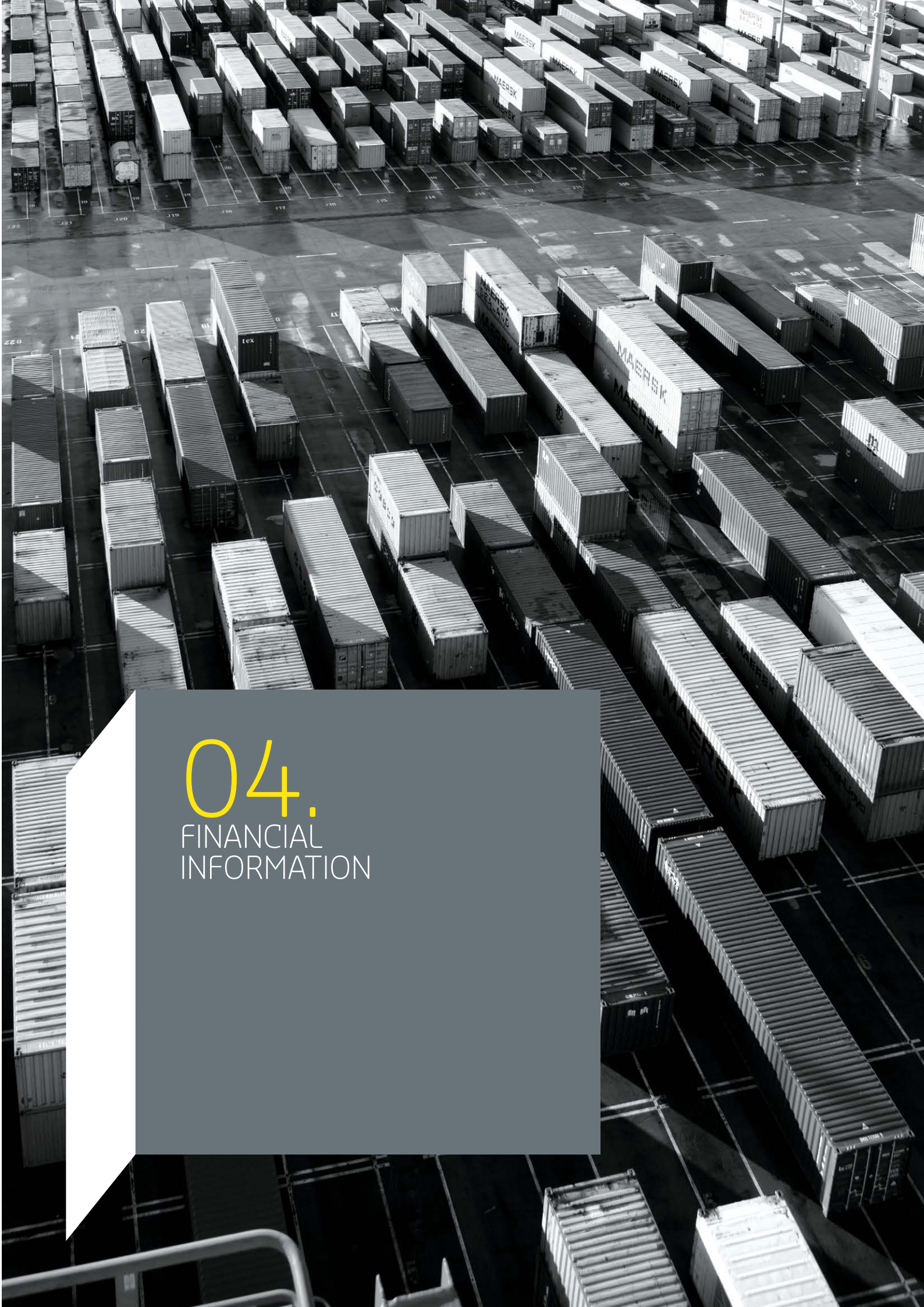
Acquisition of Patrick

The acquisition of a 50% interest in the Patrick business is a continuation of Qube's strategy of creating shareholder value through efficient and innovative logistics solutions. A number of substantial benefits are expected to be created.

- Transformational acquisition
 - Expected to create significant opportunities for productivity improvement and innovation across the Australian logistics and transportation sectors.
 - Expected to create substantial value both for Qube shareholders as well as within the broader logistics chain.
- Considered by Qube to have superior facilities and locations, and further diversifies Qube's operations
 - Operational benefits and efficiencies from focussing on both the container terminal activities and Qube's third party logistics operations
 - Highly complementary operations
 - Improves the diversification and quality of Qube's earnings base
- Attractive financial returns for Qube
 - Near term synergies and business improvement initiatives (some of which will require capital expenditure) are expected to generate \$25m-\$40m p.a. earnings benefit within the JV and \$5m-\$10m per annum within Qube's existing operations over 2-3 years
 - Major opportunities for longer term value creation, including through enhancing the Moorebank project
 - Additional benefits expected from the involvement of Brookfield Infrastructure as a new joint venture partner as one of the world's largest and most experienced infrastructure funds, with a significant existing footprint of international port and container terminals operations.

Strategic projects

In addition to its core activities, Qube has recently been diversifying its operations and investing into services for the oil & gas markets, forestry product exports, grain exports through its Quattro Ports joint venture and petrochemical imports, storage and distribution through its TQ Holdings fuel storage joint venture with TonenGeneral.



04.
FINANCIAL
INFORMATION

04. FINANCIAL INFORMATION

4.1 Basis of preparation and key assumptions

Historical financial information

The summary consolidated financial information presented in Sections 4.2 to 4.4 has been derived from the audited financial statements of Qube Holdings Limited for the years ended 30 June 2015 and 30 June 2016 and reviewed financial statements for the six month periods ended 31 December 2014 and 31 December 2015. The historical financial information presented has, except as otherwise noted, been prepared in accordance with the measurement and recognition requirements, but not the disclosure requirements, of the Australian Accounting Standards (AAS) and other mandatory reporting requirements in Australia. The following information should be read together with the other information contained in this Prospectus, including the investment risks in Section 5 to understand the basis, assumptions and limitations underlying the historical and Pro Forma Historical Financial Information presented.

More detailed financial information about Qube is available in Qube's financial reports for the years ended 30 June 2015 and 30 June 2016 and half year financial reports for the six months ended 31 December 2014 and 31 December 2015. A copy of these reports can be downloaded from Qube's website at <http://www.qube.com.au/investors>.

Pro forma Historical Financial Information

The Pro Forma Historical Financial Information comprises the Pro Forma Historical Balance Sheet presented in Section 4.5 and the Pro Forma Historical Income Statement presented in Appendix B.

The Pro Forma Historical Balance Sheet presented in Section 4.5 has been presented reflecting the combined impact on Qube's consolidated financial position as at 30 June 2016 of the Offer, Qube's acquisition of a 50% interest in Patrick and the agreed acquisition of Aurizon's 33.3% interest in the Moorebank project and successful completion of the placement to CPPIB which occurred in August 2016.

The Pro Forma Historical Financial Information presented in Section 4.5 and Appendix B is based on information extracted from the audited consolidated financial statements of Qube for the year ended 30 June 2016, the consolidated financial statements for Asciano for the year ended 30 June 2015, the consolidated half year financial results for Asciano for the periods ended 31 December 2014 and 31 December 2015 and such other supplementary information as was considered necessary, including the management accounts of Asciano. It is presented in an abbreviated form insofar as it does not include all of the presentation disclosures, statements or comparative information as required by the AAS applicable to annual general purpose financial reports prepared in accordance with the Corporations Act.

The financial ratios presented in Section 4.6 have been calculated with reference to the Pro Forma Historical Income Statement presented in Appendix B to the Prospectus. The financial information presented in the Pro Forma Historical Income Statement comprises:

- the audited financial information of Qube for the 12 months ended 30 June 2016; and
- the financial information for Patrick for the 12 month period ended 31 December 2015.

The financial information for Patrick has been sourced from note 2.1 (Segment Reporting) of the financial statements of Asciano for the year ended 30 June 2015, the half year financial results for Asciano for the periods ended 31 December 2014 and 31 December 2015 and management account information.

As part of the due diligence process for the potential acquisition of the business, Asciano provided access to supporting work papers and detailed management accounts to enable the derivation of the continuing business (underlying) financial information for the Patrick business by removing the results for the parts of the business historically reported within Asciano's Terminals and Logistics segmental information which are not included in the business to be acquired.

Qube has not been provided access to supporting work papers and detailed management accounts for the six month period to 30 June 2016 and the level of segmental detail presented in the audited financial statements for Asciano is insufficient to facilitate the preparation of pro forma financial information for the Patrick business for the year ended 30 June 2016.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of AAS. The following adjustments (unless otherwise stated), which have been sourced from the Annual Reports and Half-year Reports accompanying the financial statements listed above, have been made to exclude certain non-cash and non-recurring items to reflect underlying, after tax, earnings (NPAT) and NPAT adjusted to exclude amortisation of identifiable intangibles arising from acquisitions (NPATA):

- Fair value accounting adjustments to the carrying values of strategic assets;
- Fair value accounting adjustments to the carrying values of derivatives;
- Impairment losses on investments in associates
- Impairment reversal of property, plant and equipment;
- Restructuring and other costs;
- FY15 short term management incentives expensed in FY16 that related to achieving a whole of precinct transaction with the Moorebank Intermodal Company and which resulted in an increase in value of the Moorebank property;
- Port Botany redevelopment and restructuring charges in Patrick; and
- tax impact of the above.

Apart from the adjustments outlined in the notes to the Pro Forma Historical Financial Information, no adjustments have been made to the historical financial information of Qube and Patrick. In particular, no adjustments have been made to allow for subsequent events unless specifically mentioned. The accounting policies adopted for the purposes of the Pro Forma Historical Financial Information for Qube and Patrick are based on each entity's current accounting policies and income and expense treatments as outlined in their respective financial statements for the year ended 30 June 2015, half year ended 31 December 2015 and year ended 30 June 2016. As such, the Pro Forma Historical Financial Information of Qube excludes the impact of any accounting policy alignments that may be deemed necessary post transaction. In addition, only provisional amounts have been recognised for the fair values of acquired assets and liabilities in accordance with AASB3 Business Combinations. The provisional amounts have been based on the historical cost amounts recognised in the financial statements of Asciano for all assets other than goodwill. Accordingly, the Pro Forma Historical Financial Information excludes the amortisation of acquired intangibles as a purchase price allocation exercise has not yet been performed due to information limitations.

The financial information should be read in conjunction with the risk factors described in Section 5 as well as the accounting policies of Qube and Asciano as disclosed in their most recent financial reports.

The Pro Forma Historical Financial Information assumes Qube's \$954.4m net investment in Patrick is by way of a combination of contributed equity and shareholder loans, as set out in the notes to Section 4.5.

Qube's investment in Patrick by way of a combination of shareholder loans and contributed equity will be accounted for as a financial asset and an investment in an associate. Accordingly, debt as presented on Qube's Pro Forma Historical Balance Sheet in Section 4.5 does not include Qube's share of the \$1,000m of debt in Patrick. The debt in Patrick is non-recourse to Qube.

Additionally, Qube has entered into an agreement with Aurizon Holdings Limited to acquire its 33.3% interest in Moorebank, as set out in the notes to Section 4.5. The Pro Forma Historical Financial Information is presented on the basis that the transaction completes. Settlement is conditional upon financial close with the Moorebank Intermodal Company, which has not yet occurred.

Investors should also be aware that certain financial data included in this Prospectus are "non-IFRS financial information" under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by the Australian Securities and Investments Commission ("ASIC") in December 2011. These measures include references to underlying information and certain profit metrics. Qube believes this non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of Qube. The non-IFRS financial information do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios included in this Prospectus.

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

04. FINANCIAL INFORMATION (CONT.)

4.2 Historical consolidated income statements

The following table sets out Qube's consolidated income statement for the years ended 30 June 2015 and 30 June 2016.

	12 months ended Jun-15 \$'m	12 months ended Jun-16 \$'m
Revenue from continuing operations		
Revenue from sales and services	1,393.4	1,264.8
Other income	65.9	67.7
Total revenue from continuing operations	1,459.3	1,332.5
Direct transport and logistics costs	(376.5)	(332.9)
Repairs and maintenance costs	(83.0)	(85.4)
Employee benefits expense	(506.9)	(499.3)
Fuel, oil and electricity costs	(106.1)	(75.7)
Occupancy and property costs	(66.2)	(62.8)
Professional fees	(10.8)	(11.1)
Impairment of property, plant and equipment	(44.9)	(21.3)
Reversal of impairment of non-current assets	–	17.6
Other expenses	(19.1)	(12.5)
Total expenses	(1,213.5)	(1,083.4)
Earnings before interest, tax, depreciation and amortisation	245.8	249.1
Depreciation and amortisation expense	(103.5)	(101.5)
Share of net profit of associates accounted for using the equity method	10.4	12.6
Earnings before interest and tax	152.7	160.2
Finance income	1.8	1.5
Finance costs	(27.0)	(33.6)
Net finance costs	(25.2)	(32.1)
Profit before income tax	127.5	128.1
Income tax expense	(31.6)	(35.6)
Profit for the year	95.9	92.5
Other comprehensive income net of tax:		
Exchange differences on translation of foreign operations	(4.0)	4.1
Revaluation of available-for-sale assets	–	7.0
Total comprehensive income for the year	91.9	103.6
Profit for the year is attributable to:		
Owners of Qube Holdings Limited	85.9	82.0
Non-controlling interests	10.0	10.5
Total Profit for the year	95.9	92.5

The following table sets out Qube's consolidated income statement for the six months period ended 31 December 2014 and 31 December 2015.

	6 months ended Dec-14 \$'m	6 months ended Dec-15 \$'m
Revenue from continuing operations		
Revenue from sales and services	697.2	649.7
Other income	29.8	39.8
Total revenue from continuing operations	727.0	689.5
Direct transport and logistics costs	(182.6)	(177.4)
Repairs and maintenance costs	(45.7)	(35.0)
Employee benefits expense	(251.2)	(251.7)
Fuel, oil and electricity costs	(59.1)	(43.6)
Occupancy and property costs	(32.4)	(32.3)
Professional fees	(7.7)	(8.2)
Other expenses	(9.7)	(5.5)
Total expenses	(588.4)	(553.7)
Earnings before interest, tax, depreciation and amortisation	138.6	135.8
Depreciation and amortisation expense	(48.7)	(49.9)
Share of net profit of associates accounted for using the equity method	5.8	5.2
Earnings before interest and tax	95.7	91.1
Finance income	0.9	1.0
Finance costs	(14.1)	(14.9)
Net finance costs	(13.2)	(13.9)
Profit before income tax	82.5	77.2
Income tax expense	(22.2)	(21.5)
Profit for the half year	60.3	55.7
Other comprehensive income net of tax:		
Exchange differences on translation of foreign operations	–	3.2
Change in value of available for sale financial assets	–	2.0
Income tax relating to these items	–	(0.6)
Total comprehensive income for the half year	60.3	60.3
Profit for the half year is attributable to:		
Owners of Qube Holdings Limited	54.7	49.0
Non-controlling interests	5.6	6.7
Total Profit for the half year	60.3	55.7

04. FINANCIAL INFORMATION (CONT.)

4.3 Historical consolidated statements of financial position

The following table sets out Qube's consolidated statement of financial position as at 31 December 2014, 30 June 2015, 31 December 2015 & 30 June 2016.

	Dec-14 \$'m	Jun-15 \$'m	Dec-15 \$'m	Jun-16 \$'m
ASSETS				
Current assets				
Cash and cash equivalents	81.1	88.2	109.5	76.6
Trade and other receivables	223.7	221.1	207.3	206.2
Inventories	2.4	2.2	2.0	2.4
Available-for-sale financial assets	–	–	535.8	543.7
Total current assets	307.2	311.5	854.6	828.9
Non current assets				
Trade and other receivables	0.8	0.1	0.2	–
Financial assets at fair value through profit or loss	0.9	1.0	1.0	1.0
Investments accounted for using the equity method	206.2	216.9	238.9	225.8
Property, plant and equipment	746.6	789.3	814.2	828.3
Investment properties	321.0	342.0	344.4	367.7
Intangible assets	616.2	635.3	632.0	630.7
Deferred tax assets	–	5.6	3.2	–
Other assets	0.7	0.7	0.7	9.2
Total non current assets	1,892.4	1,990.9	2,034.6	2,062.7
Total assets	2,199.6	2,302.4	2,889.2	2,891.6
LIABILITIES				
Current liabilities				
Trade and other payables	132.3	114.8	110.6	100.1
Borrowings	14.2	12.3	512.4	159.4
Derivative financial instruments	–	0.8	0.3	0.7
Current tax payable	4.4	6.3	4.2	–
Provisions	64.0	67.1	71.3	65.0
Deferred revenue	11.7	0.5	–	–
Total current liabilities	226.6	201.8	698.8	325.2
Non current liabilities				
Trade and other payables	6.8	5.5	4.1	2.2
Borrowings	469.2	589.7	646.1	513.6
Derivative financial instruments	3.2	2.3	1.8	2.5
Deferred tax liabilities	1.0	–	–	1.5
Provisions	17.5	14.8	12.3	9.3
Total non current liabilities	497.7	612.3	664.3	529.1
Total liabilities	724.3	814.1	1,363.1	854.3
Net assets	1,475.3	1,488.3	1,526.1	2,037.3
EQUITY				
Contributed equity	1,278.3	1,284.7	1,293.5	1,782.2
Reserves	(28.4)	(28.7)	(21.0)	(9.6)
Retained earnings	138.1	141.5	161.5	166.5
Capital and reserves attributable to owners of Qube	1,388.0	1,397.5	1,434.0	1,939.1
Non-controlling interests	87.3	90.8	92.1	98.2
Total equity	1,475.3	1,488.3	1,526.1	2,037.3

4.4 Historical consolidated statement of cash flows

The following table sets out Qube's consolidated statement of cash flows for the years ended 30 June 2015 and 30 June 2016.

	12 months ended Jun-15 \$'m	12 months ended Jun-16 \$'m
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	1,575.2	1,467.8
Payments to suppliers and employees (inclusive of goods and services tax)	(1,336.3)	(1,231.9)
Cash flows from operating activities	238.9	235.9
Dividends and distributions received	8.4	12.8
Interest received	1.7	1.5
Other revenue	1.9	0.2
Interest paid	(28.3)	(33.5)
Income taxes paid	(53.0)	(34.6)
Net cash inflow from operating activities	169.6	182.3
Cash flows from investing activities		
Payment for acquisition of subsidiaries, net of cash acquired	(109.3)	(14.8)
Payments for property, plant and equipment	(199.6)	(107.3)
Payments for investment property development expenditure	(6.1)	(14.7)
Payments for additional investment in associates	(20.4)	(26.2)
Payments for investment securities	–	(541.6)
Payments for settlement of contingent consideration on acquisitions	–	(3.4)
Loans to related entities	(1.7)	–
Loan repayments from related entities	2.5	5.0
Proceeds from sale of property, plant and equipment	5.6	9.1
Net cash outflow from investing activities	(329.0)	(693.9)
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	–	494.2
Proceeds from the issue of units to non-controlling interests	1.0	4.0
Share issue transaction costs	–	(9.6)
Payments for Treasury Shares	(11.2)	(3.2)
Proceeds from borrowings	729.8	1,116.5
Repayment of borrowings	(520.9)	(1,032.5)
Finance lease payments	(15.0)	(15.3)
Dividends paid to Company's shareholders	(41.1)	(44.8)
Distributions paid to non controlling interests	(5.7)	(9.7)
Net cash inflow from financing activities	136.9	499.6
Net (decrease)/increase in cash and cash equivalents	(22.5)	(12.0)
Cash and cash equivalents at the beginning of the financial year	111.6	88.2
Effects of exchange rate changes on cash and cash equivalents	(0.9)	0.4
Cash and cash equivalents at end of year	88.2	76.6

04. FINANCIAL INFORMATION (CONT.)

The following table sets out Qube's consolidated statement of cash flows for the six months period ended 31 December 2014 and 31 December 2015.

	6 months ended Dec-14 \$'m	6 months ended Dec-15 \$'m
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	785.3	785.5
Payments to suppliers and employees (inclusive of goods and services tax)	(657.4)	(641.9)
Cash flows from operating activities	127.9	143.6
Dividends and distributions received	4.5	4.8
Interest received	0.9	1.0
Interest paid	(17.8)	(13.9)
Income taxes paid	(34.1)	(19.1)
Net cash inflow from operating activities	81.4	116.4
Cash flows from investing activities		
Payment for acquisition of subsidiaries, net of cash acquired	(56.3)	–
Payments for property, plant and equipment	(111.8)	(68.8)
Payments for investment property development expenditure	(1.3)	(4.2)
Payments for additional investment in associates	(10.5)	(25.1)
Payments for available-for-sale financial assets	–	(533.7)
Loan repayments received from related entities	–	3.7
Proceeds from sale of property, plant and equipment	3.6	1.1
Net cash outflow from investing activities	(176.3)	(627.0)
Cash flows from financing activities		
Proceeds from the issue of units to non-controlling interests	–	1.0
Payments for Treasury Shares	(11.2)	–
Proceeds from borrowings	584.0	625.0
Repayment of borrowings	(477.0)	(63.4)
Finance lease payments	(9.0)	(6.7)
Dividends paid to Company's shareholders	(19.7)	(21.3)
Distributions paid to non controlling interests	(2.7)	(3.1)
Net cash inflow from financing activities	64.4	531.5
Net (decrease)/increase in cash and cash equivalents	(30.5)	20.9
Cash and cash equivalents at the beginning of the half year	111.7	88.2
Effects of exchange rate changes on cash and cash equivalents	–	0.4
Cash and cash equivalents at end of half year	81.2	109.5

4.5 Pro Forma Historical Balance Sheet as at 30 June 2016

This section has been prepared to illustrate the Pro Forma Historical Balance Sheet of Qube Holdings Limited post the following adjustments:

- Completion of placement to CPPIB as part of Qube's funding for the acquisition of Patrick;
- Acquisition of the 50% stake in Patrick;
- Issuance of Subordinated Notes of \$300m; and
- The agreed acquisition of Aurizon's 33.3% interest in the Moorebank project.

This section should be read in conjunction with the risk factors described in Section 5 as well as the accounting policies of Qube as disclosed in its most recent financial reports.

