

21 October 2024

ASX Announcement

Notice of 2024 Annual General Meeting

Autosports Group Limited (ASX:ASG) attaches its Notice of 2024 Annual General Meeting (**AGM**).

The AGM will be held at the Autosports Group Limited Head Office at 555 Parramatta Road, Leichhardt NSW 2040 on Friday 22 November 2024 at 11:00 am (AEDT).

ENDS

For further information, please contact:

Nick Pagent
Chief Executive Officer
(02) 8753 2888

investor@autosportsgroup.com.au

Caroline Gatenby
General Counsel and Company Secretary
(02) 8753 2888

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This announcement is authorised for release by the Company Secretary.

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Drive Endless Possibilities

NOTICE OF **ANNUAL GENERAL MEETING**

Notice is given that the 2024 Annual General Meeting of Autosports Group Limited (**Company** or **Autosports Group**) will be held at the Autosports Group Head Office at 555 Parramatta Road, Leichhardt NSW 2040 on Friday 22 November 2024 at 11:00 am (AEDT). The 2024 Annual General Meeting will be held as a physical meeting in the same manner as previous years.

Ordinary Business

1 2024 Financial Report, Directors' Report and Auditor's Report

To receive and consider the Company's Financial Report, Directors' Report and Auditor's Report in respect of the financial year ended 30 June 2024.

2 Remuneration Report

To consider and, if thought fit, pass the following non-binding resolution:

That the Company's Remuneration Report in respect of the financial year ended 30 June 2024 be adopted.

3 Re-election and Election of Board Endorsed Directors

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

- 3.1 *That Mr James Evans, being a director who is retiring in accordance with the Company's Constitution and who, being eligible, offers himself for re-election as a director of the Company, be re-elected as a director of the Company.*
- 3.2 *That Ms Anna Burgdorf, being a director who is retiring in accordance with the Company's Constitution (this being the first Annual General Meeting of the Company since her appointment) and who, being eligible, offers herself for election as a director of the Company, be elected as a director of the Company.*
- 3.3 *That Mr Gareth Turner, being a director who is retiring in accordance with the Company's Constitution (this being the first Annual General Meeting of the Company since his appointment) and who, being eligible, offers himself for election as a director of the Company, be elected as a director of the Company.*
- 3.4 *That Mr Danny Rezek, being a director who is retiring in accordance with the Company's Constitution (this being the first Annual General Meeting of the Company since his appointment) and who, being eligible, offers himself for election as a director of the Company, be elected as a director of the Company.*

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Special Business

4 Grant of performance rights to director in relation to FY24 Short Term Incentive Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That for the purposes of ASX Listing Rule 10.14, and for all other purposes, shareholders approve the grant of 98,930 performance rights to Nicholas Pagent as his annual short-term incentive grant for the FY24 financial year on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting.

5 Grant of performance rights to director in relation to FY25 Long Term Incentive Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That for the purposes of ASX Listing Rule 10.14, and for all other purposes, shareholders approve the grant of 262,081 performance rights to Nicholas Pagent as his annual long-term incentive grant for the FY25 financial year on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting.

6 Approval of Renewal of Related Party Leases

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That for the purposes of ASX Listing Rule 10.1, and for all other purposes, shareholders approve the variation and renewal of the Related Party Leases on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting.

The independent expert has concluded that the transactions which are the subject of this resolution are fair and reasonable to non-associated shareholders.

The Notes Relating to Voting and the Explanatory Memorandum form part of this Notice of Meeting.

By Order of the Board



Caroline Gatenby
Company Secretary
21 October 2024

NOTES **RELATING TO VOTING**

1 Entitlement to vote

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that persons who are registered holders of shares in the Company as at 7:00 pm AEDT on Wednesday 20 November 2024 will be entitled to attend and vote at the Annual General Meeting (**Meeting**) as a shareholder. Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

If more than one joint holder of shares is present at the Meeting (whether personally, by proxy, by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

All Resolutions will be voted on a poll. Shareholders have one vote for every fully paid ordinary share held subject to the Voting Exclusions.

2 Voting exclusions

Resolution 2 – Remuneration Report

The Company will disregard any votes cast on Resolution 2:

- by or on behalf of a member of the Company's key management personnel (**KMP**) whose remuneration details are included in the Company's Remuneration Report for the year ended 30 June 2024 or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the Meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Resolution 2:

- in accordance with a direction in the proxy form; or
- by the Chair of the Meeting pursuant to an express authorisation to exercise the proxy even though Resolution 2 is connected with the remuneration of the KMP.

Resolutions 4 and 5 – Grant of performance rights to Nicholas Pagent

The Company will disregard any votes on Resolutions 4 and 5:

- cast in favour of the resolution by or on behalf of the Chief Executive Officer, Nicholas Pagent and his associates, regardless of the capacity in which the vote is cast; or
- cast as proxy by a person who is a member of the KMP on the date of the Meeting or their closely related parties,

unless the vote is cast on the resolution:

- as proxy or attorney for a person entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- as proxy for a person entitled to vote on the resolution by the chair of the Meeting, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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2 Voting exclusions continued

Resolution 6 – Approval of Renewal of Related Party Leases

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the lessors (listed in section 6.2 of the Explanatory Memorandum) and their associates, which includes Ian Pagent and Nicholas Pagent; and
- any other person who will obtain a material benefit as a result of the transaction as described in the Explanatory Statement (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any associates of those persons.

However, this does not apply to votes cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3 Proxies

How to appoint a proxy

A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. A shareholder can appoint a proxy by completing and returning a signed proxy form.

A shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes. If both proxies attend the meeting, then neither may vote on a show of hands.

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form. If you do not direct your proxy how to vote on a particular item of business, you are authorising your proxy to vote as they decide, subject to any applicable voting exclusions.

On a poll, if:

- a shareholder has appointed a proxy (other than the Chair of the Meeting) and the appointment of the proxy specifies the way the proxy is to vote on the resolution; and
- that shareholder's proxy is either not recorded as attending the Meeting or does not vote on the resolution,

the Chair of the Meeting will, before voting on the resolution closes, be taken to have been appointed as the proxy for the shareholder for the purposes of voting on that resolution and must vote in accordance with the written direction of that shareholder.

Appointing proxies for Remuneration Resolutions

Members of Autosports Group's KMP (which includes each of the Directors, the Chief Financial Officer and Head of Franchised Automotive) and their Closely Related Parties will not be able to vote as your proxy on Resolutions 2, 4 or 5 unless you direct them how to vote by marking a voting box for those items, or the Chair of the meeting is your proxy. Closely Related Parties include the KMP's spouse, dependants and certain other close family members, as well as any companies controlled by the KMP.

If you intend to appoint a member of the KMP or a Closely Related Party as your proxy, please ensure that you direct them how to vote on Resolutions 2, 4 or 5. If you appoint the Chair of the meeting as your proxy or he becomes your proxy by default, and you do not provide any voting directions on your proxy form, by signing and returning the proxy form, you will be expressly authorising the Chair of the meeting to cast your vote on Resolutions 2, 4 or 5 as he sees fit. This applies even if the resolution is connected with the remuneration of Autosports Group's KMP.

For proxies without voting instructions that are exercisable by the Chair of the meeting, the Chair intends to vote all available proxies in favour of each resolution.

NOTES **RELATING TO VOTING** continued

4 Proxy form

If you wish to appoint a proxy to act on your behalf, please complete the proxy form available at <https://investorcentre.linkgroup.com>. To be effective the proxy form must be received no later than **11:00 am (AEDT) Wednesday 20 November 2024** at:

Online: www.linkmarketservices.com.au

By mail: Autosports Group Limited
c/- Link Market Services
Limited Locked Bag A14
Sydney South NSW 1235

By fax: +61 2 9287 0309

By hand: *During business hours to:*
Link Market Services
Parramatta Square, Level 22, Tower 6
10 Darcy Street Parramatta NSW 2150

5 Corporate representatives

A body corporate that is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it has been signed, unless it has previously been given to the Company.

6 Voting by attorney

A shareholder entitled to attend and vote may appoint an attorney to act on his or her behalf at the meeting. An attorney is not required to be a member of the Company. An attorney may not vote at the meeting unless the instrument appointing the attorney, and the authority under which the instrument is signed or a certified copy of the authority, are received by the Company in the same manner, and by the same time, as outlined above for proxy forms.

7 Questions for the Auditor or Company

Shareholders may submit written questions to the Company's Auditor, Deloitte Touche Tohmatsu in advance of the meeting. Written questions to the auditor must be relevant to the content of Deloitte Touche Tohmatsu's Audit Report for the year ended 30 June 2024 or the conduct of its audit of the Company's Financial Report for the year ended 30 June 2024. Likewise shareholders may ask questions of the Company in advance of the meeting. Relevant written questions for the Auditor or Company must be received by the Company by no later than **5:00pm (AEDT) Friday 15 November 2024**. Please send any written questions to:

investor@autosportsgroup.com.au

A list of written questions will be made available to shareholders attending the meeting. If written answers are tabled at the meeting, they will be made available to shareholders as soon as practicable after the meeting. Individual responses are not required to be provided to shareholders.

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EXPLANATORY **MEMORANDUM**

This Explanatory Memorandum has been prepared to help shareholders understand the items of business at the forthcoming Annual General Meeting.

1 Item 1 | 2024 Financial Report, Directors' Report and Auditor's Report

- 1.1 The Corporations Act requires the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2024 to be laid before the meeting. Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders on the reports or statements. However, shareholders will be given an opportunity to raise questions or comments on the management of the Company.
- 1.2 Also, a reasonable opportunity will be given to shareholders as a whole at the meeting to ask the Company's Auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the Auditor in relation to the conduct of the audit.

2 Resolution 2 | Remuneration Report

- 2.1 The Remuneration Report in the Company's 2024 Financial Report sets out the remuneration policies of the Company and reports on the remuneration arrangements in place for the Company's KMP during the year ended 30 June 2024. Shareholders will have a reasonable opportunity at the meeting to ask questions about or make comments on the Remuneration Report.
- 2.2 As prescribed by the Corporations Act, the vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote and discussion at the meeting into account in setting remuneration policy for future years.

Directors' Recommendation

- 2.3 The Non-Executive Directors recommend that shareholders vote in favour of the resolution.
- 2.4 Voting exclusions apply to this resolution as specified in the Notice of Annual General Meeting.
- 2.5 The Chair intends to vote all available proxies in favour of the resolution.

3 Resolution 3 | Re-election and Election of Board Endorsed Directors

- 3.1 Under Rule 8.1(d) of the Company's Constitution, no director who is not the managing director may hold office without re-election beyond the third AGM following the meeting at which the director was last elected or re-elected. Mr James Evans is retiring at this AGM and standing for re-election in accordance with Rule 8.1(d).
- 3.2 The Board considers that each of Mr James Evans, Ms Anna Burgdorf, Mr Gareth Turner and Mr Danny Rezek is an independent non-executive director.

Name: Mr James Evans

Title: Chairman and Non-Executive Director

Qualifications: Bachelor of Economics, a member of the Chartered Accountants of Australia and New Zealand, a Fellow of the Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors.

Appointed: Appointed to the Board 5 August 2021. Chairman of the Board, member of the Audit and Risk Committee and member of the People and Remuneration Committee.

Experience and expertise: Mr Evans has over 40 years' executive experience in retailing, and banking and financial services. Recently, Mr Evans served as the Chair of Global Fund Manager Pandal Group Limited and the Chair of ME Bank, until its sale to the Bank of Queensland and was a Non-Executive Director of Investa Group, including Investa Wholesale Funds Management Limited and ICPF Holdings Limited. He was also the former Chair of Suncorp Portfolio Services Limited and a Non-Executive Director of Australian Infrastructure Fund Limited and Hastings Funds Management Limited.

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3 Resolution 3 | Re-election and Election of Board Endorsed Directors continued

Directors' Recommendation – Resolution 3.1

3.3 The Board (other than Mr James Evans) recommends that shareholders vote in favour of the resolution.

3.4 The Chair intends to vote all available proxies in favour of the resolution.

Name: Ms Anna Burgdorf
Title: Non-Executive Director
Qualifications: Bachelor of Arts from the University of Technology, Sydney
Appointed: Appointed to the Board 13 February 2024. Member of the Audit and Risk Committee and member of the People and Remuneration Committee.
Experience and expertise: Ms Burgdorf has held several senior strategic marketing roles at Flight Centre Travel Group and is currently the Global Brand and Marketing Director of its Luxury Leisure Division. Prior to this, Ms Burgdorf spent 21 years with German luxury automotive manufacturer, Audi Australia Pty Ltd in senior leadership positions. Ms Burgdorf is a founding Board Member of the Audi Foundation Australia and is a member of the Australian Institute of Company Directors.

Directors' Recommendation – Resolution 3.2

3.5 The Board (other than Ms Anna Burgdorf) recommends that shareholders vote in favour of the resolution.

3.6 The Chair intends to vote all available proxies in favour of the resolution.

Name: Mr Gareth Turner
Title: Non-Executive Director
Qualifications: Bachelor of Commerce (Hons) from the University of Natal, South Africa, and Master of Business Administration from the University of Oxford, UK.
Appointed: Appointed to the Board 9 August 2024. Member of the Audit and Risk Committee and member of the People and Remuneration Committee.
Experience and expertise: Mr Turner has over 20 years' experience in financial and leadership positions, including an executive career in Chief Financial Officer roles in the telecommunications and technology sectors. His most recent executive roles include Chief Financial Officer and Chief Commercial Officer at Infomedia Limited.

Directors' Recommendation – Resolution 3.3

3.7 The Board (other than Mr Gareth Turner) recommends that shareholders vote in favour of the resolution.

3.8 The Chair intends to vote all available proxies in favour of the resolution.

Name: Mr Danny Rezek
Title: Non-Executive Director
Qualifications: Bachelor of Business from Monash University.
Appointed: Appointed to the Board 1 October 2024. Member of the Audit and Risk Committee and member of the People and Remuneration Committee.
Experience and expertise: Mr Rezek has nearly 40 years' experience in the automotive industry, including in leadership positions at BMW Group Australia and Jaguar LandRover Australia. Mr Rezek was leader of Deloitte's motor industry services group in Australia and the Office Managing Partner of Deloitte Western Sydney.

3.9 The Board (other than Mr Danny Rezek) recommends that shareholders vote in favour of the resolution.

3.10 The Chair intends to vote all available proxies in favour of the resolution.

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4 Resolution 4 | Grant of performance rights to director in relation to FY24 Short Term Incentive Plan

- 4.1. Pursuant to ASX Listing Rule 10.14, the Company is seeking shareholder approval for the grant of performance rights to Nicholas Pagent (Chief Executive Officer and Director), in respect of his deferred Short Term Incentive (STI) award for the year ended 30 June 2024.
- 4.2. Subject to shareholder approval, the STI performance rights will be granted under the Company's Equity Incentive Plan shortly after, and in any case by no later than 12 months after the meeting.

Key terms of the FY24 STI award

- 4.3. The STI plan (including its performance conditions) is designed to provide increased focus on, and reward for, performance against those areas that most significantly drive the delivery of the Company's strategic initiatives. The amount of the STI award that each participant is entitled to each year (if any) is determined by the Board based on achievement against set performance targets.
- 4.4. For FY24, Nicholas Pagent was eligible to receive an STI award of 50% of his base salary at target performance, and a maximum STI award of up to 75% of his base salary if stretch performance targets were met.
- 4.5. Performance conditions included:
 - a "gateway hurdle" of upholding the Company's culture and values. Our culture is underpinned by our values of Village, Care, Leading Change and Strive for Excellence and, alongside our Code of Conduct, provide a framework for how we work and interact together. If this gateway hurdle is not met, not STI is awarded; and
 - financial hurdles primarily focusing on the financial objectives of the Group and include targets measured against revenue, earnings before interest, tax, depreciation and amortisation (EBITDA), net profit before tax (NPBT) and net profit after tax (NPAT); and
 - non-financial performance hurdles aligned to the director's role and included reporting, safety, growth through acquisition, property strategy, employee engagement, culture and diversity, and investor relations to ensure the business continued to be well managed.
- 4.6. As disclosed in the FY24 Remuneration Report, Nicholas Pagent was awarded a total STI award of \$212,333 for FY24. This award equates to an achievement of 40% of the maximum STI opportunity. 100% of this award is to be delivered in the form of FY24 STI performance rights.
- 4.7. The number of STI performance rights to be granted to Nicholas Pagent was determined by dividing the total value of his STI award for FY24 by the 10-day VWAP of the Company's shares from release of Autosports Group's 2024 full-year audited financial results rounded down to the nearest whole number of performance rights. The 10-day VWAP was calculated as \$2.1463.
- 4.8. Accordingly, Nicholas Pagent is entitled to 98,930 performance rights in respect of his FY2024 Short Term Incentive Plan achievement.
- 4.9. As the STI performance rights will form part of Nicholas Pagent's remuneration for FY24, they will be granted at no cost and there will be no amount payable on vesting. Each performance right entitles the holder to one ordinary share in the Company on vesting. The Board retains the discretion to make a cash equivalent payment in lieu of an allocation of shares. Prior to vesting, performance rights do not carry any dividend or voting rights.
- 4.10. STI performance rights will vest after the satisfaction of a one-year service period ending on 30 June 2025.

4 Resolution 4 | Grant of performance rights to director in relation to FY24 Short Term Incentive Plan continued

Summary of the Company’s Equity Incentive Plan

4.11. The Company’s Short Term Incentive Plans and Long Term Incentive Plans are developed in accordance with the Company’s overarching Equity Incentive Plan. A summary of the terms of the Equity Incentive Plan are set out below.

Term	Description
Eligibility	Offers may be made at the Board’s discretion to employees of Autosports Group (including the executive Directors) or any other person that the Board determines to be eligible to receive a grant under the EIP.
Types of securities	<p>Autosports Group may grant rights, options and/or restricted shares as incentives, subject to the terms of individual offers.</p> <ul style="list-style-type: none"> Options are an entitlement to receive shares upon satisfaction of applicable conditions and payment of an applicable exercise price. Rights are an entitlement to receive shares subject to the satisfaction of applicable conditions. Restricted shares are shares that are subject to dealing restrictions, vesting conditions or other restrictions or conditions. <p>Restricted shares are shares that are subject to dealing restrictions, vesting conditions or other restrictions or conditions.</p>
Offers under the EIP	Under the EIP, the Board may make offers at its discretion, subject to any requirements for shareholder approval. The Board has the discretion to set the terms and conditions on which it will offer incentives in individual offer documents. An offer must be accepted by the participant and can be made on an opt-in or opt-out basis.
Issue price	Unless the Board determines otherwise, no payment is required for a grant of a right, option or restricted share under the EIP.
Vesting	Vesting of the incentives is subject to any vesting or performance conditions determined by the Board and specified in the offer document. Subject to the EIP rules and the terms of the specific offer document, incentives will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied.
Cessation of employment	Where employment is terminated for summary dismissal or ceases due to resignation, all unvested STI and LTI performance rights will automatically lapse. In all other circumstances, a pro rata portion (calculated by reference to the portion of the performance period elapsed) of unvested performance rights will remain on foot and will vest in the ordinary course, as though the employee had not ceased employment. The remainder of that employee’s unvested performance rights will lapse. Under the EIP rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment.
Clawback and preventing inappropriate benefits	The EIP rules provide the Board with broad clawback powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.
Change of control	The Board may determine that all or a specified number of a participant’s incentives will vest or cease to be subject to restrictions where there is a change of control event in accordance with the EIP rules.
Reconstructions, corporate action, rights issue, bonus issues etc	The EIP rules include specific provisions dealing with rights issues, bonus issues, and corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participant in respect of their incentives as a result of such corporate actions.

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4 Resolution 4 | Grant of performance rights to director in relation to FY24 Short Term Incentive Plan continued

Term	Description
Restrictions on dealing	Prior to vesting, the EIP rules provide that participants must not sell, transfer, encumber, hedge or otherwise deal with their incentives. After vesting, participants will be free to deal with their incentives, subject to Autosports Group's Securities Dealing Policy.
Other terms	The EIP contains customary and usual terms for dealing with administration, variation, suspension and termination of the EIP.

Current total remuneration package

- 4.12. Nicholas Pagent's current total remuneration package consists of:
- \$750,000 per annum base salary; plus
 - other benefits (including superannuation) valued at \$97,606; plus
 - an annual short-term incentive opportunity of between 50% of base salary (at target) and 75% of base salary (at maximum); plus
 - a long-term incentive grant opportunity equivalent to 75% of base salary.

Previous Issues under the Equity Incentive Plan

- 4.13. Nicholas Pagent has previously received 722,659 STI performance rights under the Company's EIP for nil consideration as part of his remuneration package. All rights have vested.
- 4.14. Details of LTI performance rights granted under the EIP to date are set out in section 5.18.

Other information required by the ASX Listing Rules

- 4.15. ASX Listing Rule 10.14 requires that shareholder approval must be obtained for the acquisition of securities by a director under an employee incentive scheme. Nicholas Pagent is covered by ASX Listing Rule 10.14.1 because he is an Executive Director of the Company.
- 4.16. The Company grants the STI in the form of performance rights because they create share price alignment between recipients and shareholders but do not provide the full benefits of share ownership (such as dividend and voting rights) unless the performance rights vest.
- 4.17. No loan will be made by the Company in relation to the acquisition of STI performance rights or allocation to Nicholas Pagent of any shares on vesting of those rights.
- 4.18. If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Nicholas Pagent.
- 4.19. If approval is given under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1. This means that the STI performance rights granted to Nicholas Pagent, and any shares issued pursuant to this approval, will not count towards the 15% placement capacity available under ASX Listing Rule 7.1.
- 4.20. Details of any shares issued under the Equity Incentive Plan will be published in the Company's 2025 annual report along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of shares under the Equity Incentive Plan after the resolution is approved at the Meeting and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- 4.21. A voting exclusion statement applies to this resolution, as set out in the Notice of Meeting.

Directors' Recommendation

- 4.22. The Non-Executive Directors recommend that shareholders vote in favour of the resolution.
- 4.23. Voting exclusions apply to this resolution as specified in this Notice of Annual General Meeting.
- 4.24. The Chair intends to vote all available proxies in favour of the resolution.

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5 Resolution 5 | Grant of performance rights to director in relation to FY25 Long Term Incentive Plan

- 5.1. Pursuant to ASX Listing Rule 10.14, the Company is seeking shareholder approval for the grant of performance rights to Nicholas Pagent (Chief Executive Officer and Managing Director), in respect of his Long Term Incentive (LTI) award for the 2025 financial year. Subject to shareholder approval, the LTI performance rights will be granted under the Company’s Equity Incentive Plan within 12 months of the meeting.
- 5.2. ASX Listing Rule 10.14 provides that a listed company must not issue shares to a Director under an employee incentive scheme unless it obtains the approval of its shareholders. If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Nicholas Pagent including a cash-based incentive.

Key terms of the FY25 LTI award

- 5.3. The LTI plan is designed to align the interests of employees with the interests of shareholders by providing the opportunity to receive an equity interest in the Company through the granting of performance rights.
- 5.4. Pursuant to Nicholas Pagent’s long-term equity incentive component of his remuneration package, Nicholas is entitled to be granted 262,081 FY25 LTI performance rights based on dividing 75% of Nicholas’ base salary by the 10-day VWAP of the Company’s shares since the release of Autosports Group’s 2024 full year audited financial results rounded to the nearest whole number. The applicable 10-day VWAP was calculated as \$2.1463.
- 5.5. As the LTI performance rights will form part of Nicholas Pagent’s remuneration, they will be granted at no cost and there will be no amount payable on vesting. Each performance right entitles the holder to one ordinary share in the Company on vesting. The Board retains a discretion to make a cash equivalent payment in lieu of an allocation of shares, on the basis the performance rights form part of Nicholas Pagent’s remuneration. Prior to vesting, performance rights do not carry any dividend or voting rights.
- 5.6. The Company grants the LTI in the form of performance rights because they create share price alignment with shareholders but do not provide the full benefits of share ownership (such as dividend and voting rights) unless the performance rights vest.

Performance conditions

- 5.7. 50% of the LTI performance rights will be tested against the Compound Annual Growth Rate (CAGR) of Autosports Group’s underlying earnings per share (EPS). The EPS performance condition has been chosen as it provides evidence of the Company’s growth in earnings and is directly linked to shareholder returns.
- 5.8. The percentage of LTI performance rights that vest which are tested according to CAGR, if any, will be determined by reference to the following vesting schedule, subject to any adjustments for abnormal or unusual profit items that the Board, in its absolute discretion, considers appropriate:

Performance Level	EPS Growth CAGR	% of Maximum Vesting
Stretch	≥7%	100%
	>5% & <7%	>50% & <100%
Target	5%	50%
	>3% & <5%	>25% & < 50%
Threshold	3%	25%
Below Threshold	<3%	0%

- 5.9. 50% of the LTI performance rights will be subject to the Company’s TSR compared to the S&P Small Industrials Accumulation Index during the performance period.
- 5.10. The percentage of LTI performance rights that vest which are tested according to TSR, if any, will be determined by reference to the following vesting schedule.

5 Resolution 5 | Grant of performance rights to director in relation to FY25 Long Term Incentive Plan continued

Performance Level	Company's TSR Compared to Movement in the S&P Small Industrials Accumulation Index over performance period	% of Maximum Vesting
Stretch	≥ Index Movement + 10%	100%
Between Target and Stretch	> Index Movement + 5% & < Index Movement + 10%	Pro-rata
Target	Index Movement + 5%	50%
Between Threshold and Target	> Index Movement & < Index Movement + 5%	Pro-rata
Threshold	= Index Movement	25%
Below Threshold	< Index Movement	0%

- 5.11. A continuous service condition also applies to the LTI performance rights, subject to the cessation of employment provisions described in section 4.11.
- 5.12. The Board has absolute discretion to determine the vesting outcome of all LTI performance rights and to take into account events including, but not limited to, takeovers, mergers or de-mergers that might occur during the performance period.

Testing of the performance conditions

- 5.13. The performance period will run from 1 July 2024 to 30 June 2027. The Board will arrange for the performance conditions to be tested upon the release of the Company's full-year financial results for the year ended 30 June 2027. Any performance rights that do not vest at the end of the performance period will lapse immediately.

Other information required by the ASX Listing Rules

- 5.14. Nicholas Pagent is covered by ASX Listing Rule 10.14.1 because he is an Executive Director of the Company.
- 5.15. Nicholas Pagent's current total remuneration is set out in section 4.12, respectively.
- 5.16. The material terms of the EIP are set out in section 4.11.
- 5.17. No loan will be made by the Company in relation to the acquisition of LTI performance rights or allocation to Nicholas Pagent of any shares on vesting of those rights.
- 5.18. Nicholas Pagent has previously received 2,006,559 LTI performance rights for nil consideration as part of his remuneration package. Of these 375,000 have lapsed, 693,073 have vested and the balance are still within their performance period.
- 5.19. Details of any shares issued under the Equity Incentive Plan will be published in the Company's 2025 annual report along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of shares under the Equity Incentive Plan after the resolution is approved at the Meeting and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- 5.20. A voting exclusion statement applies to this resolution, as set out in the Notice of Meeting.

Directors' Recommendation

- 5.21. The Non-Executive Directors recommend that shareholders vote in favour of the resolution.
- 5.22. Voting exclusions apply to this resolution as specified in this Notice of Annual General Meeting.
- 5.23. The Chair intends to vote all available proxies in favour of the resolution.