	Qube Reported ¹ \$'m	CPPIB Place- ment ^{2,3} \$'m	Acquisition of 50% share in Patrick ^{2,4,5} \$'m	Notes Issue ^{2,6} \$'m	Acquisition of 33.3% Aurizon interest ⁷ \$'m	Qube Pro Forma \$'m
ASSETS:						
Current Assets:						
Cash and cash equivalents	76.6	–	–	–	–	76.6
Available-for-sale financial assets	543.7	–	(543.7)	–	–	–
Other current assets	208.6	–	–	–	–	208.6
Total current assets	828.9	–	(543.7)	–	–	285.2
Non-current assets:						
Investments under equity method	225.8	–	608.7	–	–	834.5
Intangible assets	630.7	–	–	–	–	630.7
Deferred tax assets	–	1.9	9.3	2.1	–	13.3
Other non-current assets	1,206.2	–	361.2	–	–	1,567.4
Total non-current assets	2,062.7	1.9	979.2	2.1	–	3,045.9
Total assets	2,891.6	1.9	435.5	2.1	–	3,331.1
LIABILITIES:						
Current liabilities:						
Borrowings	159.4	–	–	(150.0)	–	9.4
Other current liabilities	165.8	–	–	–	–	165.8
Total current liabilities	325.2	–	–	(150.0)	–	175.2
Non-current liabilities:						
Borrowings	513.6	(300.4)	409.0	150.0	98.9	871.1
Other non-current liabilities	15.5	–	(1.5)	–	–	14.0
Total non-current liabilities	529.1	(300.4)	407.5	150.0	98.9	885.1
Total liabilities	854.3	(300.4)	407.5	–	98.9	1,060.3
Net assets	2,037.3	302.3	28.0	2.1	(98.9)	2,270.8
EQUITY:						
Contributed equity	1,782.2	302.3	–	–	–	2,084.5
Reserves	(9.6)	–	(7.0)	–	(0.7)	(17.3)
Retained earnings	166.5	–	35.0	2.1	–	203.6
Equity attributable to owners of Qube	1,939.1	302.3	28.0	2.1	(0.7)	2,270.8
Non-controlling interests	98.2	–	–	–	(98.2)	–
Total equity	2,037.3	302.3	28.0	2.1	(98.9)	2,270.8

04. FINANCIAL INFORMATION (CONT.)

Notes:

- The Qube reported financial information presented above has been sourced from the audited financial statements of Qube for the year ended 30 June 2016.
- Net of transaction costs.
- Qube successfully completed a \$306.5m placement to Canada Pension Plan Investment Board on 2 August 2016 as part of Qube's funding for their investment in Patrick. Qube paid CPPIB a non-refundable 2% capital commitment fee which has been off set (after tax) against the proceeds from placement.
- The Patrick adjustment comprises the following:
 - The net investment of \$954.4m in Patrick by way of a combination of contributed equity and shareholder loans, funded through a combination of existing undrawn borrowing facilities and Qube's Asciano holding referred to below.
 - The realisation of the value of Qube's current investment of 61.3 million shares in Asciano totalling \$568.9m (based on an offer price of \$9.28/share inclusive of special and interim dividends), delivering a cash surplus of \$35.2m in comparison to the acquisition cost of \$533.7m (based on \$8.71/share). The fair value of the investment at 30 June 2016 was \$543.7m resulting in a pre-tax gain of \$10.0m (post tax \$7.0m) which has been recycled from Reserves to Retained Earnings as part of the overall gain;
 - The recognition of a profit after tax of \$35.0m in retained earnings for the realisation of the value of Asciano shares, comprising fully franked dividend income of \$53.3m from special dividends paid at \$0.87/share, less a net loss on sale (after tax) of \$18.3m based on the difference between the dividend adjusted offer price of \$8.41/share and acquisition cost of \$8.71/share (and assuming a tax rate of 30%); and
 - The balance sheet impacts of the funding of Qube's share of transaction costs of \$23m net of Patrick's estimated share of Asciano's free cash flows.
- Debt as presented on Qube's Pro Forma Historical Balance Sheet does not include Qube's share of the \$1,000m of debt in Patrick. For details of the basis of preparation and assumptions for illustrative purposes adopted in the Pro Forma Historical Financial Information, refer to Section 4.1.
- The issue of \$300.0m in subordinated notes which have been assumed for illustrative purposes are partially used to repay \$150.0m in short term borrowings with the balance to repay long term borrowings. The Pro Forma debt numbers shown above are presented after the deduction of unamortised transaction costs.
- Qube has entered into an agreement with Aurizon Holdings Limited to acquire its 33.3% interest in Moorebank for consideration of \$98.9m, which is assumed to be funded from its existing undrawn debt facilities. For details of the basis of preparation and assumptions adopted in the Pro Forma Historical Financial Information, refer to Section 4.1.

4.6 Financial ratios

The financial ratios below have been calculated with reference to the Pro Forma Historical Income Statement presented in Appendix B, which includes additional detail on the basis of preparation of the numbers.

Qube will receive income from Patrick both through its equity accounted investment of Patrick and also through the receipt of interest on shareholder loans, which is recognised in interest income below EBITDA. The financial ratios have been calculated with reference to Adjusted EBITDA, including share of profit from associates, and also including this interest income.

	Qube Reported	Qube Pro Forma ^{5,6}
Gearing ¹	23.7%	26.4%
Total net debt/Adjusted EBITDA ²	2.3	2.5
Senior net debt ³ /Adjusted EBITDA	2.3	1.6
Interest cover ⁴	8.1	6.9

Notes:

- Gearing ratio is calculated by dividing net debt by the sum of net debt and shareholders' equity as at 30 June 2016 on a reported and pro forma basis respectively.
- Adjusted EBITDA of \$326.9 million comprises underlying Qube EBITDA including share of profits from associates for FY16 and Qube's share of underlying Patrick NPAT for the twelve month period ended December 2015 adjusted for synergies, depreciation and financing costs, plus interest income received from the shareholder loan to Patrick. Refer to Appendix B for the Pro Forma Income Statement used to derive the Adjusted EBITDA presented.
- Senior debt represents the difference between total debt and debt raised from the issuance of the Subordinated Notes of \$300m.
- Interest cover is calculated by dividing Adjusted EBITDA by net interest expense. The net interest expense does not include the interest income on shareholders loan which Qube is expected to receive from Patrick.
- The gearing and net debt ratios presented above do not include Qube's share of the \$1,000m of debt in Patrick. For details of the basis of preparation and assumptions adopted in the Pro Forma Historical Financial Information, refer to Section 4.1.
- Qube has entered into an agreement with Aurizon to acquire its 33.3% interest in Moorebank. For details of the basis of preparation and assumptions adopted in the Pro Forma Historical Financial Information, refer to Section 4.1.

4.7 Debt maturity profile

Qube continues to maintain a conservative approach to its capital structure with a long term target gearing range of 30 – 40%. Qube monitors its net debt and available funding capacity through a range of measures including interest cover ratio and other gearing ratios.

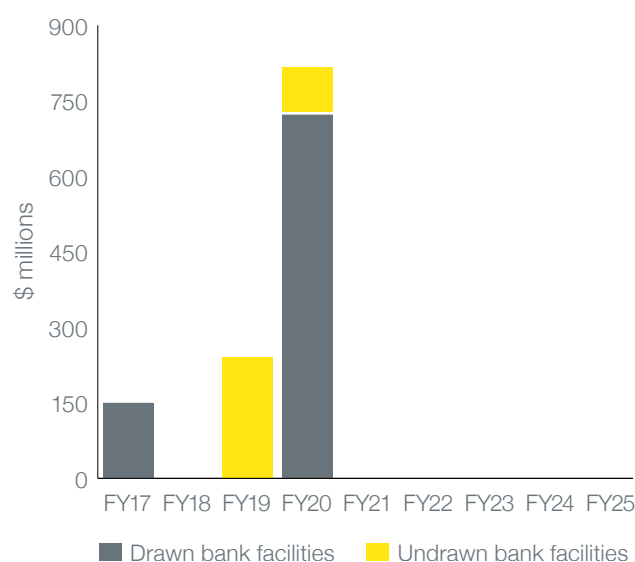
The chart below sets out the pro forma maturity profile of Qube's drawn and undrawn committed facilities as at 30 June 2016, post the following adjustments:

- Completion of placement to CPPIB as part of Qube's funding for the acquisition of Patrick;
- Acquisition of the 50% stake in Patrick; and
- The agreed acquisition of Aurizon's 33.3% interest in the Moorebank project.

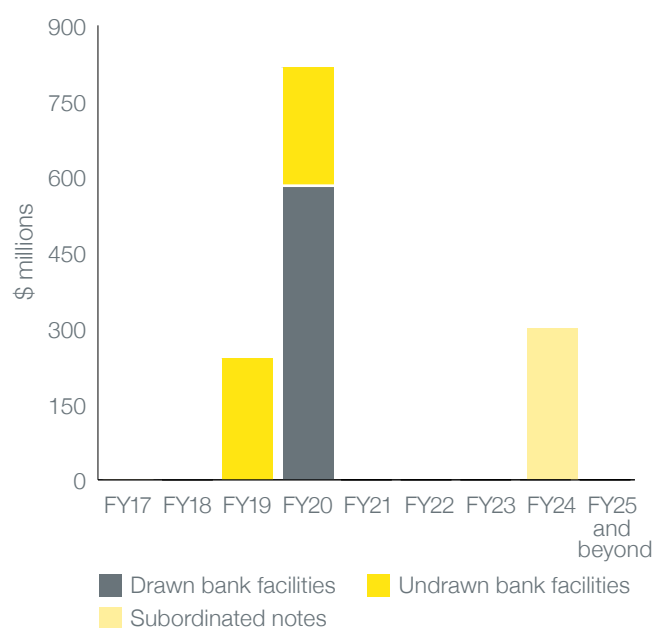
Qube manages its funding position and, as required from time to time, will seek to raise additional equity, debt or hybrid capital to ensure it has sufficient liquidity to fund capital expenditure for its business, consistent with its long term target gearing range of 30 – 40%.

The chart below sets out the pro forma maturity profile of Qube's drawn and undrawn committed facilities as at 30 June 2016, adjusted for the impact of the Offer.

Qube's pro forma debt maturity profile, pre-Offer (as at 30 June 2016)^{1,2,3}



Qube's pro forma debt maturity profile, post-Offer (as at 30 June 2016)^{1,2,3}



Notes:

1. Drawn and undrawn bank facilities excludes finance lease liabilities of \$10.6m and bank guarantees totalling \$28.9m drawn under Qube's working capital facilities.
2. Drawn and undrawn bank facilities do not include Qube's share of the \$1,000m of debt in Patrick. For details of the basis of preparation and assumptions adopted in the Pro Forma Historical Financial Information, refer to Section 4.1.
3. Qube has entered into an agreement with Aurizon to acquire its 33.3% interest in Moorebank. For details of the basis of preparation and assumptions adopted in the Pro Forma Historical Financial Information, refer to Section 4.1.



05.
INVESTMENT RISKS

05. INVESTMENT RISKS

This Section describes potential risks associated with Qube's business and risks associated with an investment in Notes and Qube. It does not purport to list every risk that may be associated with an investment in Notes now or in the future, and the occurrence of consequences of some of the risks described in this Section of the Prospectus are partially or completely outside the control of Qube, its Directors and senior management team.

Before applying for Notes, you should satisfy yourself that you have a sufficient understanding of these matters and should consider whether Notes are a suitable investment for you, having regard to your own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in Notes, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant or other independent and qualified professional adviser before deciding whether to invest.

5.1 Risks associated with Qube Subordinated Notes

5.1.1 Notes are subordinated obligations

Qube has Senior Debt obligations. These facilities contain a number of provisions and covenants, a breach of which may cause Qube to default on the Senior Debt and entitle the Senior Creditors to exercise certain rights, including to demand immediate repayment of any amounts outstanding on the Senior Debt and the enforcement of their security interests.

Notes rank behind, and are subordinated to, the Senior Debt.

There may be a shortfall of funds to pay all amounts ranking senior to and equally with Notes in an event of a winding-up of Qube. This would result in Holders not receiving any payment if claims ranking senior to Notes were not satisfied in full, or otherwise not receiving payment in full.

5.1.2 Changes in Interest Rate

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

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

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

5.1.3 Qube may redeem Notes under certain circumstances

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

5.1.4 No rights for Holders to request or require redemption

Holders have no right to request or require redemption of Notes before 5 October 2023 (the Maturity Date), unless a Change of Control Event occurs or if an Event of Default occurs and is subsisting, and other conditions are met.

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

5.1.5 No limitation on issuing senior or equal ranking securities

The Directors are at all times authorised to issue further notes (whether redeemable or not) or other securities which rank ahead of, equally with or behind Notes, whether in respect of distributions or dividends, ranking on a winding-up or otherwise. However, under the Offer Management Agreement, Qube has undertaken not to issue ASX listed hybrid securities or ASX listed debt securities before expiration of 120 days after completion of the Offer as summarised in Section 9.2.5.

Nothing in the Terms prevents Qube from granting security of its existing debts, or debts which it may incur in the future, and if it did so those debts would rank ahead of the Notes in a winding-up.

5.1.6 Australian tax consequences

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

05. INVESTMENT RISKS (CONT.)

Holders should be aware that there is a risk that the Commissioner of Taxation may take a different view to the conclusions described in Section 7. Holders should also be aware that future changes in Australian taxation law including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of an investment in Notes, or the holding and disposal of Notes.

5.1.7 Restriction on Holders' enforcement rights

Enforcement of Holders' rights requires the taking of action by the Trustee. The Trustee is not bound to take any action under the Trust Deed unless it is directed to do so in writing by Holders of at least 25% of the total Face Value of all Notes outstanding or by a Special Resolution of the Holders, the Trustee's liability is limited as noted in Section 9.1.3 and it is indemnified against any expense or liability which it may thereby incur. A Holder has no direct right of claim against Qube in respect of Notes unless the Trustee, having become bound to proceed, fails to take action within a reasonable period and that failure is continuing, in which case any such Holder may itself institute proceedings against Qube for the relevant remedy to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so. Any such proceedings must be brought in the name of the Holder and not the Trustee.

5.1.8 Qube may fail to pay Face Value, Interest or other amounts

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

Where Qube is unable to pay an amount owing in respect of the Notes due to:

- a material disruption to payment systems or financial markets and/or
- an event which results in a technical or systemic disruption to treasury or payments operations of any party,

which prevents Qube from making payments under the Notes and that is outside the control of Qube, that failure to pay will not constitute an event of default under the terms of the Notes unless and until 5 Business Days after the end of that disruption or event (assuming that Qube has not paid in that 5 Business Day period). Where the disruption or event continued for an extended period of time, Holders will not receive any payment until the end of that disruption or event. However, Qube would continue to have an obligation to pay the amounts owing under the Notes (including interest) once the disruption or event ceases.

5.1.9 Future issues or redemptions of securities by Qube

Notes do not in any way restrict Qube from issuing further securities or from incurring further indebtedness at anytime. Qube's obligations under Notes rank subordinate and junior in a winding-up of Qube's obligations to Senior Creditors, including holders of senior ranking securities and instruments. Any return of capital to Holders and the market price or liquidity of Notes may be affected by an increase in senior or equal ranking creditors. Qube may in the future issue securities that:

- rank for payments of principal or interest (including on the winding-up of Qube) equal with, behind or ahead of Notes;
- have the same or different maturities as Notes;
- have the same or different dividend, interest or distribution rates as those for Notes, and
- have the same or different terms and conditions as Notes.

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

Similarly, Notes do not restrict Qube from issuing, or entering into agreements for the issue of, Qube Ordinary Shares at any price. Any such issues may affect the market price of Qube Ordinary Shares which in turn may affect the amount of any loss incurred by Holders if Notes are required to be converted into Qube Ordinary Shares.

An investment in Notes carries no right to be redeemed or otherwise repaid at the same time as Qube redeems, or otherwise repays, holders of other securities (whether equity, subordinated or senior debt or otherwise).

5.1.10 Alteration of Terms

Subject to the Terms and complying with the Corporations Act and all other applicable laws, Qube may, without the consent of the Holders or the Trustee, alter the Terms in certain circumstances. The circumstances include where the alteration is of a formal, minor or technical nature, made to cure any ambiguity or correct any obvious error, necessary to comply with applicable laws or to maintain quotation of Notes on ASX or is otherwise not likely to be, or to become, prejudicial to the interests of the Holders. See Section 2.5.8 for more information.

Qube may also alter the Terms if the alteration has been approved by a resolution passed at a meeting of the Holders, although provisions of the Terms that require a Special Resolution of Holders and the amendment provisions themselves may only be amended by a Special Resolution of Holders. Alterations under these powers are binding on all Holders despite the fact that a Holder may not agree with the alteration.

5.2 Risks related to the market for Qube Subordinated Notes generally

5.2.1 Market price

Qube will apply for quotation of Notes on ASX. The market price of Notes on ASX may fluctuate due to various factors, including:

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

It is possible that a market in the Notes may not develop or that Notes may trade at a market price below the Face Value and that the market price of Notes may be more sensitive than that of ordinary shares to changes in interest rates, credit margins and other market prices.

If Notes 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.

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

5.2.2 Liquidity

Qube will apply for Notes to be listed on ASX. However, Notes will have no established trading market when issued and a trading market may never develop. Insufficient liquidity may have an adverse effect on a Holders' ability to sell their Notes and Notes may trade at a market price below their Face Value. The market for Notes is likely to be less liquid than the market for Ordinary Shares and you may be unable to sell your Notes at an acceptable price, if at all.

5.3 Risks associated with Qube and its associated businesses (Qube's Businesses)

5.3.1 Economic conditions

The operating and financial performance of Qube's Businesses are influenced by a variety of general economic and business conditions including the level of inflation, interest rates and exchange rates and government fiscal, monetary and regulatory policies. A prolonged deterioration in domestic or general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on the financial performance of Qube's Businesses.

Australian economic growth and population growth are key variables in relation to demand for consumer goods, many of which are imported through Australia's container terminals.

If Australia's economic growth is not maintained, or Australia's population growth slows, demand for imported goods may be reduced, which may have a material adverse effect on the financial performance of Patrick.

Similarly, the relative strength of the Australian dollar impacts on the demand by Australian businesses for imported goods. This, in turn, impacts on container demand.

5.3.2 Key personnel

The operational and financial performance of Qube's Businesses is dependent on their ability to attract and retain experienced management. The loss or unavailability of key personnel involved in the management of the Qube's Businesses could have an adverse impact on Qube's financial performance.

5.3.3 Access to property and rent expense

Some of Qube's Businesses lease and license significant infrastructure and other properties and assets such as rail terminals, container parks and stevedoring facilities. These leases and licences carry renewal risk upon expiry. These Qube Businesses are heavily reliant upon long term access to critical sites/properties. Any failure to renew, renewal on less favourable terms (such as increases in rent expense) or termination of such key leases and licences may have a material adverse effect on Qube's future financial performance and position.

Patrick requires access, at sustainable costs, to port infrastructure to be able to provide its container stevedoring services to its customers. The Fremantle lease, which currently expires in 2017, is subject to an Expression of Interest process being conducted by the Fremantle Port Authority which has been deferred. It will be important for Patrick's financial performance that it is able to secure long term access to the Fremantle terminal on acceptable terms.

05. INVESTMENT RISKS (CONT.)

The Port of Melbourne recently attempted to materially increase the rental costs of a competitor to Patrick. The competitor successfully negotiated a reduced increase in rental costs. Patrick's rental at the Port of Melbourne has been up for review from 1 January 2016. There is a risk that the Port of Melbourne may attempt to pass on an increase in rental costs to Patrick. If Patrick is unable to negotiate a reasonable increase, financial performance may be materially impacted.

5.3.4 Constraints on development

The ability of Qube to benefit from development of its strategic development assets will depend on, among other things, receipt of necessary planning and other third party approvals including approvals from relevant planning authorities. There can be no certainty that these approvals will be received in a time frame or form acceptable to Qube which could result in a reduction in the value of the strategic development assets.

5.3.5 Capital expenditure

Some of Qube's Businesses are capital intensive and require significant investment to be made in capital equipment. The operating and financial performance of these businesses will be partly reliant on their ability to effectively manage major capital projects within required budgets and timeframes. They further rely on sufficient funding being available for the capital expenditure requirements of the businesses, including the maintenance and replacement of equipment to meet operational requirements. In some circumstances, the need for investment in capital equipment may result in capital expenditure being beyond that budgeted, which could have an adverse effect on Qube and its financial performance. Capital expenditure requirements may impact the cash flow available to service financing obligations, pay interest or otherwise make distributions.

The Moorebank project will require significant capital expenditure to become operational and achieve the scale required to achieve maximum returns. The expected capital expenditure includes certain projects that Qube is contractually committed to delivering including the construction of an import-export rail terminal and an interstate rail terminal within specified timeframes. The financial returns from the project will depend on Qube's ability to finance the required capital expenditure on acceptable terms and within the target time frames.

5.3.6 Early stage projects

A key part of Qube's growth strategy involves identifying and pursuing growth opportunities within its existing business. This includes the development of projects within Qube's Strategic Assets division, including the Moorebank intermodal project, the Minto property, the Quattro Ports grain and TQ Holdings fuel joint venture businesses.

These early stage projects and opportunities typically involve development and construction of new facilities and infrastructure or expansion or upgrades to existing facilities and infrastructure. Investments in new projects during a development or construction phase are likely to be subject to additional risks, including that the project will not be completed within budget, within the agreed timeframe and by contractors in accordance with their requirements, that the income derived from project is lower than expected and, where applicable, the new project is not successfully integrated into the existing assets of the business.

5.3.7 Impact of commodity cycles on the growth in container volumes

Qube's Businesses are exposed, through their customers, to global demand for commodities. Revenues and margins from the provision of bulk logistics services may be materially adversely impacted by reduced global demand for bulk commodities or changes in global commodity prices.

Patrick receives part of its revenue from the stevedoring export containers. Consequently growth in containerised exports has a positive impact on financial performance. Conversely, the impact of commodity cycles can reduce the growth in containerised exports, which can have a negative impact on financial performance.

5.3.8 Risks from acquisitions

Qube's business strategy involves it continuing to seek growth opportunities, including through acquisitions. Similar to the acquisition of Patrick, risks exist in respect of integrating an acquisition, including the risk that potential synergies may not be realised which may negatively impact Qube's financial performance.

In addition, the contractual arrangements for the Moorebank Intermodal Project have not reached financial close. Financial close of the contractual arrangements for the Moorebank Intermodal Project is dependent upon a number of conditions precedent being satisfied or waived by an agreed end date. The original end date was 30 September 2015 but this has been extended several times to the current end date of 23 September 2016. The parties continue to work cooperatively to achieve financial close. If financial close is not achieved by 23 September 2016, Qube has no reason to believe that the parties will not agree to extend the end date to allow further time to satisfy or waive the conditions precedent and achieve financial close. However, there is a risk that financial close may not occur.

5.3.9 Reliance on information provided

Prior to its acquisition, Qube undertook a due diligence process in respect of Patrick, which relied in part on the review of financial and other information provided by Asciano. Despite making reasonable efforts, Qube has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, Qube has prepared (and made assumptions in the preparation of) the Pro Forma Historical Financial Information included in this Prospectus in reliance on limited financial information and other information provided by Asciano. Qube is unable to verify the accuracy or completeness of that information. If any of the data or information provided to and relied upon by Qube in its due diligence process and its preparation of this Prospectus proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Qube may be materially different to the Pro Forma Balance Sheet, expected by Qube and reflected in this Prospectus. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the acquisition have been identified. Therefore, there is a risk that unforeseen issues and risks may arise which may also have a material impact on Qube in the future.

5.3.10 Acquisition accounting

Qube will recognise its investment in Patrick at cost. The JV, on acquiring the Patrick Terminals business, will be required to perform a purchase price allocation involving the valuation of assets and liabilities acquired (including separately identifiable intangibles) and any differential between the valuation of the net assets acquired and purchase price will be recognised as goodwill in the JV. The fair value of assets recognised will provide the basis for subsequent depreciation and amortisation charges which will be reflected in Qube's equity accounted share of the JV's earnings. Accordingly, Qube's share of earnings is likely to differ to the share of earnings shown in the Pro Forma Historical Financial Information in Appendix B.

5.3.11 Achievement of synergies

A key determinant of the long-term benefits Qube expects to derive from the acquisition of Patrick is the achievement of expected synergies and business improvement project benefits (whether in the JV or at the Qube level). There is a risk that the realisation of synergies or benefits described in this Prospectus may not be achieved in a timely manner, at all, or to the extent envisaged, or that the costs or capital expenditure associated with achieving them may be higher than anticipated. Potential issues and complications influencing the achievement of targeted benefits include:

- experiencing lower than expected cost savings;
- experiencing lower than expected productivity improvements;
- unintended losses of key employees; and
- market conditions or changes in the regulatory environment, or regulatory conditions imposed in connection with the acquisition of Patrick.

5.3.12 Risks related to the acquisition of AAT

Completion of the acquisition of the remaining 50% of AAT by Qube is subject to ACCC approval. Should this approval not be received or should clearance be granted on terms or conditions which are not acceptable to Qube, under the AAT Share Purchase Agreement AAT may instead be sold to a third party buyer nominated by Qube. If the sale does not complete, Qube may be required to pay up to \$75m to Brookfield as a break fee. Based on its assessment of the AAT business and its attractiveness to potential third party buyers, Qube does not expect that it will be required to make any payment to Brookfield in connection with the disposal of the AAT business in circumstances where the required ACCC clearance is not granted, or is granted on terms or conditions which are not acceptable to Qube. However, the outcome of any subsequent sale process cannot be predicted and the price achieved may be adversely affected by a number of factors, including a decline in market conditions and the outlook for earnings, lack of availability of financing for acquisitions by interested parties or a lack of buyer interest or competitive tension to which Qube will be exposed.

5.3.13 Competition risks

Increased competition in the markets in which Qube's Businesses operate could result in price reductions, under-utilisation of personnel, assets or infrastructure, reduced operating margins and/or loss of market share, which may have a material adverse effect on future financial performance and position.

There has been increased competition in the container terminals business operated by Patrick from third party operators at a number of key terminal sites.

In particular, Hutchison Ports Australia Limited, a division of Hong Kong based CK Hutchison Holdings Limited, commenced operations at Brisbane in January 2013 and Sydney in July 2014.

The Port of Melbourne Corporation, a state owned enterprise, has also sold the rights to develop a third international container terminal at Webb Dock. Victoria International Container Terminal Ltd, a company wholly owned by International Container Terminal Services Inc. was awarded the contract and is expected to start operating from the end of 2016.

If these new industry entrants are successful in consolidating their operations, this may result in lower volumes and margins for Patrick which may, in turn, have a material impact on financial performance.

05. INVESTMENT RISKS (CONT.)

5.3.14 Customer consolidation

The global shipping line market is subject to potential changes through the consolidation of participants and changes to shipping consortia. The result of these changes could be an increase or a decrease in Patrick's market share and consequently could have a material adverse impact on financial performance.

5.3.15 Employees/Industrial action

A number of operational employees of Qube's Businesses (including its associates) are members of trade unions. These employees are generally covered by collective agreements which are periodically renegotiated and renewed. The risk of strikes and other forms of industrial action that may have a material adverse impact on these businesses would be primarily dependent on the outcomes of negotiations with representative unions regarding the terms of new collective agreements. If there were a material or prolonged dispute between the business and its unions or workforce, this could disrupt operations which may have a material adverse effect on future financial performance and position.

In particular, many operational employees of Patrick are members of trade unions. These employees are generally covered by collective agreements, some of which are currently in the process of renegotiation.

Australia's industrial relations laws afford various rights to employees to engage in industrial action. Industrial action can cause significant disruption to Patrick's customer service performance.

The activities of the Maritime Union of Australia in connection with the business operated by Patrick (including any industrial action taken) impacts the division's ability to effectively service its customers. This, in turn, could have an impact on customer demand.

5.3.16 Government policy and regulation

The operations of Qube's Businesses depend on access to infrastructure including ports, terminals and associated infrastructure which is subject to government policy and legal and regulatory oversight; including access, accreditation, operational, security, tax, environmental and industrial (including occupational health and safety) regulation. Changes in government policy and legal and regulatory oversight may have a material adverse effect on future financial performance and position.

5.3.17 Customer service

Qube's ability to maintain relationships with major customers is integral to its financial performance. This in turn depends on its ability to offer competitive service standards and pricing. Poor performance in either area may lead to a loss of major customers which may have a material impact on Qube's financial performance.

5.3.18 Environmental risk

National and local environmental laws and regulations may affect operations of Qube's Businesses. Standards are set by these laws and regulations regarding certain aspects of health and environmental quality, and they provide for penalties and other liabilities if such standards are breached, and establish, in certain circumstances, obligations to remediate and rehabilitate current and former facilities and locations where operations are, or were, conducted. Qube's Businesses incur costs to comply with these environmental laws and regulations and in respect of violation of them, and changes to such laws and regulations, including changes to operating licence conditions, could result in penalties and other liabilities, which may have a material adverse effect on future financial performance and position.

5.3.19 Litigation and disputes

Qube may become involved in litigation or disputes, which could adversely affect financial performance and reputation.

5.3.20 Counterparty risk

Qube is exposed to credit-related losses if counterparties to contracts fail to meet their obligations. This could occur if customers were to become insolvent or not meet their financial obligations to Qube and may adversely impact Qube's revenue.

5.3.21 Foreign exchange risk

Qube is exposed to foreign exchange risk, which may impact the volume of imports or exports subject to whether the Australian dollar is appreciating or depreciating. Movements in the foreign exchange rate may also affect the price of capital equipment acquired outside of Australia. These risks may affect Qube's financial performance.

5.3.22 Interest rate risk

The nature of Qube's financing arrangements exposes Qube to interest rate risk, including from the movement in underlying interest rates, which impacts on Qube's cost of funding and may adversely impact Qube's financial performance.

5.3.23 Refinancing risk

Qube has outstanding debt facilities, and may be required to refinance certain debt facilities as their maturity dates approach. Such indebtedness may result in Qube being subject to certain covenants restricting its ability to engage in certain types of activities.

General economic and business conditions that impact the debt or equity markets could impact Qube's ability to refinance its operations.

5.3.24 Taxation

The risk that changes in tax law (including goods and services taxes and stamp duties), or changes in the way tax laws are interpreted in the various jurisdictions in which Qube operates, may impact the tax liabilities of Qube. In addition, the ability of Qube to obtain the benefit of existing tax losses and claim other beneficial tax attributes will depend on future circumstances and may be adversely affected by changes in ownership, business activities, levels of taxable income and any other conditions relating to the use of the tax losses or other attributes in the jurisdictions in which Qube operates.

5.3.25 Occupational health and safety

If there were to be a failure to comply with the applicable occupational health and safety legislative requirements across the jurisdictions in which Qube operates, there is a risk that non-compliance may result in fines, penalties and/or compensation for damages as well as reputational damage.

5.3.26 Other factors

Other factors or events may impact on Qube's performance, such as natural disasters, changes or disruptions to political, regulatory, legal or economic conditions, or to Australian or international financial markets, including as a result of terrorism or war.



06.
ABOUT THE OFFER

06. ABOUT THE OFFER

Information about the Offer, including the Offer key dates and the Offer Period, is included in Section 1.

This Section provides further information about the Offer, including how to apply for Notes.

6.1 The offer

Topic	Summary
How is the Offer structured?	<p>The Offer comprises:</p> <ul style="list-style-type: none"> • an Institutional Offer to certain Institutional Investors; • a Broker Firm Offer made to eligible clients of Syndicate Brokers; and • a Shareholder Offer made to Eligible Shareholders.
Is any brokerage, commission or stamp duty payable?	No brokerage, commission or stamp duty is payable by applicants on applications. You may be required to pay brokerage if you sell your Notes on ASX after Notes have been quoted on ASX.
Will application monies be held on trust?	All application monies received before Notes are issued will be held by Qube on trust in an account established solely for the purposes of depositing application monies received. Any interest that accrues in that account will be retained by Qube. After Notes are issued to successful applicants, the application monies held on trust will be payable to Qube.
How will refunds (if any) be made?	<ul style="list-style-type: none"> • If you are not issued any Notes or you are issued fewer Notes than the number that you applied and paid for as a result of a scale back, all or some of your application monies (as applicable) will be refunded to you (without interest) as soon as practicable after the Issue Date. • If the Offer does not proceed for any reason, all applicants will have their application monies refunded (without interest) as soon as practicable.
Do I need to provide my TFN or ABN?	<ul style="list-style-type: none"> • You do not have to provide your TFN or ABN and it is not an offence if you fail to do so. However, Qube may be required to withhold Australian tax at the maximum marginal tax rate on the amount of any Interest Payment unless you provide one of the following: <ul style="list-style-type: none"> – TFN; – TFN exemption number (if applicable); or – ABN (if Notes are held in the course of an enterprise carried on by you). • The collection and quotation of TFNs and ABNs are authorised, and their use and disclosure is strictly regulated, by tax laws and the Privacy Act.
How to obtain a copy of the Prospectus and Application Form?	<ul style="list-style-type: none"> • During the Exposure Period, an electronic version of the Original Prospectus (without an Application Form) was available at www.qubenotes.com.au. Application Forms will not be made available until after the Exposure Period. • During the Offer Period, an electronic version of this Prospectus with an Application Form will be available at www.qubenotes.com.au and may be available through your Syndicate Broker. <p>Electronic access to this Prospectus</p> <ul style="list-style-type: none"> • The following conditions apply if this Prospectus is accessed electronically: <ul style="list-style-type: none"> – you must download the entire Prospectus; – your application will only be considered where you have applied on an application form that was attached to or accompanied by a copy of the Prospectus; and – the Prospectus is available electronically to you only if you are accessing and downloading or printing the electronic copy of the Prospectus in Australia or if you are an Eligible Shareholder in Australia. • During the Offer Period, you can also request a free paper copy of this Prospectus and an Application Form by calling the Qube Notes Offer Information Line on 1300 850 505 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:00pm (Sydney time)). • The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, a printed copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

06. ABOUT THE OFFER (CONT.)

Topic	Summary
How to obtain a copy of the Prospectus and Application Form? (cont.)	<ul style="list-style-type: none"> Your application will only be considered where you have applied pursuant to an application form (either in electronic or paper form) that was attached to, or accompanied by, a copy of the Replacement Prospectus, and have provided your application monies.

6.2 How to apply

	Institutional Offer	Broker Firm Offer	Shareholder Offer
Who can apply?	Institutional Investor <ul style="list-style-type: none"> That is, an investor who is invited by Qube or the Joint Lead Managers to bid for Notes in the Bookbuild, who is applying through the Institutional Offer. 	Broker Firm Applicant <ul style="list-style-type: none"> That is, a client of a Syndicate Broker invited to participate through the Broker Firm Offer. 	Shareholder Applicant <ul style="list-style-type: none"> That is, an Eligible Shareholder, being a registered holder of Ordinary Shares with a registered address in Australia at 7:00pm (Sydney time) on 25 August 2016 and who is resident in Australia.
How many Notes can be applied for?	<ul style="list-style-type: none"> Your application must be for a minimum of 50 Notes (\$5,000). If your application is for more than 50 Notes, then you must apply in incremental multiples of 10 Notes – that is, for incremental multiples of \$1,000. 		
When to apply?	<ul style="list-style-type: none"> The Bookbuild will be completed on or before 6 September 2016. 	<ul style="list-style-type: none"> Applications will only be accepted during the Offer Period, which is expected to open on 7 September 2016. The Closing Date for the Broker Firm Offer is 10:00am (Sydney time) on 4 October 2016. Your completed Application Form and application monies must be received by your Syndicate Broker in accordance with arrangements made between you and your Syndicate Broker. 	<ul style="list-style-type: none"> Applications will only be accepted during the Offer Period, which is expected to open on 7 September 2016. The Closing Date for the Shareholder Offer is 5:00pm (Sydney time) on 28 September 2016. Your completed Application Form and application monies must be received by the Registry by the Closing Date.
How to apply online?	N/A	<ul style="list-style-type: none"> Contact your Syndicate Broker for instructions. 	<ul style="list-style-type: none"> You can apply online at www.qubenotes.com.au. Instructions on how to complete your application are provided online. You will be asked to identify your holding of Ordinary Shares providing your SRN or HIN which can be found on your holding statement or payment advice. When applying online, you will be required to pay for Notes using BPAY®.

	Institutional Offer	Broker Firm Offer	Shareholder Offer
How to pay online?	N/A	N/A	<ul style="list-style-type: none"> • If you apply using an online Application Form, you must complete your application by making a BPAY® payment. • Once you have completed your online Application Form, you will be given a BPAY® biller code and unique Customer Reference Number for that application. Follow the BPAY® instructions below to complete your application. • If you do not make a BPAY® payment, your application will be incomplete and will not be accepted by Qube. Your completed online Application Form and application monies must be received by the Registry by the Closing Date.
How to use BPAY®?	N/A	N/A	<ul style="list-style-type: none"> • Using the BPAY® details provided, you need to: <ul style="list-style-type: none"> – access your participating BPAY® financial institution either through telephone banking or internet banking; – select BPAY® and follow the prompts; – enter the biller code supplied; – enter the unique Customer Reference Number supplied for each application; – enter the total amount to be paid which corresponds to the number of Notes you wish to apply for under each application (i.e. a minimum of \$5,000 – 50 Notes, and incremental multiples of \$1,000 – 10 Notes). Note that your financial institution may apply limits on your use of BPAY®. You should enquire about the limits that apply in your own personal situation; – select the account from which you wish your payment to be made; – schedule your payment for the same day that you complete your online Application Form since applications without payment cannot be accepted; and

06. ABOUT THE OFFER (CONT.)

	Institutional Offer	Broker Firm Offer	Shareholder Offer
How to use BPAY®? (cont.)	N/A	N/A	<ul style="list-style-type: none"> – record your BPAY® receipt number and date paid. Retain these details for your records. • BPAY® payments must be made from an Australian dollar account of an Australian financial institution.
How to apply using a paper Application Form?	<ul style="list-style-type: none"> • Application and settlement procedures for Institutional Investors will be advised by NAB or UBS. 	<ul style="list-style-type: none"> • There will be paper Application Forms in the back of the Replacement Prospectus (that is expected to be available from 7 September 2016) that may be used by Broker Firm Applicants. • General instructions on how to complete the paper Application Form are set out on the Application Form. • You must contact your Syndicate Broker for their specific instructions on how to submit the paper Application Form and your application monies to your Syndicate Broker. • You must not return your paper Application Form to the Registry. • Your Syndicate Broker must have received your completed paper Application Form and application monies in time to arrange settlement on your behalf by the Closing Date for the Broker Firm Offer (being 4 October 2016) and will act as your agent in processing your paper Application Form and providing your application details and application monies to Qube. 	<ul style="list-style-type: none"> • You can request a paper copy of the Prospectus and your personalised Shareholder Application Form by calling the Qube Notes Offer Information Line on 1300 850 505 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:00pm (Sydney time)). • Instructions on how to complete your personalised Shareholder Application Form are set out on the form. You will be required to pay for Notes by 28 September 2016 by cheque(s) and/or money order(s). If you wish to pay by BPAY®, you need to make an online application. • You will be required to post your completed personalised paper Shareholder Application Form to the Registry.

	Institutional Offer	Broker Firm Offer	Shareholder Offer
What is the address of the Registry?	N/A	N/A	<ul style="list-style-type: none"> • Computershare Investor Services Pty Limited GPO Box 505, Melbourne VIC • The paper Application Form sets out details of the GPO Box for the Registry for the return of paper Application Forms. • Please note that paper Application Forms and application monies will not be accepted at any other address or office and will not be accepted at Qube's registered office or any other Qube office or at other offices or branches of the Registry.
How to pay using a paper Application Form?	N/A	<ul style="list-style-type: none"> • You must contact your Syndicate Broker for information on how to submit the paper Application Form and your application monies to your Syndicate Broker. 	<ul style="list-style-type: none"> • If you apply under the Shareholder Offer using a personalised paper Shareholder Application Form, your completed form must be accompanied by application monies in the form of cheque(s) and/or money order(s) drawn on an Australian dollar account of a financial institution and made payable to "Qube Subordinated Notes Offer". • Cheque(s) should be crossed "Not Negotiable". • Cash payments will not be accepted. • You cannot pay by BPAY® if you apply under the Shareholder Offer using a personalised paper Shareholder Application Form. If you wish to pay by BPAY®, you will need to make an online application. • Your completed personalised paper Shareholder Application Form and application monies must be received by the Registry by the Closing Date.

06. ABOUT THE OFFER (CONT.)

	Institutional Offer	Broker Firm Offer	Shareholder Offer
What is the allocation policy?	<ul style="list-style-type: none"> • Allocations to Institutional Investors will be agreed by NAB, UBS and Qube following completion of the Bookbuild. 	<ul style="list-style-type: none"> • Allocations to Syndicate Brokers will be agreed by the Joint Lead Managers and Qube following completion of the Bookbuild. • Allocations to Broker Firm Applicants by a Syndicate Broker are at the discretion of that Syndicate Broker. 	<ul style="list-style-type: none"> • Allocations for the Shareholder Offer will be determined by Qube in consultation with the Joint Lead Managers after the Closing Date. • Qube will endeavour to provide Shareholder Applicants with a minimum allocation under the Shareholder Offer of at least 50 Notes. However, Qube does not guarantee any minimum allocation under the Shareholder Offer and the extent of any allocation will ultimately depend on the total level of applications under the Offer. • Qube by agreement with the Joint Lead Managers reserves the right to scale back applications from Shareholder Applicants. Any scale back will be announced on ASX on the day Notes commence trading on a deferred settlement basis – expected to be 6 October 2016. • Qube by agreement with the Joint Lead Managers has absolute discretion to determine the method and extent of the allocation. • Qube and the Joint Lead Managers reserve the right to: <ul style="list-style-type: none"> – allocate to any Shareholder Applicant all Notes for which they have applied; – reject any application by a Shareholder Applicant; or – allocate to any Shareholder Applicant a lesser number of Notes than that applied for, including less than the minimum application of Notes or none at all. • No assurance is given that any Shareholder Applicant will receive an allocation.

	Institutional Offer	Broker Firm Offer	Shareholder Offer
How will the final allocation policy be announced?	<ul style="list-style-type: none"> • Allocations to Institutional Investors will be advised to those investors under the Bookbuild. 	<ul style="list-style-type: none"> • Allocations to Syndicate Brokers will be advised to those brokers under the Bookbuild. • Applicants under the Broker Firm Offer will also be able to confirm their firm allocation through the Syndicate Broker from whom they received their allocation. • However, if you sell any Notes before receiving a Holding Statement you do so at your own risk, even if you confirmed your firm allocation through a Syndicate Broker. 	<ul style="list-style-type: none"> • If you are an applicant in the Shareholder Offer, you will be able to call the Qube Notes Offer Information Line on 1300 850 505 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:00pm (Sydney time)) to confirm your allocation. • However, if you sell any Notes before receiving a Holding Statement you do so at your own risk, even if you obtained details of your holding from the Qube Notes Offer Information Line.
Who should I contact with an enquiry?	<ul style="list-style-type: none"> • Contact NAB or UBS 	<ul style="list-style-type: none"> • If you have further questions about the Offer or your application under the Broker Firm Offer, please call your Syndicate Broker. 	<ul style="list-style-type: none"> • You can call the Qube Notes Offer Information Line on 1300 850 505 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:00pm (Sydney time)) if you: <ul style="list-style-type: none"> – have further questions on how to apply for Notes; – require assistance to complete your Application Form; – require additional copies of this Prospectus and Application Forms; or – have any other questions about the Offer.
	<ul style="list-style-type: none"> • If you are unclear in relation to any matter relating to the Offer or are uncertain whether Notes are a suitable investment for you, you should consult an independent and appropriately licensed or authorised professional adviser. 		

6.3 Other information

6.3.1 Bookbuild

The Joint Lead Managers have conducted a Bookbuild to determine the Margin and firm allocations of Notes to Bookbuild participants. The Bookbuild was completed on 1 September 2016 in accordance with the terms and conditions agreed by Qube and the Joint Lead Managers. As part of the Bookbuild, certain Institutional Investors and Syndicate Brokers were invited to lodge bids for Notes. On the basis of those bids, Qube and the Joint Lead Managers determined the Margin and the firm allocations of Notes to Syndicate Brokers. Qube and the Joint Lead Managers also determined the firm allocations to certain Institutional Investors. Notes allocated during the Bookbuild will be issued pursuant to this Prospectus.

The Margin set by the Bookbuild was announced on 1 September 2016 to ASX. Details are also available by calling the Qube Notes Offer Information Line on 1300 850 505 or +61 3 9415 4000 (Monday to Friday – 8:30am to 5:00pm (Sydney time)) from or about 7 September 2016.

Application and settlement procedures for the Bookbuild will be notified to Syndicate Brokers by the Joint Lead Managers, and to Institutional Investors by NAB or UBS.