6 Resolution 6 | Approval of Variation and Renewal of Related Party Leases

- 6.1. Autosports Group leases several properties from entities controlled by its founding directors, Ian Pagent and Nicholas Pagent. Therefore the lessor entities are considered related parties. Approval for the exercise of an option to renew as well as a variation to the time periods for the first and second options is being sought for the related party leases at 45 Dickson Avenue, Artarmon (**Dickson Avenue Lease**) and 135 Moggill Road, Taringa (**Moggill Road Lease**) (together, the **Related Party Leases**).
- 6.2. A summary of the current terms of the Related Party Leases is set out below:

	Parties	Business and Address	Term	Total rent over term including options
Dickson Avenue Lease	<i>Lessor</i> New Centenary Properties Pty Limited ACN 168 188 010	Prestige Auto Traders 45 Dickson Avenue Artarmon NSW 2064	First option: 28/08/2024 – 27/08/2029	\$3,519,418
	<i>Lessee</i> Prestige Auto Traders Australia Pty Limited ACN 105 105 771		Second option: 28/08/2029 – 27/08/2034	
Moggill Road Lease	<i>Lessor</i> New Centenary Properties Pty Limited ACN 168 188 010	Mercedes-Benz Toowong and Mazda Toowong 135 Moggill Road Taringa QLD 4068	First option: 02/06/2024 – 01/06/2029	Approximately \$56 million *(from 2017 when the property was purchased by an entity controlled by Ian Pagent and Nicholas Pagent)
	<i>Lessee</i> New Centenary Pty Limited ACN 168 183 864		Second option: 02/06/2029 – 01/06/2034	

- 6.3. ASX Listing Rule 10.1 states that an entity must ensure that neither the entity, nor any of its child entities acquires or agrees to acquire a substantial asset from, or disposes or agrees to dispose of a substantial asset to a related party of the entity. An asset is substantial if, in ASX's opinion, its value exceeds 5% or more of the company's equity interests as set out in the latest accounts with the ASX.
- 6.4. To determine whether a lease is a substantial asset the ASX combines the rent payable over the term of the lease including any options. The ASX also has discretion to aggregate transactions for the purposes of determining whether an asset is substantial. The Moggill Road Lease is a substantial asset (as it exceeds the 5% of equity interests threshold). The Dickson Avenue Lease while not individually a substantial asset (as it does not exceed the 5% of equity interests threshold) but considered in aggregate together with the Moggill Road Lease it does.
- 6.5. Accordingly, shareholder approval is being sought for the exercise of the first option under each of the Related Party Leases.

6 Resolution 6 | Approval of Variation and Renewal of Related Party Leases continued

- 6.6. In addition, shareholder approval is also being sought for the variation of the terms of each of the Related Party Leases as follows:
- Under each Related Party Lease, initial term, and the time period to exercise the first option, will be extended to 30 November 2024 and 29 November 2024 (respectively);
 - Under each Related Party Lease, the rent adjustment dates will be amended so that going forward the rent will be adjusted on 1 July of each year during the remaining term of each lease (including the term of the options);
 - Under the Dickson Avenue Lease:
 - the time period for the first option will be amended from 28/8/2024 – 27/08/2029 to 01/12/2024 – 30/06/2031, and the time period for the second option will be accordingly amended from 28/08/29 – 27/08/2034 to 01/07/2031 – 30/06/2036;
 - the rent amount per annum on and from the date of commencement of the first option (being 01/12/2024) will be set at \$319,200 plus GST; and
 - Under the Moggill Road Lease:
 - the time period for the first option will be amended from 02/06/2024 – 01/06/2029 to 01/12/2024 – 30/06/2031, and the time period for the second option will be accordingly amended from 02/06/29 – 01/06/2034 to 01/07/2031 – 30/06/2036;
 - the rent amount per annum on and from the date of commencement of the first option (being 01/12/2024) will be set at \$2,375,000 plus GST; and
 - the fixed rent adjustment increase on each rent adjustment date will be amended from 4% to 3.5%.
- 6.7. The purpose of these amendments is to align the rent adjustment dates and the time periods for the options under the Related Party Leases with the rent adjustment dates and the option periods for the other pre-IPO related party leases (the exercise of which was approved by shareholders at the 2021 AGM). In addition, the amendments extend the initial term of each Related Party Lease and the period to exercise the first option to provide a short period of time for Autosports Group to exercise of the first option under each of the Related Party Leases following the receipt of shareholder approval.
- 6.8. The Moggill Road Lease was entered into with an unrelated party prior to Autosports Group listing on the ASX, when the group was privately owned. In 2017, New Century Properties Pty Limited, an entity controlled by Ian Pagent and Nicholas Pagent, acquired the premises at Moggill Road, following the exercise of a pre-emptive right over the property. Following the acquisition of Moggill Road, New Century Properties Pty Limited assumed the Moggill Road Lease and the terms of lease were not amended.
- 6.9. The Dickson Avenue Lease was entered into with New Century Properties Pty Limited on 28 August 2019, following the acquisition of the Sydney City prestige business. Shareholder approval was not sought at the time the Dickson Avenue Lease was entered into as it was not a substantial asset at that time (as it did not exceed the 5% of equity interests threshold).
- 6.10. The dealership and service facility that is operated from the Moggill Road Lease site is a well established business and is strategically located on a prominent main road with high visibility, particularly the dealership showroom. The franchised dealership and service facility at the Moggill Road Lease site must comply with the requirements of its franchisor in relation to location and fit-out. A used car dealership showroom operates at the Dickson Avenue Lease site.
- 6.11. The capital expenditure associated with relocating a dealership is significant and varies depending on factors including brand, location, prime market area size, land acquisition or leasing cost and associated planning and development expenses. Capital expenditure is generally more significant for dealers selling prestige and luxury brands such as Autosports Group, as they typically provide facilities of a higher quality, in line with franchisor-set standards.
- 6.12. If the resolution is approved, the Related Party Leases will continue to remain on foot. If the resolution is not approved by shareholders, the leases will be terminated and Autosports Group will either be required to (i) enter into shorter term leases that do not require ASX Listing Rule 10.1 approval or (ii) relocate the

6 Resolution 6 | Approval of Variation and Renewal of Related Party Leases continued

businesses that operate from these properties, which for the reasons set out above, would not be in the best interests of the Company.

- 6.13. Additionally, if the resolution is approved, the time periods for the options under the Related Party Leases will align with the option periods for the other pre-IPO related party leases (the exercise of which was approved by shareholders at the 2021 AGM). This alignment of the option periods for all of the related party leases entered into between Autosports Group and entities controlled by Ian Pagent and Nick Pagent will assist in streamlining the administration of the related party leases.
- 6.14. The rent and outgoings payable under the Related Party Leases will be funded through the working capital of the lessee over the term of the leases.
- 6.15. The Company has commissioned an independent expert's report from BDO to opine on whether the transaction under the Related Party Leases is fair and reasonable to the non-associated shareholders. BDO has concluded that the transaction is fair and reasonable to the non-associated shareholders. A copy of the independent expert's report from BDO is available on the Company's website, at <https://investors.autosportsgroup.com.au/investors/?page=corporate-governance>. A hard copy of the report can be requested and will be provided at no cost by contacting investor@autosportsgroup.com.au.

Recommendation

- 6.16. The Non-Executive Directors (with Nicholas Pagent and Ian Pagent abstaining) recommend that shareholders vote in favour of the resolution.
- 6.17. Voting exclusions apply to this resolution as specified in this Notice of Annual General Meeting.
- 6.18. The Chair intends to vote all available proxies in favour of the resolution.

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GLOSSARY

In this Explanatory Memorandum and the Notice of Meeting, capitalised terms have meaning given to them below unless the context otherwise requires:

Associate	has the same meaning given to that term in Chapter 19 of the ASX Listing Rules.
CAGR	means compound annual growth rate.
Closely Related Party	is defined by the Corporations Act and includes: <ul style="list-style-type: none">• a KMP's spouse or child• a child of the KMP's spouse• a dependent of the KMP or of the KMP's spouse• anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with the Company• a company the KMP controls.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Dickson Avenue Lease	The lease entered into between Prestige Auto Traders Australia Pty Limited and New Centenary Properties Pty Limited at 45 Dickson Avenue, Artarmon NSW 2064.
EIP	means the Company Equity Incentive Plan, a summary of which is included in section 4.11.
EPS	means earnings per share.
KMP	means the Company's key management personnel and includes the Directors, the Chief Financial Officer and the Head of Franchised Automotive.
Moggill Road Lease	The lease entered into between New Centenary Properties Pty Limited and New Centenary Pty Limited at 135 Moggill Road, Taringa QLD 4068.
Related Party Leases	The Dickson Avenue Lease and the Moggill Road Lease.
Remuneration Resolutions	means the resolutions that relate to the remuneration of the KMP and include Resolutions 2, 4 and 5.
TSR	Total Shareholder Return.
VWAP	means volume weighted average price.

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autosports group[®]

LODGE YOUR VOTE

 **ONLINE**
<https://investorcentre.linkgroup.com>

 **BY MAIL**
 Autosports Group
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia

 **BY FAX**
 +61 2 9287 0309

 **BY HAND**
 Link Market Services Limited
 Parramatta Square, Level 22, Tower 6,
 10 Darcy Street, Parramatta NSW 2150

 **ALL ENQUIRIES TO**
 Telephone: +61 1300 306 276



X99999999999

PROXY FORM

I/We being a member(s) of Autosports Group Limited (the **Company**) and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box) **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (AEDT) on Friday, 22 November 2024 at the Autosports Group Head Office at 555 Parramatta Road, Leichhardt NSW 2040 (the Meeting)** and at any postponement or adjournment of the Meeting.


Important for Resolutions 2, 4 & 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 2, 4 & 5 where applicable, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote all available undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions	For	Against	Abstain*	For	Against	Abstain*
2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3.4 Danny Rezek elected as a director	<input type="checkbox"/>	<input type="checkbox"/>
3.1 James Evans re-elected as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4 Grant of performance rights to director Nicholas Pagent in relation to FY24 Short Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>
3.2 Anna Burgdorf elected as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Grant of performance rights to director Nicholas Pagent in relation to FY25 Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>
3.3 Gareth Turner elected as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of Renewal of Related Party Leases	<input type="checkbox"/>	<input type="checkbox"/>

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)
 Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

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STEP 1

STEP 2

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1.

If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the Meeting but does not vote on a poll on a resolution in accordance with your directions, the Chairman of the Meeting will become your proxy in respect of that resolution. A proxy need not be a shareholder of the Company.

PROXY VOTING BY THE CHAIRMAN OF THE MEETING

On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Proxy Form you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses, subject to any voting restrictions that apply to the proxy. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL (KMP)

The KMP of the Company (which includes each of the Directors) and their closely related parties will not be able to vote as your proxy on Resolutions 2, 4 and 5 unless you direct them how to vote or the Chairman of the Meeting is your proxy. If you intend to appoint a member of the KMP or one of their closely related parties as your proxy, you can direct them how to vote by following the instructions on this Proxy Form.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (AEDT) on Wednesday, 20 November 2024**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Autosports Group
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*during business hours Monday to Friday (9:00am - 5:00pm)

IMPORTANT INFORMATION

Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

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INDEPENDENT EXPERT REPORT

Autosports Group Ltd

In relation to the property leases with related parties

19 September 2024



FINANCIAL SERVICES GUIDE

Dated: 19 September 2024

This Financial Services Guide ('FSG') helps you decide whether to use any of the financial services offered by BDO Corporate Finance Australia Pty Ltd (formerly BDO Corporate Finance (East Coast) Pty Ltd) ('BDO Corporate Finance, we, us, our').

The FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us \$30,000 for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

COMPLAINTS RESOLUTION

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

BDO Corporate Finance is a member of AFCA (Member Number 11843). Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the Australian Financial Complaints Authority (AFCA) using the below contact details:

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Email: info@afca.org.au
Phone: 1800 931 678
Fax: (03) 9613 6399
Interpreter service: 131 450
Website: <http://www.afca.org.au>

COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

CONTACT DETAILS

You may provide us with instructions using the details set out at the top of this FSG or by emailing - cf.ecp@bdo.com.au

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SUMMARY OF FINDINGS



Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

The Directors
Autosports Group Ltd
565 Parramatta Road
Leichhardt NSW 2040

19 September 2024

Dear Directors

INDEPENDENT EXPERT REPORT IN RELATION TO THE PROPERTY LEASES WITH RELATED PARTIES

INTRODUCTION AND PURPOSE

BDO Corporate Finance Australia Pty Ltd (formerly BDO Corporate Finance (East Coast) Pty Ltd) (ABN 70 050 038 170) (BDOCF, **we**, **us** or **our**) has been appointed by the directors (**Directors**) of Autosports Group Ltd (**ASG** or the **Group**) to prepare an independent expert report (**Report** or **IER**) setting out our opinion as to whether the property leases with director related entities are on market terms and fair and reasonable to the non-associated holders of ASG's ordinary shares (**Shareholders**).

Overview of the Related Party Leases

ASG leases properties from entities related to its founding directors, Ian Pagent and Nick Pagent. The initial term for two of these leases has expired;

- ▶ 45 Dickson Avenue, Artarmon, NSW - Expired on 27 August 2024 (**Dickson Avenue Lease**)
- ▶ 135 Moggill Road, Taringa, QLD - Expired on 2 June 2024 (**Moggill Road Lease**)

We collectively refer to the above properties and leases as the **Leased Properties** and the **Related Party Leases**.

The Group is seeking shareholder approval for the renewal and the proposed Deed of Variation for the Related Party Leases. The key terms of the proposed Deed of Variation are below:

- ▶ The existing expiration date of the Related Party Leases will be extended to 30 November 2024.
- ▶ The term of the first option of the renewal will be amended to 1 December 2024 to 30 June 2031 (6 years and 7 months).
- ▶ The term of the second option of the renewal will be amended to 1 July 2031 to 30 June 2036 (5 years).
- ▶ Rent from 1 December 2024 for the Moggill Road Lease will be \$2,375,000.
- ▶ Rent from 1 December 2024 for the Dickson Avenue Lease will be \$319,200.
- ▶ Market review is to be completed for the Dickson Avenue Lease on 1 July 2031
- ▶ The first rent adjustment date in relation to the Related Party Leases will be amended to 1 July 2025. Thereafter, the annual rent adjustment date will be 1 July, every year.
- ▶ The annual fixed rent adjustment rate for Moggill Road Lease is to be reduced from 4.0% to 3.5%

ASG has advised that the purpose of the proposed Deed of Variation in relation to the Related Party Leases is to align the rent adjustment dates and the renewal dates with all the other related party leases of ASG (the exercise of which was approved by shareholders in the 2021 annual general meeting).

Further details of the Related Party Leases are provided in the Notice of Meeting and Explanatory Memorandum (Notice of Meeting).

The Notice of Meeting has been prepared to assist Shareholders in their considerations of whether or not to approve the Deed of Variation in relation to the Related Party Leases.

This Report sets out our opinion as to whether the proposed Deed of Variation and the renewal in relation to the Related Party Leases are on market terms and fair and reasonable to the Shareholders.

APPROACH

The Directors have requested BDOCF prepare an IER stating whether, in our opinion, the Deed of Variation and the renewal in relation to the Related Party Leases are on market terms and fair and reasonable to the Shareholders, to satisfy the requirements of ASX Listing Rule 10.1 (LR 10.1).

LR 10.1 deals with transactions between an entity and persons in a position to influence the entity. If an ASX listed entity is acquiring a substantial asset from a related party, LR 10.1 requires the Shareholders to approve the transaction.

Under Listing Rule 10.2, an asset is substantial if 'its value, or the value of the consideration being paid or received by the entity for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity, as set out in the latest accounts given to ASX under the listing rules'.

The lease payments over the term of the leases exceeds 5% of the total equity interest of ASG.

The directors of ASG have engaged BDO to prepare this IER.

LR 10.5.10 requires that a report on the transaction from an independent expert be included in the notice of meeting. The report must state the expert's opinion as to whether the transaction is fair and reasonable to the holders of the entity's ordinary securities whose votes in favour of the transaction are not to be disregarded under LR 14.11.

In preparing our IER, we have considered the requirements of:

- ▶ ASIC Regulatory Guide 111 Content of expert reports (RG 111);
- ▶ ASIC Regulatory Guide 112 Independence of experts (RG 112);
- ▶ ASIC Regulatory Guide 76 Related party transactions (RG 76); and
- ▶ Accounting Professional & Ethical Standards Board (APESB) professional standard APES 225 'Valuation Services' (APES 225).

RG 111 establishes guidelines in respect of independent expert reports under the Act. This regulatory guide provides guidance as to what matters an independent expert should consider to assist the shareholders to make informed decisions about transactions.

RG 111 states that there should be a separate assessment of fairness and reasonableness.

RG 112 establishes guidelines in respect of the need of an expert to be independent.

RG 76 establishes guidelines in respect of disclosure and governance for related party transactions.

This engagement is a Valuation Engagement as defined by APES 225.

Accordingly, the Directors of ASG have requested BDOCF to prepare an IER stating whether the proposed Deed of Variation and the renewal in relation to the Related Party Leases are on market terms and fair and reasonable to the Shareholders, to assist Shareholders in their considerations of whether or not to approve the Deed of Variation and renew the Related Party Leases.

Fairness

RG 111.57 states that a proposed related party transaction is 'fair' if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

Our analysis has been performed by comparing:

- ▶ the actual lease payments to be paid by ASG; and
- ▶ the market rental values for the Leased Properties.

As BDOCF are not property experts, our fairness analysis required the engagement of an independent property expert to assess market lease rates for the Leased Properties, with reference to comparable properties. CBRE Valuation & Advisory Services (CBRE) was appointed.

Reasonableness

In accordance with RG 111.60, a proposed related party transaction is ‘reasonable’ if it is ‘fair’. It might also be ‘reasonable’ if, despite being ‘not fair’, the expert believes there are sufficient reasons for members to vote for the proposal.

When deciding whether a proposed transaction is ‘reasonable’, factors that an expert might consider include:

- ▶ the financial situation and solvency of the entity;
- ▶ opportunity costs;
- ▶ the alternative options available to the entity and the likelihood of those options occurring;
- ▶ the entity’s bargaining position;
- ▶ whether there is selective treatment of any security holder, particularly the related party;
- ▶ any special value of the transaction to the purchaser; and
- ▶ the liquidity of the market in the entity’s securities.

SUMMARY OF OPINION

We have considered the terms in the Deed of Variation in relation to the Related Party Leases, as outlined in the body of this Report, and have concluded that the Related Party Leases are on market terms, and are fair and reasonable to the non-associated Shareholders of ASG.

On 18 September 2024 we released a draft report that concluded that the Related Party Leases were not fair and not reasonable. We reached this conclusion as the proposed annual rent for the Related Party Leases was above the market rent as assessed by CBRE. Subsequent to the release of our draft report, ASG reduced the annual rent for the Related Party Leases to the rates determined by CBRE in their reports dated 17 September 2024.

A summary of our analysis in forming the above opinion is provided below. This summary should be read in conjunction with our full IER that sets out in full the purpose, scope, basis of evaluation, limitations, information relied upon, analysis and our findings.

Fairness Assessment

In undertaking our assessment of fairness, we have had regard to the ASIC’s RG 111.

The terms of the Related Party Leases are ‘fair’ if the value of the financial benefit to be paid by ASG (being the rent paid) is less than or equal to the market rent for the lease. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length.

Our analysis has been performed by comparing:

- ▶ the actual lease payments to be paid by ASG; and
- ▶ the market rental values for the Leased Properties.

As BDOCF are not property experts, our fairness analysis required the engagement of an independent property expert to assess market lease rates for the Leased Properties, with reference to comparable properties. CBRE Valuation & Advisory Services (CBRE) was appointed.

The results of our fairness analysis are summarised below.

Table 1: Fairness analysis

Leased Properties	Current Market Rent* (\$)	Annual Rent payable** (\$)
45 Dickson Avenue, Artarmon NSW 2064	319,200	319,200
135 Moggill Road, Taringa, Qld 4068	2,375,000	2,375,000
Total	2,694,200	2,694,200

Source: CBRE Market Rental Assessment Reports, BDOCF analysis

* Market rent determined by CBRE as per Market Rental Assessment Reports dated 19 September 2024

** The actual annual rent payable until rent adjustment on 1 July 2025

As set out above, the actual rental payable (until the next rent adjustment on 1 July 2025) for the Leased Properties aligns with the assessed current market rental values.

The Dickson Avenue Lease and the Moggill Road Lease have an annual escalation of 3.5%. CBRE considered these escalation rates to be within market parameters.

Prior to the Deed of Variation, the Moggill Road lease has an annual escalation of 4.0% on every rent adjustment date. As the actual rental payable for the Related Party Leases is aligned with the market rents across the Leased Properties, we have concluded that the Related Party Leases are on market terms and fair to the Shareholders.

Reasonableness assessment

As the Related Party Leases are fair, we also consider them to be reasonable to the Shareholders as the lease payments are on market terms.

OTHER MATTERS

Shareholders' individual circumstances

Our analysis has been undertaken, and our conclusions are expressed at an aggregate level. Accordingly, BDOCF has not considered the effect of the Related Party Leases on the particular circumstances of individual Shareholders. Some individual Shareholders may place a different emphasis on various aspects of the Related Party Leases from that adopted in this IER. Accordingly, individual Shareholders may reach different conclusions as to whether or not the Related Party Leases are on market terms and fair and reasonable in their individual circumstances.

The decision of an individual Shareholder in relation to the Related Party Leases may be influenced by their particular circumstances and accordingly Shareholders are advised to seek their own independent advice.

Approval or rejection of the Related Party Leases is a matter for individual Shareholders based on their expectations as to the expected value and future prospects and market conditions together with their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. The Shareholders should carefully consider the Notice of Meeting. The Shareholders who are in doubt as to the action they should take in relation to the Related Party Leases should consult their professional adviser.

General requirements in relation to the IER

In preparing the IER ASIC requires the independent expert, when deciding on the form of analysis for a report, to bear in mind that the main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated by those persons affected by the Related Party Leases. In preparing the IER we considered ASIC regulatory guides and commercial practice.

The IER also includes the following information and disclosures:

- ▶ particulars of any relationship, pecuniary or otherwise, whether existing presently or at any time within the last two years, between BDO Groups Holdings Limited or BDOCF and any of the parties to the Related Party Leases;
- ▶ the nature of any fee or pecuniary interest or benefit, whether direct or indirect, that we have received or will or may receive for or in connection with the preparation of the IER;
- ▶ we have been appointed as independent expert for the purposes of providing an IER in relation to the Related Party Leases by the Directors;
- ▶ that we have relied on information provided by the Directors and management of ASG (**Management**) and that we have not carried out any form of audit or independent verification of the information; and
- ▶ that we have received representations from the Directors in relation to the completeness and accuracy of the information provided to us for the purpose of our IER.

Current market conditions

Our opinion is based on economic, market and other conditions prevailing at the date of this IER. Such conditions can change significantly over relatively short periods of time.

Changes in those conditions may result in any valuation or other opinion becoming quickly outdated and in need of revision. We reserve the right to revise any valuation or other opinion, in the light of material information existing at the valuation date that subsequently becomes known to us.

Glossary

Capitalised terms used in this IER have the meanings set out in the glossary. A glossary of terms used throughout this IER is set out in **Appendix 1**.

Sources of information

Appendix 2 to the IER sets out details of information referred to and relied upon by us during the course of preparing this IER and forming our opinion.

The statements and opinions contained in this IER are given in good faith and are based upon our consideration and assessment of information provided by the Management.

Under the terms of our engagement, ASG has agreed to indemnify BDOCF and their partners, directors, employees, officers and agents (as applicable) against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

Limitations

This IER has been prepared at the request of the Directors for the sole benefit of the Shareholders to assist them in their decision to approve or reject the Related Party Leases. This IER is to accompany the Notice of Meeting to be sent to the Shareholders to consider the Related Party Leases and was not prepared for any other purpose.

Accordingly, this IER and the information contained herein may not be relied upon by anyone other than the Directors and the Shareholders without our written consent. We accept no responsibility to any person other than the Directors and the Shareholders in relation to this IER.

This IER should not be used for any other purpose and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of our IER, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

We have consented to the inclusion of the IER within the Notice of Meeting. Apart from this IER, we are not responsible for the contents of the Notice of Meeting or any other document associated with the Notice of Meeting. We acknowledge that this IER may be lodged with regulatory authorities.

Summary

This summary should be read in conjunction with our full IER that sets out in full the purpose, scope, basis of evaluation, limitations, information relied upon, analysis and our findings.

Financial Service Guide

BDOCF holds an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues. A financial services guide is attached to this IER.

Yours faithfully

BDO CORPORATE FINANCE AUSTRALIA PTY LTD



David McCourt
Director



Adam Myers
Director

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INDEPENDENT EXPERT REPORT



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1. PURPOSE AND BACKGROUND

1.1. Purpose

BDO Corporate Finance Australia Pty Ltd (formerly BDO Corporate Finance (East Coast) Pty Ltd) (ABN 70 050 038 170) (BDOCF, we, us or our) has been appointed by the directors (Directors) of Autosports Group Ltd (ASG or the Group) to prepare an independent expert report (Report or IER) setting out our opinion as to whether the property leases with director related entities are on market terms and fair and reasonable to the non-associated holders of ASG's ordinary shares (Shareholders).

This IER is to accompany the Notice of Meeting and Explanatory Memorandum (Notice of Meeting) to be provided to the Shareholders. It has been prepared to assist and enable the Shareholders to assess the Related Party Leases.

1.2. Overview of the Related Party Leases

ASG leases properties from entities related to its founding directors, Ian Pagent and Nick Pagent. The initial term for two of these leases has expired;

- ▶ 45 Dickson Avenue, Artarmon, NSW - Expired on 27 August 2024 (Dickson Avenue Lease)
- ▶ 135 Moggill Road, Taringa, QLD - Expired on 2 June 2024 (Moggill Road Lease)

We collectively refer to the above properties and leases as the **Leased Properties** and the **Related Party Leases**.

The Group is seeking shareholder approval for the renewal and the proposed Deed of Variation for the Related Party Leases. The key terms of the proposed Deed of Variation are below:

- ▶ The existing expiration date of the Related Party Leases will be extended to 30 November 2024.
- ▶ The term of the first option of the renewal will be amended to 1 December 2024 to 30 June 2031 (6 years and 7 months).
- ▶ The term of the second option of the renewal will be amended to 1 July 2031 to 30 June 2036 (5 years).
- ▶ Rent from 1 December 2024 for the Moggill Road Lease will be \$2,375,000.
- ▶ Rent from 1 December 2024 for the Dickson Avenue Lease will be \$319,200.
- ▶ Market review is to be completed for the Dickson Avenue Lease on 1 July 2031
- ▶ The first rent adjustment date in relation to the Related Party Leases will be amended to 1 July 2025. Thereafter, the annual rent adjustment date will be 1 July, every year.
- ▶ The annual fixed rent adjustment rate for Moggill Road Lease is to be reduced from 4.0% to 3.5%

The purpose of the proposed Deed of Variation in relation to the Related Party Leases is to align the rent adjustment dates and the renewal dates with all the other related party leases of ASG (the exercise of which was approved by shareholders in the 2021 annual general meeting).

Further details of the Related Party Leases are provided in the Notice of Meeting and Explanatory Memorandum (Notice of Meeting).

2. SCOPE AND LIMITATIONS

2.1. Scope

The scope of the procedures we undertook in forming our opinion on whether the Related Party Leases are on market terms and fair and reasonable to the Shareholders has been limited to those procedures we believe are required in order to form our opinion. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards.

Our assessment involved reviewing the independent reports prepared by CBRE Valuations Pty Limited (CBRE) in relation to the Related Party Leases. These reports are attached in the appendices.