6.3.2 Restrictions on distribution

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

06. ABOUT THE OFFER (CONT.)

This Prospectus does not constitute an offer or invitation to subscribe for Notes in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

Hong Kong

WARNING: This document has 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 has it 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 this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Notes 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 Notes 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 Notes 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 Notes 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 this document 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 this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “FMC Act”). The Notes 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

This document and any other materials relating to the Notes have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Notes, may not be issued, circulated or distributed, nor may the Notes 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.

This document has 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 this document immediately. You may not forward or circulate this document to any other person in Singapore.

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

Switzerland

Notes may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland. The Notes will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the offering, nor Qube nor Notes have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Notes will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

United Kingdom

Neither the information in this Prospectus nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of Notes. This Prospectus is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and Notes may not be offered or sold in the United Kingdom by means of this Prospectus, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by the recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of Notes has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Qube.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons: (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"); (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc) of the FPO; or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Prospectus relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

6.3.3 Application to ASX for quotation of Notes

Qube will apply for quotation of Notes on ASX under the code "QUBHA".

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may quote Notes is not to be taken as an indication of the merits of Notes offered for subscription.

If permission is not granted for the official quotation of Notes on ASX within three months after the date of this Prospectus, Notes will not be issued and all application monies received by Qube will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

6.3.4 CHESS and issuer sponsored holdings

Qube will apply to participate in ASX's CHESS and will comply with the Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When Notes become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, an electronic CHESS subregister or an issuer sponsored subregister. For all successful applicants, Notes of a Holder who is a participant in CHESS or a Holder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Notes will be registered on the issuer sponsored sub-register.

Following completion of the Offer, Holders will be sent a Holding Statement that sets out the number of Notes that have been allocated to them. This statement will also provide details of a Holder's HIN for CHESS holders or, where applicable, the SRN of issuer sponsored holders. It is expected that Holding Statements for issuer sponsored holders and confirmations for CHESS holders will be despatched to successful applicants by 7 October 2016. Certificates will not be issued.

Holders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the Register in the previous month and as otherwise required under the Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Holder's sponsoring broker in the case of a holding on the CHESS subregister or through the Registry in the case of a holding on the issuer sponsored subregister. Qube and the Registry may charge a fee for these additional issuer sponsored statements.

6.3.5 Deferred settlement trading and selling Notes on market

It is expected that trading of Notes on ASX will commence on or about 6 October 2016 on a deferred settlement basis.

It is the responsibility of each person who trades in Notes to confirm their holding before trading. If you sell Notes before receiving a Holding Statement, you do so at your own risk. Qube, the Registry and the Joint Lead Managers disclaim

06. ABOUT THE OFFER (CONT.)

all liability, whether in negligence or otherwise, if you sell Notes before receiving your Holding Statement, even if you obtained details of your holding from the Qube Notes Offer Information Line or confirmed your firm allocation through a Syndicate Broker.

Notes are expected to commence trading on ASX on or about 10 October 2016 on a normal settlement basis.

6.3.6 Discretion regarding the Offer

Qube reserves the right not to proceed with the Offer at any time before the issue of Notes to successful applicants.

Qube may withdraw the Offer at any time before the issue of Notes to successful applicants. If the Offer, or any part of it, does not proceed, all relevant application monies will be refunded (without interest).

Qube and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late applications or bids either generally or in particular cases, reject any application or bid, or allocate to any applicant or bidder fewer Notes than applied or bid for.

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



07.
AUSTRALIAN
TAXATION SUMMARY

07. AUSTRALIAN TAXATION SUMMARY



The Directors
Qube Holdings Limited
Level 27
45 Clarence Street
SYDNEY NSW 2000

7 September 2016

Dear Directors

Australian taxation consequences of investing in Qube Notes

We have been instructed to prepare a summary of the Australian income tax, goods and services tax (**GST**) and stamp duty consequences regarding the issue of Notes by Qube for inclusion in the Prospectus dated on or about 7 September 2016, based upon the arrangements explained in the Prospectus.

This summary outlines the Australian taxation consequences of these transactions for investors who hold Notes (**Noteholders**) on capital account and who are not associates of Qube for the purposes of the tax laws.

Tax considerations which may arise for investors who are in the business of share trading, dealing in securities or otherwise hold the Notes on revenue account have not been considered in this tax summary.

This summary only provides a guide to the general Australian income tax and GST consequences of investing in Notes based on the income tax and GST law and administrative practice in force as at the date of the Prospectus. It is necessarily general in nature and does not purport to be definitive advice, nor a complete analysis, to identify all potential tax consequences for Notes Holders. The Australian income tax and GST treatment may vary according to individual circumstances, and each Noteholder should seek their own tax advice that is specific to their particular circumstances.

Unless the context indicates otherwise, all capitalised terms bear the same meaning as those contained in the Glossary of the Prospectus, and the Terms of the Notes.

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Liability limited by a scheme approved under Professional Standards Legislation.



1 Taxation consequences for Notes Holders

1.1 Interest Payments

a) Australian residents

The Notes should be treated as financial arrangements (and are not “equity”) for income tax purposes under the Taxation of Financial Arrangement (**TOFA**) provisions in Division 230 of the *Income Tax Assessment Act 1997*.

Interest Payments made in respect of Notes should be included in the assessable income of the Noteholders. The year of income in which the Interest Payments should be included in each Noteholder’s income tax returns will depend on whether the TOFA provisions apply to them.

The TOFA rules should generally not apply to “traditional securities” where holders are:

- Individuals;
- Superannuation funds and managed investment schemes if the value of their assets is less than \$100 million; or
- Other entities (not individuals) who are below all of the following thresholds in a previous income year
 - aggregated turnover of less than \$100 million;
 - assets of less than \$300 million; and
 - financial assets of less than \$100 million

The Notes should be considered to be “traditional securities”, as opposed to “qualifying securities”. As such the TOFA rules should generally not apply to the entities above, unless they have elected for those rules to apply. The income tax consequences for these Noteholders of holding Notes as “traditional securities” will be in accordance with our comments outlined in this opinion for “Noteholders who are *not* subject to TOFA”.

i) Noteholders who are *not* subject to TOFA

For Noteholders who are not subject to the TOFA provisions, the Interest Payments should generally be recognised in their income tax returns in the year of income in which the Interest Payments are received.

07. AUSTRALIAN TAXATION SUMMARY (CONT.)



ii) Noteholders who are subject to TOFA

For Noteholders who are subject to TOFA, the default position should be to include the Interest Payments in their income tax returns on a compounding accruals basis over the life of the Notes. However, Noteholders may elect to be taxed pursuant to various elective regimes under TOFA. Due to the complexities within TOFA, Noteholders should seek tax advice specific to their circumstances in relation to the application of the elective regimes.

For Noteholders who are subject to the TOFA rules, the timing of when Interest Payments are required to be included in their income tax returns, and when payment is actually received may differ.

b) Non-residents

Where:

- A Noteholder is a non-resident; and
- The Noteholder does not hold Notes through a permanent establishment in Australia,

the Interest Payments received in respect of Notes should not be included in the Australian assessable income of the Noteholder.

Normally, Interest Payments made to such non-residents would be subject to Australian withholding tax. However, it is anticipated that Notes will be issued in a manner that will cause the Interest Payments to be exempt from Australian withholding tax under s.128F of the *Income Tax Assessment Act 1936*.

The exemption will not apply in respect of Notes if, at the time of issue, Qube knows or has reasonable grounds to suspect that Notes, or interests in Notes, are being or will be, acquired directly or indirectly by an associate of Qube that is not a resident of Australia (or who is a resident of Australia acting through a permanent establishment outside Australia), other than in the capacity of a dealer, manager or underwriter in relation to a placement of Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme (**an Offshore Associate**). Qube will take all reasonable steps to ensure that no Notes are acquired by an Offshore Associate.

If the exemption under s.128F does not apply and an Interest Payment to a non-resident Noteholder is subject to withholding tax, the amount of the Distribution will be increased so that the net amount received by Noteholders is equal to the amount that would have been received if withholding tax had not applied, subject to certain restrictions.



If a non-resident Noteholder does hold Notes through a permanent establishment in Australia, then Interest Payments will be included in the assessable income of the Noteholder for Australian taxation purposes. Interest withholding tax will not apply to Interest Payments paid to such a Noteholder.

1.2 Disposal, redemption or transfer of Notes

a) Australian residents

i) Noteholders who are *not* subject to TOFA

Notes should be treated as “traditional securities” pursuant to Australian tax law for Noteholders who are not subject to TOFA. Accordingly, Notes will be subject to those specific provisions relating to the taxation of gains and deduction of losses arising from the disposal, redemption or transfer of traditional securities.

If an Australian resident Noteholder disposes or transfers the Notes, and the proceeds of disposal or transfer exceed the cost of the Notes, the resulting gain should generally be assessable income of the Noteholder in the income year in which the sale takes place or, in the case of a transfer, when the transfer is registered and the name of the transferee is entered in the Register in respect of Notes. The gain will be ordinary income and not a capital gain. The Noteholder will not be entitled to apply the capital gains discount in respect of the gain and will not be entitled to apply any capital losses against the gain.

Conversely, if the proceeds of disposal or transfer are less than the cost of the Notes, the resulting loss may be deductible to the Noteholder in the income year in which the sale takes place or, in the case of a transfer, when the transfer is registered and the name of the transferee is entered in the Register in respect of Notes.

For a Noteholder that acquires Notes under this Prospectus, the cost of a Note will include its Issue Price.

Generally, the proceeds of disposal would include the gross amount received by the Noteholder in respect of the disposal of Notes. If Notes are redeemed by Qube, the proceeds would exclude any amount referable to a Distribution. This amount would be included separately in the assessable income of the Noteholder, as outlined above.

ii) Noteholders who are subject to TOFA

Noteholders who are subject to TOFA should treat Notes as a financial arrangement pursuant to TOFA.



TOFA requires a balancing adjustment be made when the Noteholder disposes or transfers Notes to bring to account any outstanding gains or losses from Notes.

If the interest, including the final interest payment (see 1.3 below), and proceeds of disposal received in respect of Notes exceed the cost of Notes and taking into account any past assessable amounts, an assessable balancing adjustment may be included in the assessable income of the Noteholder in the year of income the sale takes place or when the transfer is registered and the name of the transferee is entered in the Register in respect of the Notes.

Conversely, a deductible balancing adjustment should arise if the interest and proceeds of disposal received in respect of Notes are less than the cost of Notes.

A number of considerations should be made when calculating the balancing adjustment including, amongst other things, whether the Noteholder has made a choice to be taxed under the elective regimes. Due to the complexities within TOFA, Noteholders should seek tax advice specific to their circumstances.

b) Non-residents

Any gain arising to a non-resident Noteholder from disposal of Notes should only be subject to Australian tax if:

- The non-resident Noteholder is a resident of a country with which Australia has concluded a comprehensive double tax treaty and the Notes are held through a permanent establishment in Australia; or
- The non-resident Noteholder is not a resident of a country with which Australia has concluded a comprehensive double tax treaty and the gain has an Australian source. The source of a gain on disposal or transfer of a security is determined by weighing all of the relevant factors including the location of the security, the place at which the contract to sell the security is concluded and the place at which the decision to sell the security is made. For example, the Commissioner of Taxation has concluded in a non-binding Interpretative Decision that the source of a gain arising from the sale of securities listed on the Australian Stock Exchange is in Australia on the basis that contracts for the sale of such securities are made in Australia by the relevant stock broker on behalf of the vendor.

Generally, the proceeds of disposal would include the gross amount received by the Noteholder in respect of the disposal of Notes. If the gain is subject to Australian tax, it will be ordinary income and not a capital gain. In addition, depending on whether the Noteholder is subject to TOFA, either the Australian tax law relating to traditional securities or TOFA may apply (see 1.2(a)(i) and (ii) above).



The Noteholder will not be entitled to apply the capital gains discount in respect of this gain and will not be entitled to apply any capital losses against the gain.

If Notes are redeemed by Qube, the proceeds of disposal would exclude any amount referable to a Distribution. Provided that the Noteholder does not hold Notes through a permanent establishment in Australia, the amount referable to a Distribution should not be subject to Australian income tax or withholding tax (see 1.3(b) below).

1.3 Redemption of Notes – final interest payment

Qube must redeem all Notes on or after 5 October 2023. Each Note will be redeemed for an amount equal to its face value of \$100 together with interest that has accrued from the last interest payment date (**the final interest payment**).

a) Australian residents

- i) Noteholders who are *not* subject to TOFA

The final interest payment will constitute assessable income of the Noteholders. The Noteholders should recognise this amount as interest in their income tax returns for the income year in which the redemption takes place.

- i) Noteholders who are subject to TOFA

The final interest payment should be included as part of the interest received to calculate the assessable or deductible balancing adjustment (see 1.2(a)(ii) above).

b) Non-residents

Where:

- A Noteholder is a non-resident; and
- The Noteholder does not hold Notes through a permanent establishment in Australia,

the final interest payment received in respect of Notes should not be included in the assessable income of the Noteholder. The final interest payment should also not be subject to Australian withholding tax. It is anticipated that Notes will be issued in a manner that will cause Interest Payments to be exempt from Australian withholding tax under section 128F of the *Income Tax Assessment Act 1936*.



If a non-resident Noteholder does hold Notes through a permanent establishment in Australia, then the final interest payment will be included in the assessable income of the Noteholder for Australian taxation purposes.

1.4 Tax File Numbers and Australian Business Numbers

A Noteholder need not quote a Tax File Number (TFN) when applying for or acquiring Notes. However, for resident taxpayers, if a TFN is not quoted, or no appropriate TFN exemption information is provided, tax is required to be deducted from any Interest Payment at the highest marginal tax rate plus Medicare levy (currently 49 per cent). Noteholders that hold their Notes as part of their business may quote their Australian Business Number instead of their TFN.

2 Goods and Services Tax (GST)

2.1 The buying and selling of Notes is not subject to GST

For Australian GST purposes, the buying and selling of Notes is treated as an input taxed financial supply. This means that GST is not charged or recoverable on these supplies. Accordingly, the following will not be subject to GST:

- the issue, redemption or sale of Notes by Qube;
- the subscription (applying to buy) for, and any subsequent disposal (sale or withdrawal) of Notes by an investor, should this occur; or
- the payment of Interest Payments on Notes.

If a non-resident investor purchases Notes, these supplies will not be subject to GST.

2.2 Claiming GST on acquisitions

Noteholders should seek their own advice as to whether GST costs they incur, in relation to acquiring Notes, are recoverable.

3 FATCA

The *Foreign Account Tax Compliance Act* ("**FATCA**") was introduced to help to reduce offshore tax evasion by US tax residents through the use of offshore investments. FATCA was enacted as part of the Hiring Incentives to Restore Employment (HIRE) Act of 2010 to provide the US Internal Revenue Service ("**IRS**") with greater information reporting with respect to offshore accounts and investments held by US tax residents. On 28 April 2014, Australia and the US signed an inter-governmental agreement to improve international tax compliance and implement FATCA. Australian law now requires Australian Financial Institutions to provide the ATO with certain information on accounts



maintained by US Persons. Under the Australian IGA, the ATO is required to provide this information to the IRS.

Under the Australian IGA, the definition of a Financial Institution includes “Depository Institutions”, “Custodial Institutions”, “Specified Insurance Companies” and “Investment Entities”. Qube should not fall within the definition of a Financial Institution and should have no reporting obligations under FATCA.

4 Stamp duty

No stamp duty should be payable by Noteholders on the issue, transfer or redemption of the Notes.

5 Disclaimer

The information contained in this summary does not constitute financial product advice within the meaning of the *Corporations Act 2001*. The PricewaterhouseCoopers partnership which is providing this advice is not licensed to provide financial product advice under the *Corporations Act 2001*. To the extent that this document contains any information about a financial product within the meaning of the *Corporations Act 2001*, taxation is only one of the matters that must be considered when making a decision about the relevant financial product. This material has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any particular Noteholder.

Accordingly, all individual Noteholders should, before acting on this material, consider taking advice from a person who is licensed to provide financial product advice under the *Corporations Act 2001*. All individual Noteholders should, before acting on this material, also consider the appropriateness of this material having regard to their objectives, financial situation and needs and consider obtaining independent financial advice. If this material relates to the acquisition or possible acquisition of a particular financial product, a Noteholder should obtain any relevant disclosure document prepared in respect of that product and consider that document before making any decision about whether to acquire the product.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Joshua Cardwell', written in a cursive style.

Joshua Cardwell
Partner



08.
KEY PEOPLE,
INTERESTS AND
BENEFITS

08. KEY PEOPLE, INTERESTS AND BENEFITS

This Section provides information about the Directors and key senior managers of Qube, the interests of people involved in the Offer and any benefits they may receive.

8.1 Board of Directors

The Directors bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

Chris Corrigan (Chairman)

Mr Corrigan is the Chairman of Qube and has been involved in Qube's strategic direction since its formation.

From March 1990 to May 2006, Mr Corrigan was Managing Director of Patrick Corporation Limited, Australia's then largest stevedore company with interests in rail transportation and aviation through Virgin Blue. Prior to that role, Mr Corrigan had a career with Bankers Trust spanning 20 years, including periods as Managing Director of Bankers Trust in Australia and for the Asia-Pacific region.

In 1990, Mr Corrigan sponsored the formation of a development capital business, Jamison Equity, which in December 1996 became a wholly owned subsidiary of the then publicly listed company Patrick Corporation Limited.

Sam Kaplan (Deputy Chairman)

Mr Kaplan is Managing Director of Kaplan Funds Management Pty Limited, the investment manager of Qube from its establishment in 2006 until the corporatisation of Qube in September 2011. Mr Kaplan was one of the founders of Qube.

Mr Kaplan is an alternate director and member of the Investment Committee of Maritime Super. Mr Kaplan was one of the founders of Patrick Corporation and was involved in strategic planning with the company. During his tenure at Patrick Corporation, Mr Kaplan was involved in a number of acquisitions including Pacific National and Virgin Blue.

Maurice James (Managing Director)

Mr James has over 30 years' extensive experience in engineering, ports and logistics industries.

His early career was spent at the Port of Melbourne Corporation commencing as a civil engineer and subsequently moving through various roles to Manager Commercial Operations. Mr James was an integral part of the executive team of Patrick Corporation between 1994 and 2006. His last position at Patrick was that of Executive Director Ports which included responsibility for Patrick's container terminals and port logistics businesses.

Since 2007 Mr James has had various roles in the Qube related group of companies and, upon the corporatisation of Qube on 1 September 2011, became Managing Director. Mr James sits on the NSW Freight Advisory Council and is Chairman of Victoria University's Institute of Supply Chain and Logistics Industry Advisory Board. He holds a Bachelor of Engineering (Civil) and a Master of Business Administration.

Allan Davies (Non Executive)

Mr Davies has over 40 years' mining experience in the Australian and international coal and metalliferous mining industries having worked in operational roles up to executive director.

From 2000 until early 2006, Mr Davies also worked for Patrick Corporation as Director of Operations. This position included responsibility for Patrick's interest in Pacific National, Patrick Shipping, Patrick General Stevedoring and Patrick Autocare. Mr Davies was a director of Pacific National from its initial acquisition by Toll and Patrick in 2001 until 2006.

Mr Davies was also a director of Queensland Rail and then QR National (predecessor to Aurizon) from 1 October 2008 until 13 December 2011.

Ross Burney (Non Executive)

Mr Burney is the Chief Executive of Hume Partners. He has over 25 years' experience as an accountant and investment manager previously having worked for BDO Chartered Accountants, Brierley Investments Limited, Guinness Peat Group and Taverners Group.

Peter Dexter (Non Executive)

Mr Dexter has over 40 years' experience in the maritime and logistics industries in Australia and internationally.

Mr Dexter is a non-executive director of the ASX-listed Royal Wolf Holdings Limited, Chairman of the Australian National Maritime Museum, and a director of Wilh. Wilhelmsen Investments Pty Ltd.

Prior to his non-executive roles, Mr Dexter was Regional Director and a member of the global management team of Wallenius Wilhelmsen Logistics.

08. KEY PEOPLE, INTERESTS AND BENEFITS (CONT.)

Alan Miles (Non Executive)

Mr Miles is Managing Director of "K" Line (Australia) Pty Limited. Mr Miles has more than 35 years' experience in the Australian shipping industry, including management roles in bulk, liner and PCC Shipping.

Mr Miles is also currently the Chairman of PrixCar Services Pty Limited and a director of Kawasaki Australia. He also is a director of other affiliated Kawasaki companies in Australia and a member of the Policy Council of Shipping Australia.

8.2 Management

In addition to Maurice James (described above in section 8.1, information concerning Qube's senior management team is set out below.

Paul Digney (Chief Operating Officer)

Mr Digney has been with Qube since 2007, holding the role of Director – Logistics prior to being appointed Chief Operating Officer in July 2016. Mr Digney has been a supply chain and logistics professional for over 20 years commencing in his family business, Liberty, in 1990. Liberty was acquired by Patrick Logistics and over the next 6 years this division became the largest revenue turnover in Patrick, the most diverse and employed over 2,500 people.

Paul Lewis (Chief Financial Officer)

Mr Lewis has been involved with Qube since its establishment in 2006. He is responsible for managing the commercial aspects of all of Qube's investments.

Prior to Qube, Mr Lewis was a senior executive at Patrick Corporation where he was responsible for investments and acquisitions.

Mr Lewis graduated with a Bachelor of Commerce (Accounting) and Bachelor of Laws from the University of New South Wales.

William Hara (Director – Strategic Assets, General Counsel and Company Secretary)

Mr Hara is a very experienced executive having worked as General Counsel and Company Secretary at Lend Lease from 2007 – 2012 and prior to that at Patrick Corporation for almost 10 years.

John Digney (Director – Logistics)

Mr Digney has over 20 years' experience within the Australian supply chain and logistics industry, beginning his career in 1990 working in various key operational and management roles. Mr Digney joined Qube in 2007, working as Director Operations – Logistics prior to his appointment to his current role as Director – Logistics in July 2016.

Mr Digney has vast experience in freight forwarding, road and rail freight management as well as industry business development.

Todd Emmert (Director – Bulk)

Mr Emmert has been a supply chain and logistics specialist for over 18 years, working across all aspects of the supply chain including overseas postings with international shipping line AP Moller, domestic port and stevedoring with Patrick, NSS and the Gladstone Port Authority, Australian rail with Pacific National and today working across bulk road haulage and port operations with Qube Bulk.

Mr Emmert graduated with a Bachelor of Business from the Queensland University of Technology.

Michael Sousa (Director – Ports)

Mr Sousa has over 20 years' experience in stevedoring and port related logistics. Mr Sousa joined the P&O international business in 1996 in the role of International Accountant, later completing his Container Terminal Management qualifications in New York.

Mr Sousa is responsible for managing the Qube Ports Division across 40 sites in Australia & New Zealand, employing 2,500 people.

8.3 Interests and benefits

8.3.1 Directors

Other than as set out in this Prospectus, no Director holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of Qube;
- the Offer; or

- any property acquired or proposed to be acquired by Qube in connection with its formation or promotion or with the Offer.

Other than as set out in this Prospectus, no amount (whether in cash, shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given, or agreed to be given, to any Director or proposed Director:

- in the formation or promotion of Qube;
- to induce a person to become, or qualify as, a Director; or
- for services provided by a Director or proposed Director in connection with the formation or promotion of Qube or the Offer.

Interest in Qube securities

The Directors (and their alternate directors) at the date of this Prospectus had the following relevant interests in Ordinary Shares:

Director	Relevant interest – Ordinary Shares
Christopher Corrigan	6,000,000
Sam Kaplan	8,064,916*
Maurice James	6,892,020
Ross Burney	–
Allan Davies	3,203,117
Peter Dexter	193,548
Alan Miles	7,664
Age Holm	–

* Includes shares in which Mr Kaplan has only deemed relevant interest under the Corporations Act from which Mr Kaplan may receive no economic benefit.

Directors' fees

Qube's constitution provides that the Directors will be entitled to remuneration out of the funds of Qube as determined by the Directors but the remuneration of non-executive Directors may not exceed in aggregate, in any year, the amount fixed by holders of Ordinary Shares in a general meeting for that purpose. The amount last fixed by holders of Ordinary Shares in a general meeting for that purpose was \$1.2 million.

Participation in the Offer

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

8.3.2 Advisers

ANZ, NAB, and UBS have acted as Joint Lead Managers for the Offer, in respect of which they will receive the fees under the Offer Management Agreement described in Section 9.2. UBS will be responsible for paying to the Syndicate Brokers a selling fee of up to 1.00% of the value of Notes allocated to Syndicate Brokers in the Bookbuild, as set out in the Offer Management Agreement.

PricewaterhouseCoopers has acted as Qube's Australian Tax Adviser in relation to the Offer and has prepared the taxation summary in Section 7. In respect of this work, PricewaterhouseCoopers will be paid approximately \$15,000 (excluding disbursements and GST) for work performed by it up until the date of the Original Prospectus. Further amounts may be paid to PricewaterhouseCoopers in accordance with its time-based charges.

PricewaterhouseCoopers Securities Limited has prepared the Investigating Accountant's Report on the Pro Forma Historical Financial Information in Section 4 and Appendix B of this Prospectus and has provided due diligence services in relation to the Offer. In respect of this work, PricewaterhouseCoopers Securities Limited will be paid approximately \$100,000 (excluding disbursements and GST) for work performed by it up until the date of the Original Prospectus. Further amounts may be paid to PricewaterhouseCoopers Securities Limited in accordance with its time-based charges.

Gilbert + Tobin has acted as Qube's Australian Legal Adviser in relation to the Offer. In respect of this work, Gilbert + Tobin will be paid approximately \$275,000 (excluding disbursements and GST) for work performed by it until the date of the Original Prospectus. Further amounts may be paid to Gilbert + Tobin in accordance with its time-based charges.

Australian Executor Trustees Limited will be paid the fees described in Section 9.1 in respect of acting as Trustee in respect of the Notes.

08. KEY PEOPLE, INTERESTS AND BENEFITS (CONT.)

Except as set out in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or interest of this Prospectus; or
- Joint Lead Manager or Co-Manager,

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

- the formation or promotion of Qube;
- the Offer; or
- any property acquired or proposed to be acquired by Qube in connection with the formation or promotion of Qube or the Offer,

nor has anyone paid or agreed to pay, or given or agreed to give, any benefit to such persons in connection with the formation or promotion of Qube or the Offer.



09.
ADDITIONAL
INFORMATION

09. ADDITIONAL INFORMATION

This Section provides information about a number of other matters not covered elsewhere in this Prospectus.

9.1 Summary of Trust Deed

Qube has entered into a Trust Deed governed by New South Wales law with Australian Executor Trustees Limited (ABN 84 007 869 794) as the Trustee. The Terms are set out as a schedule to the Trust Deed. Qube will provide a copy of the Trust Deed upon request free of charge to potential investors during the period until the Closing Date, and thereafter to Holders pursuant to the terms of the Trust Deed.

The Trustee has agreed to act as the trustee of the assets and rights held on trust for Holders (as described below) pursuant to the terms of the Trust Deed. Notes are issued subject to the terms and conditions contained in the Trust Deed and the Terms.

The Interest Payments are obligations of Qube and are not guaranteed by the Trustee or any of its directors, employees, officers, affiliates, agents, advisers, intermediaries, related bodies corporate or any other entity. The obligation to redeem Notes in accordance with their Terms is a direct obligation of Qube. Neither the Trustee nor any of its directors, employees, officers, affiliates, agents, advisers, intermediaries, related bodies corporate or any other entity guarantees the redemption of or prepayment of the Face Value of Notes.

The Trustee is not responsible for:

- providing any information concerning the business, financial condition, status or affairs of Qube if the disclosure would constitute a breach of any law or duty of confidence;
- investigating the adequacy, accuracy or completeness of any information provided by Qube or that it gives to another party (including a Holder);
- assessing, investigating or keeping under review the business, financial condition, status or affairs of Qube; or
- monitoring Qube's compliance with the Trust Deed, including the terms,

except as required by law. In this regard, the Trustee is subject to certain statutory duties imposed on it under Chapter 2L of the Corporations Act including to:

- exercise reasonable diligence to ascertain whether:
 - the property of Qube that is or should be available will be sufficient to repay the amounts lent by Holders in respect of Notes; and
 - Qube has breached the Terms, the Trust Deed or the provisions of Chapter 2L of the Corporations Act; and
- unless the Trustee is satisfied the breach will not materially prejudice the Holders' interests, do everything in its power to ensure Qube remedies such a breach known to the Trustee.

The following is a summary only of the principal provisions of the Trust Deed.

9.1.1 Appointment of Trustee and declaration of trust

Qube has appointed the Trustee to act as trustee of the Trust, on the terms and conditions of the Trust Deed, and the Trustee accepts that appointment.

In summary, the Trustee holds on trust for Holders:

- a trust settlement sum of \$10;
- the benefit of the Trust Deed;
- the right to enforce Qube's duty to repay the Notes or interest on the Notes;
- the right to enforce all other duties of Qube under the Terms, the provisions of the Trust Deed and Chapter 2L of the Corporations Act; and
- any other rights, powers, authorities, discretions or remedies conferred on the Trustee by the Trust Deed or by law, and any other property which the Trustee may receive or which may be vested in the Trustee.

9.1.2 Qube undertakings

Qube covenants for the benefit of the Trustee and Holders that it will, among other things:

- pay any amounts owing on or in respect of the Notes as and when due to the Trustee for the account of Holders in accordance with the Trust Deed and the Terms;
- comply with the Terms and the Trust Deed; and
- comply with its obligations under the Corporations Act (including Chapter 2L), the Listing Rules and ASX Settlement Operating Rules, where a failure to do so would have or would be likely to have a material adverse effect on the ability of Qube to meet its payment obligation under Notes, or the validity or enforceability of the rights and remedies (taken as a whole) of Holders under the Trust Deed.

9.1.3 Trustee limitation of liability

The Trustee enters into the Trust Deed as trustee of the Trust and in no other capacity, and is not liable to Qube or the Holders in any capacity other than as trustee of the Trust. The Trustee's liability to Holders is limited to and can be enforced against the Trustee only to the extent to which it can be satisfied out of the assets of the Trust against which the Trustee is actually indemnified in respect of the liability incurred by it as trustee of the Trust. These limitations of the Trustee's liability apply except to the extent that the liability arises as a result of the Trustee's fraud, negligence or wilful default.

9.1.4 Action by Trustee

The Trustee is required, at all times, to act in accordance with its obligations under the Trust Deed, the Corporations Act and other applicable law.

Subject to the Terms, the provisions of the Trust Deed and section 283DA(h) of the Corporations Act, the Trustee is not obliged to exercise or refrain from exercising its powers in accordance with any direction from Holders or any of them, or in accordance with a resolution of Holders, in relation to any action to enforce the Trust Deed or the Terms unless:

- it is directed by a Special Resolution of the Holders or has been directed by the Holders of at least 25% of the total Face Value of the Notes then outstanding if the Terms require this;
- its liability is limited as noted above; and
- it is indemnified against any expense or liability which it may thereby incur.

9.1.5 Direct action by Holder

No Holder is entitled to proceed directly against Qube to enforce any right or remedy under or in respect of any Note unless the Trustee, having become bound to proceed, fails to do so within a reasonable period and such failure is continuing, in which case any such Holder may itself institute proceedings against Qube for the relevant remedy to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so. Any such proceedings must be brought in the name of the Holder and not the Trustee.

If action is taken by the Trustee in accordance with the Terms, the Trust Deed, the Corporations Act or other applicable laws, there can be no guarantee that such action will ensure the performance of all (or any) of Qube's obligations under the Trust Deed or the Terms.

9.1.6 Fees and expenses

Under the Trust Deed, Qube must pay the Trustee by way of a fee for its services such amounts as may be agreed between Qube and the Trustee. Qube will also pay on demand the Trustee's reasonable and properly incurred costs, charges and expenses in connection with, among other things, the execution and performance of the Trust Deed as well as additional fees for any enforcement action that the Trustee takes in connection with any breach or default by Qube in observing and performing its obligations under the Trust Deed.

9.1.7 Retirement and removal

Subject to compliance with any applicable laws, the Trustee may retire by giving 60 days' notice to Qube (or such other period as the Trustee and Qube may agree). Such retirement will not be effective until the appointment of a new trustee is effective. In addition, the Trustee must retire, and Qube may by at least 15 Business Days' written notice to the Trustee remove the Trustee if, among other things:

- the Trustee is in material breach of its obligations under the Trust Deed and has not rectified the breach within 10 Business Days of receiving written notice from Qube to rectify the breach;
- the Trustee ceases to carry on business, is placed in liquidation, or is wound up or dissolved;
- a receiver, receiver and trustee, official trustee, liquidator, administrator or similar official is appointed to the Trustee;
- any licence, consent, authorisation, permit or similar thing the Trustee is required to hold to carry out its obligations and duties under or in respect of this deed is revoked or not renewed;
- Qube reasonably believes that the Trustee has ceased to exist, has not been validly appointed, cannot be a trustee under section 283AC of the Corporations Act or has failed or refused to act as trustee;
- the Trustee is no longer permitted to act as trustee under the Corporations Act; or
- Qube is authorised or requested to do so by a meeting of the Holders.

Qube may appoint a new trustee following the retirement or removal of the Trustee. If Qube fails to do so within 60 days after receiving a notice from the Trustee then the Trustee may appoint a new trustee (or, if possible, apply to the court for the appointment of a new trustee).

09. ADDITIONAL INFORMATION (CONT.)

9.1.8 Substituted issuer

The Trustee may, without the approval or consent of the Holders, agree to Qube substituting itself with any of Qube's Related Bodies Corporate as the principal debtor under the Trust Deed. The Trustee may only do so if it is satisfied that the interests of the Holders will not be materially prejudiced by the substitution, and if certain other conditions described in the Trust Deed are met.

9.1.9 Meetings of Holders

A meeting of Holders has the power, by Special Resolution to, among other things:

- authorise the Trustee to take or refrain from taking any action which may be taken by the Trustee;
- sanction the release by the Trustee or the Company from any obligation or arrangement under the Trust Deed (unconditionally or upon such conditions as the Trustee may arrange with Qube);
- sanction agreement by the Trustee to any modification or compromise of or arrangement with respect to any rights of the Holders against Qube, or authorise the Trustee to sanction on behalf of all Holders any scheme for reconstruction of Qube or for the amalgamation of Qube with any other corporation;
- authorise the Trustee to agree to the postponement of the repayment of the principal or the payment of interest on any part of the Notes;
- approve the appointment of a new trustee in accordance with the provisions of the Trust Deed;
- give any release or waiver in respect of anything done or omitted by the Trustee or any breach or default by Qube; and
- approve any amendment or alteration to the terms of the Trust Deed and the Terms as contemplated in the Trust Deed.

Each Holder is entitled to one vote on a show of hands. On a poll, each Holder is entitled to one vote for each Note that the person holds.

9.2 Summary of Offer Management Agreement

9.2.1 Overview

Qube and the Joint Lead Managers signed the Offer Management Agreement on or about the date of this Prospectus. Under the Offer Management Agreement, Qube appointed ANZ, NAB and UBS as Joint Lead Managers to the Offer. The following is a summary of the principal provisions of the Offer Management Agreement. Under the Offer Management Agreement, UBS and NAB (the "Joint Lead Arrangers") have agreed to arrange the Offer and together with ANZ, the Joint Lead Managers have agreed to manage the Offer, including the Bookbuild, and to provide settlement support for the settlement obligations of successful Applicants and bidders under the Broker Firm Offer and Institutional Offer.

9.2.2 Fees and costs

The estimated aggregate fees payable by Qube to the Joint Lead Managers under the Offer Management Agreement are approximately \$6 million (exclusive of GST), making certain assumptions as to the allocations of the Notes between the Shareholder Offer, Broker Firm Offer and Institutional Offer. The actual amount of fees payable to the Joint Lead Managers will not be known until the determination of the issue size.

In addition, Qube must pay or reimburse each Joint Lead Manager for reasonable expenses, including legal and travel costs. The Joint Lead Managers have engaged Crestone, JBWere and Morgans to act as Co-Managers to the Offer. The Joint Lead Managers will pay the fees payable to the Co-Managers out of the fees payable to the Joint Lead Managers by Qube, as disclosed in this Section 9.2.2.

9.2.3 Termination events

Each Joint Lead Manager may terminate its obligations under the Offer Management Agreement prior to 3.00pm on the settlement date on the occurrence of a number of customary termination events, including (among others):

- **(failure of a condition precedent)** any of the conditions precedent to the Joint Lead Managers' obligations under the Offer Management Agreement are not satisfied. The Offer Management Agreement contains typical conditions precedent for an agreement of this kind, including lodgement of the Prospectus by a certain time and delivery of certain sign-offs and documents in connection with the due diligence process undertaken in connection with the Offer;
- **(insolvency)** the insolvency of Qube;
- **(ASX admission)** Qube ceasing to be admitted to the official list of ASX or the Ordinary Shares of Qube being suspended from trading on (other than with the written consent of the Joint Lead managers), or cease to be quoted on, ASX;
- **(disclosures)** disclosures in certain Offer documents (including the Prospectus) containing omissions of material required by applicable law to be included or containing a statement that is misleading or deceptive or likely to mislead or deceive in a material respect (whether by omission or otherwise);

- **(supplementary prospectus)** Qube lodging a supplementary prospectus (without the prior approval of the Joint Lead Managers (acting reasonably)) or in the reasonable opinion of the terminating Joint Lead Manager (acting reasonably), Qube being required to lodge a supplementary prospectus under section 719 of the Corporations Act (in each case, excluding lodgement of the Replacement Prospectus);
- **(withdrawal of consent)** any person who has provided their consent to the issue of this Prospectus or who has previously consented to the issue of this Prospectus withdraws such consent, or any person gives a notice under section 733(3) of the Corporations Act or any person (other than a Joint Lead Manager or a Co-Manager) who has previously consented to the inclusion of their name or any statement in this Prospectus withdraws that consent;
- **(section 730 notice)** a person, other than a Joint Lead Manager, gives a notice to the Issuer under section 730 of the Corporations Act that is, in the reasonable opinion of a Joint Lead Manager, materially adverse from the point of view of an investor;
- **(Trustee)** the Trustee ceases to be licensed to act as trustee for the purposes of Chapter 2L of the Corporations Act;
- **(unable to issue or transfer Shares)** Qube is prevented from allotting and issuing the Notes, within the time required by the timetable included in the Offer Management Agreement, by the Listing Rules, applicable laws, an order of a court of competent jurisdiction or a Government Agency;
- **(fraud)** Qube or any of its director engages in any fraudulent activity whether or not in connection with the Offer;
- **(insolvent)** Qube or a subsidiary of Qube which represents 5% or more of the consolidated assets or earnings of the Qube group becomes insolvent;
- **(regulatory approvals)** any ASX approval in connection with the Offer is withdrawn or revoked or a regulatory body withdraws or revokes any regulatory approvals required for Qube to perform its obligations under the Offer Management Agreement or to carry out the transactions contemplated by the Offer materials;
- **(ASX listing approvals and conditional trading)** unconditional approval (or conditional approval provided such condition would not, in the reasonable opinion of the Joint Lead Manager, have a material adverse effect on the success or settlement of the Offer) is refused or not granted to the official quotation of all of the Notes or, if granted, the approval is subsequently withdrawn, qualified or withheld, or ASX makes an official statement to any person or indicates to Qube or the Joint Lead Managers that official quotation of the Notes will not be granted;
- **(notifications)** any of the following notifications are made (other than a notification that isn't made public and that is withdrawn within the earlier of (i) two business days; (ii) on the business day prior to the settlement date):
 - an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or the Offer materials; or
 - ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Offer or Offer documents;
- **(timetable)** an event specified in the timetable set out in the Offer Management Agreement up to and including the settlement date is delayed by more than two business days (without the prior written approval of the Joint Lead Managers);
- **(certificate not provided)** Qube does not provide a closing certificate as and when required by the Offer Management Agreement; and
- **(withdrawal)** Qube withdraws this Prospectus, any invitations to apply for Notes under this Prospectus or all or part of the Offer.

Termination events limited by materiality

If any of the following events occurs prior to 3.00pm on the settlement date, each Joint Lead Manager may terminate their obligations under the Offer Management Agreement if in the reasonable opinion of that Joint Lead Manager the event: (a) has had or is likely to have a material adverse effect on the success, marketing or settlement of the Offer or on the ability of the Joint Lead Managers to market, promote or settle the Offer or the willingness of investors to apply for Notes; or (b) has given or is likely to give rise to the Joint Lead Managers (or one of their respective affiliates) materially contravening or liability under the Corporations Act any applicable laws:

- **(prosecution)** any of the following occurs:
 - a director of Qube is charged with an indictable offence;
 - any Government Agency commences any public action against Qube or any of its directors in their capacities as directors of Qube or announces that it intends to take such action; or
 - any director of Qube is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- **(Amendment of regulatory approvals)** any ASX approval for the Offer is amended or a regulatory body amends any regulatory approvals required for Qube to perform its obligations under the Offer Management Agreement or to carry out the transactions contemplated by the Offer materials;
- **(insolvency)** any other member of the Qube group becomes insolvent;

09. ADDITIONAL INFORMATION (CONT.)

- **(public information)** a statement contained in any public information released by Qube in the period from 1 July 2016 until completion of the Offer is or becomes misleading or deceptive or likely to mislead or deceive (whether by omission or otherwise);
- **(certificate incorrect)** a statement in any closing certificate provided by Qube to the Joint Lead Managers is untrue, incorrect or misleading;
- **(breach)** Qube fails to perform one or more of its obligations under the Offer Management Agreement, or an obligation of Qube becomes incapable of being performed or observed or unlikely to be performed or observed by the required time for observance or performance, or a representation or warranty made or given by Qube under the Offer Management Agreement proves to be, or has been, or becomes, untrue, incorrect or misleading;
- **(Government Agency)** there is an application to a Government Agency (which, in the terminating Joint Lead Manager's bona fide opinion, is a serious action with reasonable prospects of success) for any other order, declaration or other remedy, or a Government Agency commences any other investigation or hearing or announces its intention to do so, in each case in connection with the Offer (or any part of it) or any agreement entered into in respect of the Offer (or any part of it);
- **(change of law)** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia, any State or Territory of Australia or New Zealand (as applicable) a new law; or a Government Agency, the Reserve Bank of Australia or any Minister of a Federal, State or Territory Government of Australia or New Zealand (as applicable) or any Federal or State authority of Australia or New Zealand adopts or announces a proposal to adopt a new policy; and
- **(moratorium or suspension)** any of the following occurs:
 - a general moratorium on commercial banking activities in Australia, Singapore, Hong Kong, the United Kingdom or the United States is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
 - a suspension or material limitation in trading in securities generally on ASX, the London Stock Exchange, Singapore Stock Exchange, Hong Kong Exchange or the New York Stock Exchange.

9.2.4 Effect of termination of the Offer Management Agreement

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

If one Joint Lead Arranger terminates, Qube and the other Joint Lead Arranger may agree that the other Joint Lead Arranger will assume the obligations of the terminating Joint Lead Arranger or may agree to appoint a replacement Joint Lead Arranger (which may be ANZ) to assume all the obligations of the terminating Joint Lead Arranger. If a Joint Lead Arranger terminates, ANZ must elect to also terminate its obligations under the Offer Management Agreement or remain a Joint Lead Manager.

If ANZ terminates, the other Joint Lead Managers must elect to also terminate their obligations under the Offer Management Agreement or assume the obligations of ANZ, or with the approval of Qube, appoint a replacement Joint Lead Manager to assume the obligations of ANZ.

9.2.5 Representations, warranties and undertakings

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

With the exception of the Notes issued under the Offer and certain other limited exceptions, Qube has also agreed that it will not, without the Joint Lead Managers' prior written consent (which must not be unreasonably withheld or delayed), allot or agree to allot or indicate that it may or will allot, any ASX listed hybrid securities or ASX listed debt securities of Qube or any group member, or reduce reorganise or otherwise alter or restructure its capital structure (with respect to ASX listed hybrid securities or ASX listed debt securities) at any time after the date of the Offer Management Agreement and before the expiration of 120 days after the completion of the Offer. Qube has also undertaken to conduct its business in the ordinary course and not dispose of, or grant security over, all or any material part of its business, property or securities (and to procure its group members to conduct their business and not dispose of, or grant security over, all or any material part of its business, property or securities), except as disclosed in public information or as disclosed in writing to the Joint Lead Managers before the date of the Offer Management Agreement, until the expiration of 90 days after completion of the Offer.

9.2.6 Indemnity

Under the Offer Management Agreement, Qube has agreed to indemnify the Joint Lead Managers, their affiliates and related bodies corporate, and the officers, directors and employees of the Joint Lead Managers and their affiliates and related bodies corporate against all claims, demands, damages, losses, costs, charges, expenses and liabilities incurred by them in connection with the Offer (subject to limited exclusions).