2.2. Summary of regulatory requirements

The Directors have requested BDOCF prepare an IER stating whether, in our opinion, the Deed of Variation and the renewal in relation to the Related Party Leases are on market terms and fair and reasonable to the Shareholders, to satisfy the requirements of ASX Listing Rule 10.1 (LR 10.1).

LR 10.1 deals with transactions between an entity and persons in a position to influence the entity. If an ASX listed entity is acquiring a substantial asset from a related party, LR 10.1 requires the Shareholders to approve the transaction.

Under Listing Rule 10.2, an asset is substantial if 'its value, or the value of the consideration being paid or received by the entity for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity, as set out in the latest accounts given to ASX under the listing rules'.

The lease payments over the term of the leases exceeds 5% of the total equity interest of ASG.

The directors of ASG have engaged BDO to prepare this IER.

LR 10.5.10 requires that a report on the transaction from an independent expert be included in the notice of meeting. The report must state the expert's opinion as to whether the transaction is fair and reasonable to the holders of the entity's ordinary securities whose votes in favour of the transaction are not to be disregarded under LR 14.11.

In preparing our IER, we have considered the requirements of:

- ▶ ASIC Regulatory Guide 111 Content of expert reports (RG 111);
- ▶ ASIC Regulatory Guide 112 Independence of experts (RG 112);
- ▶ ASIC Regulatory Guide 76 Related party transactions (RG 76); and
- ▶ Accounting Professional & Ethical Standards Board (APESB) professional standard APES 225 'Valuation Services' (APES 225).

RG 111 establishes guidelines in respect of independent expert reports under the Act. This regulatory guide provides guidance as to what matters an independent expert should consider to assist the Shareholders to make informed decisions about transactions.

RG 111 states that there should be a separate assessment of fairness and reasonableness.

RG 112 establishes guidelines in respect of the need of an expert to be independent.

RG 76 establishes guidelines in respect of disclosure and governance for related party transactions.

Accordingly, the Directors of ASG have requested BDOCF to prepare an IER stating whether the proposed Deed of Variation and the renewal in relation to the Related Party Leases are on market terms and fair and reasonable to the Shareholders, to assist Shareholders in their considerations of whether or not to approve the Deed of Variation and renew the Related Party Leases.

2.3. Basis of assessment

In determining whether the Related Party Leases are on market terms and fair and reasonable to the Shareholders, we have had regard to:

- ▶ RG 111 'Content of expert reports'
- ▶ RG 112 'Independence of experts'

RG 111 establishes two distinct criteria for an expert analysing a control transaction. The tests are:

- ▶ Is the offer 'fair'?
- ▶ Is it 'reasonable'?

The terms fair and reasonable are regarded as separate elements and are not regarded as a compound phrase.

2.3.1. Fairness

RG 111.57 states that a proposed related party transaction is 'fair' if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

Our analysis has been performed by comparing:

- ▶ the actual lease payments to be paid by ASG; and
- ▶ the market rental values for the Leased Properties.

As BDOCF are not property experts, our fairness analysis required the engagement of an independent property expert to assess market lease rates for the Leased Properties, with reference to comparable properties. CBRE Valuation & Advisory Services (CBRE) was appointed

2.3.2. Reasonableness

In accordance with RG 111.60, a proposed related party transaction is 'reasonable' if it is 'fair'. It might also be 'reasonable' if, despite being 'not fair', the expert believes there are sufficient reasons for members to vote for the proposal.

When deciding whether a proposed transaction is 'reasonable', factors that an expert might consider include:

- ▶ the financial situation and solvency of the entity;
- ▶ opportunity costs;
- ▶ the alternative options available to the entity and the likelihood of those options occurring;
- ▶ the entity's bargaining position;
- ▶ whether there is selective treatment of any security holder, particularly the related party; and
- ▶ any special value of the transaction to the purchaser.

2.3.3. General requirements in relation to the IER

In preparing the IER ASIC requires the independent expert, when deciding on the form of analysis for a report, to bear in mind that the main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the Related Party Leases. In preparing the IER we considered the necessary legal requirements and guidance of the Act, ASIC regulatory guides and commercial practice.

The IER also includes the following information and disclosures:

- ▶ particulars of any relationship, pecuniary or otherwise, whether existing presently or at any time within the last two years, between BDO Groups Holdings Limited or BDOCF and any of the parties to the Related Party Leases;
- ▶ the nature of any fee or pecuniary interest or benefit, whether direct or indirect, that we have received or will or may receive for or in connection with the preparation of the IER;
- ▶ we have been appointed as independent expert for the purposes of providing an IER in relation to the Related Party Leases by the Directors;
- ▶ that we have relied on information provided by the Directors and management of ASG (**Management**) and that we have not carried out any form of audit or independent verification of the information; and
- ▶ that we have received representations from the Management in relation to the completeness and accuracy of the information provided to us for the purpose of our IER.

2.4. Reliance on information

This IER is based upon financial and other information provided by the Directors, Management and other representatives of the ASG. We have considered and relied upon this information. Unless there are indications to the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether the Related Party Leases are on market terms and fair and reasonable.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of Management the information was evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of direct external verification or validation.

Under the terms of our engagement, ASG has agreed to indemnify BDOCF, and their partners, directors, employees, officers and agents (as applicable) against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

2.5. Limitations

We acknowledge that this IER may be lodged by the Directors with regulatory and statutory bodies and will be included in the Notice of Meeting to be sent to the Shareholders. The Directors acknowledge that our IER has been prepared solely for the purposes noted in the Notice of Meeting and accordingly we disclaim any responsibility from reliance on the IER in regard to its use for any other purpose. Except in accordance with the stated purposes, no extract, quote or copy of the IER, in whole or in part, should be reproduced without our prior written consent, as to the form and context in which it may appear.

It was not our role to undertake, and we have not undertaken any commercial, technical, financial, legal, taxation or other due diligence, other similar investigative activities in respect of ASG and its associates. We understand that the Directors have been advised by legal, accounting, tax and other appropriate advisors in relation to such matters as necessary. We provide no warranty or guarantee as to the existence, extent, adequacy, effectiveness and/or completeness of any due diligence or other similar investigative activities by the Directors or their advisors.

We note that the IER does not deal with the individual investment circumstances of the Shareholders and no opinion has been provided in relation to same. Some individual Shareholders may place a different emphasis on various aspects of the Related Party Leases from that adopted in our IER. Accordingly, individuals may reach different conclusions on whether or not the Related Party Leases are fair and reasonable. An individual Shareholder's decision in relation to the Related Party Leases may be influenced by their particular circumstances and, therefore, Shareholders are advised to seek their own independent advice.

Apart from the IER, we are not responsible for the contents of the Notice of Meeting or any other document. We have provided consent for inclusion of the IER in the Notice of Meeting. Our consent and the Notice of Meeting acknowledge that we have not been involved with the issue of the Notice of Meeting and that we accept no responsibility for the Notice of Meeting apart from the IER.

2.6. Assumptions

In forming our opinion, we have made certain assumptions and outline these in our IER including:

- ▶ that matters such as title to all relevant assets, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed;
- ▶ information sent out in relation to the Related Party Leases to the Shareholders or any regulatory or statutory body is complete, accurate and fairly presented in all material respects;
- ▶ publicly available information relied on by us is accurate, complete and not misleading;
- ▶ if the Related Party Leases are approved, that the lease payments will be in accordance with the stated terms;
- ▶ the legal mechanisms to implement the Related Party Leases are correct and effective; and
- ▶ there are no undue changes to the terms and conditions of the Related Party Leases or material issues unknown to us.

3. PROFILE OF AUTOSPORTS GROUP

3.1. Overview

Autosports Group Limited, together with its subsidiaries, engages in the motor vehicle retailing business in Australia. Founded in 2006 and listed on the ASX in November 2016 (ASX:ASG), ASG has retail businesses throughout Sydney, Melbourne, Brisbane and the Gold Coast. ASG's core business focuses on:

- ▶ the sale of new and used motor vehicles;
- ▶ distribution of finance and insurance products on behalf of retail financiers and automotive insurers;
- ▶ the sale of aftermarket products and spare parts;
- ▶ motor vehicle servicing; and
- ▶ collision repair services.

The Group's operations comprise of:

- ▶ 54 franchised dealerships selling new and used prestige and luxury motor vehicles;
- ▶ 3 used motor vehicle outlets, primarily focused on the sale of used prestige and luxury motor vehicles; and
- ▶ 4 motorcycle dealerships selling new and used motorcycles; and
- ▶ 8 specialist prestige motor vehicle collision repair facilities.

3.2. Directors and Management

The current board of directors of ASG and key management are listed in the following table:

Table 2: ASG Directors and Management

Name	Position
James Evans	Chairman
Marina Go	Independent Director
Ian Pagent	Non-Executive Director
Robert Quant	Independent Director
Anna Burgdorf	Independent Director
Nick Pagent	Chief Executive Officer
Brent Polites	Head of Franchised Automotive
Aaron Murray	Chief Financial Officer ('CFO')

Source: Autosports Group Limited Annual Report - 30 June 2024

3.3. Historical Financial Performance

Below is a summary of the consolidated statement of profit or loss and other comprehensive income for ASG for the financial years ended 30 June 2022 (FY22), 30 June 2022 (FY23) and 30 June 2024 (FY24).

Table 3: Historical Statement of Profit or Loss

\$'000	Notes	FY22	FY23	FY24
Revenue	1	1,875,954	2,371,296	2,646,763
Interest revenue		8	129	100
Total Revenue		1,875,962	2,371,425	2,646,863
Changes in inventories	2	(42,143)	(123,069)	115,961
Raw materials and consumables purchased	2	(1,460,060)	(1,772,724)	(2,247,816)
Employee benefits expense		(146,721)	(188,993)	(203,996)
Depreciation and amortisation expense		(52,339)	(52,028)	(59,360)
Impairment of property, plant and equipment		-	(6,004)	-
Occupancy costs		(6,334)	(7,964)	(8,909)
Acquisition and restructure expenses	3	(2,417)	(6,027)	(681)
Other expenses		(69,157)	(80,657)	(96,917)
Finance costs		(16,431)	(33,658)	(56,787)
Profit before income tax expense		80,360	100,301	88,358
Income tax expense		(25,780)	(33,652)	(26,878)
Profit / (loss) after income tax expense for the year		54,580	66,649	61,480

Source: Autosports Group Limited Annual Report - 30 June 2023 & 30 June 2024

Notes:

1	<p>Revenue</p> <p>Autosports Group reported a revenue growth of c.11.6% between FY23 and FY24. This increase was primarily due to the return of pre-COVID levels of vehicle stock and increases in marketing and price promotions being used to stimulate consumer demand. After sales revenue has additionally outperformed last year's result due to a rise in service plan contracts and increase in activity for Autosport Group's 8 panel repair shops.</p>
2	<p>Changes in inventories and raw materials and consumables purchased</p> <p>The raw materials and consumables purchased, and changes in inventories represent ASG's cost sales (including the cost of vehicles sold). Cost of sales have increased in in line with the movement in revenue from operations. These costs represent approximately 80% of ASG's revenue.</p>
3	<p>Acquisition and restructure expenses</p> <p>Acquisition and restructure expenses primarily relates to due diligence and purchases taxes costs incurred on acquisitions.</p>

3.4. Historical Financial Position

Below is a summary of the consolidated statement of financial position for ASG as at 30 June 2022, 30 June 2023 and 30 June 2024.

Table 4: Historical Statements of Financial Position

\$'000	Note	FY22	FY23	FY24
Cash and cash equivalents		90,817	41,999	36,289
Trade and other receivables		58,731	89,569	105,337
Inventories	1	217,454	373,755	489,716
Other assets		14,617	17,660	20,315
Total current assets		381,619	522,983	651,657
Property, plant and equipment	2	172,298	295,519	307,294
Right- of- use assets	3	445,784	227,846	199,854
Intangibles	4	203,147	551,638	548,603
Deferred tax		21,721	21,343	20,977
Total non-current assets		842,950	1,096,346	1,076,728
Total assets		1,224,569	1,619,329	1,728,385
Trade and other payables		152,762	189,396	211,846
Contract liabilities		1610	970	643
Income tax payable		17,331	13,723	1,310
Employee benefits		20,887	25,141	25,487
Borrowings	5	249,826	449,104	581,342
Lease liabilities	3	36,653	38,194	39,094
Total current liabilities		479,069	716,528	859,722
Trade and other payables		-	4,594	-
Deferred tax		-	332	-
Employee benefits		3,339	3,792	3,490
Borrowings		93,936	195,070	177,340
Lease liabilities	3	198,732	220,608	194,171
Total non- current liabilities		296,007	424,396	375,001
Total liabilities		775,076	1,140,924	1,234,723
Net assets		449,493	478,405	493,662
Issued capital		475,637	475,637	475,637
Reserves		4,506	2,761	4,894
Accumulated losses		(35,978)	(5,914)	14,008
Non-controlling interest		5,328	5,921	(877)
Total Equity		449,493	478,405	493,662

Source: Autosports Group Limited Annual Report - 30 June 2023 & 30 June 2024

Notes:

Inventories

1

Inventory includes new, demonstrator and used vehicles, as well as parts inventory. During FY24 inventory levels increased primarily due to additional inventory acquired through the acquisition of Stillwell Motor group. Inventory levels are expected to reduce as Autosports Group works with its OEM partners to improve stock turn ratios in FY25.

Property, Plant and Equipment (PPE)

2 During FY24, Autosports Group used \$29.2 million to fund additions to property, plant and equipment. This mainly comprised construction costs of a dealership on the Groups owned land at 581 Mains Road, MacGregor, Queensland. During FY23, the Group acquired the land and buildings in Queensland, which its Audi Centre Brisbane, Bentley Brisbane, Maserati Brisbane and Lamborghini Brisbane dealerships operate. The total consideration transferred amounted to \$104 million including purchase taxes.

Leases

3 The Group leases premises under lease agreements with terms of between 1 to 16 years with, in some cases, options to extend. The leases have various escalation clauses.

Intangibles

4 Intangibles represent the goodwill and customer relationships acquired through business combinations.

Short-term Borrowings

5 The short-term borrowings primarily relate to the bailment finance on vehicles.

3.5. Key Shareholders

The top 10 shareholders, as at 30 June 2024, are listed in the following table. The top 10 shareholders own approximately 70.5% of the total shares outstanding.

Table 5: Top 10 Shareholders

Name	Holding	%
JIP Parramatta Pty Ltd (JIP PARRAMATTA)	23,657,626	11.8
Sastempo Pty Ltd (NICHOLAS PAGENT FAMILY)	22,114,671	11
Citicorp Nominees Pty Limited	18,964,043	9.4
Livist Pty Ltd (VARINIA)	15,455,897	7.7
Audi Parramatta Holdings Pty Ltd (AUDI PARRAMATTA)	15,310,969	7.6
UBS Nominees Pty Ltd	12,252,578	6.1
NIP Parramatta Pty Ltd (NIP PARRAMATTA)	10,401,678	5.2
Netwealth Investments Limited (WRAP SERVICES A/C)	8,423,442	4.2
JP Morgan Nominees Australia Pty Limited	8,000,404	4
Pagent Family Investments Pty Ltd (PAGENT FAMILY INVESTMENT)	7,193,635	3.6
Subtotal	141,774,943	70.5%
Other Shareholders	59,225,057	29.5%
Total	201,000,000	100%

Source: Autosports Group Limited Annual Report - 30 June 2024

The substantial shareholders in the Company are set out below:

Table 6: Substantial Shareholders

Name	Holding	%
Ian Pagent	65,995,799	32.8
Nick Pagent	40,746,757	20.3
OC Funds Management	14,693,475	7.3
Regal Funds Management	17,340,570	8.6

Source: Autosports Group Limited Annual Report - 30 June 2024

4. OVERVIEW OF THE RELATED PARTY LEASES

The lessor of the Related Party Leases is New Centenary Properties Pty Ltd. New Centenary Properties Pty Ltd is related to ASG Directors, Ian and Nick Pagent.

Table 7: Entities associated with the Related Party Leases

Related Party Lessors	Property Location
New Centenary Properties Pty Ltd	45 Dickson Avenue, Artarmon New South Wales
New Centenary Properties Pty Ltd	135 Moggill Road, Taringa, QLD

Source: Autosports Group Limited Annual Report- 30 June 2024

The initial term of the Related Party Leases expired on the following dates:

- Dickson Avenue Lease - 27 August 2024
- Moggill Road Lease - 1st June 2024

An overview of the terms for each of the Related Party Leases and the Deed of Variation are provided on the following pages.

4.1. 45 Dickson Avenue Artarmon NSW 2064

The subject tenancy comprises 840 square metres of lettable area with a three-level industrial building which benefits from dual frontages to Dickson Avenue and Clarendon Street. The property has had new improvements which have been configured to provide warehouse/showroom accommodation to the upper ground floor and an office component on the first floor. Prestige Auto Traders Australia Pty Ltd is the current lessee, with the lessor being New Centenary Properties Pty Ltd.

This lease commenced on 28 August 2019 and had an initial term of 5 years, with an option for another 5-year term. The rent at the commencement of the lease was \$300,000, and the passing rent for the year to 27 August 2024 was \$342,432.

A summary of the current lease terms is provided below.

Table 8: Current lease summary -Dickson Avenue Lease

Lease summary	
Premises	Whole Building, 45 Dickson Avenue Artarmon NSW 2064
Lessor	New Centenary Properties Pty Ltd
Lessee	Prestige Auto Traders Australia Pty Ltd
Commencement date	28 August 2019
Expiry date	27 August 2024
Initial term	5 years
Option period/s	5 years
Lettable area	840 Square meters
Commencement rental	\$300,000 per annum (\$357 per square metre)
Passing rental	\$342,432 per annum (\$408 per square metre)
Outgoings	Paid by Lessor (structured on a Gross Basis)
Permitted use	Motor vehicle Dealership and offices
GST clause	All payments made under the terms of the lease are exclusive of GST
Make good	Tenant to make good.
Review	The rent is to be adjusted on each anniversary of the commencement date at a fixed rate of 3.5%

Source: CBRE Market Rental Assessment report as at 19 September 2024 (Refer Appendix 3)

4.1.1. Proposed Deed of Variation

We have been provided with an unsigned copy of a proposed Deed of Variation, that includes extension of the existing lease to 30 November 2024 along with other matters in relation to the option periods and rent adjustment and review dates. The key terms proposed to be amended through the Deed of Variation are presented below:

Table 9: Proposed Deed of Variation - Key amendments

Lease summary	
Expiry date	To be extended from 27 August 2024 to 30 November 2024
First option of renewal	1 December 2024 to 30 June 2031 (6 years and 7 months)
Second option of renewal	1 July 2031 to 30 June 2036 (5 years)
Passing rental	\$319,200 per annum till the first rent review date, 1 July 2025
Review	3.5% increase on 1 July 2025. Thereafter, the annual rent adjustment date will be 1 July, every year
Market review	Market review to be completed at the commencement of the second term (option periods) on 1 July 2031

Source: Deed of Variation 45 Dickson Avenue NSW, 18 September 2024 (Refer Appendix 3)

4.2. 135 Moggill Road, Taringa, Qld 4068

The property comprises a multi-level motor vehicle service complex incorporating showrooms, administration offices, sales offices, and full-service workshop with offices. The dealership comprises Mercedes Benz Toowong and Mazda Toowong. New Centenary Mercedes Benz Pty Ltd is the current lessee, with the lessor being New Centenary Properties Pty Ltd.

This lease commenced on 2 June 2014 was entered into with an unrelated party prior to ASX listing on the ASX. In 2017, New Century Properties Pty Limited, an entity controlled by Ian Pagent and Nicholas Pagent, acquired the premises at Moggill Road, following the exercise of a pre-emptive right over the property. Following the acquisition of Moggill Road, New Century Properties Pty Limited assumed the Moggill Road Lease and the terms of lease were not amended.

The rent at the commencement of the lease was \$2,125,000, and the passing rent for the year to 1 June 2024 was \$2,917,896.

A summary of the current lease terms is provided below.

Table 9: Current lease summary -Moggill Road Lease

Lease summary	
Premises	135 Moggill Road, Taringa, Qld 4068
Lessor	New Centenary Properties Pty Ltd
Lessee	New Centenary Mercedes Benz Pty Ltd
Commencement date	2 June 2014
Expiry date	1 June 2024
Initial term	10 years
Option period/s	5 years
Lettable area	6,462 square meters
Commencement rental	\$2,125,000 (\$329 per square metre)
Passing rental	\$2,917,896 (\$452 per square metre)
Review	4.0% increases on each anniversary of the commencement date of the lease
Outgoings	The lease is structured on a net basis, with the Lessee responsible for all operating expenses (including Land Tax).
Permitted use	Vehicle sales, vehicle showroom, vehicle parking, vehicle service and vehicle storage
GST clause	In addition to the base annual rental, the lessee is responsible for property outgoings and GST payable on base rental.
Make good	Tenant to make good
Market rent review	The rent is to be adjusted on each anniversary of the commencement date at a fixed rate of 4%, with a market review to be completed at the commencement of each further term (option periods).

Source: CBRE Market Rental Assessment report as at 19 September 2024 (refer Appendix 4)

4.2.1. Proposed Deed of Variation

We have been provided with an unsigned copy of a proposed Deed of Variation, that includes extension of the existing lease to 30 November 2024 along with other matters in relation to the option periods and rent adjustment and review dates. The key terms proposed to be amended through the Deed of Variation are presented below:

Table 9: Proposed Deed of Variation - Key amendments

Lease summary	
Expiry date	To be extended from 1 June 2024 to 30 November 2024
First option of renewal	1 December 2024 to 30 June 2031 (6 years and 7 months)
Second option of renewal	1 July 2031 to 30 June 2036 (5 years)
Passing rental	\$2,375,000 per annum till the first rent review date, 1 July 2025
Review	3.5% increase on 1 July 2025. Thereafter, the annual rent adjustment date will be 1 July, every year
Market rent review date	Market review date to be amended to 1 July 2031

Source: Deed of Variation 135 Moggill Road QLD, 18 September 2024 (Refer Appendix 3)

5. FAIRNESS ASSESSMENT

RG 111.57 states that a proposed related party transaction is ‘fair’ if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length.

Our analysis has been performed by comparing:

- ▶ the actual lease payments to be paid by ASG; and
- ▶ the market rental values for the Leased Properties.

As BDOCF are not property experts, our fairness analysis required the engagement of an independent property expert to assess market lease rates for the Leased Properties, with reference to comparable properties. CBRE was appointed

CBRE have prepared a market rental assessment report for each of the Related Party Leases (**Market Rental Assessment Reports**).

The basis of CBRE’s assessment was Market Rent. Market Rent has been defined by CBRE in the Market Rental Assessment Reports as the estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. This is consistent with our definition of Fair Market Value.

We have reviewed the Market Rental Reports provided at Appendix 3 and discussed the reports with CBRE. We consider CBRE to be independent of ASG, and to have the required skills and expertise to review the market rental values for the Leased Properties.

6. INDEPENDENT ASSESSMENT OF THE TERMS OF THE RELATED PARTY LEASES

CBRE has been engaged to assess the market rental value and provide lease term advice for the Leased Properties. Each of the Market Rental Assessment Reports prepared by CBRE for the 2 Leased Properties as at 1 December 2024 are attached as appendices to this report.

We have analysed the Market Rental Assessment Reports prepared for each of the Leased Properties and noted the following:

- ▶ CBRE is independent with respect to ASG and the Directors;
- ▶ CBRE have applied a direct comparison approach to assess the market rental value of the Leased Properties. For the Dickson Avenue Lease, reference has been made to leasing transactions in and around the Artarmon suburb of Sydney Metropolitan area. For the Moggill Road lease, reference has been made to leasing transactions within the wider areas of Queensland;
- ▶ Parameters considered by CBRE in assessing the market rents for the Leased Properties included comparable rentals, the permitted use, outgoings recovery, prescribed criteria for determining market rental within the lease, prevailing market conditions;

- ▶ The market rental assessments were subject to critical assumptions regarding the lettable area and current outgoings. The parameters used by CBRE do not appear unreasonable or inappropriate for the purpose of estimating the market rental value of the Leased Properties.

We have obtained the written consent of CBRE to refer to the Market Rental Assessment Reports in the IER.

CBRE are responsible for the Market Rental Assessment Reports.

BDO has reviewed the Market Rental Assessment Reports for the Leased Properties and no material changes were made to the terms of the Related Party Leases as a result of our review.

6.1. 45 Dickson Avenue, Artarmon NSW 2064

6.1.1. Review of lease terms in the Proposed Deed of Variation

Key considerations in the assessment of this lease included:

▶ Rent payable upon extension and renewal of the lease

The annual rental for the Dickson Avenue Lease is \$319,200. There will be no increase in the passing rental till 30 June 2025. The lease incorporates annual reviews of 3.5% from 1 July 2025 and thereafter will be annually on 1 July over the term of the lease.

▶ Annual Reviews

The lease incorporates fixed annual reviews of 3.5% from 1 July 2025. Based on the available evidence, CBRE have observed that the majority of the deals being transacted are struck with reviews in the vicinity of 3% to 4%.

CBRE consider the 3.5% annual reviews to be within market parameters for an acceptable review method.

▶ Market Review

Market review is to be completed at the commencement of the second term (option periods) on 1 July 2031. Review of lease rates

6.1.2. Review of lease rates

The following market observations and key considerations formed the basis for CBRE's market rental assessment for this property:

Market Observations

- ▶ Relevant car showroom rental evidence from Metropolitan Sydney reflects a range of \$301 to \$480 per square metre on a gross basis. The market rental assessments were subject to critical assumptions regarding the lettable area and current outgoings.
- ▶ CBRE have adopted market rental of \$380 gross per square metre of lettable area for the subject tenancy. As such, CBRE consider the assessed passing rental of \$408 gross per square meter to be above market parameters for a property of this nature.

Key Considerations

- ▶ The subject property has above average exposure given the extensive street exposure to Dickson Avenue and Clarendon Street, in a prominent automotive dealership locality.
- ▶ The subject property is in reasonable condition having regard to its age and use. External elevations appear to be in sound repair, internal areas are well maintained.
- ▶ The market rental assessed by CBRE has been undertaken on an annual gross rental basis.

The market rental values adopted by CBRE as at 17 September 2024 are set out in the following table:

Table 10: Adopted Market Rental Values for 45 Dickson Avenue, Artarmon NSW 2064

Market Income Assessment				
Demised Premises	Tenant	Area (sqm)	Rate (\$psm pa)	Market Rent (\$pa)
Whole Building	Prestige Auto traders Australia Pty Ltd	840.0	\$380	\$319,200
Market Rent		840.0	\$380	\$319,200

Source: CBRE Market Rental Assessment report, 19 September 2024 (Refer Appendix 3)

6.2. 135 Moggill Road, Taringa, Qld 4068

6.2.1. Review of lease terms in the Proposed Deed of Variation

Key considerations in the assessment of this lease included:

▶ **Rent payable upon extension of the lease**

The annual rental for the Moggill Road Lease is \$2,375,000. There will be no increase in the passing rental till 30 June 2025. The lease incorporates annual reviews of 3.5% which will start from 1 July 2025 and thereafter will be annually on 1 July over the term of the lease.

▶ **Annual Reviews**

The lease incorporates annual reviews of 3.5% from 1 July 2025. Based on the available evidence, CBRE have observed that the majority of the deals being transacted are struck with reviews in the vicinity of 3% to 4%.

CBRE consider the 3.5% annual reviews to be within market parameters for an acceptable review method.

▶ **Market Review**

The market review is to be completed at the commencement of each further term (option periods) as per the current lease terms. The market review date is to be amended to 1 July 2031.