9.3 Consents to be named and disclaimers of responsibility

Each of the parties referred to in the following table:

- has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named;
- has not made, and does not purport to make, any statement in the Prospectus or any statement on which a statement made in the Prospectus is based; and
- does not cause or authorise the issue of the Prospectus, and to the maximum extent permitted by law, expressly disclaims, makes no representation regarding, and takes no responsibility for any statements or material in or omissions from the Prospectus, other than a reference to its name, and excludes and disclaims all liability or any damage, loss (whether direct, indirect or consequential), cost or expense that may be incurred by an applicant for, or investor in, Notes as a result of the Prospectus being inaccurate or incomplete in any way for any reason.

Role	Consenting parties
Joint Structuring Advisers	NAB UBS
Joint Lead Managers	ANZ NAB UBS
Co-Managers	Crestone Wealth Management JBWere Morgans
Australian Legal Adviser	Gilbert + Tobin
Investigating Accountant	PricewaterhouseCoopers Securities Limited
Auditor	PricewaterhouseCoopers
Australian Tax Adviser	PricewaterhouseCoopers
Settlement Agent	UBS
Registry	Computershare
Trustee	Australian Executor Trustees

9.4 Privacy

Qube collects personal information from you in order to process your application, administer your investment and keep in touch with you about your investment. Qube may disclose this information on a confidential basis to its subsidiaries and companies, as well as agents, contractors and third party service providers that provide services on its behalf (for example, the Registry and a printing firm or mailhouse engaged to print and mail statements to you).

If you used a financial adviser who recommended your investment in Notes, then details of your investment may be provided to that adviser.

Qube will also disclose your information if required to do so by law or if you consent to or request the disclosure. If you think Qube's records of your personal information are incorrect or out of date, it is important that you contact Qube so that your records can be updated. You may (subject to permitted exceptions) access the personal information Qube holds about you at any time by contacting the Registry in writing. Qube is permitted to charge a fee for such access but does not intend to do so. You may choose not to give your personal information or to limit the information you provide to Qube. Depending on the type of information you withhold, Qube may not be able to process your application efficiently (if at all), or make payments to you.

09. ADDITIONAL INFORMATION (CONT.)

The Trustee may collect your personal information for the primary purpose of providing trustee services to Qube and ancillary purposes detailed in the 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, Qube, professional advisers, land titles offices and/or as otherwise instructed by Qube. 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.

9.6 Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by Qube. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

9.7 Governing law

This Prospectus and the contracts that arise from the acceptance of the applications and bids are governed by the law applicable in New South Wales and each applicant and bidder submits to the exclusive jurisdiction of the courts of New South Wales.

9.8 Statement of Directors

This Prospectus is authorised by each Director who consents to its lodgement with ASIC and its issue.



APPENDIX **A**
TERMS OF ISSUE

APPENDIX A TERMS OF ISSUE

SCHEDULE 1 TERMS OF ISSUE

1 Form, face value, issue and title

1.1 Form

Notes are unsecured and subordinated debt obligations of Qube in registered uncertificated form. Notes are constituted under, and issued according to, the Trust Deed. Notes take the form of entries in the Register. No certificate will be issued to a Holder unless Qube determines that a certificate should be available or is required by any applicable law or regulation (including the Listing Rules or the ASX Settlement Operating Rules). Notes are unsecured notes for the purposes of section 283BH of the Corporations Act.

1.2 Face Value

Each Note will have a Face Value of \$100.

1.3 Issue

Qube may issue Notes at any time to any person at an issue price of \$100 per Note (or such other price as Qube may choose) (the “**Issue Price**”). The Issue Price must be paid in full on application.

1.4 Title

An entry in the Register is conclusive evidence that the person is the absolute owner of Notes subject to rectification for fraud or any manifest error made in the entry. Except as required by law, Qube must treat the person entered in the Register as the absolute owner of Notes.

2 Ranking

2.1 Subordination and ranking

- (a) The Holder Claims are subordinated to the claims of Senior Creditors in that if at any time an Event of Insolvency occurs in relation to Qube (otherwise than for the purposes of a Solvent Reorganisation) the amount payable to the Holders under this clause 2 will only be paid after the amounts owing to all Senior Creditors have been paid in full.
- (b) Holder Claims will at all times rank *pari passu* and without any preference among themselves and *pari passu* and without any preference among the rights and claims of holders of Equal Ranking Obligations. On and from the occurrence of an Event of Insolvency, Holder Claims will rank senior only to claims in respect of any Qube ordinary shares.
- (c) To give effect to the intended ranking, if at any time an Event of Insolvency occurs in relation to Qube (otherwise than for the purposes of a Solvent Reorganisation), the amount payable by Qube to a Holder under or in relation to these Terms or the Trust Deed (in lieu of any other payment by Qube to the Holder under or in relation to these Terms or the Trust Deed), shall be the amount that would have been payable to the Holder of such Notes if, immediately prior to and throughout any administration which follows such Event of Insolvency, such Holder was the holder of Notional Preference Shares.

For the purpose only of that calculation, Holders will be deemed to hold one preference share of \$1.00 each in the capital of Qube ranking equally with the Notional Preference Shares for each \$1.00 of any amount that would otherwise be payable to that Holder under these Terms or the Trust Deed including without limitation, the Face Value and any interest which has not otherwise been paid to that Holder.

2.2 Holder acknowledgements

Each Holder acknowledges and agrees that:

- (a) the claims of Senior Creditors to which it is subordinated include each Senior Creditor’s entitlement to interest under section 563B of the Corporations Act and it does not have, and waives to the maximum extent permitted by law, any entitlement to interest under section 563B of the Corporations Act;
- (b) the debt subordination effected by this clause 2 is not affected by any act or omission of Qube or any Senior Creditor which might otherwise affect it at law or in equity;
- (c) to the maximum extent permitted by applicable law, it may not exercise or claim (nor will the Trustee exercise or claim on its behalf) any right of set-off or counterclaim in respect of any amount owed by it to Qube against any amount owed to it by Qube in respect of Notes and it shall waive and be deemed to have waived such rights of set-off or counterclaim;
- (d) it must pay or deliver to the liquidator or administrator any amount or asset received on account of its claim in the winding-up or administration of Qube in respect of Notes in excess of its entitlement under this clause 2; and

- (e) it may not exercise any voting rights as a creditor in any administration which follows an Event of Insolvency until after all Senior Creditors have been paid in full or otherwise in a manner inconsistent with the subordination contemplated in this clause 2.

3 Interest

3.1 Interest

Subject to these Terms, Qube shall pay interest in respect of a Note on an Interest Payment Date to the person recorded as Holder on the Record Date in respect of that Interest Payment Date.

3.2 Interest Rate

The Interest Rate (expressed as a percentage per annum) for an Interest Period will be calculated in accordance with the following formula:

$$\text{Interest Rate} = \text{Bank Bill Rate} + \text{Margin}$$

where:

“**Bank Bill Rate**” (expressed as a percentage per annum) means, for an Interest Period, the rate for prime bank eligible securities having a tenor of 3 months, which is designated as the “AVG MID” on the Reuters Screen BBSW Page at approximately 10:15am, Sydney time (or such other time at which such rate customarily appears on that page) on:

- (i) in the case of the first Interest Period, the Issue Date; and
- (ii) in the case of any other Interest Period, the first Business Day of that Interest Period, (the “**Publication Time**”).

However, if such rate does not appear on the Reuters Screen BBSW Page by 10:30am, Sydney time, on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but Qube determines that there is an obvious error in that rate, Bank Bill Rate means the rate determined by Qube having regard to comparable indices then available.

“**Margin**” has the meaning specified in clause 17.2.

3.3 Interest amount

- (a) The amount of an Interest Payment in respect of a Note on an Interest Payment Date is calculated according to the following formula:

$$\text{Interest Payment} = \frac{\text{Interest Rate} \times \text{Face Value} \times \text{N}}{365}$$

where:

“**Face Value**” is the face value of each Note; and

“**N**” means:

- (i) in respect of the first Interest Payment Date, the number of days from (and including) the Issue Date until (but not including) the first Interest Payment Date; and
 - (ii) in respect of each subsequent Interest Payment Date, the number of days from (and including) the preceding Interest Payment Date until (but not including) the relevant Interest Payment Date.
- (b) Interest accrues daily and is payable to Holders in arrears on the relevant Interest Payment Date subject to these Terms.
- (c) If any Interest Payment Date would otherwise fall on a calendar day which is not a Business Day, the Interest Payment Date will be postponed to the next calendar day which is a Business Day.

APPENDIX A TERMS OF ISSUE (CONT.)

4 Redemption and purchase

4.1 Maturity

Unless redeemed earlier in accordance with these Terms and subject to applicable laws, Notes will be redeemed upon the Maturity Date at their Redemption Amount.

4.2 Early redemption by Qube due to the occurrence of an event

- (a) If a Change of Control Event occurs, Qube may, subject to applicable laws, redeem all Notes (in whole but not in part) at any time, in each case at their Redemption Amount, by giving at least 30 but no more than 60 calendar days' irrevocable notice of redemption to the Holders and the Trustee.
- (b) If a Tax Event, or a Clean-up Event occurs, Qube may subject to applicable laws redeem all Notes (in whole but not in part) at any time at the Redemption Amount on the giving of not less than 30 and not more than 60 calendar days' irrevocable notice of redemption to the Holders and the Trustee.
- (c) A notice of redemption under this clause 4.2 may only be given simultaneously with or after a notification to the Holders by Qube that a Change of Control Event, Tax Event, or a Clean-up Event has occurred.

4.3 Early redemption by Holders following a Change of Control Event

- (a) If a Change of Control Event has occurred and remains current, and provided that Qube has not redeemed all Notes in accordance with clause 4.2(a), Qube will no later than 60 calendar days after the Change of Control Event arising notify the Holders and the Trustee accordingly (a **Change of Control Notice**). The Change of Control Notice will contain a statement confirming whether or not Qube intends to exercise its right to redeem all Notes and, if Qube does not intend to exercise its right to redeem all notes, of the Holder's entitlement to exercise their rights under clause 4.3(b). The Change of Control Notice will also specify:
 - (i) the material facts comprising the Change of Control Event;
 - (ii) the Put Date; and
 - (iii) that a Put Notice, once validly given, is irrevocable.
- (b) If the Change of Control Notice specifies that Qube does not intend to exercise its right to redeem all Notes, or Qube does not give a Change of Control Notice as required by clause 4.3(a), a Holder may require Qube to redeem, or at Qube's option, purchase (or procure the purchase of), all Notes held by the Holder on the Put Date at their aggregate Redemption Amount, by giving at least 30 but no more than 60 calendar days' notice prior to the Put Date (a **Put Notice**).

4.4 Requirements for Put Notices

A Put Notice must include:

- (a) the name and address of the Holder; and
- (b) confirmation that the Holder authorises the production of the Put Notice in any applicable administrative proceedings.

4.5 Priority of Redemption Notices and Put Notices

After a Holder exercises its rights under clauses 4.3(b) by giving Qube notice in accordance with clause 4.3(b), Qube may, subject to all applicable laws, redeem all Notes (in whole but not in part) at any time, in each case at their Redemption Amount, by giving at least 15 calendar days' irrevocable notice of redemption to the Holders and the Trustee, provided that redemption in accordance with this clause occurs on or prior to the relevant Put Date. In such circumstances, all Put Notices will be disregarded.

4.6 Purchase of Notes

Qube or any Subsidiary of Qube may, subject to applicable laws, the Listing Rules and any rules of any other securities exchange on which any of the Notes are quoted from time to time, at any time purchase or procure others to purchase beneficially for its account, Notes in any manner and at any price. Such acquired Notes may be surrendered for cancellation or held or resold.

4.7 Interest on unpaid Redemption Amounts

When any Notes become due for redemption and the Redemption Amount is not paid on the Redemption Date, from the Redemption Date until the actual payment of the Redemption Amount to, or to the order of, the Trustee, interest on the Redemption Amount will accrue at the Interest Rate determined from time to time in accordance with clause 3.2 (except that any determination of the Bank Bill Rate required for the purposes of clause 3.2 will be by the Trustee or a calculation agent appointed by it) and such interest will be payable until Notes are finally redeemed.

4.8 Cancellations

All Notes which are (a) redeemed or (b) purchased by or on behalf of Qube or any Subsidiary of Qube and which Qube elects to cancel will promptly be cancelled, and accordingly may not be held, reissued or resold.

5 Payments

5.1 Method of payment

- (a) Any amount which is payable to Holders in respect of Notes in accordance with these Terms will, unless Qube and the relevant Holder otherwise agree, be paid without set-off or counterclaim by direct credit to a nominated account denominated in Australian dollars at a financial institution notified by the relevant Holder to the Registry:
- (i) in the case of interest payments, no later than the Record Date; and
 - (ii) in the case of any other amount in respect of Notes, at least eight calendar days before the day on which the relevant payment is scheduled,
- or, at Qube's option, by cheque drawn in favour of the Holder and sent by prepaid post to the address of the Holder in the Register. Cheques sent to the nominated address of a Holder on or before the relevant payment date will be taken to have been received by the Holder on the relevant payment date and, no further amount will be payable by Qube in respect of the Notes as a result of the Holder not receiving payment on the due date.
- (b) Where a payment cannot be made in accordance with paragraph (a) because:
- (i) a Holder has not provided account details, or Qube determines that the account details are incorrect or the relevant account has been closed, Qube is under no obligation to make the relevant payment until correct account details have been provided; or
 - (ii) a notified financial institution is not open for business (or is not open for business in the place where the account is kept) on that date, Qube is under no obligation to make the relevant payment until the payment can be made, and, in each case, the amount of the uncompleted payment will be held in a non-interest bearing, special purpose account maintained by Qube or the Registry until:
 - (iii) the Holder nominates a suitable Australian dollar account maintained with a financial institution to which the payment may be credited or Qube elects to pay the amount by cheque;
 - (iv) Qube determines to refuse any claim in respect of that amount in accordance with clause 5.3 in which case Qube may treat that amount as its own; or
 - (v) Qube is entitled or obliged to deal with the amount in accordance with the law relating to unclaimed moneys.
- No additional interest is payable in respect of any delay in payment.
- (c) Payment of any Redemption Amount in respect of a Note will be made to the person registered at 10:00am on the Redemption Date as the Holder of that Note.

5.2 Payments subject to applicable laws

Payments in respect of Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

5.3 Time limit on payments

A claim against Qube for payment under these Terms is void, to the fullest extent permitted by applicable law, unless made within 10 years (in the case of a Redemption Amount) or five years (in case of an Interest Payment or other payment) after the relevant due date for payment.

6 Taxation and gross-up

6.1 Payment without withholding

All payments in respect of Notes by or on behalf of Qube, will be made free and clear of, and without withholding or deduction for, or on account of, Taxes imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, Qube will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Holders after the withholding or deduction will equal the respective amounts which would otherwise have been receivable in respect of Notes in the absence of the withholding or deduction. However, no Additional Amounts will be payable in relation to any payment in respect of any Notes:

- (a) to, or to a third party on behalf of, a Holder who is liable for the Taxes in respect of such Notes by reason of their having some connection with the Relevant Jurisdiction other than the mere holding of Notes;

APPENDIX A TERMS OF ISSUE (CONT.)

- (b) to, or to a third party on behalf of, a Holder who is liable for the Taxes in respect of Notes by reason of that person being an associate of Qube for the purposes of section 128F of the Tax Act;
- (c) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) the deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where payment in respect of the relevant Notes is made; or
- (d) to, or to a third party on behalf of, a Holder who has not supplied to the Registry an appropriate tax file number, an Australian Business Number or exemption details, to the extent that such information would have reduced or eliminated the relevant Taxes.

6.2 Additional Amounts

Any reference in these Terms to any amounts in respect of Notes includes a reference to any Additional Amounts which may be payable under this clause 6.

7 No rights to new instruments

Notes confer no rights to subscribe for new Instruments in Qube, or to participate in any bonus issues.

8 Further issues

Subject to applicable law, there are no restrictions under these Terms or the Trust Deed on Qube incurring any debt obligations, whether subordinated or not or ranking in priority ahead of, equal with or behind Notes (including any Notes that rank *pari passu* with Notes and are consolidated and form a single series with Notes) or upon such terms as to ranking, dividends or interest, conversion, redemption and otherwise as Qube may determine at the time of issue.

9 Events of default

9.1 Consequences of an Event of Default

If an Event of Default occurs and while it is subsisting, the Trustee may, and must if so directed by a Special Resolution of the Holders or so requested in writing by the Holders of at least 25% of the total Face Value of Notes then Outstanding (subject in each case to clause 8.2 of the Trust Deed):

- (a) give notice to Qube that the total Redemption Amount of Notes is due and payable (and that amount will immediately become due and payable when the notice is served); and
- (b) institute proceedings for the winding-up of Qube and/or prove in the winding-up of Qube and/or claim in the liquidation or administration of Qube, for the amount payable under these Terms.

9.2 Enforcement by the Trustee

The Trustee may at any time, at its discretion and without further notice, institute such proceedings against Qube as it may think fit to enforce any term or condition binding on Qube under the Trust Deed or these Terms, except that (without prejudice to clause 9.1) the Trustee must not institute any proceedings or take any steps to enforce any payment obligation of Qube under or arising from the Trust Deed or the Notes, including, without limitation, payment of any principal or interest in respect of the Notes, any Redemption Amount, Interest Payment or Additional Amount, and including damages awarded for the breach of any obligations, in order to compel Qube, and in no event shall Qube, by virtue of the institution of any such proceedings or steps, be obliged, to pay any sum or sums in cash or otherwise, sooner than the same would otherwise have been payable by it under these Terms.

9.3 Trustee not bound to enforce

The Trustee shall not in any event be bound to take any action referred to in clause 9.2 unless:

- (a) it shall have been so requested by Holders holding between them at least 25% of the total Face Value of the Notes then Outstanding or it shall have been so directed by a Special Resolution of the Holders; and
- (b) it shall have been indemnified as contemplated by clause 8.2(c) of the Trust Deed.

9.4 No other remedies against Qube

Except as permitted by this clause 9 (including, without limitation, any rights or remedies of the Trustee under clause 9.2), no remedy against Qube shall be available to the Trustee or the Holders in respect of any breach by Qube of any of its obligations under the Trust Deed or these Terms, other than payment of the costs, charges, liabilities, expenses or remuneration of the Trustee.

9.5 Holders' right to enforce

No Holder shall be entitled to proceed directly against Qube to enforce any right or remedy under or in respect of any Note unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure is continuing, in which case any such Holder may itself institute proceedings against Qube for the relevant remedy to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so. Any such proceedings must be brought in the name of the Holder and not the Trustee.

10 Amendments and meetings

10.1 Alteration without Holder approval

(a) Subject to clause 10.1(b) below, and to compliance with the Corporations Act and all other applicable laws, Qube may, by an instrument in writing without the consent authority, assent or approval of Holders or the Trustee, alter these Terms if Qube is of the opinion that such alteration is:

- (i) of a formal, minor or technical nature;
- (ii) made to cure any ambiguity or correct a manifest error;
- (iii) necessary to comply with:
 - (A) the provisions of any statute or the requirements of any statutory authority; or
 - (B) the Listing Rules or the listing or quotation requirements of any stock exchange on which Qube may propose to seek quotation of Notes;
- (iv) necessary or expedient for the purpose of enabling the Notes to be:
 - (A) listed for quotation, or to retain quotation, on any stock exchange; or
 - (B) offered for subscription or for sale under the laws for the time being in force in any place; or
- (v) not likely to be, and is not reasonably likely to become, (taken as a whole and in conjunction with all other alterations, if any, to be made contemporaneously with that alteration) prejudicial to the interests of the Holders, provided that such alteration would not give rise to a Tax Event.

(b) Where an alteration to these Terms is to be made in the manner outlined in clause 10.1(a):

- (i) in the case of an alteration pursuant to paragraph (a)(v) above, Qube must, before such alteration becomes effective, provide to the Trustee an opinion of independent legal advisers of recognised standing in New South Wales that such alteration is not likely to be, and is not reasonably likely to become, (taken as a whole and in conjunction with all other alterations, if any, to be made contemporaneously with that alteration) prejudicial to the interests of the Holders; and
- (ii) the proposed alteration must not alter or conflict with any of the rights and obligations of the Trustee.

10.2 Alteration with Holder approval

Without limiting clause 10.1, at any time and from time to time, but subject to compliance with the Corporations Act and all other applicable laws, Qube may by instrument in writing alter these Terms:

- (a) in the case of an alteration to this clause 10 or to any other clause of these Terms which provides for Holders to give a direction to the Trustee by Special Resolution, or which otherwise requires a Special Resolution to be passed, if a Special Resolution is passed in favour of such alteration; and
- (b) otherwise, if such alteration is approved by a resolution passed at a Meeting of Holders.

10.3 Alteration binding

Any alteration of these Terms in accordance with this clause 10 is binding on all Holders.

10.4 Meetings of Holders

The Trust Deed contains provisions for convening meetings of the Holders.

10.5 No consent of Senior Creditors etc

Nothing in these Terms requires the consent of any Senior Creditor or any holder of any Equal Ranking Obligation to the alteration of any Terms made in accordance with this clause 10.

10.6 Alteration

In this clause 10, 'alter' includes modify, cancel, amend or add to.

APPENDIX A TERMS OF ISSUE (CONT.)

10.7 Terms

The Company must provide the Trustee with a copy of any amendment to these Terms not less than 10 Business Days prior to the date that the amendment, addition or revocation is to take effect.

11 Substitution

The Trustee may, without the approval of the Holders, agree to the substitution of any Related Body Corporate of Qube (the “**Substituted Obligor**”) in place of Qube (or of any previous substitute under this clause 11) as the principal debtor under these Terms provided that:

- (a) **guarantee and not materially prejudiced:** Qube unconditionally and irrevocably (but subject to the subordination provision in these Terms) guarantees all amounts payable under these Terms, and the Trustee is satisfied that the interests of Holders will not be materially prejudiced by the substitution;
- (b) **document or undertaking given:** a document is executed or an undertaking given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by the Trust Deed and these Terms (with consequential amendments as the Trustee may deem appropriate) as if the Substituted Obligor had been named in the Trust Deed and these Terms as the principal debtor in place of Qube;
- (c) **taxing jurisdiction:** if the Substituted Obligor is subject generally to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the “**Substituted Territory**”) other than the territory of the taxing jurisdiction to which (or to any such authority of or in which) Qube is subject generally (the “**Issuer’s Territory**”), the Substituted Obligor will (unless the Trustee otherwise agrees) give to the Trustee an undertaking satisfactory to the Trustee in terms corresponding to these Terms with the substitution for the references in these Terms to the Issuer’s Territory for references to the Substituted Territory whereupon the Trust Deed and these Terms will be read accordingly; and
- (d) **certification by directors:** if any two directors of the Substituted Obligor certify that it will be solvent immediately after such substitution, the Trustee need not have regard to the Substituted Obligor’s financial condition, profits or prospects or compare them with those of Qube.