6.2.2. Review of lease rates

The following market observations and key considerations formed the basis for CBRE's market rental assessment for this property:

Market Observations

- ▶ The assessed overall market rent has been considered to be \$235 per square metre of total site area and \$368 per square metre of gross building area. In view of the size and nature of the dealership facilities and site coverage these rates are considered to be appropriate.
- ▶ CBRE consider the assessed passing rental of \$452 gross per square metre of lettable area to be above market parameters.

Key Considerations

- ▶ The subject property provides high standard dealership office/showroom/workshop facilities and vehicle display areas.
- ▶ The market evidence comprised varying standards of full-service dealerships located in both wider Queensland and Brisbane locations. In completing the assessment, CBRE have given more weight to the Brisbane evidence.
- ▶ CBRE have undertaken an assessment by apportioning net rents on a component basis with final reconciliation of the overall rate on a direct comparison basis with the rental evidence.
- ▶ The market rental assessed by CBRE has been undertaken on an annual net rental basis.

The market rental values adopted by CBRE are set out in the following table:

Table 11: Adopted Market Rental Values for 135 Moggill Road, Taringa, Qld 4068

Market Income Assessment				
Demised Premises	Tenant	Area (sqm)	Rate (\$psm pa)	Market Rent (\$pa)
Whole of the land	New Centenary Mercedes Benz Pty Ltd	6,462	\$368	\$ 2,375,000
Market rent		6,462.0	\$368	\$2,375,000

Source: CBRE Market Rental Assessment report, 19 September 2024 (refer Appendix 4)

7. FAIRNESS ASSESSMENT

RG 111.57 states that a proposed related party transaction is ‘fair’ if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length.

Our analysis has been performed by comparing:

- ▶ the actual lease payments to be paid by ASG; and
- ▶ the market rental values for the Leased Properties.

The Related Party Leases will be fair if the lease payments to be paid by ASG are less than or equal to the market rental values for the Leased Properties.

As BDOCF are not property experts, our fairness analysis required the engagement of an independent property expert to assess market lease rates for the Leased Properties, with reference to comparable properties. CBRE Valuation & Advisory Services (CBRE) was appointed.

The results of our fairness analysis are summarised below.

Table 12: Fairness analysis

Leased Properties	Current Market Rent* (\$)	Annual Rent payable** (\$)
45 Dickson Avenue, Artarmon NSW 2064	319,200	319,200
135 Moggill Road, Taringa, Qld 4068	2,375,000	2,375,000
Total	2,694,200	2,694,200

Source: CBRE Market Rental Assessment Reports, BDOCF analysis

* Market rent determined by CBRE as per Market Rental Assessment Reports dated 19 September 2024

** The actual annual rent payable until rent adjustment on 1 July 2025

As set out above, the actual rental payable (until the next rent adjustment on 1 July 2025) for the Leased Properties aligns with the assessed current market rental values.

The Dickson Avenue Lease and the Moggill Road Lease have an annual escalation of 3.5%. CBRE considered these escalation rates to be within market parameters.

Prior to the Deed of Variation, the Moggill Road lease has an annual escalation of 4.0% on every rent adjustment date. As the actual rental payable for the Related Party Leases is aligned with the market rents across the Leased Properties, we have concluded that the Related Party Leases are on market terms and fair to the Shareholders.

As the actual rental payable for the Related Party Leases is aligned with the market rents across the Leased Properties, we have concluded that the Related Party Leases are on market terms and fair to the Shareholders.

8. REASONABLENESS ASSESSMENT

As the Related Party Leases are fair, we also consider them to be reasonable to the Shareholders as the lease payments are on market terms.

9. OVERALL OPINION

We have considered the terms in the Deed of Variation in relation to the Related Party Leases, as outlined in the body of this Report, and have concluded that the Related Party Leases are on market terms, and are fair and reasonable to the non-associated Shareholders of ASG.

On 18 September 2024 we released a draft report that concluded that the Related Party Leases were not fair and not reasonable. We reached this conclusion as the proposed annual rent for the Related Party Leases was above the market rent as assessed by CBRE. Subsequent to the release of our draft report, ASG reduced the annual rent for the Related Party Leases to the rates determined by CBRE in their reports dated 17 September 2024

10. QUALIFICATIONS, DECLARATIONS AND CONSENTS

10.1. Qualifications

BDOCF is the licensed corporate finance arm of BDO Group Holdings Limited, Chartered Accountants and Business Advisers. BDOCF provides advice in relation to all aspects of valuations and has extensive experience in the valuation of corporate entities and provision of expert's reports.

Mr David McCourt, B.Bus, CA, is a director of BDOCF. Mr McCourt is also a partner of BDO Group Holdings Limited. Mr McCourt has been responsible for the preparation of this IER.

Mr McCourt has over 20 years of experience in a number of specialist corporate advisory activities including company valuations, financial modelling, preparation and review of business feasibility studies, accounting, advising on mergers and acquisitions and advising on independent expert reports. Accordingly, Mr McCourt is considered to have the appropriate experience and professional qualifications to provide the advice offered.

Mr Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors. Accordingly, Mr Myers is considered to have the appropriate experience and professional qualifications to provide the advice offered.

10.2. Independence

BDOCF is not aware of any matter or circumstance that would preclude it from preparing this IER on the grounds of independence either under regulatory or professional requirements. In particular, we have had regard to the provisions of applicable pronouncements and other guidance statements relating to professional independence issued by Australian professional accounting bodies and ASIC.

BDOCF has provided ASG, the Financial Due Diligence report dated 14 November 2022, in relation to the proposed acquisition of Eastcoast Automotive (Qld) Pty Ltd and Motorline Bodyshop Pty Ltd, by Autosports Group Limited.

BDOCF considers itself to be independent in terms of RG 112 independence of experts, issued by ASIC.

BDOCF was not involved in advising on, negotiating, setting, or otherwise acting in any capacity for ASG in relation to the Related Party Leases. Further, BDOCF has not held and, at the date of this IER, does not hold any shareholding in, or other relationship with ASG that could be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Related Party Leases.

BDOCF will receive a fee of up to \$30,000 plus Goods and Services Tax for the preparation of this IER. BDOCF will not receive any fee contingent upon the outcome of the Related Party Leases, and accordingly, does not have any pecuniary or other interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in relation to the Related Party Leases.

A draft of this IER was provided to the Directors and their advisors for review of factual accuracy. Certain changes were made to the IER as a result of the circulation of the draft IER. However, no changes were made to the methodology, conclusions, or recommendations made to the Shareholders as a result of issuing the draft IER.

BDOCF is satisfied as to the independence, capability and terms of engagement of the property expert CBRE Valuations Pty Limited and considers the terms of the engagement of the property expert to be consistent with the requirements of ASIC Regulatory Guide 112 - Independence of experts in relation to the independence of experts and the use of specialists.

10.3. Disclaimer

This IER has been prepared at the request of the Directors and was not prepared for any purpose other than that stated in this IER. This IER has been prepared for the sole benefit of the Directors and the Shareholders. Accordingly, this IER and the information contained herein may not be relied upon by anyone other than the Directors and the Shareholders without the written consent of BDOCF. BDOCF accepts no responsibility to any person other than the Directors and the Shareholders in relation to this IER.

The statements and opinions contained in this IER are given in good faith and are based upon BDOCF's consideration and assessment of information provided by the Directors, executives and Management of the Company.

APPENDIX 1: GLOSSARY

Term	Definition
AFSL	Australian financial services licence
APES 225	Accounting Professional & Ethical Standards Board Limited issued professional standard APES 225 on valuation services
APESB	Accounting Professional & Ethical Standards Board Limited
ASIC	Australian Securities & Investments Commission
ASG, or the Group	Autosports Group Ltd
ASX	Australian Securities Exchange
BDOCF, we, our or us	BDO Corporate Finance Australia Pty Ltd (formerly BDO Corporate Finance (East Coast) Pty Ltd) (ABN 70 050 038 170)
CBRE	CBRE Valuations Pty Limited
Corporations Act	Corporations Act 2001
Directors	Directors of Autosports Group Ltd
FMV	Fair market value
FSG	Financial Services Guide
FY22	Financial year ended 30 June 2022
FY23	Financial year ended 30 June 2023
FY24	Financial year ended 30 June 2024
Leased Properties	45 Dickson Avenue, Artarmon, NSW and 135 Moggill Road, Taringa, QLD
Licence	Australian Financial Services Licence No: 247420
LR 10.1	ASX Listing Rule 10 paragraph 1
Management	Management of Autosports Group Ltd
Market Rental Assessment Reports	Market rental assessment reports prepared by CBRE for each of the Related Party Leases
Notice of Meeting	Draft Notice of Meeting and Explanatory Memorandum received on 9 September 2024
NSW	New South Wales
Related Party Leases	ASG's leases from entities related to its founding directors, Ian Pagent and Nick Pagent, for the Leased Properties.
Report or IER	Independent expert's report
RICS	Royal Institution of Chartered Surveyors
RG 76	ASIC Regulatory Guide 111 Related party transactions
RG 111	ASIC Regulatory Guide 111 Content of expert reports
RG 112	ASIC Regulatory Guide 112 Independence of experts
Shareholders	Shareholders of ASG

Source: BDOCF

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APPENDIX 2: SOURCES OF INFORMATION

In preparing this IER, we had access to and relied upon the following principal sources of information:

- ▶ Autosports Group Limited Annual Report for the financial year ended 30 June 2022
- ▶ Autosports Group Limited Annual Report for the financial year ended 30 June 2024
- ▶ Autosports Group Limited Investor Presentation released 30 August 2024
- ▶ CBRE Market Rental Assessment - 135 Moggill Road, Taringa, Qld 4068
- ▶ CBRE Market Rental Assessment - 45 Dickson Avenue Artarmon NSW 2064
- ▶ Deed of Variation - 45 Dickson Avenue Artarmon NSW 2064, received on 10th September 2024
- ▶ Deed of Variation - 135 Moggill Road, Taringa, Qld 4068, received 10th September 2024
- ▶ Updated Deed of Variation - 45 Dickson Avenue Artarmon NSW 2064, received on 18th September 2024
- ▶ Updated Deed of Variation - 135 Moggill Road, Taringa, Qld 4068, received 18th September 2024
- ▶ Discussions with the Management of ASG
- ▶ [Draft] Notice of Meeting and Explanatory Memorandum received on 9th September 2024
- ▶ Information sourced from Capital IQ
- ▶ ASIC guidance notes and regulatory guides as applicable
- ▶ Other generally available public information

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APPENDIX 3: CBRE REPORT, 45 Dickson Avenue, Artarmon New South Wales

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Market Rental Assessment

"Prestige Bespoke"

Whole Building, 45 Dickson Avenue, Artarmon NSW 2064

Date of Market Review	1 December 2024
Date of Inspection	28 June 2024
Reliant Party(s)	BDO Autosports Group Limited
CBRE Reference	24 201 2215

Photo

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Dickson Avenue Elevation



Clarendon Street Elevation

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1 Market Rental Assessment Summary

INSTRUCTIONS / RELIANCE

Instructing Party	David McCourt of BDO
Reliant Parties /Purpose	BDO and Autosports Group Limited for market rental assessment purposes.
Interest Valued	Market rental value of the Leased Premises (stated below) as at 1 December 2024 (Market Review Date).

PREMISES

Leased Premises	"Prestige Bespoke" Whole Building, 45 Dickson Avenue, Artarmon NSW 2064
Lessor	New Centenary Properties Pty Ltd
Lessee	Prestige Auto Traders Australia Pty Ltd
Brief Description – Leased Premises	The subject property comprises a Torrens titled, circa 1970/1980s, three level industrial building situated on a rectangular shaped corner allotment having dual frontages to Dickson Avenue and Clarendon Street. The improvements are configured to provide warehouse/showroom accommodation to the upper ground floor, with associated office component on the first floor. Fourteen (14) secure parking spaces are provided on the lower ground floor.
	Lettable Area: 840.0 sqm
	Car Parking: 14 car parking spaces, reflecting 1 car space for every 60.0 sqm of lettable area.


MARKET RENTAL ASSESSMENT

Date of Market Review 1 December 2024

Date of Inspection 28 June 2024

MARKET RENTAL VALUE (Gross) **\$380 per square metre**
\$319,200 per annum
(Three Hundred and Nineteen Thousand, Two Hundred Dollars)

This assessment is exclusive of GST.

Valuer  Thomas Webster
Registered Valuer No.34299 | Certified Practising Valuer
Associate Director | Inspection – Yes

Counter-signatory*  Mark Skeed
Senior Director, Valuation and Advisory Services | Inspection - No

Conditional Terms *The Counter-signatory confirms having reviewed the valuation methodology and calculations, however the opinion of value expressed has been arrived at by the Principal Valuer alone.
This summary must not be read independently of the rental assessment report in its entirety. This rental assessment is subject to all content, assumptions, disclaimers, qualifications and recommendations throughout the report. The report is prepared for the use of and reliance by the Reliant Party only and limited only to the Purpose specifically stated. No responsibility is accepted or assumed to any third party for the whole or any part of the report.

Liability limited by a scheme approved under Professional Standards Legislation.

CBRE Valuations Pty Limited | ABN 15 008 912 641
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2 Reliance & Reporting

2.1 Reliance & Liability

Liability	Liability limited by a scheme approved under Professional Standards Legislation.
Reliance	This assessment is strictly and only for the use of the Reliant Party and for the Purpose specifically stated in the Instructions section.
Confidentiality	This assessment is strictly confidential between CBRE and the Reliant Party.
Transmission	Only an original report received by the Reliant Party directly from CBRE without any third party intervention can be relied upon.
Restricted	No responsibility is accepted or assumed to any third party who may use or rely on the whole or any part of the content of this report.
Copyright	Neither the whole nor any part of the content of this report may be published in any document, statement, circular or otherwise by any party other than CBRE, nor in any communication with any third party, without the prior written approval from CBRE, and subject to any conditions determined by CBRE, including the form and context in which it is to appear.
Value Subject to Change	This assessment is current as at the date of rental assessment only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movement or factors specific to the particular property). For the avoidance of doubt, this may include global financial crises or force majeure events. We do not accept liability for losses arising from such subsequent changes in value.
Reliance Period	We do not assume any responsibility or accept any liability in circumstances where this rental assessment is relied upon after the expiration of 90 days from the date of report, or such earlier date if the Reliant Party becomes aware of any factors that have any effect on the assessment.
Disclosure	CBRE must be advised in the event that the Reliant Party becomes aware of any changes relating to the information and advice provided by the Instructing/Reliant Party during the Reliance Period. This includes, without limitation, any changes to information and advice provided in relation to encumbrances, registered/unregistered interests, title, and land area/dimensions. In any such event, this assessment must not be relied upon without consulting CBRE first to reassess any effect on the rent.
Valuer's Interest	We hereby certify that the Principal Valuer is suitably qualified and authorised to practise as a valuer; has at least 5 years of continuous experience in valuation; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper assessment of the property; and accepts instructions to value the property only from the Responsible Entity/Instructing Party.

2.2 Market Value Definitions

Market Rent Definition	In accordance with the International Valuation Standard, the definition of market rent is as follows: "The estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."
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2.3 Critical Assumptions

Our assessment is subject to the following critical assumptions:

Floor Areas	The floor areas adopted are based on measurements taken by CBRE. We have not been provided with lettable area survey reports. Lettable areas adopted herein have been derived from our onsite measurements taken at the date of inspection. We reserve the right to reconsider our findings in the event of a survey being completed in accordance with the Property Council of Australia's Method of Measurement, indicating differing areas from those adopted herein.
Proposed Deed of Variation	We have been provided with an unsigned copy of a proposed Deed of Variation, that includes extension of the existing lease to 30 November 2024 along with other matters in relation to the option periods and rent adjustment and review dates. Should the Deed of Variation be amended or not proceed to execution this report should not be relied upon and returned to the Valuer for review and potential amendment.

3 Location

Locality The subject property is located on the corner of Dickson Avenue and Clarendon Street, within the suburb of Artarmon. The subject property is located approximately 9 kilometres north-west of the Sydney CBD.

Surrounds The subject property is located within the main industrial precinct of Artarmon. Adjoining and surrounding development comprises similar freehold industrial warehouses and retail showrooms. Local shopping facilities are located along Reserve Road and Burns Bay Road. Major shopping facilities are located at HomeHQ Shopping Centre and Lane Cove Market Square. Major development within close proximity includes the Royal North Shore Hospital and North Shore Private Hospital.

Transport/Roads Bus services are available nearby. The nearest rail service is located at Artarmon Station, being approximately 1.2 kilometres to the north.

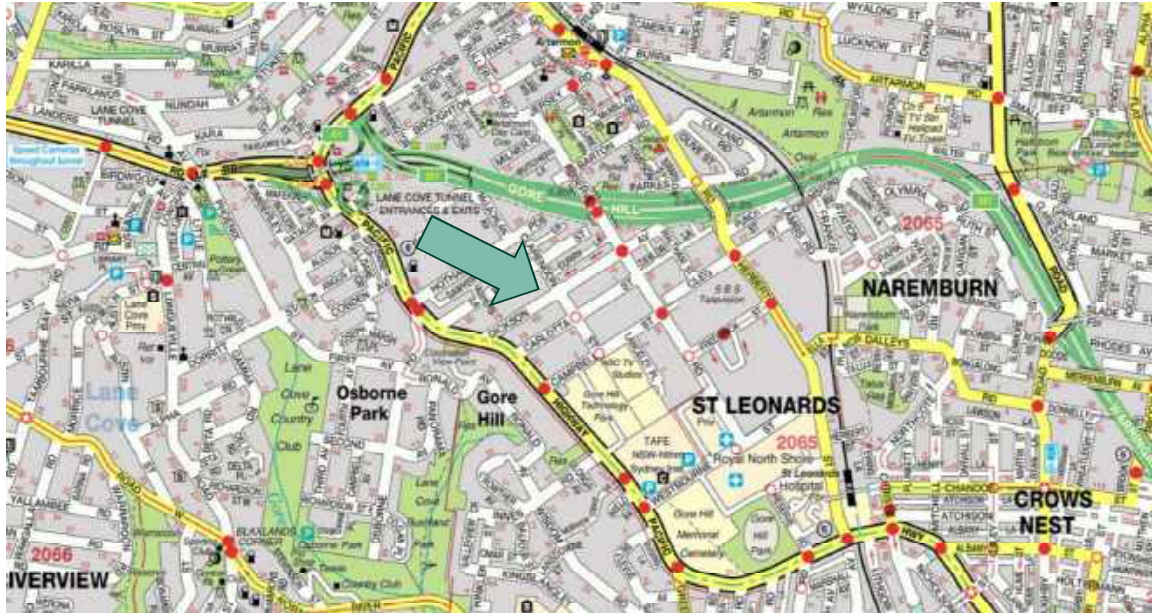
Regional Map

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Local Map

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4 Premises

4.1 Leased Premises Description

Tenancy Position & Description The subject property comprises a Torrens titled, circa 1970/1980s, three level industrial building situated on a rectangular shaped corner allotment having dual frontages to Dickson Avenue and Clarendon Street. The improvements are configured to provide warehouse/showroom accommodation to the upper ground floor, with associated office component on the first floor. Fourteen (14) secure parking spaces are provided on the lower ground floor.

- Access & Exposure**
- Situated on a well exposed corner allotment benefitting from street exposure to Dickson Avenue and Clarendon Street
 - Roller door vehicular access to the upper ground floor from Dickson Avenue
 - Lower ground floor car park with dual sliding security access



Dickson Avenue Elevation



Clarendon Street Elevation

- Industrial / Showroom Accommodation**
- Approximately 530 sqm
 - Provides open plan industrial / showroom accommodation with roller and pedestrian door access via the Dickson Avenue frontage, providing predominately clear span accommodation to the ground floor.
 - Configured over a single level.
 - Staff amenities provided including a male/female toilets, and a kitchenette facility.
 - Utilised for motor vehicle dealership purposes, although historically not a conventional dealership locality rather more established industrial locality.



Typical Industrial / Showroom Accommodation



Typical Industrial / Showroom Accommodation

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Typical Industrial / Showroom Accommodation



Toilet Amenities

Office Accommodation

- Approximately 310 sqm
- Accessed via two internal staircase from the ground floor (one with direct street access).
- Configured over a single level.
- First floor office accommodation proving a large open plan working area and partitioned offices.
- Staff amenities provided including a bathroom with a shower, toilet, and two kitchenette facilities.



Typical Office Accommodation



Kitchenette

Parking Accommodation

14 car parking spaces, reflecting 1 car space for every 60.0 sqm of lettable area.



Car Park Entry



Typical Parking Provisions

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Lettable Area Based on onsite measurements taken at the date of inspection, the subject tenancy has a total lettable area of 840.0 sqm, which comprises the following:

FLOOR AREA ANALYSIS		
Component	(sqm)	%
Lettable Areas		
Ground Floor	530.0	63.10%
First Floor	310.0	36.90%
Total Lettable Area	840.0	100.00%
Carparking Ratio - 1 space per:		60.0 sqm of GLA

**The floor areas adopted are based on measurements taken by CBRE. We have not been provided with lettable area survey reports. Lettable areas adopted herein have been derived from our onsite measurements taken at the date of inspection. We reserve the right to reconsider our findings in the event of a survey being completed in accordance with the Property Council of Australia's Method of Measurement, indicating differing areas from those adopted herein.*

4.2 Condition & Utility

Overview The subject property appears to be in reasonable condition having regard to its age and use. The external elevations appear to be in sound repair, and the internal areas are clean and well maintained. The internal services and associated amenities appear in good working order and subject, where necessary, to appropriate ongoing repairs and maintenance. As a result, we have not allowed for any immediate capital expenditure within our assessment.

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5 Current Lease Summary

5.1 Lease Overview

Salient Lease Terms

We have been provided with a copy of the current lease, with the salient terms of which are detailed below.

Lease Summary	
Lease Status	Copy of executed lease.
Premises	45 Dickson Avenue, Artarmon NSW 2064
Lessor	New Centenary Properties Pty Ltd
Lessee	Prestige Auto Traders Australia Pty Ltd
Commencement Date	28-Aug-19
Expiry Date	27-Aug-24
Initial Term	5.0 years
Option Period/s	5+5 years
Lettable Area	840.0 square metres
Commencement Rental	\$300,000 per annum (\$357 per square metre)
Passing Rental	\$344,257 per annum (\$410 per square metre)
Reviews	Annual 3.5% increases on each anniversary of the commencement date of the lease throughout the initial term, with an effective market review occurring 27 August 2024 if the option period is exercised. Annual 3.5% increases at each anniversary throughout the option periods.
Outgoings	Paid by Lessor (Structured on a Gross Basis).
Incentive	Not applicable.
Permitted Use	Motor Vehicle Dealership and offices.
Guarantee	Not applicable.
GST Clause	All payments made under the terms of the lease are exclusive of GST.
Make Good	Lessee is required to make good the premises of fixtures including, fittings, plant, equipment, machinery, shelving, counters, safes, signs and other articles in the nature of trade or tenant's fixtures. The Lessee must repaint the interior of the premises prior to vacating.
Ratchet	As per clause 2.5, the rent payable after the relevant Review Date must be equal to or more than the Rent payable immediately before the Review Date.
Market Review	As per clause 3.7, the valuation criteria for determining the market rent stipulates the following: <ol style="list-style-type: none"> Assume the Landlord and the Tenant have both acted knowledgeably, prudently, without compulsion and at arms' length; Have regard to the provisions of this Lease (other than the Rent) and assume that the Tenant has complied with all those terms; Assume the Premises are available for lease for the whole of the Term but commencing on the relevant Review Date instead of the Commencing Date; Where the Premises comprise more than one floor of the Building, determine the current market rent on a floor-by-floor basis without discount for a greater area; Disregard the goodwill of the Tenant's business, the value of the Tenants Property and any improvement to the Premises or the Building paid for by the Tenant other than improvements the Tenant is obliged to pay for under this Lease; Disregard any subtenancy in the Premises and rent under any subtenancy in the Premises, the Building or any comparable buildings; and Make no reduction for any incentive given to the Tenant or given to a tenant of a comparable premises.

5.2 Passing Income

Passing Rental

The current income for the subject property is as follows:

CONTRACT RENT ANALYSIS			
Component	GLA (sqm)	Passing Rent	
		\$pa	\$psm
Tenancies			
Whole Building	840.0	\$344,257	\$410
Total	840.0	\$344,257	\$410

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5.3 Proposed Deed of Variation

Proposed Deed of Variation We have been provided with an unsigned copy of a proposed Deed of Variation, that includes extension of the existing lease to 30 November 2024 along with other matters in relation to the option periods and rent adjustment and review dates, *refer to Critical Assumptions*.

With affect from the 1 June 2024 the lease is to be varied as follows:

- Expiry Date is to be amended to 30 November 2024.
- Options to be amended to 1 x 6 years & 7 months and 1 x 5 years.

Other particulars to be amended within the lease are noted as follows:

- Term increased to 5 years, 3 months and 3 days with a Termination Date to be amended to 30 November 2024.
- Review Date to be amended to 1 July annually, with fixed 3.5% increases annually and market rent review upon exercise of Second Further Term.
- Further Terms to be amended as follows:

First Further Term

Term:	6 years & 7 months
Commencement Date:	1 December 2024
Terminating Date:	30 June 2031
Note:	The first further term has been amended from 5 years to 6 years and 7 months. Minor adjustment to term which still appears reasonable and to be within market.

Second Further Term

Term:	5 years
Commencement Date:	1 July 2031
Terminating Date:	30 June 2036

Comment In completing our assessment, we have given consideration to the terms of the Deed of Variation.

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6 Market Commentary

6.1 Economic Overview

Australia

Source: Reserve Bank of Australia

- At its June meeting, the Reserve Bank of Australia (RBA) Board decided to leave the cash rate target unchanged at 4.35% and the interest rate paid on Exchange Settlement balances unchanged at 4.25%.

Inflation continues to moderate but remains high.

- Inflation has fallen substantially since its peak in 2022, as higher interest rates have been working to bring aggregate demand and supply closer towards balance. But the pace of decline has slowed in the most recent data, with inflation still some way above the midpoint of the 2–3% target range. Over the year to April, the monthly CPI indicator rose by 3.6% in headline terms, and by 4.1% excluding volatile items and holiday travel, which was similar to its pace in December 2023.
- Broader data indicate continuing excess demand in the economy, coupled with elevated domestic cost pressures, for both labour and non-labour inputs. Conditions in the labour market eased further over the past month but remain tighter than is consistent with sustained full employment and inflation at target. Wages growth appears to have peaked but is still above the level that can be sustained given trend productivity growth. Recent data revisions suggest that consumption over the past year was stronger than previously suggested. At the same time, output growth has been subdued, and consumption per capita has been declining, as households restrain their discretionary expenditure and inflation weighs on real incomes.

The outlook remains highly uncertain.

- The economic outlook remains uncertain and recent data have demonstrated that the process of returning inflation to target is unlikely to be smooth.
- The central forecasts published in May were for inflation to return to the target range of 2–3% in the second half of 2025 and to the midpoint in 2026. Since then, there have been indications that momentum in economic activity is weak, including slow growth in GDP, a rise in the unemployment rate and slower-than-expected wages growth. At the same time, the revisions to consumption and the saving rate and the persistence of inflation suggest that risks to the upside remain. Recent budget outcomes may also have an impact on demand, although federal and state energy rebates will temporarily reduce headline inflation. The persistence of services price inflation is a key uncertainty. Also, although growth in unit labour costs has eased, it remains high. Productivity growth needs to pick up in a sustained way if inflation is to continue to decline.
- There is uncertainty around consumption growth. Real disposable incomes have now stabilised and are expected to grow later in the year, assisted by lower inflation and tax cuts. There has also been an increase in wealth, driven by housing prices. Together, these factors are expected to support growth in consumption over the coming year. But there is a risk that household consumption picks up more slowly than expected, resulting in continued subdued output growth and a noticeable deterioration in the labour market.
- More broadly, there are uncertainties regarding the lags in the effect of monetary policy and how firms' pricing decisions and wages will respond to the slower growth in the economy at a time of excess demand, and while conditions in the labour market remain tight.