12 Notices

12.1 Service of notices

- (a) Without limiting anything else in these Terms, a notice may be given by Qube to any Holder, or in the case of joint Holders to the Holder whose name appears first in the Register, personally, by leaving it at the Holder’s address as shown on the Register or by sending it by prepaid post (airmail if posted to a place outside Australia) to the Holder’s address as shown on the Register or, in any case, by other electronic means determined by Qube. If the notice is signed, the signature may be original or printed.
- (b) Where a notice is given by Qube to Holders generally, a copy of the notice must also be given to ASX and the Trustee.
- (c) A notice given by a Holder to Qube must:
 - (i) be in writing; and
 - (ii) be left at, or sent by prepaid post (airmail if posted from a place outside Australia) to the address below or the address last notified by Qube, or sent by facsimile transmission to the fax number below or the email or fax number last notified by Qube:

Qube Holdings Limited
Level 27, 45 Clarence Street
Sydney, NSW 2000 Australia
Facsimile: +61 2 9080 1999
Attention: General Counsel

12.2 When notice considered to be received

Any notice is taken to be given:

- (a) if served personally or left at the intended recipient’s address, when delivered;
- (b) if sent by post, on the second Business Day after it is mailed in a prepaid envelope to the intended recipient’s address; and
- (c) if sent by facsimile transmission, when receipt of a legible transmission has been acknowledged.

12.3 Notice to transferor binds transferee

Every person who, by operation of law, transfer or other means, becomes entitled to be registered as the holder of any Notes is bound by every notice which, prior to the person's name and address being entered in the Register, was properly given to the person from whom the person derived title to those Notes.

12.4 Service on deceased Holders

A notice served in accordance with this clause 12 is (despite the fact that the Holder is dead and whether or not Qube has notice of the Holder's death) considered to have been properly served in respect of any Notes, whether held solely or jointly with other persons by the Holder, until some other person is registered in the Holder's place as the Holder or joint Holder. The service is sufficient service of the notice or document on the Holder's personal representative and any person jointly interested with the Holder in Notes.

12.5 Copy of notices to Trustee

Whenever Qube issues any notice under these Terms to Holders, Qube must at the same time provide to the Trustee a copy of the notice.

13 Transfer of notes

13.1 Transfer

- (a) Before the Notes are quoted on the Official List (**Officially Quoted**) or at any time after the Notes cease to be Officially Quoted, all transfers of the Notes must be effected by a proper instrument of transfer and in a manner approved by Qube. Qube may decline to register a transfer of Notes under this clause 13.1(a) unless the instrument of transfer:
- (i) is duly stamped; and
 - (ii) is accompanied by such evidence as Qube requires to prove the title of the transferor.
- (b) Where the Notes are quoted on ASX, a Holder may transfer any Notes by a Proper ASTC Transfer or any other method of transferring or dealing in Notes introduced by ASX or operating in accordance with the operating rules of a clearing and settlement facility (as that term is defined in the Corporations Act), the ASX Settlement Operating Rules or the Listing Rules and, in any such case, recognised under the Corporations Act.
- (c) A transferor of Notes remains the owner of Notes transferred until the transfer is registered and the name of the transferee is entered in the Register in respect of the Notes, and the transferee of Notes on being entered on the Register shall have all the rights and obligations which the transferor had and all the rights and obligations of a Holder under these Terms.

13.2 Transfer which are not Proper ASTC Transfers

The following provisions apply to instruments of transfer referred to in clause 13.1(b):

- (a) (**duly executed**) unless the instrument of transfer is otherwise a sufficient transfer under the Corporations Act, the instrument must be signed by, or executed by or on behalf of:
- (i) the transferor; and
 - (ii) if required by Qube, the transferee;
- (b) (**lodged (and stamped, if applicable)**) the instrument of transfer, duly stamped where applicable, will be left at the place where the Register is kept, accompanied by the certificate (if any) that has been issued in respect of the Notes to be transferred and such other evidence as Qube requires to prove the transferor's title to, or right to transfer, the Notes;
- (c) (**transferee must be bound**) the instrument of transfer must be endorsed or accompanied by an instrument executed by the transferee to the effect that the transferee agrees to accept the Notes subject to the terms and conditions on which the transferor held them, to become a Holder and to be bound by the Trust Deed and these Terms; and
- (d) (**cancellation of Note certificate (if any)**) on registration of a transfer of Notes, Qube will cancel the old certificate for the Notes (if any).

13.3 Refusal to register transfers other than Proper ASTC Transfers

- (a) (**refusal to register transfers**) Qube may refuse to register any transfer of Notes (other than a Proper ASTC Transfer) where the Listing Rules or ASX Settlement Operating Rules permit Qube to do so.
- (b) (**breach of Listing Rules**) Qube will refuse to register any transfer of Notes (other than a Proper ASTC Transfer) where the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules require Qube to do so, or the transfer is in breach of the Listing Rules.

APPENDIX A TERMS OF ISSUE (CONT.)

13.4 Notice of refusal to register

- (a) **(notice to transferee)** Where Qube refuses to register a transfer of Notes under clause 13.3 Qube will give written notice of the refusal and the reasons for the refusal to the transferee and the person who lodged the transfer, if not the transferee, within five Business Days after the date on which the transfer was lodged with Qube.
- (b) **(failure to notify)** A failure by Qube to give notice under clause 13.4(a) will not invalidate the refusal to register the transfer in any way.

13.5 Transaction advice after transfer

If Qube accepts a transfer under this clause 13, Qube may issue a transaction advice for:

- (a) the Notes which have been transferred; and
- (b) the balance of any Notes which were not transferred.

13.6 No general restriction on transfer

- (a) There is no restriction on the transfer of Notes and, subject to clause 13.7 and these Terms, Qube may not do anything which may prevent, delay or in any way interfere with, the registration of a transfer of Notes effected under clause 13.1(b).
- (b) Except as otherwise set out in this clause 13 and these Terms, there is no restriction on any other transfer of Notes.

13.7 Restricted securities

Despite any other provisions of these Terms:

- (a) restricted securities (as defined in the Listing Rules) cannot be disposed of during the escrow period referred to in the Listing Rules except as permitted by the Listing Rules or ASX;
- (b) subject to the ASX Settlement Operating Rules in respect of CHESS Approved Securities, Qube must refuse to acknowledge a disposal (including registering a transfer), of restricted securities during the escrow period except as permitted by the Listing Rules or ASX; and
- (c) in the event of a breach of the Listing Rules in relation to Notes which are restricted securities, the Holder holding the Notes in question ceases to be entitled to any payment of interest and to any voting rights in respect of those Notes for so long as the breach subsists.

13.8 Death, legal disability

- (a) If a Holder dies, becomes subject to a legal disability, becomes bankrupt or is liquidated, the survivor (in the case of joint Holders), legal personal representative or the person entitled to Notes as a result of bankruptcy or liquidation, will be recognised as having a claim to Notes registered in the Holder's name.
- (b) Qube need not register any transfer or transmission under this clause unless the transferee provides an indemnity in favour of Qube in a form determined by Qube in respect of any consequence arising from the transfer or transmission.

13.9 Recognition of Holder

Qube and the Trustee:

- (a) must treat the person entered on the Register as a Holder as the absolute owner of all rights and interests of the Holder; and
- (b) except as required by law or these Terms, need not recognise any claim or interest in any Notes by any other person.

13.10 Participation in transfer systems

Qube may determine that Notes which are Officially Quoted will participate in the 'Clearing House Electronic Sub-register System' or any other computerised or electronic system of transfer or registration. Qube may with the approval of ASX, create rules to facilitate such participation which may be additional to or may override this clause 13.

13.11 Register

At any time Qube may (on such terms as it thinks fit) appoint a person to establish and maintain the Register and may terminate such appointment in accordance with the Trust Deed.

14 Non-resident holders

- (a) Where Notes are held by, or on behalf of, a person resident outside the Commonwealth of Australia, then, despite anything else to the contrary contained in or implied by these Terms, it is a condition precedent to any right of the Holder to receive payment of any monies in respect of those Notes that all necessary authorisations (if any) and any other statutory requirements which may then be in existence and which are required to be obtained by the Holder are obtained at the cost of the Holder and satisfied.
- (b) For the purposes of clause 14(a), authorisation includes any consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, approval, direction, declaration, authority or exemption from, by or with any government or any government agency.

15 Quotation

- (a) Qube must use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure, at its own expense, that Notes are quoted by ASX within seven Business Days after the initial issue of Notes and to maintain quotation so long as any Notes remain on issue.
- (b) Qube will comply with the Listing Rules or the rules of any stock exchange on which Notes are quoted in connection with any amendment under clause 10.

16 Governing law

- (a) These Terms are governed by the law in force in the State of New South Wales, Australia.
- (b) Qube, the Trustee and each Holder submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia in connection with matters concerning Notes or these Terms. Qube, the Trustee and each Holder waives any right they have to an objection to an action being brought in those courts, or to claim that the action has been brought in an inconvenient forum, or to claim that those courts do not have jurisdiction.

17 Interpretation and definitions

17.1 Interpretation

In these Terms:

- (a) headings and boldings are for convenience only and do not affect the interpretation of these terms;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any government or semi-government agency;
- (e) a reference to any statute or regulation includes all statutes and regulations amending, consolidating or replacing it, whether passed by the same or another government agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (f) a reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- (g) where the day on or by which any thing is to be done, or payment is to be made, is not a Business Day, that thing must be done, or payment must be made, on or by the next succeeding Business Day;
- (h) a reference to cash includes cheques and bank cheques;
- (i) a reference to a body including a commission or an exchange, whether statutory or not, which ceases to exist or whose functions or powers are transferred to another body, is a reference to the body which replaces it or substantially succeeds to its powers and functions;
- (j) references to sums of money are to amounts in Australian dollars;
- (k) a reference to a thing or things after the words "include" or "including" or similar expressions is not limited to that thing or those things;
- (l) a calculation, determination, election or decision made under these Terms, will (in the absence of manifest error, negligence, default or bad faith) be binding upon Qube, the Trustee and all Holders;
- (m) if a calculation is required under these Terms, the calculation will be rounded to four decimal places, provided that any amount to be paid to a Holder will be rounded down to the nearest whole cent; and
- (n) the word "amend" includes modify, cancel, amend or add to.

APPENDIX A TERMS OF ISSUE (CONT.)

17.2 Definitions

Unless the context otherwise requires, the following terms will have the following meanings in these Terms:

“**Additional Amounts**” means additional amounts payable by Qube under clause 6.1.

“**ASX**” means ASX Limited (ABN 98 008 624 691) or the market operated by it, as the context requires.

“**ASX Settlement**” means ASX Settlement Pty Limited (ABN 49 008 504 532).

“**ASX Settlement Operating Rules**” means the operating rules of ASX Settlement.

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

“**Business Day**” has the meaning given in the Listing Rules.

A “**Change of Control Event**” occurs, at any time, if any person either alone or together with its associates (as defined in the Corporations Act), either in a single transaction or series of related transactions, beneficially acquires more than 50% of the issued ordinary shares of Qube (such acquiring person or person together with its associates being a “**Relevant Person**”).

A “**Clean-up Event**” occurs, at any time, if Qube or any of its Related Bodies Corporate has, individually or in aggregate, purchased (and cancelled) or redeemed Notes equal to or in excess of 80% of the aggregate Face Value of Notes issued on the Issue Date.

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

“**Disruption Event**” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Notes (or otherwise in order for the transactions contemplated by the Notes to be carried out) which disruption is not caused by, and is beyond the control of, Qube; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of any party preventing that, or any other party:
 - (i) from performing its payment obligations under the Notes; or
 - (ii) from communicating with other parties in accordance with the terms of the Notes,

and which (in either such case) is not caused by, and is beyond the control of, Qube.

“**Equal Ranking Obligations**” means:

- (a) any obligation in relation to claims of holders of Instruments issued by Qube which claims rank or are expressed to rank *pari passu* with Holder Claims under these Terms and the Trust Deed; or
- (b) any obligation in relation to claims of holders of Instruments issued by Qube, which claims are under, or are expressed to be treated as, Notional Preference Shares if at any time an Event of Insolvency occurs in relation to Qube.

An “**Event of Default**” occurs if:

- (a) Qube does not pay any Redemption Amount or Interest Payment which is due and payable in respect of the Notes within, in the case of any amount representing or in the nature of interest, five Business Days of the due date for payment and, in the case of any amount representing or in the nature of principal, two Business Days of the due date for payment unless its failure to pay is caused by:
 - (i) administrative or technical error and payment is made within 10 Business Days of the due date for payment; or
 - (ii) a Disruption Event and payment is made by the later of:
 - (A) 10 Business Days after the due date for payment; or
 - (B) 5 Business Days after the end of the Disruption Event, provided Qube has used all reasonable efforts to overcome the Disruption Event in order to perform its payment obligations under the Notes;
- (b) Qube fails to comply with any of its other material obligations under these Terms or the Trust Deed and such failure, if it is capable of being remedied, is not remedied to the satisfaction of the Trustee within 30 Business Days after Qube has received written notice from the Trustee in respect of the failure; or
- (c) an order is made (other than an order successfully appealed or permanently stayed within 60 days) by a State or Federal Court in the Commonwealth of Australia or a resolution is passed by the shareholders of Qube for the winding up of Qube (other than for the purposes of a Solvent Reorganisation),

except that the non-payment by Qube of any amount due and payable in respect of any of the Notes in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction (in each case applicable to such payment) does not constitute an Event of Default.

“Event of Insolvency” means the appointment of an administrator, a liquidator, provisional liquidator or other similar officer in respect of Qube or any corporate action is taken by Qube to appoint such a person (other than for the purposes of Solvent Reorganisation of Qube).

“Face Value” means the face value of a Note, being \$100 per Note.

“Holder” means a person who is entered into the Register as the holder of a Note.

“Holder Claims” means the rights and claims of the Trustee (in respect of Notes) and of the Holders in respect of Notes.

“Instrument” means, in relation to a company, shares in the capital of that company and any indebtedness in the form of or represented by notes, bonds, debentures or other securities issued by that company or any indebtedness (other than to a wholly-owned Subsidiary of Qube or from a wholly-owned Subsidiary of Qube to Qube or another wholly-owned Subsidiary of Qube) in respect of any loan or similar agreement.

“Interest Payment” means the interest payable on a Note on the Interest Payment Date, as calculated in accordance with clause 3.3.

“Interest Payment Date” means, subject to clause 3.3, 5 April, 5 July, 5 October and 5 January in each year, commencing on the first such date following the Issue Date until Notes are redeemed.

“Interest Period” means:

- (a) in respect of the first interest period, the period from and including the Issue Date to but excluding the first Interest Payment Date; and
- (b) for each subsequent interest period, from and including each Interest Payment Date to but excluding the immediately following Interest Payment Date.

“Interest Rate” has the meaning specified in clause 3.2.

“Issue Date” means 5 October 2016, or such later date as Qube may determine.

“Issue Price” has the meaning specified in clause 1.3.

“Listing Rules” means the listing rules of ASX.

“Margin” means the margin expressed as a percentage per annum determined by Qube (or another party on its behalf) on the basis of the bids made under the Bookbuild.

“Maturity Date” means 5 October 2023.

“Notes” means Qube subordinated notes to which these Terms apply, as described in clause 1.1.

“Notional Preference Share” means an actual or notional class of preference shares in the capital of Qube ranking junior to the claims of Senior Creditors and having an equal right to return of assets in the winding-up to, and so ranking pari passu with, the most junior class or classes of preference shares in the capital of Qube from time to time and which have a right to a return of assets in the winding-up over, and so rank junior to the holders of all other classes of issued shares for the time being in the capital of Qube other than its ordinary shares.

“Official List” means the official list of the ASX.

“Outstanding” means a Note that has not been cancelled or redeemed by Qube and is not held by or on behalf of Qube, or any Subsidiary of Qube or any Relevant Person.

“Proper ASTC Transfer” has the meaning given in the Corporations Regulations 2001 (Cth).

“Prospectus” means a prospectus to be issued by Qube in respect of a public offer of Notes.

“Put Date” means the Business Day which is, or immediately follows 120 days after the occurrence of the Change of Control Event.

“Put Notice” means a notice given by a Holder to Qube requiring Qube to redeem or, at Qube’s option, purchase (or procure the purchase of), Notes held by the Holder on the Put Date at their Redemption Amount, in accordance with clause 4.3.

“Qube” means Qube Holdings Limited (ABN 14 149 723 053) or any Related Body Corporate which is substituted for Qube Holdings Limited under clause 11 and the Trust Deed.

“Record Date” means, in relation to any date on which Qube is obliged to make an Interest Payment to a Holder in relation to a Note, eight calendar days before the relevant Interest Payment Date or such other date as Qube determines in its absolute discretion (subject to compliance with the Listing Rules) and notifies to Holders by a market release to ASX by

APPENDIX A TERMS OF ISSUE (CONT.)

the time required by the Listing Rules (or if no such time is required by the Listing Rules, at least six Business Days before the specified Record Date). If the Record Date is changed because of a requirement of ASX, Qube will give notice of the changed Record Date to all Holders by issuing a market release to ASX.

“**Redemption Amount**” in respect of a Note means the sum of:

- (a) 100% of the Face Value; and
- (b) any accrued but unpaid interest for the Interest Period in which the Redemption Date falls determined in accordance with clause 3 and clause 4.8 calculated up to (but excluding) the Redemption Date as if that date were an Interest Payment Date.

“**Redemption Date**” means the day on which Notes become due for redemption in accordance with these Terms.

“**Register**” means the register of Notes maintained by or on behalf of Qube.

“**Registry**” means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or such successor registry as Qube may appoint.

“**Related Body Corporate**” has the meaning given in the Corporations Act.

“**Relevant Jurisdiction**” means:

- (a) the Commonwealth of Australia or any State or Territory of Australia; or
- (b) in the event of any substitution, Solvent Reorganisation or other corporate action resulting in Qube being incorporated in or becoming resident in or carrying on business in any other jurisdiction, that other jurisdiction or any political subdivision or any authority of that jurisdiction having power to tax.

“**Relevant Person**” has the meaning given in the definition of Change of Control Event.

“**Senior Creditors**” means all creditors or claimants in respect of Qube other than:

- (a) Holders;
- (b) holders of claims in respect of Equal Ranking Obligations; and
- (c) holders of claims in respect of or ranking equally with ordinary shares in the capital of Qube.

“**Solvent Reorganisation**” means, with respect to Qube, a solvent winding-up, deregistration, dissolution, scheme of arrangement or other reorganisation of Qube solely for the purposes of a consolidation, amalgamation, merger or reconstruction, the terms of which have been approved by the holders of the ordinary shares of Qube or by a court of competent jurisdiction under which the continuing or resulting corporation effectively assumes the obligations of Qube under these Terms and the Trust Deed.

“**Special Resolution**” means a resolution approved by not less than 75% of all votes cast by Holders present and entitled to vote on the resolution.

“**Subsidiary**” has the meaning given in the Corporations Act.

“**Tax Act**” means the Income Tax Assessment Act 1936 (Cth).

“**Tax Event**” means that:

- (a) in the opinion of a recognised independent legal or tax adviser (which has been obtained by Qube and delivered to the Trustee), on or after the Issue Date, as a result of:
 - (i) any amendment to, or change in, the laws (or any rules or regulations under them) of the Relevant Jurisdiction which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or
 - (ii) any amendment to, or change in, an official interpretation of any laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or
 - (iii) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the previous generally accepted position which is issued or announced on or after the Issue Date,either:
 - (iv) interest paid by Qube on Notes would no longer, or within 90 calendar days of the date of that opinion will no longer, be deductible (or the entitlement to make such deduction would or will be materially reduced) by Qube for corporate income tax purposes in the Relevant Jurisdiction; or

(v) any payment of interest, the principal amount outstanding or the Redemption Amount is, or within 90 calendar days of that date of that opinion will be, subject to an amount of withholding or deduction in respect of any Taxes or other governmental charges for which Qube must pay an additional amount; and

(b) that risk cannot be avoided by Qube taking reasonable measures available to it.

“**Taxes**” means any present or future taxes, duties, assessments or governmental charges of whatever nature.

“**Terms**” means these terms and conditions of Notes.

“**Trust Deed**” means the Qube Subordinated Notes Trust Deed dated 29 August 2016 between Qube and the Trustee as trustee for the Holders.

“**Trustee**” means Australian Executor Trustees Limited (ABN 84 007 869 794) and includes a successor of it.



APPENDIX **B**
PRO FORMA
HISTORICAL INCOME
STATEMENT

APPENDIX B PRO FORMA HISTORICAL INCOME STATEMENT

Patrick – Pro Forma Income Statement

	Patrick, 12 months to 31 December 2015	
	Continuing business (underlying)	Pro Forma (including synergies and financing costs)
Revenue	565.6	565.6
EBITDA (without associates)	207.8	240.3
Income from associates	2.3	2.3
EBITDA (with associates)	210.1	242.6
EBIT (with associates)	155.5	182.4
NPAT	109.5	65.5
NPATA	109.5	65.5

Notes:

1. The financial information for Patrick has been sourced from note 2.1 (Segment Reporting) of the financial statements of Asciano for the year ended 30 June 2015, the half year financial results for Asciano for the periods ended 31 December 2014 and 31 December 2015 and management account information.
2. The adjustments made to the Asciano's Terminals & Logistics division results to arrive at the Continuing business (underlying) results noted above comprise the following:
 - a. On 1 August 2015, Asciano transferred a number of assets and operations which were historically reported within the Terminals & Logistics division into a new joint venture, the ACFS JV. As the ACFS JV is not included in the businesses to be acquired by Patrick, an adjustment is made to remove the earnings of the operations transferred to the ACFS JV to present historical earnings on a consistent basis with those businesses to be acquired by Patrick.
 - b. The Regional Road and Rails business of Asciano was historically included within the Terminals & Logistics division of Asciano but was transferred to the BAPS division on 1 July 2015. As this business is not included in the businesses to be acquired by Patrick, an adjustment has been made to remove the earnings of this business to present historical earnings on a consistent basis with the business to be acquired.
3. Qube management has estimated EBITDA synergies of \$25m – \$40m per annum at full run rate (net of associated costs) that will be realised under the new ownership structure of Patrick. The Pro Forma Historical Financial Information for Patrick presented above is based on \$32.5m per annum of run rate synergies being the mid-point of that range. Qube management expects to incur capital expenditure of \$102m in order to achieve these synergies, which would result in an additional depreciation expense of \$5.7m per annum at full run rate. These adjustments are included in the Pro Forma Historical Financial Information for Patrick shown above.
4. The Pro Forma Historical Financial Information for Patrick shown above includes incremental interest expense arising on the additional \$1,000m debt funding raised by Patrick to fund the acquisition. Interest expense has been calculated with reference to the terms of the facilities used at an annual interest rate of 3.5%. Further, it also includes additional interest expense arising on the shareholders loans. Amortisation of debt establishment costs is also included in interest expense.
5. Income tax expense is based on a prima-facie 30% tax charge on profit before tax and associates.