Returning inflation to target is the priority.

- Returning inflation to target within a reasonable timeframe remains the RBA Board's highest priority. This is consistent with the RBA's mandate for price stability and full employment. The RBA Board needs to be confident that inflation is moving sustainably towards the target range. To date, medium-term inflation expectations have been consistent with the inflation target, and it is important that this remains the case.
- Inflation is easing but has been doing so more slowly than previously expected and it remains high. The RBA Board expects that it will be some time yet before inflation is sustainably in the target range. While recent data have been mixed, they have reinforced the need to remain vigilant to upside risks to inflation. The path of interest rates that will best ensure that inflation returns to target in a reasonable timeframe remains uncertain and the RBA Board is not ruling anything in or out. The RBA Board will rely upon the data and the evolving assessment of risks. In doing so, it will continue to pay close attention to developments in the global economy, trends in domestic demand, and the outlook for inflation and the labour market. The RBA Board remains resolute in its determination to return inflation to target and will do what is necessary to achieve that outcome.



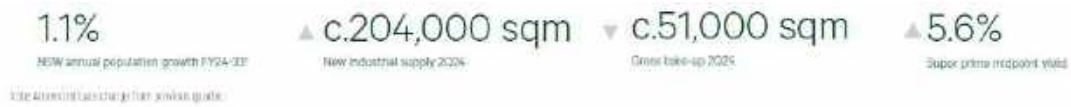
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6.2 Sydney Industrial Market Commentary

Overview

Sydney rental growth stabilising and demand normalises

- Gross take-up decreased compared to 1Q24, totalling circa 51,000 sqm over 2Q24. The Transport, Postal & Warehousing dominated total floorspace leased (40%).
- Average vacancy rate has risen, however remains relatively low at 2.0% (as at 1H24).
- Development supply increased over the quarter, with 204,000 sqm of new floorspace added to the market.
- Rental growth stabilised over the quarter with super prime net face rents unchanged. The y-o-y growth rate has decreased to 12.4% (average super prime grade assets). Incentives to continue to rise.
- Average land values for all lot sizes have remained stable with 'infill' precincts showing the most resilience on a y-o-y basis.
- A total of AUD 286 million of investment sales has been recorded in 2Q24, across 14 transactions (for sales ≥ AUD 5 million).
- Super prime and prime midpoint yields have softened by 25bps.



Demand

Leasing activity slows over 2Q24 as demand normalises

- Gross take-up slowed in 2Q24 compared to the previous quarter (c.124,000 sqm in 1Q24), totalling c.51,000 sqm. This is the lowest recorded take-up for Q2 in the Sydney market. The slowdown in leasing activity is partially owing to the prolonged market uncertainty, with many occupiers continuing to assess the market and the new options becoming available.
- The wave of new supply expected has provided tenants with optionality, with some opting to look outwards for cheaper rents or increased functionality and scale. There were no sub-lease transactions greater than 5,000 sqm over the quarter.
- Notable transactions in 2Q24:
 - An existing warehouse leased by PAC Trading in Sydney's Central West
 - A pre-lease by Wallace International in the Inner South-West
 - A pre-lease by Ninja Logistics in the Central West
- Pre-lease transactions made-up just over one-third of total floorspace leased over the quarter - this compares to 73% recorded in 1Q24. Given greater stock becoming available in the market, coupled with new projects reaching completion, we expect the share of pre-lease deals to reflect similar levels to what was recorded in CY2023 (i.e., 44%).
- The concentration of lease transactions over the quarter occurred within the Central West precinct, accounting for 40% of total take-up (by floorspace), followed by the Outer South-West (32%).
- Total gross take-up for 2024YTD equates to only c.175,000 sqm, which is less than a quarter of the 10-year average (c.920,000 sqm). As such, we expect total take-up for the CY2024 to once again total less than the long-run average.

Transport, Postal and Warehousing continues to dominate leasing over the quarter

- Occupiers within the Transport, Postal and Warehousing sector dominated lease activity over the quarter - accounting for 46% of the total floorspace leased. Wholesale and Retail occupiers accounted for 22% and 21% of floorspace take-up, respectively.

Leasing Market

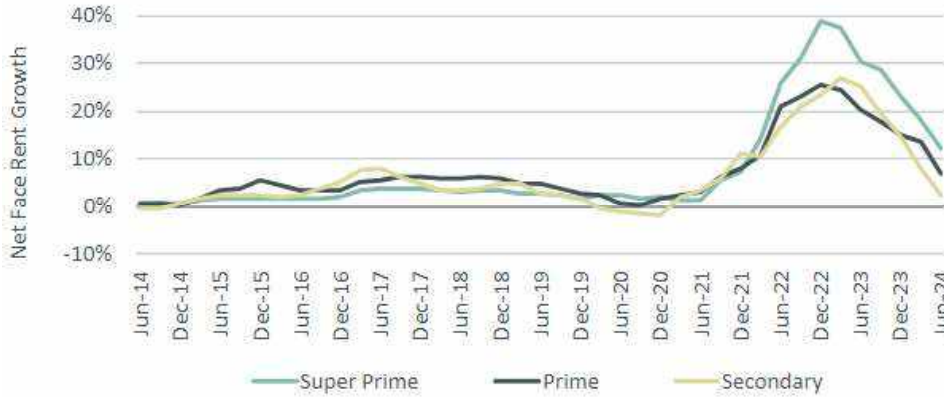
Rental growth continues to stabilise over the quarter

- Sydney average super prime and prime net face rents remained relatively stable over the quarter at 0.0% and 0.5%, respectively. On a year-on-year basis, super prime average net face rents increased by 5%, and prime and secondary rents grew by 6% and 5%, respectively.
- Super prime net face rents within the Outer North-West was the only precinct where growth was recorded, at 2.4% (q-o-q). The Outer North-West has recently attracted greater demand from occupiers located within Inner Sydney precincts seeking newer facilities. Despite rents increasing, incentives also increased within this precinct by 2% over the quarter. The positive rental change recorded in the Outer North-West was offset by a decrease in average rents within the Inner South-West (-1.9%) over the quarter for super prime grade assets.
- Despite the average vacancy rate in Sydney increasing to 2.0% (as at 1H24), new developments continue to be readily absorbed by tenants looking for scale and functionality. Positive rental growth is still expected in the short to medium-term for some precincts, albeit at a decreasing rate, as occupiers have limited options to attain the floorspace and fit out that suits their needs. Average secondary face rents recorded marginal negative growth of -0.6%, highlighting the occupier shift to modern warehouses, especially as new developments reach practical completion.
- Sydney net effective rents decreased marginally across all asset grades as incentives increased over 2Q24. Average super prime, prime and secondary grade incentives increased by 1% and now average 13%, 14% and 15%, respectively. There are signs of some pressure on landlords, both institutional and private, to attract and secure occupiers as greater optionality is present in the market. Increasing vacancy has pressured institutional

developers to raise incentives for new developments to secure pre-lease deals prior to reaching practical completion. We expect incentive levels to continue to rise over the remainder of 2024 across all asset grades as greater space options become available - both new floorspace as well as sub-lease space.

- Despite the expectation that vacancy levels will rise throughout the year, thus leading to subdued rent growth for the balance of 2024, strong pre-lease rates are expected to keep vacancy levels at sub-4% for the Sydney market in 2024.

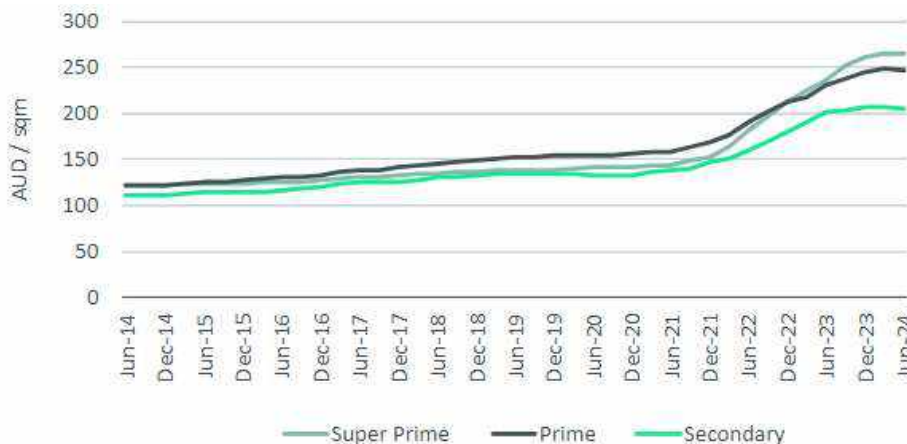
Average Sydney Net Face Rent Growth y-o-y, by Asset Grade (2014-2024)



Average Super Prime Net Face Rents, by Precinct (2014-2024)

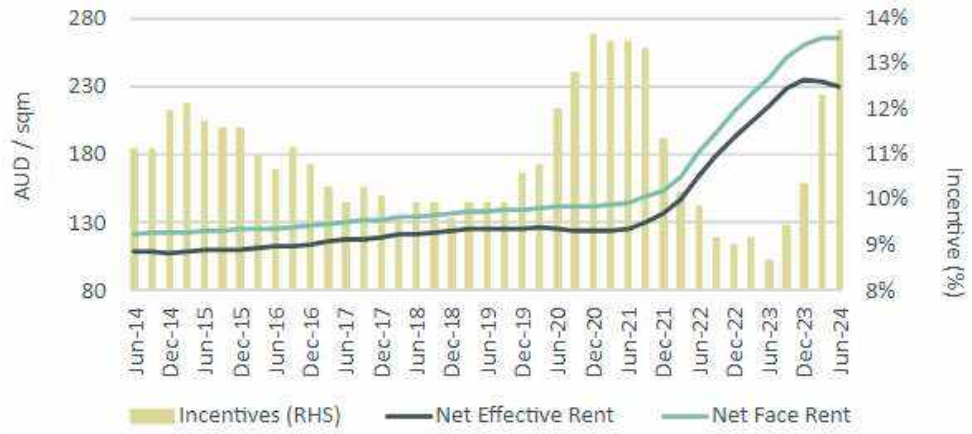


Average Sydney Net Face Rents, by Asset Grade (2014-2024)



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Average Sydney Super Prime Rents and Incentives (2014-2024)



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7 Market Evidence

7.1 Leasing Evidence

Overview In determining the market rental for the subject tenancy, we have had reference to a number of recent leasing transactions from Artarmon, as tabulated below:

83 Dickson Avenue, Artarmon, NSW 2064



Level/Suite	Whole Building	Rent \$pa	\$850,000 (Net) \$1,047,981 (Gross Equiv.)
Tenant	BYD Automotive	Rent \$psm	\$258 (Net) \$318 (Gross Equiv.)
Lettable Area	3,300 sqm	Term	5 yrs
Comm. Date	September 2024	Rent Reviews	Undisclosed
Incentive	Six (6) months' rent free		

Description The property comprises a multi-level, brand new industrial facility situated on the northern side of Dickson Avenue, within Artarmon. Configured to provide high clearance warehouse accommodation throughout, with an associated office component. On-site car parking provided. Undisclosed rental reviews.

Comparison Similar location, larger lettable area. Overall considered to indicate a higher rate psm of lettable area for the subject property.

27 Carlotta Street, Artarmon, NSW 2064



Level/Suite	Whole Building	Rent \$pa	\$120,175] (Net) \$142,025 (Gross Equiv.)
Tenant	Undisclosed	Rent \$psm	\$275 (Net) \$325 (Gross Equiv.)
Lettable Area	437 sqm	Term	5 yrs
Comm. Date	May 2024	Rent Reviews	Fixed 4.00%
Incentive	Undisclosed		

Description The property comprises of a single level older-style freehold industrial warehouse, situated on the northern side of Carlotta Street, within Artarmon. Configured to provide medium clearance warehouse accommodation throughout, with an associated office component. Single roller door providing vehicular access. The property provides four car parking spaces to the front of the building.

Comparison Similar location, smaller lettable area with no office component. Overall considered to indicate a higher rate psm of lettable area for the subject property.

4/64-66 Whiting Street, Artarmon, NSW 2064



Level/Suite	Unit 4	Rent \$pa	\$95,000 (gross)
Tenant	Undisclosed	Rent \$psm	\$314 (gross)
Lettable Area	303 sqm	Term	Undisclosed
Comm. Date	June 2024	Rent Reviews	Undisclosed
Incentive	Undisclosed		

Description This tenancy comprises a strata titled industrial warehouse/office unit within a circa 2000s, three-storey, multi-unit strata-titled development. Features high clearance warehouse accommodation with roller door entry to the Ground Floor and office/amenities to the Mezzanine/First Floor. Three (3) car spaces provided.

Comparison Similar location albeit with inferior exposure, smaller lettable area. Overall considered to indicate a higher rate psm of lettable area for the subject property.

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291 Pacific Highway, Artarmon, NSW 2064



Level/Suite	Whole Building	Rent \$pa	\$1,500,000] (Net) \$1,770,889 (Gross Equiv.)
Tenant	Polestar Automotive Australia Pty Ltd	Rent \$psm	\$313 (Net) \$369 (Gross Equiv.)
Lettable Area	4,795 sqm	Term	6 yrs
Comm. Date	November 2023	Rent Reviews	Fixed 4.00%
Incentive	Undisclosed		

Description This tenancy comprises a multi-storey office/showroom building with a basement level, a motor showroom on the ground floor and vehicle service centre on the upper floors. Building area approximately 4,795 sqm and 1,375 sqm of car parking for 39 cars. Total building area 6,170 sqm. 5+5 year option.

Comparison Slightly superior location with greater exposure, larger lettable area. Overall considered to indicate a similar rate psm of lettable area for the subject property.

205 Pacific Highway, St Leonards, NSW 2065



Level/Suite	Ground Floor	Rent \$pa	\$165,000 (Gross)
Tenant	Leury Investments Pty Ltd (Jett's Fitness)	Rent \$psm	\$386 (Gross)
Lettable Area	427.4 sqm	Term	8 yrs
Comm. Date	June 2024	Rent Reviews	Fixed 3.00%
Incentive	Undisclosed		

Description This tenancy comprises of a ground floor retail premises situated within Forum Suites, an 11-storey office tower with a 12th storey turret, ground and plaza level retail space and two levels of basement parking providing 106 car spaces, completed early 2002. This tenancy is located on the Ground Floor and currently being utilised as a gymnasium and health club with access to bathrooms and showers provided. Ample on-site car parking provided within the development.

Comparison Slightly location, smaller lettable area. Overall considered to indicate a similar rate psm of lettable area for the subject property.

206 Harbord Road, Brookvale, NSW 2100



Level/Suite	Whole Building	Rent \$pa	\$178,200 (gross)
Tenant	Undisclosed	Rent \$psm	\$301 (gross)
Lettable Area	592 sqm	Term	4yrs
Comm. Date	April 2024	Rent Reviews	Fixed 4%
Incentive	6.25% gross		

Description This tenancy comprises of a Torrens-titled, circa 1970/1980s, single level industrial warehouse/showroom situated on a rectangular shaped allotment fronting Harbord Road. The property features clear-span warehouse/showroom accommodation (approx. 3.0-4.5m clearance) with dual oversized swing door entries enabling vehicular access. No parking. 4-year option period. 3 months' rent-free.

Comparison Inferior location, smaller lettable area with no office component. Overall considered to indicate a higher rate psm of lettable area for the subject property.

Unit 9/4-10 Inman Road, Cromer, NSW 2099



Level/Suite	Ground, Unit 9	Rent \$pa	\$300,000 (Net) \$365,854 (Gross Equiv.)
Tenant	Anytime Fitness	Rent \$psm	\$255 (Net) \$311 (Gross Equiv.)
Lettable Area	1,176 sqm	Term	7 yrs
Comm. Date	January 2024	Rent Reviews	Fixed 3.75%
Incentive	17.14% net		

Description This tenancy comprises a gym tenancy within "Northern Beaches Business Park", a modern, circa 2023 multi-unit industrial estate. Features high clearance warehouse accommodation used as 24 hour gym and trading as an "Anytime Fitness". Ample on site parking. 5 year option.

Comparison Inferior location, larger lettable area. Overall considered to indicate a higher rate psm of lettable area for the subject property.

Shop 4/460 Pacific Highway, St Leonards, NSW 2065



Level/Suite	Ground, Shop 4	Rent \$pa	\$245,760 (Gross)
Tenant	Fabma Pty Ltd	Rent \$psm	\$480 (Gross)
Lettable Area	512 sqm	Term	5 yrs
Comm. Date	September 2023	Rent Reviews	Fixed 3.50%
Incentive	25% gross		

Description This tenancy comprises a gym tenancy within a circa 1980s, six-storey office building with basement parking. Shop 4 is situated on the Ground Floor fronting Pacific Highway and being used as a mixed martial arts studio and trading as "Training Grounds". 4 basement car spaces included within rental. 25% gross incentive taken as a landlords' fit out contribution of \$50,000 and a monthly abatement of \$4,608 across the term. 3 year option.

Comparison Slightly superior location, smaller lettable area. Overall considered to indicate a lower rate psm of lettable area for the subject property.

7.2 Leasing Evidence Conclusions

Overview The rental evidence above reflects a range of \$301 to \$480 per square metre gross.

In assessing the gross market rent for the subject premises we have had regard to:

- Comparable rentals
- The permitted use
- Gross Basis
- Prescribed criteria for determining market rental within the lease
- Prevailing market conditions
- Age and condition of improvements
- Parking provisions

Summary In assessing the market rental, we note the rental of 27 Carlotta Street, Artarmon is situated in a similar location providing a smaller lettable area with no office component and inferior exposure, which we consider to indicate a higher rate psm of lettable area for the subject property.

We note the rental of Lower Ground Floor, 205 Pacific Highway, St Leonards is situated in a slightly superior location providing a smaller lettable area of showroom accommodation, which we consider to indicate a similar rate psm of lettable area for the subject property.

Based on the available evidence, we have adopted a gross market rental range of \$360 to \$400 gross psm of lettable area for the subject tenancy, and we have reconciled on an adopted rate of \$380 gross psm of lettable area for the subject property.

We consider the passing rental of \$410 gross psm of lettable area to be above market parameters.

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7.3 Current Lease Terms Commentary

- Overview – The subject tenancy is currently leased to Prestige Auto Traders Australia Pty Ltd with the Lessor being New Centenary Properties. We have been advised by the instructing party that the lease is between related parties and have been instructed to comment on the terms of the lease.
- Rental Structure – The rental is structured on a gross basis, whereby the landlord is responsible for paying the outgoings.
– The evidence provided provides a mix of gross and net deals.
– We consider the gross nature of the rental to be acceptable and within market parameters for a tenancy of this nature.
- Term/Options – The lease is structured on a 5+5+5 year term which commenced in August 2019.
– We consider the term/option structure to be acceptable given a tenancy in this locality of this size.
- Reviews – The lease incorporates annual reviews of 3.5% at the anniversary of the commencement date.
– Based on the available evidence, the majority of the deals being transacted are being struck with reviews in the vicinity of 3%-4%.
– We consider the 3.5% annual reviews to be within market parameters for an acceptable review method.
- Incentives – We note the lease does not incorporate any outstanding incentives based on the lease documentation that has been provided.
– Based on the available evidence, incentives offered range from 5% to 25% gross, which are generally offered in the initial term of a new deal and not in lease renewals.

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8 Rental Assessment

8.1 Introduction

Overview In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated recent leasing transactions of comparable properties (as previously detailed).
 Assessment Approach: Direct Comparison.

8.2 Market Rent Adopted

Market Rent Adopted – As detailed earlier, our rental evidence reflects a range of \$301 to \$480 gross psm.
 – Based on our analysis, we consider the passing rental of \$410 gross psm of lettable area to be above market parameters.

MARKET RENTAL ANALYSIS			
Component	GLA (sqm)	Market Rent	
		\$pa	\$psm
Tenancies			
Ground Floor	530.0	\$201,400	\$380
First Floor	310.0	\$117,800	\$380
Total Lettable Area	840.0	\$319,200	\$380
Total	840.0	\$319,200	\$380

8.3 Market Rent Assessment

Market Rental Value We have assessed the Market Rental Value as follows:

- **\$380 gross per square metre**
- **\$319,200 gross per annum**
- **(Three Hundred and Nineteen Thousand, Two Hundred Dollars)**

This assessment is exclusive of GST.

We are not tax experts and have not been provided with tax or legal advice. The Reliant Party must make its own enquiries if they consider that GST applies.

Comments – The assessed market rental falls below the passing rental.
 – We note that as per clause 2.5, the rent payable after the relevant Review Date must be equal to or more than the Rent payable immediately before the Review Date.
 – Given the presence of clause 2.5 within the lease, we would consider the passing rent would be reviewed in line with the annual reviews (fixed 3.5%) at the review date as stipulated within the lease for the option periods.

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9 Qualifications

The report must be read in accordance with and subject to the following qualifications:

Market Movement	Values vary from time to time in response to changing market circumstances. The assessment is based on available information as at the date of assessment. No warranty can be given as to the maintenance of this value into the future. Therefore, it should be reviewed periodically.
Extent of Investigations	We are not engaged to carry out all possible investigations in relation to the property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party to instruct further investigations where considered appropriate or where we recommend as necessary prior to Reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.
Assumptions	Assumptions are a necessary part of undertaking assessments. CBRE adopts assumptions for the purpose of providing assessment advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. Assumptions adopted by CBRE will be formulated on the basis that they could reasonably be expected from a professional and experienced valuer. The Reliant Party accepts that the assessment contains certain specific assumptions and acknowledges and accepts the risk that if any of the assumptions adopted in the assessment are incorrect, then this may have an effect on the assessment.
Information Supplied by Others	This document contains information which is derived from other sources. Where this information is provided by experts and experienced professionals, we have relied upon the expertise of such experts and by necessity we have relied upon the information provided being accurate, whether prepared specifically for assessment purposes or not. Unless otherwise specifically instructed by you, we have not independently verified that information, nor adopted it as our own. Notwithstanding the above, we have reviewed the provided information to the extent that such a review would be reasonably expected from a professional and experienced valuer having regard to normal industry practice undertaking a similar assessment/consultancy service. The Reliant Party acknowledges that the valuer is not a specialist in the areas from which the expert information is derived and accepts the risk that if any of the information/advice provided by others and referred to in the assessment is incorrect, then this may have an effect on the assessment.
Future Matters	To the extent that the assessment includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CBRE at the date of this document. CBRE does not warrant that such statements are accurate or correct.
Industry Practice	Subject to the assumptions and qualifications detailed within, this report is prepared and issued in accordance with the International Valuation Standards published by the IVSC and adopted by the API, as well as relevant and applicable valuation guidelines published by the API as Guidance Papers, Technical Information Papers and Valuation Protocols.

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APPENDICES

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A. Letter of Engagement

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CBRE Valuations Pty Limited
ABN 15 005 912 641
Level 21
363 George Street
Sydney NSW 2000
T 61 2 9333 3333

thomas.webster@cbre.com
www.cbre.com.au

25 July 2024

David McCourt
Partner, Advisory
BDO
Level 11, 1 Margaret Street
Sydney NSW 2000

Via Email: David.McCourt@bdo.com.au

Dear David,

Request for Provision of a Rental Assessment of:

- 45 Dickson Avenue, Artarmon NSW 2064
- 135 Moggill Road, Toowong QLD 4066

Thank you for your recent request for a quote to provide a rental assessment regarding the above properties.

Rental Assessment Brief

The rental assessment provided will be the current market rent of the premises at the date of assessment on the following basis:

- 'As Is' for Market Rental Assessment purposes only.

The rental assessment will be prepared strictly and only for the use of the Reliant Parties and for the Purpose specifically stated, which we understand to be:

- BDO for Market Rental Assessment purposes only.
- Autosports Group Limited for Market Rental Assessment purposes only.

We do not assume any responsibility or accept any liability in circumstances where this valuation is relied upon after the expiration of 90 days from the date of valuation, or such earlier date if the Reliant Party becomes aware of any factors that may have an effect on the valuation.

Outlined below is our fee proposal for provision of the rental valuation outlined in the letter of engagement ("the Services") and attached are our standard terms and conditions. If accepted by you, this letter and attachments will form the Terms of Engagement between BDO ("Instructing Party") and CBRE Valuations Pty Limited ("CBRE", "the Company" or "we").

Provision of Information

We require the following information:

- Copy of lease
- Budgeted outgoings - current year
- GLA Floorplans

Fee Proposal

Report delivery

- We will produce an electronic copy of the report in Adobe PDF format.
- A physical hard copy will incur an additional cost of \$250 + \$25 GST = \$275 per copy (your written request will be required).

Artarmon			=
Toowong			=
TOTAL *			=

* 0.89% credit card fee where payment is made by credit card (Visa/Mastercard)

Any additional advice/consultation beyond the scope of the initial valuation brief, including meetings with auditors, will require your written request and will incur an Additional Fee as detailed below, unless otherwise agreed in writing.

Additional Fees	Director	+	=
	Valuer	+	=
	Disbursements		As incurred

We require a minimum period of 10 business days ("Minimum Time Frame") from the date of instruction/receipt of all information to complete our valuation. The Minimum Time Frame is subject to your co-operation to provide all requested information (see Attachment 3) in a timely manner. Any delay in providing the information may necessitate re-inspection of the property and relevant sales evidence (to be determined at our sole discretion) and will be subject to the Additional Fee rate, unless otherwise agreed in writing.

Conflict of Interest

You acknowledge that CBRE is a large, multi-national company providing a variety of services to clients. If either party becomes aware of an actual or potential conflict of interest, it will notify the other party as soon as is reasonably practicable thereafter, and the parties will work together to attempt to resolve any such actual or potential conflict.

Cancellation Policy

If you decide for whatever reason to cancel the valuation brief, the following cancellation fees will apply:

- Before property inspection: \$500 + \$50 GST = \$550 (minimum cancellation fee)
- After property inspection: 100% Disbursements + 50% Base Fee
- After issue of preliminary valuation numbers: 100% Disbursements + 85% Base Fee
- After issue of report (final or otherwise): 100% Disbursements + 100% Base Fee

CBRE is to provide the services as set out in accordance with the Terms of Engagement. Notwithstanding anything else contained in the Terms of Engagement, CBRE reserves its right to terminate the engagement in its absolute discretion where it considers that:

- a conflict of interest arises (notwithstanding the clause 'Conflict of Interest', above);
- any terms are changed by the Instructing Party or Reliant Party that CBRE considers substantially changes the engagement; or
- any other reason that CBRE is unable to continue carrying out the engagement.

Such termination will be notified in writing to the Instructing Party (or any other party as necessary) and will be without recourse.

Terms of Payment

Upon acceptance of these Terms of Engagement, our invoice for 100% Fee will be issued and payable within 14 days of the date of invoice. The valuation report (draft or final) will not be issued until receipt of payment has been confirmed.

Our fee quote is valid for a period of 14 days (from the date of this letter).

Should you elect to pay your account via direct deposit, please advise us and we will issue you with your Tax Invoice along with our bank account details. (Please use the Tax Invoice Number as your direct deposit reference number.)

When executed and delivered by all parties, this letter, together with the Terms and Conditions and any additional attachments hereto and incorporated herein, will serve as the Agreement for services by and between CBRE and Client and any Reliant Parties who have executed the agreement below.