APPENDIX B PRO FORMA HISTORICAL INCOME STATEMENT

(CONT.)

Qube – Pro Forma Historical Income Statement

	Qube (pre-transaction)		Patrick ³	Qube Pro Forma (Underlying) ⁵
	Reported ¹	Underlying ²		
Revenue	1,332.5	1,319.7		1,319.7
EBITDA (without associates)	249.1	246.3		253.8
Income from associates	12.6	14.1		46.9
EBITDA (with associates)	261.7	260.4		300.7
Interest income from Patrick ⁴				26.2
Adjusted EBITDA				326.9
EBIT (with associates & Patrick interest income)	160.2	158.9		225.4
NPAT ^{7,8}	92.5	93.0	32.8	138.6
NPATA ^{7,8}	98.7	99.2		144.9

Notes:

- The Qube Statutory and Underlying Financial Information presented above has been sourced from the audited financial statements of Qube for the year ending 30 June 2016.
- Adjustments made to Statutory Financial Information to arrive at Underlying Financial Information include the removal of certain non-cash, accounting gains on investment properties (\$12.8m), reversal of impairment of property, plant and equipment (\$17.6m), as well as the add back of following non-recurring items of expenditure:
 - Impairment losses on investments in associates of \$21.3m
 - Restructure and other costs of \$6.0m; and
 - FY15 short term management incentives of \$0.3m expensed in FY16 that related to achieving a whole of precinct transaction with the Moorebank Intermodal Company and which resulted in an increase in value of the Moorebank property.
- Patrick will be accounted for by Qube as an equity accounted associate. Qube's share of the NPAT for the LTM Dec-15 period of \$32.8m is therefore included in Qube pro-forma (Underlying) income from associates.
- Interest income received by Qube on the shareholder loan to Patrick is separately identified in the table above in the calculation of Adjusted EBITDA.
- The Pro Forma Historical Financial Information includes incremental interest expenses arising on the additional \$162m of debt funding to be used by Qube to fund its investment in Patrick. Interest expense has been calculated with reference to the terms of the facilities expected to be used at an interest rate of 3.0% per annum net of a corresponding reduction in undrawn fees. Further, NPAT also includes the interest income from Patrick on the shareholders loan.
- Qube management has estimated EBITDA synergies at a full run rate of \$5m - \$10m per annum that will be realised within Qube's existing operations following the acquisition of Patrick. The Pro Forma Historical Financial Information presented above is based on \$7.5m per annum of run rate EBITDA synergies being the mid-point of that range.
- Income tax expense is based on a prima-facie 30% tax charge on profit before tax and associates.
- Qube's NPAT disclosed above excludes the Non-Controlling Interest's share of NPAT on the basis that the Pro Forma Historical Financial Information assume that Qube has acquired this interest through the acquisition of Aurizon's interest in Moorebank.



APPENDIX **C**
GLOSSARY

APPENDIX C GLOSSARY

This Appendix provides a glossary of key terms used throughout this Prospectus and the Application Form. There is also a list of further defined terms in Clause 17.2 of the Terms in Appendix A.

Term	Meaning
ABN	Australian Business Number.
ACCC	Australian Competition and Consumer Commission.
Adjusted EBITDA	Qube's Underlying EBITDA including share of profits of associates for FY16 and its share of underlying Patrick NPAT for the twelve month period ended December 2015, adjusted for synergies, depreciation and financing costs, plus interest income from the shareholder loan to Patrick.
ANZ	ANZ Securities Limited (ABN 16 004 997 111)
Application Form	The application form attached or accompanying this Prospectus (including the electronic form provided by an online application facility).
Asciano	Asciano Limited.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited or the market operated by it, as the context requires.
ASX Settlement Operating Rules	The settlement rules of ASX Settlement Pty Limited.
Bank Bill Rate	A benchmark interest rate for the Australian money market commonly used by major Australian financial institutions to lend short-term cash to each other over a 90 day period, as more particularly defined in Clause 3 of the Terms.
Board	The board of directors of Qube.
Bookbuild	The process described in Section 6.3.1 to determine the Margin.
Broker Firm Applicant	An Australian resident retail client of a Syndicate Broker, or a client of a Syndicate Broker to whom an offer can be made having regard to the restrictions on distribution in Section 6.3.2, invited to participate through the Broker Firm Offer.
Broker Firm Offer	The Offer of Notes under this Prospectus to Broker Firm Applicants who have received a firm allocation of Notes from a Syndicate Broker.
Brookfield	Brookfield Infrastructure Partners L.P.
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a Business Day.
Change of Control	Has the meaning given in the Terms.
CHESS	Clearing House Electronic Subregister System operated in accordance with the Corporations Act.
Clean-up Event	Has the meaning given in the Terms.
Closing Date	The last date by which applications must be lodged for the Offer, being: <ul style="list-style-type: none"> • 5:00pm (Sydney time) on 22 September 2016 for the Shareholder Offer (unless varied); and • 10:00am (Sydney time) on 4 October 2016 for the Broker Firm Offer (unless varied).
Co-Managers	Crestone Wealth Management, JBWere and Morgans.
Corporations Act	Corporations Act 2001 (Cth).
CPPIB	Canada Pension Plan Investment Board.
CPPIB placement	\$306m placement of Qube shares to CPPIB, as announced by Qube as completed on 2 August 2016.
Crestone Wealth Management	Crestone Wealth Management Limited (ABN 50 005 311 937).
Directors	The directors of Qube.
EBITDA	Earnings before interest, tax, depreciation and amortisation.

Term	Meaning
Eligible Shareholder	A registered holder of Ordinary Shares with a registered address in Australia at 7:00pm (Sydney time) on 25 August 2016 and who is resident in Australia.
Equity	Total equity as disclosed in the Pro Forma Historical Balance Sheet in Section 4.5.
Exposure Period	The seven day period after the date the Original Prospectus was lodged with ASIC, during which the Corporations Act prohibits the processing of applications for Notes.
Government Agency	Any governmental, semi-governmental, administrative, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity in any jurisdiction, whether federal, state, territorial or local, and includes ASIC, any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organization of any government or in which any government is interested and any non-government regulatory authority, including ASX.
ha	Hectare
HIN	Holder Identification Number for Ordinary Shares or Notes (when issued) (as applicable) held on the CHESSE sub-register.
Holder	A person registered in the Register as a holder of Notes.
Holding Statement	A statement issued to Holders by the Registry which sets out details of Notes issued to them under the Offer.
Institutional Investor	An investor to whom offers or invitations in respect of Notes can be made without the need for a lodged prospectus (or other formality, other than a formality which Qube is willing to comply with), including in Australia persons to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act and who has been invited by Qube to bid for Notes in the Bookbuild.
Institutional Offer	The invitation by Qube or the Joint Lead Managers to Institutional Investors to bid for Notes in the Bookbuild.
Issue Price	The issue price for Notes under this Prospectus, being \$100 per Note.
JBWere	JBWere Limited (68 137 978 360)
Joint Lead Managers	ANZ, NAB and UBS.
Joint Structuring Advisers	NAB and UBS.
JV	Joint venture
Listing Rules	The listing rules of ASX.
Margin	3.90% per annum.
Moorebank	The Moorebank intermodal terminal development.
Morgans	Morgans Financial Limited (ABN 49 010 669 726)
NAB	National Australia Bank Limited (ABN 12 004 044 937).
Net Debt	Total current and non-current interest bearing liabilities only, less cash and cash equivalents.
Net Interest Paid	Net interest paid less the amount of interest received.
Offer	The offer by Qube of Notes under this Prospectus to raise \$300 million, with the ability to raise more or less.
Offer Management Agreement	The offer management agreement entered into between Qube and the Joint Lead Managers, as described in Section 9.2.
Offer Period	The period from the Opening Date to the Closing Date.
Opening Date	The day the Offer opens, being 7 September 2016, unless varied.
Ordinary Share	A fully paid ordinary share in the capital of Qube.

APPENDIX C GLOSSARY (CONT.)

Term	Meaning
Original Prospectus	The prospectus dated 30 August 2016 which was lodged on that date and which is replaced by this Prospectus.
Patrick	The Patrick Container Terminals business, owned in 50/50 joint venture between Qube and Brookfield, together with Brookfield's co-investors including GIC Private Limited, British Columbia Investment Management Corporation and Qatar Investment Authority.
Privacy Act	Privacy Act 1988 (Cth).
Prospectus	This document (including the electronic form of this Prospectus), as supplemented or replaced.
Qube	Qube Holdings Limited.
Register	The official register of Notes (if issued) maintained by the Registry on Qube's behalf and including any subregister established and maintained in CHESS.
Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other registry that Qube appoints to maintain the Register.
Regulation S	Regulation S of the U.S. Securities Act 1933, as amended.
Replacement Prospectus	The replacement prospectus that is expected to be lodged with ASIC on 7 September 2016 that will replace this Prospectus.
Settlement Agent	UBS Securities Australia Limited (ABN 62 008 586 481)
Shareholder Applicant	An Eligible Shareholder who applies under the Shareholder Offer.
Shareholder Application Form	The application form for the Shareholder Offer attached to or accompanying this Prospectus (including the electronic form provided by an online application facility).
Shareholder Offer	The invitation to Eligible Shareholders to apply for Notes under this Prospectus.
SRN	Securityholder Reference Number for Ordinary Shares or Notes (when issued) (as applicable) held on any Qube sponsored sub-register.
Syndicate Broker	Joint Lead Managers, Co-Managers and any other broker selected by the Joint Lead Managers to participate in the Bookbuild (including any affiliate of the Joint Lead Managers).
Tax Event	Has the meaning given in the Terms.
Terms	Terms and conditions of Notes as set out in Appendix A.
TEU	Twenty-foot equivalent unit.
TFN	Tax file number.
TOFA	Taxation of Financial Arrangements.
Total Proceeds	The amount calculated by multiplying the number of Notes issued, or required to be issued, under the Offer by the Issue Price.
Trust	The Trust established pursuant to the Trust Deed.
Trust Deed	The deed dated 29 August 2016 (as amended) between Qube and the Trustee governing the issue of Notes, as described in Section 9.1.
Trustee	Australian Executor Trustees Limited (ABN 84 007 869 794).
UBS	UBS AG, Australia Branch (ABN 47 088 129 613).
Underlying EBITDA	EBITDA adjusted for certain non-recurring or non-cash items to better reflect the core earnings.
US Person	Has the meaning given in Regulation S.
US Securities Act	U.S. Securities Act of 1933, as amended.



APPENDIX **D**
INVESTIGATING
ACCOUNTANTS
REPORT



The Directors
Qube Holdings Limited
Level 27
45 Clarence Street
Sydney NSW 2000

7 September 2016

Dear Directors

Investigating Accountant's Report

Independent Limited Assurance Report on Qube Holdings Limited's historical financial information and Financial Services Guide

We have been engaged by Qube Holdings Limited (the **Company**) to report on the historical financial information of the Company as at 30 June 2016 for inclusion in the prospectus dated on or about 7 September 2016 (**Offer Document**) and relating to the issue of subordinated and unsecured notes (**Notes**) in the Company.

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

The nature of this report is such that it can only be issued by an entity which holds an Australian financial services licence under the Corporations Act 2001. PricewaterhouseCoopers Securities Ltd, which is wholly owned by PricewaterhouseCoopers holds the appropriate Australian financial services licence under the Corporations Act 2001. This report is both an Investigating Accountant's Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Scope

You have requested PricewaterhouseCoopers Securities Ltd to review the following financial information of the Company (the responsible party) included in the Offer Document (collectively, the **Financial Information**):

Historical Financial Information

- i. Balance Sheet as at 30 June 2016; and
- ii. Income Statement for the year ended 30 June 2016.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies. The Historical Financial Information has been extracted from the financial report of the Company for the year ended 30 June 2016, which was audited by PricewaterhouseCoopers in accordance with the Australian Auditing Standards. PricewaterhouseCoopers issued an unmodified audit opinion on the financial report. The Historical Financial Information is presented in the Offer Document in an abbreviated form, insofar as it does

PricewaterhouseCoopers Securities Ltd, ACN 003 311 617, ABN 54 003 311 617, Holder of Australian Financial Services Licence No 244572
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T +61 2 8266 0000, F +61 2 8266 9999, www.pwc.com.au



not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Pro Forma Historical Financial Information

- i. Pro Forma Historical Balance Sheet as at 30 June 2016; and
- ii. Pro Forma Historical Income Statement for the year ended 30 June 2016.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company, after adjusting for the effects of pro forma adjustments described in section 4 of the Offer Document. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in section 4 of the Offer Document, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position and/or financial performance.

Directors' responsibility

The directors of the Company are responsible for the preparation of the Historical Financial Information and the Pro Forma Historical Financial Information, including its basis of preparation and the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and the Pro Forma Historical Financial Information based on our review. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

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

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

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of the Company, as described in section 4 of the Offer Document, and comprising:



- i. Balance Sheet as at 30 June 2016; and
- ii. Income Statement for the year ended 30 June 2016.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4 of the Offer Document being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information of the Company as described in section 4 of the Offer Document, and comprising:

- i. Pro Forma Historical Balance Sheet as at 30 June 2016; and
- ii. Pro Forma Historical Income Statement for the year ended 30 June 2016.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4 of the Offer Document being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in section 4 of the Offer Document, as if those events or transactions had occurred as at the date of the Historical Financial Information.

Notice to investors outside Australia

Under the terms of our engagement this report has been prepared solely to comply with Australian Auditing Standards applicable to review engagements.

This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside Australia. We are not recommending or making any representation as to suitability of any investment to any person.

Restriction on Use

Without modifying our conclusions, we draw attention to section 4 of the Offer Document, which describes the purpose of the Financial Information, being for inclusion in the Offer Document. As a result, the Financial Information may not be suitable for use for another purpose.

Consent

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this assurance report in the Offer Document in the form and context in which it is included.

Liability

The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this report in the Offer Document. PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Offer Document.



Independence or Disclosure of Interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of this transaction other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to our report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Emphasis of Matter

We draw attention to Section 4.1 of the Prospectus which sets out that in preparing the Financial Information only provisional amounts have been recognised for the fair values of acquired assets and liabilities in accordance with AASB3 Business Combinations. The provisional amounts have been based on the historical cost amounts recognised in the financial statements of Asciano for all assets other than goodwill.

Accordingly, the Financial Information does not necessarily contain all of the adjustments to the reported amounts of assets and liabilities that will be required to reflect their final fair values and in particular does not necessarily recognise the final fair value of identifiable intangible assets separately to goodwill. Consequently, the pro forma income statements of the Patrick Container Terminals JV and Income from associates in the Qube pro forma historical income statement for the year ended 30 June 2016 do not include the impact of depreciation and amortisation expense which could arise after completion of the purchase price allocation exercise.

Our opinion is not modified in respect of this matter.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Troy Porter', written over a faint, illegible printed name.

Troy Porter

Authorised Representative of
PricewaterhouseCoopers Securities Ltd

A handwritten signature in black ink, appearing to read 'Alex Maycock', written over a faint, illegible printed name.

Alex Maycock

Authorised Representative of
PricewaterhouseCoopers Securities Ltd



Appendix A – Financial Services Guide

**PRICEWATERHOUSECOOPERS SECURITIES LTD
FINANCIAL SERVICES GUIDE**

This Financial Services Guide is dated 7 September 2016

1. About us

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) ("**PwC Securities**") has been engaged by Qube Holdings Limited ("**Qube**") to provide a report in the form of an Investigating Accountant's Report in relation to the Financial Information (the "**Report**") for inclusion in the Offer Document dated on or about 7 September 2016.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2. This Financial Services Guide

This Financial Services Guide ("**FSG**") is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.



4. General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

5. Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are charged on an hourly basis and as at the date of this Report amount to \$100,000 (excluding disbursements and GST).

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6. Associations with issuers of financial products

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business.

PricewaterhouseCoopers is the auditor of Qube Holdings Limited.

7. Complaints

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial



Ombudsman Service ("**FOS**"), an external complaints resolution service. FOS can be contacted by calling 1300 780 808. You will not be charged for using the FOS service.

8. Contact Details

PwC Securities can be contacted by sending a letter to the following address:

Troy Porter
Authorised Representative of
PricewaterhouseCoopers Securities Ltd
Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000
GPO BOX 2650

CORPORATE DIRECTORY

Issuer

Qube Holdings Limited
Level 27
45 Clarence Street
Sydney NSW 2000

Australian Legal Adviser

Gilbert + Tobin
Level 35, Tower Two, International Towers Sydney,
200 Barangaroo Avenue, Barangaroo NSW 2000

Auditor and Australian Tax Adviser

PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street,
Sydney NSW 2000

Investigating Accountant

PricewaterhouseCoopers Securities Limited
Darling Park Tower 2
201 Sussex Street,
Sydney NSW 2000

Registry

Computershare Investor Services Pty Limited
Level 4
60 Carrington Street,
Sydney NSW 2000

Trustee

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

How to contact us

Qube Notes Offer Information Line on 1300 850 505 or +61 3 9415 4000 (Monday to Friday—8:30am to 5:00pm (Sydney time))

Website

www.qubenotes.com.au

Joint Structuring Advisers and Joint Lead Managers

National Australia Bank
Level 25
255 George Street
Sydney NSW 2000

UBS AG, Australia Branch
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Joint Lead Manager

ANZ Securities
Level 9, ANZ Centre Melbourne
833 Collins Street
Docklands VIC 3008

Co-Managers

Crestone Wealth Management
Level 32
Chifley Tower
2 Chifley Square
Sydney NSW 2000

JBWere

Level 16
101 Collins Street
Melbourne VIC 3000

Morgans Financial Limited

Level 29, Riverside Centre
123 Eagle Street
Brisbane QLD 4000



Broker Firm Offer - Return this form to your Broker

For all enquiries:

Australia (within Australia) 1300 850 505
Outside Australia (outside Australia) +61 3 9415 4000
Monday to Friday 8.30am to 5.00pm (Sydney time)
www.qubenotes.com.au

Broker Firm Offer Application Form

Broker firm offer closes 10.00 am (Sydney time) on Tuesday, 4 October 2016

Broker Firm Offer applicants must contact their broker for information on how to submit this Application Form and Application Monies. This Application Form relates to the Broker Firm Offer by Qube Holdings Limited (**Qube or the Company**) of Qube Notes (**Notes**) made under the replacement Prospectus lodged with Australian Securities and Investments Commission on Wednesday, 7 September 2016 (**Prospectus**) (and any replacement or supplementary Prospectus). While the Prospectus is current, the Company will send paper copies of the Prospectus, any supplementary or replacement document and the Application Form, free of charge, upon request.

This Application Form is important. If you are in doubt as to how to deal with it, please contact your financial adviser or other independent and qualified professional adviser. You should read the entire Prospectus carefully before completing this application form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus.

By applying under the Broker Firm Offer, you make the acknowledgments, declarations, representations and warranties set out in the Prospectus.

STEP 1 Notes applied for

Enter the number of Notes you wish to apply for. The application must be for a minimum of 50 Notes (A\$5,000.00). Applications for greater than 50 Notes must be in multiples of 10 Notes (A\$1,000.00). Enter the amount of the corresponding Application Monies. To calculate this amount, multiply the number of Notes applied for by the issue price which is A\$100.00.

STEP 2 Applicant name(s) and postal address

Enter the full name(s) you wish to appear on the register. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table overleaf for the correct forms of registrable title(s). Applications using the wrong form of names may be rejected. CHESS participants should complete their name identically to that presently registered in CHESS. Enter your postal address for all correspondence. All communications to you from the registry will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered. Enter your contact name and telephone number. This information may be used to communicate other matters to you subject to the Company's privacy statement. This is not compulsory but will assist us if we need to contact you.

STEP 3 CHESS holdings only

The Company will apply to ASX for Notes to participate in CHESS, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX. In CHESS, the Company will operate an electronic CHESS subregister of holdings and an electronic issuer sponsored subregister of holdings. Together, the two subregisters will make up the Company's principal register of notes. The Company will not be issuing certificates to applicants in respect of Notes allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Notes allotted to you under this application on the CHESS subregister, enter your CHESS Holder Identification Number (HIN). Otherwise, leave the section blank and on allotment you will be sponsored by the Company and a Securityholder Reference Number (SRN) will be allocated to you. Please note that if you supply a CHESS HIN but the name and address details on your application form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any Notes issued will be held on the issuer sponsored subregister.

STEP 4 Application payment

Applicants under the Broker Firm Offer must lodge their Application Form and Application Monies with the relevant Broker in accordance with the relevant Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must **not** return this Application Form or Application Monies to the Registry.

Cheque(s) must be in Australian dollars and drawn on an Australian branch of an Australian bank and crossed 'Not Negotiable'. Complete Step 4 with your cheque details in the boxes provided. The total amount of your cheque should equal the amount shown in Step 1. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application Form being rejected. Paperclip (do not staple) your cheque(s) to the form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

Lodgement instructions

The Broker Firm Offer is expected to close at 10.00am (Sydney time) on Tuesday, 4 October 2016. The Company and the joint lead managers may elect to extend the offer or any part of it, or accept late applications either generally or in particular cases. The offer, or any part of it, may be closed at any earlier date and time, without prior notice. Your broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your broker for instructions.

Turn over to complete the application form →

Privacy statement

The personal information you provide on this form is collected by Computershare, as registry for the Company, for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the Company may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting the registrar using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the *Corporations Act* and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the Company for whom we maintain securities registers or to third parties upon direction by the Company where related to the issuers administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.



Broker Firm Offer - Return this form to your Broker

For all enquiries:

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Outside Australia (outside Australia) +61 3 9415 4000
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This Application Form is important. If you are in doubt as to how to deal with it, please contact your financial adviser or other independent and qualified professional adviser. You should read the entire Prospectus carefully before completing this application form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus.

By applying under the Broker Firm Offer, you make the acknowledgments, declarations, representations and warranties set out in the Prospectus.

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Otherwise, leave the section blank and on allotment you will be sponsored by the Company and a Securityholder Reference Number (SRN) will be allocated to you.

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QUBE