Each person signing below represents that it is authorised to enter into this Agreement and to bind the respective parties hereto.

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We thank you for the opportunity to submit our proposal.

Yours sincerely
CBRE Valuations Pty Limited



Thomas Webster
Registered Valuer No. 34299
Associate Director
Valuation & Advisory Services

Liability limited by a scheme approved under Professional Standards Legislation.

The valuation and valuation service are provided subject to:

- 1. All issues, assumptions, disclaimers, qualifications and recommendations as outlined in the advice/report provided. Examples are provided in Attachment 1 and may differ in the report.*
- 2. The "CBRE Valuation & Advisory Services Terms and Conditions" set out in Attachment 2.*
- 3. Compliance with the "Information Request" and Client disclosure set out in Attachment 3.*

Billing Party Acknowledgement & Details

* Authorised Representative

Billing Party (entity name in full) **BDO Corporate Finance Australia Pty Ltd**

Billing Party Address **Level 11, 1 Margaret Street
Sydney NSW 2000**

Billing Party ABN (must be provided) **70 050 038 170**

Billing Party Email **david.mccourt@bdo.com.au**

Billing Party Phone Landline () Mobile **0414 018 317**

Name * **David McCourt**

Job Title * **Director**

Signature *  Date **2/8/2024**

Reliant Party Acknowledgement

RELIANT PARTY (name in full) **BDO**
Authorised Representative's Name **David McCourt**

Signature  Date **2/8/2024**

I acknowledge receipt of the Terms and Conditions and any additional attachments incorporated herein and acknowledge my reliance on the valuation is subject to these standard Terms and conditions and attachments.

RELIANT PARTY (name in full) **Autosports Group Limited**
Authorised Representative's Name **Aaron Murray**

Signature  Date **2.08.24**

I acknowledge receipt of the Terms and Conditions and any additional attachments incorporated herein and acknowledge my reliance on the valuation is subject to these standard Terms and conditions and attachments.

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Attachment I. Assumptions, Disclaimers, Limitations, Qualifications

Reliance	For the avoidance of doubt, nothing in this valuation report will constitute any legal recommendation or advice in relation to investment, or an offer or solicitation for the purpose of or for sale of any securities, financial instrument or products or other services, CBRE are not liable to any purchasers and/or investors in their own decisions in relation to any purchasing or investments from the services provided.
Assumptions	Assumptions are a necessary part of undertaking valuations, CBRE adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. Assumptions adopted by CBRE will be formulated on the basis that they could reasonably be expected from a professional and experienced valuer. The Reliant Party accepts that the valuation contains certain specific assumptions and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation.
Site Survey Not Provided	We do not commission site surveys and a site survey has not been provided to us, We have assumed there are no encroachments by or on the property, and the Reliant Party should confirm this status by obtaining a current survey report and/or advice from a registered surveyor.
Site Conditions	We do not commission site investigations to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys, We have assumed that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances, In the case of property which may have redevelopment potential, we proceed on the basis that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems (unless stated otherwise), Include last sentence if property has future redevelopment potential.
Title/Unregistered Interests	We have assumed that there are no further easements, unregistered interests or encumbrances not disclosed by this brief title search which may affect market value, However in the event that a future title search is undertaken which reveals additional easements or encumbrances, CBRE should be consulted to reassess any effect on the value stated herein.
Planning Information	We assume information provided by the relevant responsible authority is current and accurate, We do not commission formal investigations to verify information provided to us.
Measurement of Lettable Areas	We have assumed that the floor areas provided have been calculated in accordance with the Property Council of Australia (PCA) Method of Measurement or as specifically instructed by the Instructing Party, Should the Reliant Party obtain a survey that reveals a variance in areas, then this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Valuation Analyses	In arriving at our opinion of value, we have employed industry recognised valuation methodologies, We have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties.
Extent of Our Investigations	We are not engaged to carry out all possible investigations in relation to the property, Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party to instruct further investigations where considered appropriate or where we recommend as necessary prior to Reliance, CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.
Information Supplied by Others	This document contains information which is derived from other sources, Where this information is provided by experts and experienced professionals, we have relied upon the expertise of such experts and by necessity we have relied upon the information provided being accurate, whether prepared specifically for valuation purposes or not, Unless otherwise specifically instructed by you, we have not independently verified that information, nor adopted it as our own, Notwithstanding the above, we have reviewed the provided information to the extent that such a review would be reasonably expected from a professional and experienced valuer having regard to normal industry practice undertaking a similar valuation/consultancy service, The Reliant Party acknowledges that the valuer is not a specialist in the areas from which the expert information is derived and accepts the risk that if any of the information/advice provided by others and referred to in the valuation is incorrect, then this may have an effect on the valuation.

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Attachment 2. CBRE Valuation & Advisory Services - Terms & Conditions

These conditions form part of the Terms of Engagement provided by CBRE which confirms the scope of Services, the personnel providing those Services and the Company's charges for those Services.

Instructing Party/ Reliant Party Obligation to Assist	The Instructing Party and/or Reliant Party agree to provide all reasonable assistance to the Company to allow the Company to complete this instruction including all relevant documents and/or information the Instructing Party knows or ought reasonably to know will so assist the Company, at its own cost and in a timely fashion, including but not limited to: <ul style="list-style-type: none"> - all information which the Company requests from time to time for the performance of the Services; - reasonable access to the property/properties and to the Instructing Party's premises (if relevant) for the purpose of providing the Services.
Matters Which Affect or May Affect the Valuation	If the Instructing Party and/or Reliant Party become aware of any matters which affect or may affect the valuation, then the Company must be advised of those matters. Reliance will not be placed on the valuation, under any circumstance, unless all such matters are disclosed to the Company.
CBRE Does Not Assign Valuations	The Company does not assign valuations. If the Instructing Party has not determined the Reliant Party and Purpose details by the time of report finalisation, the report will be addressed and issued to the Instructing Party for Financial Reporting purposes in PDF format only. Once the Reliant Party and Purpose details have been advised to us, the report will be re-addressed and issued to the Reliant Party. This additional service may incur an additional fee (refer to Fee Quote). No responsibility will be accepted or assumed to any third party who may use or rely on the whole or any part of the content of our valuation.
Confidentiality	Any valuation service is confidential as between the Company and the Reliant Party as specifically stated in the valuation advice/report. Neither the whole of the report, nor any part of it, may be published in any document, statement, circular or otherwise by any party other than the Company, nor in any communication with any third parties, without the prior written approval of the Company of the form and context in which it is to appear.
Future Change in Value	All valuations are current as at the date of valuation only. The value assessed may in the future change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property or particular property sector). The Company does not accept liability for losses arising from changes in value after the date of the valuation.
Lending Practices	Where our valuation is prepared for First Mortgage Security purposes, it will be provided on the basis that any associated lending must comply with the Banking Act 1959, follow prudent finance industry lending practices and credit risk for any potential borrower including the borrower's ability to service and repay any mortgage loan, and follow prudent loan to value ratio guidelines. No responsibility is accepted where these requirements are not strictly observed.
Fees & Disbursements	All disbursements, including travelling and other reasonable expenses incurred by the Company in the provision of the Services are fully recoverable from the Instructing Party as and when incurred. All invoices are payable within 14 days of the date of invoice, unless otherwise stated in the Terms of Engagement. A late payment fee of 2% per month (or part thereof) for any overdue amount may be charged by the Company. All legal and debt recovery costs which the Company may incur in recovering overdue account balances from the Instructing Party shall be fully recoverable from the Instructing Party as and when incurred.
Suspension of Services	The Company has the right to suspend its engagement where the Instructing Party fails to pay any invoiced fees and disbursements within the required time frame by giving the Instructing Party seven days' notice in writing. Should the engagement be suspended by the Company, all obligations by the Company to the Instructing Party and/or Reliant Party cease and furthermore, all documents that the Company receives from the Instructing Party prior to the engagement being suspended becomes the property of the Company and, unless otherwise agreed, the Company shall be free to use this information and to value the Property for any other party. Once all outstanding invoices have been paid, the Company will at the request of Instructing Party, return documents owned by the Instructing Party within a reasonable time.
Dispute Resolution	If a dispute arises out of or in any way relates to this engagement or the breach, validity or subject matter thereof ("the dispute"), the aggrieved party shall, within 7 days of becoming aware of the dispute, by notice in writing notify the other party/parties that the dispute exists. The parties agree to first endeavour to settle the dispute by mediation conducted in accordance with the Australian Dispute Centre (ADC) mediation guidelines and administered by the ADC or as otherwise agreed by the parties. The costs of the mediation shall be borne equally by the parties. In the event that: <ol style="list-style-type: none"> (a) the parties have not agreed upon a mediation or have not requested the ADC to appoint a mediator within twenty-eight (28) days (or other such time period as agreed to in writing between the parties) after the notification of the dispute; or (b) the dispute has not settled at mediation or otherwise within twenty-eight (28) days (or such time period as agreed to in writing between the parties) after the mediation, the parties have liberty to commence proceedings in respect of the dispute in a court of competent jurisdiction subject to compliance with the Governing Law clause in this Terms of Engagement.
Electronic Communication	If the Instructing Party asks the Company to send any documents by email, the Instructing Party will be deemed to have accepted the risk of (and the Company will have no responsibility for) the message being intercepted, not being received or not being viewed by the recipient.

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If the Instructing Party asks the Company to provide a copy of a document by email or USB drive, the Company will do so on the basis that the Company does not warrant that the USB drive or email communication will be virus or defect free and on the basis that:

- the Company will not be responsible for any loss or damage sustained by the computer system which reads the USB drive or email, and
- precautions will be taken by the Instructing Party to ensure that the USB drive or email does not cause any loss or damage.

Copyright Copyright in any written work, drawing, compilation, table, graph and similar works created by or on behalf of the Company remains with the Company.

Privacy The Instructing Party acknowledges that the Company will collect certain personal information within the meaning of that term in the Privacy Act 1988 (Cth) ("Personal Information") from or about the Instructing Party to perform its obligations hereunder, including promoting its services.

Subject to clause (c) below:

- (a) the Company will only collect, store, use and disclose Personal Information in accordance with the Company's privacy policy as it applies from time-to-time located at <https://www.cbre.com.au/about/australia-privacy-policy> ("Privacy Policy") and as permitted under the Privacy Act 1988 (Cth) in order to perform its duties under this Terms of Engagement and achieve the purposes specified in clause above; and
- (b) the Instructing Party and/or Reliant Party warrants that it has read and understood the Company's privacy policy and consents to the Company handling the Personal Information in the manner specified in this clause. Without limiting the foregoing, the Instructing Party and/or Reliant Party specifically consents to the disclosure of the Personal Information on the internet and to third parties such as advisors, suppliers, property data service providers, government and statutory bodies and financial institutions;
- (c) Where the Instructing Party has indicated in writing that the Personal Information is confidential, the Company will only disclose the Personal Information to a third party (other than a related body corporate of the Company) with the Instructing Party's written consent or as required by law, an order of the court or request by a government authority, or otherwise for the purposes of obtaining financial or legal advice. The obligation of confidence by the Company will end upon the confidential information becoming publicly available other than by a breach of this obligation of confidence by the Company.
- (d) The Instructing Party and/or Reliant Party must not provide the Company with Personal Information of any other individual unless it has the express consent of that individual to do so. The Instructing Party and/or Reliant Party warrants that it has that individual's consent to provide their Personal Information to the Company.

Offshore Data Disclosure CBRE may store data outside of Australia or New Zealand. CBRE may also use outsourced third-party companies located inside and outside of Australia for data hosting and related services. CBRE may also utilise the services of CBRE owned and operated offices in the Philippines to provide administrative services. CBRE will ensure compliance with Australian Privacy Principles in accordance with CBRE's Privacy Policy.

Limitation of Liability

1. **Application of clause**
Nothing in this clause operates to exclude, restrict or modify the application of any implied condition or warranty, the exercise of any right or remedy or the imposition of any liability, implied or conferred under the Australian Consumer Law or any other law, the exclusion, restriction or modification of which would contravene that law or cause any term of this engagement to be void ("Non-Excludable Obligations").
2. **Exclusion of implied obligations**
Except in relation to the Non-Excludable Obligations, all conditions, warranties, guarantees, rights, remedies, liabilities and other terms implied or conferred by law that impose any liability or obligation on the Company are expressly excluded under this engagement.
3. **Limitation of liability**
 - (a) The Company's liability is limited by a scheme approved under Professional Standards Legislation;
 - (b) Notwithstanding the clause 3(a) and subject to clause 3(c), to the fullest extent permitted by law, each party's maximum aggregate liability to the other party and its personnel under or arising out of this Terms of Engagement or any law is capped at the value of the fee;
 - (c) Except for services of a kind ordinarily acquired for personal, domestic or household use or consumption, the Company's liability to the Instructing Party for a failure to comply with any Non-Excludable Obligation is limited to (at the Company's election):
 - (i) supplying the relevant Service again; or
 - (ii) paying the Instructing Party the cost of having the relevant Service supplied again;
 - (d) To the fullest extent permitted by law, neither party will have any liability to the other or its personnel (whether arising in contract, tort (including negligence), statute, equity or otherwise) for any of the following types of loss under or arising out of this Terms of Engagement:
 - (i) loss of revenue, use, production, goodwill, profit, business, contract or anticipated savings;
 - (ii) financing costs or increase in operating costs; or
 - (iii) other financial or economic loss or any other special or indirect loss or damage;

CBRE Staff You agree that you will not bring any claim relating to this appointment (in contract, tort, negligence or otherwise) against any CBRE officer, director, employee, member or consultant in their personal capacity.

Indemnity The Instructing Party and/or Reliant Party indemnifies the Company from and against any losses, liabilities, damages, costs, claims and expenses (including legal fees on a full indemnity basis) suffered or incurred by or awarded against the Company as a result of any use of, or reliance upon, the information contained in the full valuation advice/report by a third party other than the Instructing Party and/or Reliant Party/Parties where such third party was provided the report by the Instructing Party and/or Reliant Party/Parties.

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CBRE | Terms of Engagement

Entirety of Terms of Engagement	<p>These terms of engagement, subject to any qualifications, conditions, assumptions, and reservations set out in any report or opinion furnished to you.</p> <ul style="list-style-type: none">- Constitutes the entire understanding and agreement of the parties relating to the matters dealt within in;- Supersedes and extinguishes all prior agreements, statements, representations and understandings whether verbal or written between us relating to the matters dealt with in this Terms of Engagement; and- May be varied at any time by mutual agreement in writing.
Governing Law	<p>This Terms of Engagement is governed by the laws of the state or territory in which the subject property is located and each party submits to the non-exclusive jurisdiction of the courts of that state or territory.</p>
Survival	<p>Any provision of this Terms of Engagement which contemplates performance or observance subsequent to any termination or expiration of this engagement shall survive any termination or expiration of this engagement and continue in full force and effect including, but not limited to, clauses regarding intellectual property, confidentiality, reliance, and limitation of liability.</p>

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B. Lease

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Form: 07L
Release: 4-7

LEASE
New South Wales
Real Property Act 1900

Leave this space clear. Affix additional pages to the top left-hand corner.

PRIVACY NOTE: Section 31B of the Real Property Act 1900 (RP Act) authorises the Registrar General to collect the information required by this form for the establishment and maintenance of the Real Property Act Register. Section 96B RP Act requires that the Register is made available to any person for search upon payment of a fee, if any.

STAMP DUTY

Insert Duties Assessment No. as issued by Revenue NSW Office.
Duties Assessment No.

(A) **TORRENS TITLE**

Property leased
45 Dickson Avenue Artarmon NSW 2064
Lot 32 Section 8 in Plan DP 4088

(B) **LODGED BY**

Document Collection Box	Name, Address or DX, Telephone, and Customer Account Number if any.	CODE L
	Email: Reference:	

(C) **LESSOR**

New Centenary Properties Pty Ltd ACN 168 188 010

The lessor leases to the lessee the property referred to above.

(D)

Encumbrances (if applicable):

(E) **LESSEE**

Prestige Auto Traders Australia Pty Ltd ACN 105 105 771

TENANCY: CLICK & PICK

- (G) 1. **TERM** 5 years
 2. **COMMENCING DATE** 28 August 2019
 3. **TERMINATING DATE** 27 August 2024
 4. With an **OPTION TO RENEW** for a period of 2 x 5 years set out in clause 8 of Annexure A
 5. With an **OPTION TO PURCHASE** set out in clause N.A. of
 6. Together with and reserving the **RIGHTS** set out in clause of
 7. Incorporates the provisions or additional material set out in **ANNEXURE(S)** A hereto.
 8. Incorporates the provisions set out in No.
 9. The **RENT** is set out in item No.1 of the reference schedule

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DATE

(H)

Certified correct for the purposes of the Real Property Act 1900 and executed on behalf of the company named below by the authorised person(s) whose signature(s) appear(s) below pursuant to the authority specified.

Company: NEW CENTENARY PROPERTIES PTY LTD (ACN 168 188 010)

Authority:

Signature of authorised person:

N Pagent

Signature of authorised person:

Ian Pagent

Name of authorised person:

Nicholas Pagent

Name of authorised person:

Ian Pagent

Office held:

Director

Office held:

Director

Certified correct for the purposes of the Real Property Act 1900 and executed on behalf of the company named below by the authorised person(s) whose signature(s) appear(s) below pursuant to the authority specified.

Company: PRESTIGE AUTO TRADERS AUSTRALIA PTY LTD (ACN 105 105 711)

Authority:

Signature of authorised person:

N Pagent

Signature of authorised person:

Caroline Raw

Name of authorised person:

Nicholas Pagent

Name of authorised person:

Caroline Raw

Office held:

Director

Office held:

Company Secretary

(I) STATUTORY DECLARATION *

I

solemnly and sincerely declare that—

- 1. The time for the exercise of option to _____ in expired lease No. _____ has ended; and
- 2. The lessee under that lease has not exercised the option.

I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Oaths Act 1900.

Made and subscribed at _____ in the State of New South Wales on _____ in the presence of _____ of _____

- Justice of the Peace (J.P. Number: _____) Practising Solicitor
- Other qualified witness [specify]

who certifies the following matters concerning the making of this statutory declaration by the person who made it:

- 1. I saw the face of the person OR I did not see the face of the person because the person was wearing a face covering, but I am satisfied that the person had a special justification for not removing the covering; and
- 2. I have known the person for at least 12 months OR I have confirmed the person's identity using an identification document and the document I relied on was a _____ [Oral ID No.]

Signature of witness:

Signature of applicant:


* As the services of a qualified witness cannot be provided at lodgment, the declaration should be signed and witnessed prior to lodgment. # If made outside NSW, cross out the witness certification. If made in NSW, cross out the text which does not apply.

** s117 RP Act requires that you must have known the signatory for more than 12 months or have sighted identifying documentation.

This is the Annexure A referred to in the Lease between New Centenary Properties Pty Limited ACN 168 188 010 (Landlord) and PRESTIGE AUTO TRADERS AUSTRALIA PTY LIMITED (Tenant) and dated 2020

Reference Schedule	7	
1	Definitions and interpretation	9
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28 August 2032	Fixed Increase – 3.5%																										
28 August 2033	Fixed Increase – 3.5%																										
4.	Outgoings Percentage	Definitions	Not applicable																								
5.	Rent Free Period	2.3	Not applicable																								
6.	Permitted Use	13.1	Motor Vehicle Dealership and offices																								
7.	Building Hours	13.10	7.00am to 6.00pm Mondays to Fridays excluding public holidays in New South Wales.																								
8.	Public Liability Insurance	14.1	\$20,000,000																								

Handwritten signatures and initials, including 'NIR' and 'JMD'.

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Item	Subject	Clause	Details
9.	Guarantor	Error! Referenc e source not found.	Not applicable
10.	Bank Guarantee	Error! Referenc e source not found.	Not applicable
11.	Security Deposit	Error! Referenc e source not found.	Not applicable
12.	Redecoration Requirements	11.4	Redecorate means: (i) cleaning of the whole of the interior of the Premises including all partitions introduced or additions made to the Premises by washing down, steam cleaning or other appropriate method; (ii) treating as previously treated all internal surfaces of the Premises by painting, staining, polishing or otherwise to a specification approved by the Landlord; and (iii) replacing all floor coverings, curtains, blinds and furnishings with new items of a similar style and standard to those being replaced which in the reasonable opinion of the Landlord are worn or damaged (otherwise than by fair wear and tear) and in need of replacement.
13.	Redecoration Dates	11.4	Each Terminating Date
14.	Address for Service of Notices	22.2	Landlord's address for service: Address: 565 Parramatta Rd Leichhardt NSW 2040 Facsimile: N/A Attention: Nick Pagent Tenant's address for service: Address: 180 Mullens Street Rozelle NSW 2053 Facsimile: N/A Attention: Nick Pagent / Caroline Raw

Handwritten signatures and initials, including 'NPA' and 'CAR'.

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1 Definitions and interpretation

1.1 Definitions

The following are defined terms in this Lease:

ABS means the Australian Bureau of Statistics.

API means the Australian Property Institute Incorporated (New South Wales Division).

Authorised Officer means:

- (a) a director, secretary or an officer whose title contains the word "manager";
- (b) a person performing the functions of any of them; or
- (c) any other person appointed to act as an Authorised Officer for the purpose of this Lease.

Authority includes any government or semi-government, statutory, public or other authority or body with jurisdiction over the Land or any matter or thing in relation to the Land.

Bank Guarantee means a bank guarantee or banker's undertaking for the amount equal to the number of months Rent in item 10 which complies with the terms set out in clause **Error! Reference source not found.** (or any addition to or replacement of the bank guarantee under clause **Error! Reference source not found.**).

Base Figure means the Outgoings for the year stated in Item 4(b).

Building means any buildings, including any Connections and all other improvements, on the Land (other than Tenant's Property).

Building Hours is defined in Item 7.

Business Day means any day in New South Wales on which banks generally are open for business which is not a Saturday, Sunday or public holiday.

Carpet means any carpet in the Premises owned by the Landlord.

Commencing Date means the first day of this Lease set out on the front page of this Lease.

Common Areas means the areas of the Land available for common use by the Building occupants.

Connection means any underground or overhead passages or ways (including associated shops, suites, fixtures, fittings, facilities and other improvements forming part of them) which join the Land and any improvements on the Land to any other lands or property. This includes any lands leased or held under licence by the Landlord, which are managed and operated in conjunction with the improvements

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existing on the Land and which the Landlord specifies by notice to the Tenant as forming part of the Building.

CPI means the All Groups Consumer Price Index for Sydney as determined by the ABS or the index officially substituted for it and if there is no such index the index that in the Landlord's reasonable opinion most closely resembles the All Groups Consumer Price Index for Sydney.

CPI Review Date means each of the dates specified in Item 2 as a "CPI Review Date".

Current CPI means the CPI for the Quarter immediately before the relevant CPI Review Date.

Default means a breach of this Lease by the Tenant and includes the defaults listed in clause 18.2. For the purpose of determining whether there has been a breach of this Lease by the Tenant, anything done by a Tenant's Associate is taken to have been done by the Tenant.

Dispute Notice means a notice given by the Tenant to the Landlord under clause 3.2 which:

- (a) sets out the Tenant's objections to the Landlord's assessment of the Rent stated in the Market Review Notice; and
- (b) states the Tenant's assessment of the current market rent.

Existing Fitout means the fixtures and fittings used in the Premises by a previous tenant and remaining in the Premises at the Commencing Date.

Fixed Increase Date means each of the dates specified in Item 2 as a "Fixed Increase Date".

Guarantor means the person(s) named in Item 9.

Incentive means any inducement or concession of whatever nature (including any capital payment, any rent-free period, fitout period, fitout contribution or any fitout above the standard fitout of premises paid for by a Landlord or otherwise) in connection with a tenancy.

Insolvency Event means:

- (a) a receiver, receiver and manager, administrator, trustee or inspector, or other person with similar power, is appointed over all or part of the Tenant's assets;
- (b) an application is made to a court or a resolution of the directors or members is passed for the appointment of any person referred to in clause (a) in respect of the Tenant;
- (c) an application for the winding up of the Tenant is presented and not withdrawn or dismissed within 21 days or an order is made or resolution is passed for the winding up of the Tenant;

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- (d) proceedings are initiated with a view to obtaining an order for winding up or any member or director convenes a meeting for the purpose of considering or passing any resolution for the winding up of the Tenant;
 - (e) an application is made to dissolve the Tenant;
 - (f) the Tenant resolves to enter into, or enters into, a scheme of arrangement, deed of company arrangement, a composition with its creditors or an assignment for their benefit;
 - (g) the Tenant is unable to pay all of its debts as and when they become due and payable or is taken to be insolvent under any provision of the Corporations Act 2001 (Cth) or any statute or any other law;
 - (h) an event in relation to the Tenant which is analogous to anything referred to above or which has a substantially similar effect;
 - (i) any execution or other process is levied or enforced against the property of the Tenant; or
 - (j) the Tenant ceases to carry on all or a substantial part of its business.

Interest Rate means 2% above the rate quoted on the day a payment under this Lease is due by the Landlord's principal banker (as nominated by the Landlord) on unsecured overdraft accommodation in excess of \$100,000.

Item means an item in the Reference Schedule.

Keys mean keys, access cards or other devices controlling access to the Building.

Land means the land described on the front page of this Lease and other land used in conjunction with the Land and includes the Building unless a contrary intention appears.

Landlord means the lessor named on the front page of this Lease.

Landlord's Property means all plant, equipment, fixtures, fittings, furniture and other property the Landlord supplies to the Premises.

Law means common law, principles of equity and all statutes, rules, regulations, proclamations, ordinances or by-laws, present or future and includes applicable Australian Standards and Codes of Practice.

Lease Year means any period of 12 months ending on 30 June.

Lettable Area means the net lettable area of the Premises or the Building calculated by the Landlord using the PCA's current method of measurement for commercial offices.

Liability means each and every cost, expense, liability, obligation, action, demand, loss, claim and all damages but does not include consequential loss.

Market Review Date means each of the dates specified in Item 2 as a "Market Review Date".

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Market Review Notice means a notice from the Landlord to the Tenant under clause 3.1.

Nominee means a Valuer nominated under clause 3.3.

Nomination means the nomination of a Nominee in writing under clause 3.3.

Payment Date means the Commencing Date and the first day of each month during the Term and any holding over period.

PCA means the Property Council of Australia (New South Wales Division).

Permitted Use means the use in Item 6.

Premises means the premises described on the front page of this Lease, the boundaries of which are:

- (a) the upper surface of the floor slab (under any floor covering);
- (b) the lower surface of a suspended ceiling, or if there is no suspended ceiling, the lower surface of the ceiling (in either case, above any paint or other ceiling decoration and recessed fittings);
- (c) the inside surface of external walls or internal structural walls of the Building (behind any paint or wall paper and recessed fittings);
- (d) the centre line of internal non-structural walls dividing the Premises from other premises or from Common Areas, and
- (e) the interior of all windows;

and includes the Landlord's Property.

Previous CPI means the CPI for the Quarter immediately before the later of:

- (a) the Commencing Date; and
- (b) the last CPI Review Date before the relevant CPI Review Date.

Quarter means any 3 month period ending on 31 March, 30 June, 30 September or 31 December.

Redecorate is defined in Item 12.

Reference Schedule means the reference schedule which is attached to this Lease.

Rent means the annual rent in Item 1 as varied under this Lease.

Requirements means any requirements, notices, orders or directions received from or given by any Authority.

Restoration Notice is defined in clause 15.1(d).

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Review Date means each of the dates set out in Item 2.

Rules means the rules contained in appendix A.

Services means the services provided by Authorities, the Landlord or others to the Premises or the Land, including electricity, telephone, telecommunications, gas, power, water, sewerage, trade waste, greasy waste, air conditioning, heating, ventilation, lighting, lifts, escalators, security, fire safety and control and communications together with all plant and equipment relating to those services.

Sign means a sign, billboard, advertisement, notice or similar thing.

Tenant means the lessee named on the front page of this Lease.

Tenant's Associates means the Tenant's employees, officers, agents, contractors, consultants, subtenants, licensees and invitees.

Tenant's Property means the partitions, plant, equipment, fixtures, fittings, furnishings and other property in, on or fixed to the Premises which is not Landlord's Property including any Signs installed by or on behalf of the Tenant on any part of the Land and the Existing Fitout.

Term means the term of this Lease and any extension or renewal of that term.

Terminating Date means the last day of the term of this Lease set out on the front page of this Lease.

Valuer means a person who, at the date of the nomination:

- (a) has practised as a valuer for at least five years in the Sydney metropolitan area and is active as a valuer in that area;
- (b) is a member of the API;
- (c) is registered to practise as a valuer of premises similar to the Premises; and
- (d) has at least five years' experience in valuing for rental purposes premises similar to the Premises.

1.2 Interpretation

The following apply in the interpretation of this Lease.

- (a) A reference to this Lease means either the agreement set out in this document or the document itself.
- (b) A reference to any statute, regulation, rule or similar instrument includes any consolidations, amendments or re-enactments of it, any replacements of it, and any regulation or other statutory instrument issued under it.
- (c) A reference to the singular includes the plural number and vice versa.
- (d) A reference to a gender includes a reference to each gender.

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- (e) A reference to a party means a person who is named as a party to this Lease.
 - (f) **Person** includes a firm, corporation, body corporate, unincorporated association and a governmental authority.
 - (g) A reference to a party or a person includes that party's or person's executors, legal personal representatives, successors, liquidators, administrators, trustees in bankruptcy and similar officers and, where permitted under this Lease, their substitutes and assigns.
 - (h) An agreement on the part of, or in favour of, two or more persons binds or is for the benefit of them jointly and severally.
 - (i) **Includes** means includes without limitation.
 - (j) Where a word or expression has a defined meaning, its other grammatical forms have a corresponding meaning.
 - (k) A reference to doing something includes an omission, statement or undertaking (whether or not in writing) and includes executing a document.
 - (l) A reference to a clause, schedule or annexure is a reference to a clause of, or a schedule or an annexure to this Lease.
 - (m) Item numbers refer to those in the Reference Schedule.
 - (n) A reference to dollars or \$ is to Australian currency.
 - (o) A heading is for reference only. It does not affect the meaning or interpretation in this Lease.
 - (p) Any schedule attached to this Lease forms part of it. If there is any inconsistency between any clause of this Lease and any provision in any schedule or attachment, the clause of this Lease will prevail unless the contrary intention appears.
 - (q) No rule of construction applies to the disadvantage of a party to this Lease only because that party was responsible for the preparation of this Lease.
 - (r) If a party's approval is required in connection with this Lease:
 - (i) the party requiring the approval must obtain the approval in writing; and
 - (ii) unless this Lease provides otherwise, the approving party must not unreasonably delay or withhold its approval or unreasonably attach conditions to its approval.
 - (s) The Landlord may exercise its rights under this Lease at any time, unless this Lease provides otherwise.

2 Rent

2.1 Rent

The Tenant must pay to the Landlord the Rent (by equal monthly instalments in advance) on each Payment Date.

2.2 Instalments

The Rent will be calculated on a pro-rata basis if during the Term of the Lease the rental period is less than a month.

2.3 Rent Incentive

If the Tenant complies with all of its obligations under this Lease, the Tenant will not be obliged to pay the Rent during the period specified in Item 5. This clause will not apply to and will be deleted from any further lease including a lease entered into pursuant to the exercise of an option to renew this Lease.

2.4 Rent Reviews

If Item 2 states that the Review Date is:

- (a) a Market Review Date, the Rent on and from that Review Date is calculated in accordance with clause 3;
- (b) a Fixed Increase Date, the Rent on and from that Review Date is calculated in accordance with clause 4; and
- (c) a CPI Review Date, the Rent on and from that Review Date is calculated in accordance with clause 5.

2.5 Rent not to decrease

Despite clause 2.4, the Rent payable after the relevant Review Date must be equal to or more than the Rent payable immediately before that Review Date (disregarding any Rent abatement).

3 Market rent review

3.1 Market Review Notice

The Landlord may notify the Tenant of the Landlord's assessment of the current market rent for the Premises as at that Market Review Date, at any time between the date 6 months before the Market Review Date and the next Review Date.

3.2 Dispute Notice

Unless the Tenant gives the Landlord a Dispute Notice within 21 days of the date of the Market Review Notice, the Rent payable on and from the Market Review Date is the rent nominated in the Market Review Notice.

3.3 Appointment of Valuer

If the Tenant gives the Landlord a Dispute Notice within the time specified in clause 3.2 and the parties cannot agree on the current market rent within 14 days after that notice is given (or longer if mutually agreed), then the following procedure applies:

- (a) within one month of the service of the Dispute Notice, the Tenant and the Landlord must each make a Nomination to the other of a proposed Valuer;
- (b) subject to clause 3.3(c) and 3.3(d), the Nominees must jointly make a determination of the current market rent as at the relevant Market Review Date by reference to the criteria stated in clause 3.7;
- (c) if the Landlord or the Tenant fails to nominate a Valuer within the time stated in clause 3.3(a), the determination of the current market rent is to be made solely by the Nominee of the other party; and
- (d) if the Nominees fail to make a determination within the time frame set out in clause 3.4(d), the Landlord or the Tenant may request the President of the API to nominate a Valuer to make the determination.

3.4 Nominees' determination

Each Nominee's determination is to be made on the following bases:

- (a) the Nominee acts as an expert and not as an arbitrator;
- (b) the Nominee's determination is final and binding on the parties;
- (c) the determination must be in writing and contain reasons; and
- (d) the determination must be made within one month of the Nominee's appointment.

3.5 Costs of determination

The Landlord and the Tenant must each pay their own Nominee's costs and must share equally the costs of any Nominee appointed under clause 3.3(d) unless the determination has been made by a sole Nominee under clause 3.3(c) in which case the Landlord and Tenant must share equally the costs of the sole Nominee.

3.6 Rent pending determination

If at the relevant Market Review Date the current market rent is not determined, the following will apply until a determination is made under clause 3.4:

- (a) the Tenant must pay the monthly instalments of Rent payable immediately before the relevant Market Review Date and 80% of the increase sought by the Landlord; and
- (b) on the determination of the current market rent, the Landlord must make any necessary allowance for the amount(s) paid by the Tenant under

clause 3.6(a). The Tenant must immediately pay any additional amount of rent due on and from the relevant Review Date to the next Payment Date.

3.7 Valuation Criteria

Each party must instruct its Nominee to:

- (a) assume that the Landlord and the Tenant have both acted knowledgeably, prudently, without compulsion and at arms' length;
- (b) have regard to the provisions of this Lease (other than the Rent) and assume that the Tenant has complied with all those terms;
- (c) assume the Premises are available for lease for the whole of the Term but commencing on the relevant Review Date instead of the Commencing Date;
- (d) where the Premises comprise more than one floor of the Building, determine the current market rent on a floor-by-floor basis without discount for a greater area;
- (e) disregard the goodwill of the Tenant's business, the value of the Tenant's Property and any improvement to the Premises or the Building paid for by the Tenant other than improvements the Tenant is obliged to pay for under this Lease;
- (f) disregard any subtenancy in the Premises and rent under any subtenancy in the Premises, the Building or any comparable buildings; and
- (g) make no reduction for any incentive given to the Tenant or given to a tenant of comparable premises.

4 Fixed increase date

On the relevant Fixed Increase Date, the Rent increases from and including each of those dates by the percentage set out against the dates in Item 2.

5 CPI review date

On each CPI Review Date, the Rent increases to an amount represented by D in the formula:

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

Where:

A = the Rent payable immediately before the relevant CPI Review Date (disregarding any Rent abatement);

B = the Current CPI; and

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C = the Previous CPI,

6 Not used

7 Payment conditions

7.1 Manner of Payments

The Tenant must make payments due under this Lease:

- (a) without demand, unless otherwise stated in this Lease;
- (b) without set-off, counterclaim, withholding or deduction;
- (c) to the Landlord or as the Landlord directs; and
- (d) by direct deposit, or as the Landlord directs.

7.2 No next Payment Date

If a payment is due on the next Payment Date and there is no next Payment Date, then the Tenant must pay the amount within 7 days of receipt of the Landlord's demand for payment.

7.3 Payment obligations

Expiry or termination of this Lease does not affect the Tenant's obligations to make payments arising during the Term.

7.4 Interest

If any amount payable by the Tenant is not paid on its due date, then the Tenant must pay to the Landlord interest on that money at the Interest Rate calculated from the due date to the date of payment.

8 Option for renewal

8.1 Option

The Landlord must grant the Tenant a new lease for the term set out in Item 3 if:

- (a) the Tenant gives the Landlord a notice stating that it wants a new lease of the Premises not less than 6 months and not more than 9 months before the Terminating Date;
- (b) the Tenant is not in Default or the Landlord has waived the rights and obligations arising from that Default; and

-
- (c) before the Terminating Date, the Tenant delivers to the Landlord any required security.

8.2 New Lease

The new lease is to be on the same terms as this Lease (as varied during the Term) except that:

- (a) the term, commencing date, terminating date, rent review dates and type and the redecoration dates are to be those first specified in Item 3;
- (b) if particulars of more than one new lease are specified in Item 3, the particulars of the new lease first specified are deleted from Item 3;
- (c) if the particulars of the new lease are the only particulars specified in Item 3, clause 8 and Item 3 are deleted and any reference to an option to renew on the front page will be deleted; and
- (d) the rent from the commencing date of the new lease is to be the current market rent determined under clause 3. The commencing date of the new lease is the relevant Market Review Date for the purpose of clause 3;
- (e) any rent-free period or a delayed rent commencing date is deleted from Item 5; and
- (f) clause 2.3 is deleted.

9 Holding over

The Tenant may only occupy the Premises after the Terminating Date (otherwise than under the grant of a new lease under clause 8.1) if it has the prior consent of the Landlord, in which case:

- (a) the Tenant is a monthly tenant at a rent payable monthly in advance equal to one-twelfth of the Rent last payable under this Lease (disregarding any Rent abatement), increased by an amount equal to 5% per annum, the first payment of which must be made on the day after the Terminating Date;
- (b) the tenancy is otherwise on the same terms and conditions (with the appropriate changes having been made) as this Lease; and
- (c) either party may terminate the tenancy on giving one month's notice ending on any day.

10 Assignment and subletting

10.1 Restriction

The Tenant must not assign or transfer this lease or sublet or license or part with possession of the Premises except in accordance with clause 10.2.

10.2 Conditions

The Tenant may assign, transfer, sublet or grant a licence to another party (**New Tenant**) if:

- (a) the Tenant is not in Default or the Landlord has waived any rights and obligations arising from the Default;
- (b) the Tenant gives to the Landlord at least one month's notice if the Tenant wants to exercise its rights under this clause and discloses in that notice the full name, address and occupation or principal business of the New Tenant and particulars of the proposed dealing;
- (c) the Tenant complies with clause 10.3 in respect of assignments and transfers or clause 10.4 in respect of subleases and licences;
- (d) the Tenant complies with its obligations under clause 22; and
- (e) the Tenant and the New Tenant comply with the Landlord's reasonable requirements in relation to the documentation, stamping and registration of the proposed assignment, transfer, sublease or licence (including as to security).

10.3 Assignments and transfers

In the case of an assignment or transfer:

- (a) the Tenant must satisfy the Landlord that the New Tenant is:
 - (i) respectable, responsible and of sound financial standing;
 - (ii) capable of paying the Rent and fully complying with the Tenant's obligations under this Lease; and
 - (iii) capable of adequately carrying on the business permitted under this Lease to be carried on by it in the Premises;
- (b) the Tenant must provide or procure that the New Tenant provides any security reasonably required by the Landlord;
- (c) the Tenant and the New Tenant must enter into a deed in the form reasonably required by the Landlord under which:
 - (i) the Tenant releases the Landlord from all claims which the Tenant may have against the Landlord in connection with this Lease;
 - (ii) the New Tenant agrees to be bound by this Lease as if the New Tenant was the Tenant; and
 - (iii) the Tenant remains obliged to comply with this Lease and any renewal of this Lease as if the assignment or transfer had not taken place.

10.4 Subleases and Licences

In the case of a sublease or grant of licence:

- (a) the Tenant must satisfy the Landlord that the New Tenant is:
 - (i) respectable, responsible and of sound financial standing;
 - (ii) capable of paying the Rent or licence fee and fully complying with its obligations to the Tenant and the Landlord; and
 - (iii) capable of adequately carrying on the business permitted under this Lease and the licence or sub-lease (as the case may be) to be carried on by it in the Premises;
- (b) the New Tenant (and if the Landlord requires the Tenant) must enter into a deed with the Landlord in the form reasonably required by the Landlord, including a covenant that the New Tenant will:
 - (i) comply with all of the Tenant's obligations under this Lease to the extent that they relate to the use of the Premises or the Land by the New Tenant;
 - (ii) not do anything which would cause or constitute a breach of this Lease; and
 - (iii) pay the rent and other money payable under the sublease to the Landlord on demand if the Tenant is in Default;
- (c) the Tenant must satisfy the Landlord that the rent or licence fee payable by the New Tenant is at a rate not less than the then current market rent for the Premises, or both the Tenant and the New Tenant must provide a written acknowledgment to the Landlord that the rent payable by the New Tenant is less than a market rent.

10.5 Corporate Ownership

If:

- (a) the Tenant is a company which is not listed or wholly owned by a company which is listed on the Australian Stock Exchange; and
- (b) there is a proposed change in the shareholding of the Tenant or its holding company so that a different person or group of persons from that existing at the date the Tenant acquired its interest in this Lease will control the composition of the board of directors or more than 50% of the shares giving a right to vote at general meetings,

then that proposed change in control is taken to be a proposed transfer of this Lease. The person or group of persons acquiring control is taken to be the proposed New Tenant and clauses 10.2 and 10.3 (except for clause 10.3(c)) apply.

10.6 Unit Trust

If the Tenant is the trustee of a unit trust, unless the unit trust is listed on an Australian Stock Exchange, any change, or series of changes, in the ownership of units in the unit trust or a holding trust effectively altering the control of the unit trust from that existing at the date the Tenant acquired its interest in this Lease is taken to be an assignment of this Lease. In that case the Tenant and the holding trust must not:

- (a) register, record or enter in their books any transfer of any unit or units in the Unit Trust or the holding trust;
- (b) deal with any beneficial interest in any such unit or units;
- (c) issue any new unit or units; or
- (d) take or attempt to take any action having the effect:
 - (i) of altering the control of the unit trust;
 - (ii) that the unitholders in the unit trust at the date the Tenant acquired its interest in this Lease at any time cease to beneficially hold or control at least 51% of the units in the unit trust,

until after the Tenant has complied with the conditions of clauses 10.2 and 10.3 (except for clause 10.3(c)).

10.7 Securities

The Tenant may only create or allow to come into existence:

- (a) a security over the Tenant's interest in this Lease; or
- (b) a lease or security affecting the Tenant's Property,

with the Landlord's approval. If the Landlord gives its approval, the Tenant must provide any waiver reasonably required by the Landlord.

11 Maintenance repair alterations and additions

11.1 Maintenance and repair - General

Subject to clause 11.11, the Tenant must:

- (a) maintain and keep the Premises, the Tenant's Property and any Landlord's Property located in or exclusively servicing the Premises in good repair and condition having regard to the condition of the Premises at the Commencing Date; and
- (b) at the expiry or earlier termination of the Term, yield up the Premises in good repair and condition.

11.2 Acknowledgment

The Tenant acknowledges that the Premises are in good repair and condition at the commencement of the Term.

11.3 Specific maintenance obligations

The Tenant must:

- (a) immediately make good any damage to the Land (including the Common Areas) or to the Premises caused by the Tenant or the Tenant's Associates (including as a direct or indirect consequence of the Permitted Use);
- (b) immediately replace all glass broken or cracked by the Tenant or the Tenant's Associates;
- (c) replace all damaged or non-operative light globes and tubes within the Premises; and
- (d) repair or, if appropriate, replace broken or damaged heating, lighting, electrical or plumbing fittings installed in the Premises (unless these items were broken or damaged by the Landlord).

11.4 Redecoration

The Tenant must Redecorate the Premises to the reasonable satisfaction of the Landlord before each of the dates set out in Item 13. If the Tenant fails to Redecorate the Premises by the dates set out in Item 13, the Landlord may undertake the Redecoration at the Tenant's expense. The Tenant must repay amounts for Redecoration on demand.

11.5 Compliance with statutes

Subject to clause 11.11 the Tenant must comply with all Laws and any Requirements in connection with the Premises, the Tenant's Property or the Tenant's use of the Premises (including obtaining and complying with all permits and approvals).

11.6 Overloading structure

The Tenant must not install or place in the Premises any heavy equipment, fixture, fitting, machinery or other item which will or, in the reasonable opinion of the Landlord, is likely to overload the structure of any part of the Building.

11.7 Alterations

- (a) The Tenant must not make any alterations, additions or installations in or to the Premises (including the installation or alteration of any internal partitioning or floor coverings) without the Landlord's approval.
- (b) In seeking the Landlord's approval, the Tenant must submit reasonably detailed plans and specifications of the proposed work (**Work**) to the Landlord.

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- (c) The Landlord appoints the Tenant, and the Tenant accepts the appointment, as principal contractor for the purposes of the Work Health and Safety Regulation 2011 (NSW) in relation to any Work.
 - (d) The Tenant must maintain, or ensure that its contractors maintain a contract works or contractors all risk policy for the Work and all insurances which are required by law (including insurances under the Workers Compensation Act 1987 (NSW) for an employer's full Liability under that Act), in connection with the Work.
 - (e) The Landlord (unless it notifies otherwise) requires as conditions of its approval to the Work that:
 - (i) the Work must be supervised by a person nominated by the Landlord;
 - (ii) the Work must be carried out in a proper and workmanlike manner by contractors or tradesmen approved by the Landlord;
 - (iii) the Tenant must pay on demand all costs reasonably incurred by the Landlord in considering the Work and the supervision of the Work, including the fees of architects or other building consultants employed by the Landlord;
 - (iv) the Tenant must obtain from the relevant Authority all approvals or permits necessary to enable the Work to be lawfully carried out and must on request by or to the Landlord produce for inspection copies of all those approvals and permits;
 - (v) the Tenant must provide the Landlord with certificates of currency of insurance for the insurance that is required under clause 11.7(d);
 - (vi) on completion of the Work, the Tenant must obtain from the relevant Authority an occupation certificate and must on request by the Landlord produce for inspection a copy of that certificate; and
 - (vii) the Tenant must reimburse the Landlord any cost or expense as may be reasonably incurred by the Landlord as a result of any alteration, addition or installation including any modification or variation to the Building resulting from that alteration, addition or installation.
 - (f) By commencing the Work, the Tenant is taken to be bound to comply with the conditions of the Landlord's approval.

11.8 Removal of fixtures and fittings

The Tenant must, before the Terminating Date or, where the Lease is terminated earlier, within 7 days of termination:

- (a) remove from the Premises and the Land all alterations and additions made to the Premises by or on behalf of the Tenant, and all of the Tenant's Property;

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- (b) remove from the Premises such of the partitions, equipment, fixtures and fittings and other property belonging to the Landlord and provided for the exclusive use of the Tenant;
 - (c) make good all damage and disfigurement caused to the Premises or the Land by the removal; and
 - (d) reinstate to base building condition all that part of the Premises and the Land as may have been affected by any such installation, alteration or addition.

11.9 Failure to Remove Fixtures and Fittings

- (a) If the Tenant does not comply with clause 11.8 the Landlord may:
 - (i) remove and store the Tenant's Property and make good the Premises and Land, and the Tenant must pay to the Landlord on demand all costs and expenses incurred by the Landlord; or
 - (ii) notify the Tenant that unless the Tenant complies with the terms of clause 11.8 within seven days of the date on which the notice is given, the Tenant's Property will be forfeited to the Landlord and if the Tenant fails to comply with that notice, the Tenant's Property and other effects become the property of the Landlord on the expiry of the seven day period.
- (b) To the extent that the Tenant is unable to lawfully comply with its obligations under clause 11.8, including where the Tenant requires development consent to so comply and is unable to obtain such development consent, then the Tenant must pay to the Landlord a sum which represents a true estimate of the Landlord's loss due to the Tenant's inability to make good. Such sum is payable within 30 days of demand by the Landlord.

11.10 Tenant to give notice of accidents and defects

The Tenant must immediately give notice to the Landlord of:

- (a) any accidents that occur or damage to or defects in the Premises or the Land or in the Services; and
- (b) any circumstances likely to cause any damage or injury within the Premises or the Land or to the Services,

of which the Tenant is or should reasonably have been aware.

11.11 Exceptions

Clauses 11.1 and 11.5 do not make the Tenant responsible for:

- (a) any structural repairs or expenses of a capital nature, except if they arise from or are necessitated by any act, omission or default of the Tenant or the Tenant's Associates or by the Tenant's use of the Premises (including the Permitted Use) or by any breach by the Tenant of this Lease;

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- (b) fair wear and tear; and
 - (c) any damage caused by flood, fire, storm, tempest, riot, civil commotion, aircraft or other insurable risk, where the damage is not attributable to any act, omission or default on the part of the Tenant or the Tenant's Associates.

11.12 Air Conditioning

The Tenant must enter into and keep current (at the Tenant's expense) any maintenance and repair contract that is reasonably required by the Landlord for the air conditioning located within and exclusively servicing the Premises. The contract and the contractor must be approved by the Landlord. The air conditioning must always be maintained, serviced and kept in good working order.

12 Cleaning

12.1 Tenant to clean

The Tenant must:

- (a) keep the Premises clean and must not allow any accumulation of rubbish in or on the Premises;
- (b) keep the exterior of all glass windows clean; and
- (c) exclusively use the waste removal service provided by the Landlord.

13 Use of Premises and Building

13.1 Permitted use

The Tenant must use the Premises for the Permitted Use only.

13.2 Landlord does not warrant use

The Landlord gives no warranty as to the suitability of the Premises for the Permitted Use. The Tenant must satisfy itself and is taken to have accepted this Lease with full knowledge of, and subject to, any prohibitions or restrictions on the use of the Premises under any Laws or Requirements.

13.3 Tenant to pay utilities

The Tenant must pay:

- (a) all charges for Services connected to the Premises (if separately metered) to the proper Authorities;
- (b) all charges for Services connected to the Premises (if not separately metered) to the Landlord, as reasonably notified by the Landlord, and

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- (c) the reasonable cost of installing separate meters in the Premises, if required by the Landlord.

13.4 Positive use obligations

The Tenant must:

- (a) lock the Premises when they are left unoccupied (and the Landlord reserves the right to enter the Premises and secure the Premises if left unlocked);
- (b) observe the Rules;
- (c) ensure that all waste is placed daily in suitable receptacles;
- (d) take any steps necessary to control any pest infestation occurring within the Premises and, if required by the Landlord, engage and pay for a pest exterminator approved by the Landlord and ensure that such extermination takes place, and
- (e) immediately notify the Landlord if the doors to the Premises or their locks or any security device are malfunctioning.

13.5 Negative use obligations

The Tenant must not:

- (a) use the fixtures or fittings in the Premises or the Building other than for their designed purpose;
- (b) obstruct access to, overload or otherwise interfere with or damage the Services without Landlord's consent;
- (c) keep or use inflammable or dangerous substances on the Premises, without Landlord's approval;
- (d) do anything in or on the Premises or the Land which, in the opinion of the Landlord is or would become a nuisance, disturbance, obstruction or cause of damage to the Landlord or to other tenants or occupiers of the Land;
- (e) use the Premises for prostitution or in any noisy, noxious or offensive manner;
- (f) obstruct or interfere with any of the entrances to the Building or Common Areas; or
- (g) do anything that contaminates or pollutes the Land or its environment.

13.6 Approval to Signs

Before displaying a Sign on the outside of the Premises or anywhere that can be seen from the outside of the Premises, the Tenant must:

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- (a) obtain the Landlord's approval (which may be granted or withheld at the Landlord's absolute discretion); and
 - (b) obtain the approval of any relevant Authority.

13.7 **Increase in Land Tax**

- (a) In this clause, **Land Tax** means the amount of land tax (if any) payable by the Landlord in respect of the Premises from time to time.
- (b) The Tenant must pay to the Landlord the amount (if any) by which the Land Tax in each calendar year exceeds the Land Tax payable in the 2014 calendar year. That amount is payable by the Tenant within 30 days of receipt of an invoice from the Landlord.

13.8 **Not used**

13.9 **Keys**

- (a) The Tenant acknowledges that all Keys held by the Tenant and the Tenant's Associates during its occupancy whether:
 - (i) provided by the Landlord; or
 - (ii) made or obtained by the Tenant for its own use,must be surrendered to the Landlord on the expiry or termination of the Term.
- (b) The Tenant must:
 - (i) provide Keys to employees of the Tenant only;
 - (ii) keep a list of the recipients of Keys; and
 - (iii) on request provide the Landlord with an up-to-date copy of the list.
- (c) The Tenant must pay all costs and expenses (including the cost of replacement of the Keys) arising from the loss, destruction or damage immediately on demand by the Landlord.

13.10 **Access to Building**

- (a) To the extent permitted by law, the Tenant and the Tenant's Associates are entitled to access to the Premises at all times. When using the Premises outside the Building Hours, the Tenant and Tenant's Associates must:
 - (i) comply with all reasonable directions of the Landlord, building supervisor or managing agent of the Landlord in relation to the security of the Building;
 - (ii) ensure that the exterior doors of the Building are locked immediately after use; and

(iii) pay all of the Landlord's costs and expenses of providing Services outside the Building Hours on demand.

(b) If the Landlord is unable to provide Services for any reason, the Tenant has no right of action or claim for compensation or damages or claim for abatement of Rent.

13.11 Closure of Building

The Landlord reserves the right to close the Building or any part of the Building during an emergency or at any other time the Landlord reasonably considers necessary.

14 Insurance

14.1 Insurance

The Tenant must keep current during the Term:

- (a) public risk insurance covering each claim for not less than the amount stated in Item 8 (or any other amount the Landlord reasonably requires);
- (b) an insurance policy for the full insurable value on a replacement basis against all insurable risks of all glass (including plate glass but excluding any glass located in exterior windows in floors above the ground or street level of the Building) in or enclosing the Premises; and
- (c) other insurances in connection with the Premises which, in the reasonable opinion of the Landlord, a prudent tenant leasing comparable premises would take out,

in connection with the Premises and the Tenant's Property.

14.2 Certificates of Currency

On request, the Tenant must provide the Landlord with copies of each of the policies, a certificate of currency for each of the policies, and the receipts for the payments of the last premiums.

14.3 Requirements for Insurance

Each policy the Tenant takes out under clause 14 must:

- (a) be with an insurer and on terms approved by the Landlord;
- (b) be in the name of the Tenant and the Landlord and note the interest of any other person the Landlord requires as an insured under the policy;
- (c) have no limit on the number of claims that can be made under it;
- (d) cover events occurring during the policy's currency regardless of when claims are made; and

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- (e) have no exclusions, endorsements or alterations unless consented to by the Landlord.

14.4 Tenant not to void insurance

The Tenant must not (without the Landlord's approval) do anything which could:

- (a) prejudice any insurance over the Premises or the Building or property in them; or
- (b) increase the premium for that insurance.

14.5 Extra Premiums

When required by the Landlord, the Tenant must pay any increase in premiums caused by the Tenant's use of the Premises.

14.6 Tenant to comply with insurance requirements

The Tenant must comply at all times with the requirements of the Landlord's insurer and with all Laws and Requirements, that relate to the Tenant's Property or the Tenant's use of the Premises.

14.7 Release

The Tenant uses the Premises at the Tenant's sole risk. The Tenant releases the Landlord to the full extent permitted by law from and against all Liabilities which arise from any accident, damage, injury or death occurring to any person or property in or about the Premises or the Land.

14.8 Tenant indemnifies Landlord

The Tenant indemnifies the Landlord against all Liabilities in connection with:

- (a) the negligent use or misuse by the Tenant or the Tenant's Associates of the Premises or the Land or any of the Services;
- (b) any faulty Tenant's Property;
- (c) any accident or damage to or loss of property or injury or death suffered by any person arising in or near the Premises or the Land by reason of any act, omission or default by the Tenant or the Tenant's Associates;
- (d) any accident or damage to or loss of property or injury or death suffered by any person from any cause arising by reason of the use of the Premises or the Land by the Tenant or the Tenant's Associates; and
- (e) any Default

14.9 Exception

A release or indemnity in clauses 14.7 and 14.8 does not apply to the extent that any Liability or accident, damage, injury or death is caused or contributed to by the

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negligence, or other wrongful act or default of the Landlord or the Landlord's employees and agents.

15 Damage or destruction

15.1 Landlord's Notice

If the Building or the Premises are:

- (a) destroyed; or
- (b) damaged so that the Premises are unfit or substantially unfit for the use by the Tenant or (having regard to the normal means of access to the Premises) are substantially inaccessible,

the Landlord must give the Tenant a notice within 3 months of the damage occurring, which either:

- (c) terminates this Lease on a date not less than one month and not more than three months after the date the Landlord gives the notice; or
- (d) states that the Landlord will restore or repair the Premises or make them fit for the use of or render them accessible to the Tenant as the case requires (**Restoration Notice**).

15.2 Tenant's Notice

If the Landlord gives a Restoration Notice to the Tenant and the Landlord does not within a reasonable time after delivery of the Restoration Notice comply with it, the Tenant may serve a notice on the Landlord requiring the Landlord to comply with the Restoration Notice within a reasonable time.

15.3 Tenant may terminate

If the Landlord does not comply with clause 15.1 or with the Tenant's notice given under clause 15.2, the Tenant may terminate this Lease by giving not less than one month's notice to the Landlord.

15.4 Payments reduced

Subject to clause 15.5, the Tenant may reduce its payments of Occupancy Costs from and including the date the damage occurs to and including the date:

- (a) this Lease is terminated; or
- (b) the Premises are made fit for the Tenant's use.

Any reduction must be proportionate to the loss of amenity caused by the damage.

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15.5 Dispute resolution

If the Landlord and Tenant dispute the amount by which the Occupancy Costs are to abate or the duration of the abatement:

- (a) the dispute must be determined by a Valuer appointed by agreement between the Landlord and the Tenant; or
- (b) if the Landlord and the Tenant are unable to agree on the Valuer, either party may request the president of the API to nominate a Valuer who must make a final and binding determination of the dispute; and
- (c) in making a determination under this clause, the Valuer is taken to be acting as an expert and not as an arbitrator; and
- (d) the Landlord and Tenant must equally share the costs of the Valuer; and
- (e) the Tenant must continue to pay the Occupancy Costs without reduction until the amount of the reduction is agreed or determined.

15.6 Tenant's Default

Despite the other provisions of clause 15, the Tenant must not stop paying or reduce instalments of Occupancy Costs or other payments due under this Lease or terminate this Lease if:

- (a) the damage is caused or contributed to by; or
- (b) rights under an insurance policy in connection with the Land are prejudiced or a policy is cancelled or payment of a premium or a claim is refused by an insurer because of,

the negligent or other wrongful act, omission or default of the Tenant or the Tenant's Associates. This does not affect any rights the Landlord may have in connection with the events specified in this clause 15.6.

15.7 Landlord need not repair

Clause 15 does not oblige the Landlord to rebuild or repair the Building or the Premises.

15.8 Damage to Building only

If the Building is substantially damaged but the Tenant can continue to use the Premises, the Landlord may give the Tenant a notice terminating this Lease on one month's notice.

15.9 Resumption

If the Premises are resumed for any public purpose, the Landlord may terminate this Lease by giving one month's notice to the Tenant.

15.10 No claim on termination

If the Lease is terminated under this clause 15, the termination is without prejudice to any rights relating to any previous breach under this Lease.

16 Covenants by Landlord

16.1 To provide services

The Landlord must take reasonable action to keep the Services available during the Building Hours, but if:

- (a) any of the Services:
 - (i) are inoperative; or
 - (ii) fail to function; or
- (b) the Landlord must shut off or remove any of the Services, because of:
 - (i) the need to repair or maintain or replace the Services; or
 - (ii) the operation of any Laws or Requirements,

the Tenant is not entitled to terminate this Lease, nor does the Tenant have any right of action, claim for compensation or damages or claim for abatement of Rent against the Landlord.

16.2 Quiet enjoyment

Subject to the Landlord's rights, while the Tenant complies with its obligations under this Lease, it may occupy the Premises during the Term without any interruption from the Landlord.

16.3 Common Areas

Subject to this Lease, the Tenant may use the Common Areas for their intended purposes (in common with any other persons authorised by the Landlord).

17 Landlord's obligations and rights

17.1 Rights of entry and repair

The Landlord has the right to enter the Premises with all necessary materials and equipment at all reasonable times and on reasonable notice (but at any time and without notice in the case of an emergency):

- (a) to view the state of the Premises and to ascertain whether there has been any breach of the terms of this Lease;

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- (b) to carry out repairs, alterations, additions or other works to the Premises, the Building, the Services or to any adjacent building;
 - (c) to rectify a defect which the Tenant has failed to rectify within 21 days (or such lesser time as is reasonable according to the nature of the defect) of the date of receipt of a notice from the Landlord requiring the defect to be remedied;
 - (d) to comply with the terms of any Laws affecting the Premises or the Building or the Land or of any Requirements served on the Landlord; and
 - (e) if the Premises or the Building are either destroyed or damaged, for the purpose of rebuilding or restoration.

17.2 Services

The Landlord reserves the right to use pipes, ducts, conduits, cables and wires passing or leading through the Premises or the Building and to pass and run water, air, electricity, telecommunications, sewerage, drainage, gas and any other services through those pipes, ducts, conduits, cables and wires.

17.3 Variation of Rules

The Landlord may make, revoke, vary or suspend the Rules by notice given to the Tenant. If a Rule is inconsistent with this Lease, this Lease prevails.

17.4 Subdivisions

The Landlord may subdivide or re-subdivide the Land (including by strata or stratum subdivision). If the Landlord does so:

- (a) the Tenant must approve the subdivision;
- (b) the Landlord may require the Tenant and any Guarantor to vary this Lease or replace this Lease with another if:
 - (i) after the subdivision, the Premises are substantially the same and the amounts payable by the Tenant in respect of the Premises are not substantially greater than before the subdivision; and
 - (ii) the Landlord pays, in respect of the variation or replacement of this Lease:
 - (A) the Tenant's reasonable legal costs;
 - (B) all stamp duty; and
 - (C) registration fees, if any;
- (c) the Tenant must assign to the Landlord its right to a refund of stamp duty paid on this Lease if it is varied or replaced under this clause 17.4 and the Tenant must do everything reasonably necessary to assist the Landlord in obtaining the refund; and

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- (d) the Tenant must promptly do everything reasonably necessary to enable the Landlord to exercise its rights under this clause 17.4.

17.5 Control of Land

The Land is at all times subject to the exclusive control and management of the Landlord. The Landlord may:

- (a) grant a lease or a licence of any part of the Land (excluding the Premises) on any terms to any person including a person who competes with the Tenant's business;
- (b) grant easements, covenants or other similar rights over the Land (excluding the Premises) to any person on any terms and for any purpose;
- (c) improve, extend, vary, reduce or remove any part of the Building; and
- (d) exclude or remove any person from the Land.

17.6 Approval to Dealings

The Tenant must approve each dealing or other document necessary to give effect to the Landlord's rights under clause 17.5. The Tenant must provide evidence of the Tenant's approval in the form required by the Landlord.

17.7 Prospective Tenants or Purchasers

After giving reasonable notice, the Landlord may:

- (a) show the Premises to prospective purchasers and affix "For Sale" notices where the Landlord thinks fit; and
- (b) show prospective tenants through the Premises and affix "To Let" notices where the Landlord thinks fit during the last 6 months of the Term and any holding-over period (except if the Tenant has exercised an option to renew under this Lease).

17.8 Landlord's Agents

The Landlord may appoint agents to exercise its rights and perform its obligations under this Lease. If the Landlord notifies the Tenant that it has done so, the Tenant must deal with the Landlord's agents as if they were the Landlord in relation to matters delegated to them until the Landlord notifies the Tenant that the agents are no longer the Landlord's agents for those matters. Communications from the Landlord override those from the agents if they are inconsistent.

17.9 Change of Landlord

If the Landlord:

- (a) sells the Land; or
- (b) grants a concurrent lease over the Premises; or

-
- (c) where this Lease is a sublease, surrenders its lease to its landlord, so that the Tenant becomes obliged to perform its obligations under this Lease in favour of another person, then:
 - (d) the Landlord is released from its obligations under this Lease, arising after the Tenant receives notice of that event;
 - (e) the Tenant must procure the changes required by that other person to the insurances referred to in clause 14.1; and
 - (f) the Tenant and the Guarantor must enter into documents and assurances reasonably required by the Landlord to enable that other person to enforce the benefit of all obligations under this Lease.

17.10 Exercise of Rights

When exercising rights under clause 17, the Landlord must endeavour to minimise any disturbance caused to the Tenant in its use of the Premises.

18 Default

18.1 Right to remedy default

The Landlord may remedy any Default without notice. All reasonable costs incurred by the Landlord (including legal and other consultant costs on a full indemnity basis) in remedying the Default must be paid by the Tenant to the Landlord immediately on demand.

18.2 Rights of re-entry on Default

If:

- (a) any Rent is in arrears for 14 days although no formal demand has been made;
- (b) any other money payable by the Tenant under this Lease is not paid within 14 days after the Landlord asks the Tenant to pay it;
- (c) the Tenant or the Tenant's Associates do not comply with any other obligation under this Lease within a reasonable time after the Landlord asks the Tenant to remedy it;
- (d) the Tenant (not being a company) becomes bankrupt or assigns the Tenant's estate or enters into a deed of arrangement for the benefit of creditors;
- (e) if the Tenant is a company, an Insolvency Event occurs; or
- (f) the Tenant repudiates this Lease,

then the Landlord may terminate this Lease by re-entering the Premises or any part and may act under clause 11.9 in connection with all property found on the Premises.

18.3 Landlord's Rights

The Landlord may act under clause 18.2:

- (a) despite any prior waiver or failure to take action by it or grant of indulgence to the Tenant in respect of any Default whether past or continuing; and
- (b) without prejudicing its other rights.

18.4 Reduction of Term to monthly tenancy

If the Landlord is entitled to re-enter the Premises or terminate this Lease, the Landlord may by notice, convert the unexpired portion of the Term into a monthly tenancy on the conditions set out in clause 9.

18.5 Essential terms

The following provisions of this Lease are essential terms:

- (a) an obligation on the Tenant to pay money; and
- (b) the obligations on the part of the Tenant contained in clauses 10.1, 11.1, 11.5, 11.6, 11.7, 13.1, 14.1, 19, **Error! Reference source not found.** and **Error! Reference source not found.**

Other provisions may also be essential terms.

18.6 Termination

If this Lease is terminated by the Landlord:

- (a) the Tenant indemnifies the Landlord against any Liabilities arising (whether before or after termination of this Lease) in connection with any Default giving rise to the termination of this Lease, including the Landlord's loss of benefit of the Tenant performing its obligations under this Lease from the date of that termination until the Terminating Date;
- (b) without limiting clause 18.6(a), the Landlord's loss of benefit includes that proportion of any Incentive granted to the Tenant which has not otherwise been taken into account; and
- (c) the Landlord must take reasonable steps to mitigate its loss.

18.7 Damages

If this Lease is lawfully terminated by the Landlord, the Landlord may recover damages from the Tenant for the loss suffered by the Landlord for:

- (a) Rent arrears;

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-
- (b) damages suffered by the Landlord as a result of the breach of an essential term or the Tenant's repudiation of this Lease, including damages suffered by the Landlord as a result of the failure of the Tenant to pay the Occupancy Costs and otherwise fully perform all its obligations under this Lease for the remainder of the Term;
 - (c) all costs and disbursements incurred in the recovery or attempted recovery of Rent and possession of the Premises; and
 - (d) all costs and disbursements incurred in re-letting or any attempted re-letting and preparing the Premises for re-letting, including marketing and advertising costs, agents' commissions, costs in cleaning and tidying the Premises, changing locks, removing property and rubbish and restoring the Premises to their condition at the commencement of the Term.

18.8 No Discharge

The re-entry or termination by the Landlord under this Lease does not confer on the Tenant a discharge of the Tenant's obligations. The Landlord's right to recover damages from the Tenant is not affected or limited by any of the following:

- (a) the Tenant abandoning or vacating the Premises;
- (b) the Landlord accepting the Tenant's repudiation; or
- (c) the parties' conduct constituting a surrender by operation of law.

19 Not used

20 Not used

21 Not used

22 Costs

22.1 Legal costs

The Tenant must promptly pay:

- (a) for everything it must do;
- (b) all stamp duty and registration fees;

-
- (c) all costs, charges and expenses which the Landlord becomes liable for arising out of any Default including all solicitors' and other consultants' fees on a full indemnity basis;
 - (d) all reasonable costs incurred by the Landlord in relation to:
 - (i) any approval required (including any mortgagee consent and consultants' fees);
 - (ii) any actual or proposed assignment or subletting; and
 - (iii) any surrender or determination other than by effluxion of time; and
 - (e) all reasonable legal costs of the Landlord in connection with:
 - (i) the preparation, negotiation, execution, finalisation and registration of this Lease;
 - (ii) the obtaining of the consent to this Lease of the Landlord's mortgagee; and
 - (iii) the exercise or attempted exercise of any right or remedy of the Landlord,

in connection with this Lease.

22.2 The Landlord's internal costs

The Landlord's costs under clause 22.1 include:

- (a) the Landlord's reasonable administrative costs and expenses, including GST, of considering any application for consent, of considering and managing any breach or default under this Lease and attendances by the Landlord's officers, employees or agents, including attendances on the Landlord's legal advisers and in any court or tribunal;
- (b) the fees of professional consultants, including GST reasonably and properly incurred by the Landlord.

23 Caveats

- (a) The Tenant may not:
 - (i) lodge a caveat on the title to the Land, except a caveat noting the Tenant's interest under this Lease (if this Lease is not registered but must be to ensure that it is enforceable against the Landlord's successors in title); or
 - (ii) allow a caveat to be lodged by a person claiming through the Tenant to remain on that title.

-
- (b) If the Tenant lodges a caveat permitted by clause 23(a), it must do everything necessary to permit registration of any dealing if its rights under this Lease are not diminished. The Tenant must withdraw that caveat on the earlier of registration and expiry or termination of this Lease.

24 Notices

24.1 Form of Notices

Any notice or other communication under or in connection with this Lease (**notice**) must be:

- (a) in legible writing;
- (b) signed by the party giving it (**sender**) or by its Authorised Officer; and
- (c) delivered by hand or sent by post (air mail if sent to an address in another country) to the relevant address set out in Item 14, or
- (d) sent to the relevant fax number set out in Item 14.

24.2 Change of Address

A party may change its address or fax number for the purpose of notices by giving notice of that change to each other party in accordance with the provisions of clause 24.1.

24.3 Service of Notices

Notices are taken to be given:

- (a) in the case of delivery by hand, when delivered;
- (b) in the case of delivery by post, on the third (seventh, if sent to an address in another country) day after the date of posting; and
- (c) in the case of delivery by fax, at the time shown on a transmission report by the machine which sent the fax confirming the notice was sent (uninterrupted) in its entirety to the fax number of the recipient.

24.4 Timing of notices by fax

If a notice by fax is given:

- (a) on a day in which business is not generally carried on in the place in which the fax is received, or
- (b) after 4.00 pm (local time) on a day in which business is generally carried on in the place in which the fax is received,

the notice is given at the commencement of the next business day in the place in which the fax is received.

25 GST

25.1 Definitions

In this clause 25:

- (a) **GST Law** has the meaning given in the A New Tax System (Goods and Services Tax) Act 1999 (Cth); and
- (b) terms used in this clause which are not defined in this Lease, but which are defined in the GST Law, have the meanings given in the GST Law.

25.2 Consideration GST exclusive

Unless otherwise stated in this Lease, amounts payable, and consideration to be provided, under any other provision of this Lease exclude GST.

25.3 Payment of GST

If GST is payable on a supply made in connection with this Lease, the recipient must pay the party making the supply (**supplier**) an amount equal to the GST payable on that supply at the time the recipient pays or provides any part of the consideration for the supply.

25.4 Tax invoice

The supplier must give a tax invoice to the recipient no later than the time when the recipient is required to pay or provide any part of the consideration for the supply.

25.5 Adjustment event

If an adjustment event arises in connection with a supply made in connection with this Lease:

- (a) the supplier must recalculate the GST payable to reflect the adjustment event;
- (b) the supplier must give the recipient an adjustment note as soon as reasonably practicable after the supplier becomes aware of the adjustment event; and
- (c) the adjustment amount must be paid without delay either by the recipient to the supplier or by the supplier to the recipient as the case requires.

25.6 Reimbursements

Where a party (**first party**) must pay to another party (**other party**) an outgoing of the other party, the amount payable is the sum of:

- (a) the amount of the outgoing less any input tax credit in respect of it to which the other party, or its GST group representative member, is entitled; and
- (b) if the amount payable is subject to GST, an amount equal to that GST.

26 Miscellaneous

26.1 Exclusion of statutory provisions

The covenants powers and provisions implied in leases by virtue of sections 84, 85 and 86 of the Conveyancing Act 1919 (NSW) do not apply to this Lease.

26.2 Application of legislation

To the extent permitted by law, the application to this Lease of any moratorium or other Act, ordinance or the like, whether state or federal, having the effect of extending the Term, reducing or postponing the payment of rent or otherwise affecting the operation of this Lease is expressly excluded.

26.3 Tenant to recognise superior or concurrent interest

The Tenant must permit any person having any interest in the Premises superior to or concurrent with the Landlord to exercise or perform that person's or the Landlord's rights and obligations under this Lease.

26.4 Party other than Landlord entitled to rents

If a person other than the Landlord becomes entitled to receive the Rent either by operation of law or otherwise, the Tenant must allow that person the benefit of all covenants and agreements on the part of the Tenant under this Lease. The Tenant, at the cost of the Landlord, must enter into any covenants with that other person as the Landlord may reasonably require.

26.5 Tenant not to reduce its obligations

The Tenant must not, without the approval of the Landlord, do anything to reduce or diminish the Rent or impose or cause or permit to be imposed on the Landlord any Liabilities of the Tenant under this Lease even though entitled to do so whether by statute, ordinance, proclamation, order, regulation or moratorium (present or future) or otherwise.

26.6 Tenant assumes risk

If the Tenant is obliged, required or authorised under this Lease to do any act, that act is, unless this Lease expressly provides otherwise, at the sole risk and expense of the Tenant.

26.7 Landlord's statement prima facie evidence

In the absence of manifest error on its face, any statement by the Landlord or the Landlord's agent certifying the amount payable by the Tenant under any of the provisions of this Lease is prima facie evidence of the amount payable.

26.8 Tenant's Associates

The Tenant must ensure that the Tenant's Associates do not cause the Tenant to breach its obligations under this Lease. Any act or omission by the Tenant's Associates in connection with the Premises or the Land is taken to be an act or omission of the Tenant.

26.9 Entire agreement

This Lease:

- (a) records the entire agreement between the parties; and
- (b) supersedes all previous negotiations, understandings, representations and agreements,

in relation to the subject matter of this Lease.

26.10 Governing Law

This Lease is governed by the laws of New South Wales. The parties submit to the jurisdiction of its courts.

26.11 No waiver

The following provisions apply in respect of waiving rights under this Lease:

- (a) a party does not waive a right or remedy in connection with this Lease if it:
 - (i) fails to exercise its right or remedy;
 - (ii) only partially exercises the rights or remedy; or
 - (iii) delays in exercising the right or remedy;
- (b) a party which exercises a single right or remedy or partially exercises a right or remedy maintains its right to:
 - (i) further exercise the right or remedy; or
 - (ii) exercise another right or remedy; and
- (c) a waiver is effective only:
 - (i) to the extent that the party giving it expressly states in writing;
 - (ii) in the specific instance in which it is given; and
 - (iii) for the purpose for which it is given.

26.12 Variation

No provision of this Lease nor a right conferred by it can be varied except in writing signed by the parties.

26.13 Invalidity

The following provisions apply in respect of reading down or severing the provisions of this Lease:

- (a) a word or provision must be read down if:

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- (i) the Lease or provision is void, voidable, or unenforceable if it is not read down; and
 - (ii) the word or provision is capable of being read down;
 - (b) a word or provision must be severed if, despite the operation of clause 26.13(a), the Lease or provision is void, voidable or unenforceable if the word or provision is not severed; and
 - (c) the remainder of this Lease has full effect even if clause 26.13(b) applies.

26.14 Further Assurance

Each party must do everything necessary, or reasonably required, by another party, to give effect to this Lease and the transactions contemplated by this Lease.

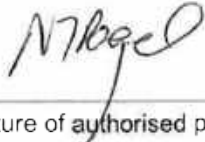
NTR

[Signature]

Certified correct for the purposes of the Real Property Act 1900 by the corporation named below by the authorised person(s) whose signature(s) appear(s) below pursuant to the authority specified.

Corporation: **New Centenary Properties Pty Limited ACN**
Authority: section 127 of the Corporations Act:


Signature of authorised person


Signature of authorised person

Iain Pagent
Name of Authorised person

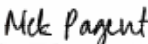
Nicholas Pagent
Name of Authorised person


Office Held: Director/~~Secretary~~

Office Held: Director/~~Secretary~~

Certified correct for the purposes of the Real Property Act 1900 by the corporation named below by the authorised person(s) whose signature(s) appear(s) below pursuant to the authority specified.

Corporation: **PRESTIGE AUTO TRADERS AUSTRALIA PTY LIMITED ACN 105 105 771**
Authority: section 127 of the Corporations Act:

DocuSigned by:

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Signature of authorised person

DocuSigned by:

22A980DDE422434...
Signature of authorised person

Nicholas Pagent

Caroline Raw

Name of Authorised person

Name of Authorised person

Office Held: Director/~~Secretary~~

Office Held: ~~Director~~/Secretary

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Appendix A

Rules

1. The Tenant must not:
 - (a) use the lifts to carry goods and equipment without the approval of the Landlord;
 - (b) smoke in the Building;
 - (c) overload the ceilings or walls of the Premises;
 - (d) cover or obstruct the air conditioning ducts and outlets and the skylights and windows which reflect or admit light into any part of the Building;
 - (e) use the water closets and other water supply apparatus for any purpose other than that for which they were constructed and must not put any rubbish or other substance in them;
 - (f) interfere in any way with other tenants or persons in the Building or mark or otherwise cause the Building to be unclean or untidy;
 - (g) use or operate any musical instrument, radio, television set, amplifier or other sound producing equipment in the Premises if it can be heard from outside the Premises;
 - (h) throw anything out of the windows or doors or into the lift wells or passages or on skylights or other areas of the Building;
 - (i) keep any animals or birds in or about the Building;
 - (j) drive any nails, screws or hooks into any part of the Building;
 - (k) put up blinds, awnings, television or radio masts, antennae, aerials, receiving dishes or similar devices without Landlord's approval;
 - (l) install vending or amusement machines without Landlord's approval;
 - (m) use a business name which includes words connecting the business name with the Building without Landlord's approval;
 - (n) remove floor coverings from where they were originally laid in the Premises without Landlord's approval;
 - (o) hold an auction, bankrupt or fire sale in the Premises or any part of the Building; and
 - (p) prepare or cook any food on the Premises except in a kitchen approved by the Landlord for that purpose.

MP
[Signature]

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-
2. The Tenant must:
- (a) keep the Premises secure;
 - (b) observe any maximum floor weights the Landlord prescribes for the Premises;
 - (c) provide notice to the Landlord before any heavy or bulky item is moved into or out of the Building;
 - (d) only move heavy or bulky items into or out of the Building under the supervision of a person nominated by the Landlord and at a reasonable time approved by the Landlord or the managing agents of the Landlord;
 - (e) notify the Landlord of any infectious disease in the Premises and at its own expense disinfect and treat the Premises as directed by the Landlord or any relevant Authority;
 - (f) put up signs in the Premises prohibiting smoking if required by the Landlord;
 - (g) give the Landlord at least one contact name, address and telephone number for the Landlord to use in emergencies and keep the Landlord informed of changes to this information;
 - (h) take part in any fire drills and other emergency procedures on reasonable notice from the Landlord;
 - (i) nominate appropriate staff members to act as fire wardens to supervise the evacuation of the Building during any fire drill or emergency;
 - (j) ensure that it is aware of all safety and emergency procedures in connection with the Building; and
 - (k) evacuate the Building and obey the instructions of the Landlord and any relevant authority in an emergency.

[Handwritten signatures]

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C. Proposed Deed of Variation

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HERBERT
SMITH
FREEHILLS

Deed

45 Dickson Avenue, Artarmon NSW

Deed of Variation

New Centenary Properties Pty Ltd

Prestige Auto Traders Australia Pty Ltd

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Deed of Variation

Date ►

Between the parties

Landlord **New Centenary Properties Pty Ltd**
ACN 168 188 010 of 565 Parramatta Rd, Leichhardt NSW 2040
(Landlord)

Tenant **Prestige Auto Traders Australia Pty Ltd**
ACN 105 105 771 of 180 Mullens Street, Rozelle NSW 2053
(Tenant)

Recitals 1 The Tenant occupies the Premises under the Lease.
2 The parties wish to amend the Lease to record the extension of
the term of the Lease and other changes in the manner set out in
this deed.

This deed witnesses as follows:

1 Definitions, interpretation and deed components

1.1 Definitions

In this deed, the following words have these meanings:

Term	Meaning
Lease	the lease of the Premises commencing on 28 August 2019 and expiring on 27 August 2024 between the Landlord and the Tenant.
Premises	Lot 32, Section 8 in Plan DP 4088, otherwise known as 45 Dickson Avenue, Artarmon NSW 2064.
Variation Date	27 August 2024.

1.2 Lease Definitions

Words which begin with a capital letter and are not defined in this deed but are defined in the Lease have the same meaning in this deed.

1.3 Interpretation

Clause 1.2 of the Lease applies to this deed but with references to "Lease" being reference to this deed.

1.4 Deed components

This deed and any schedule to this deed.

2 Variation to Lease

2.1 Variation

With effect from the Variation Date, the Lease is varied as follows:

- (a) Item (G)(1) to (G)(4) of the front page of the Lease are deleted and replaced with the following:

1. **TERM** 5 years, 3 months and 3 days
2. **COMMENCING DATE** 28 August 2019
3. **TERMINATING DATE** 30 November 2024



4. With an **OPTION TO RENEW** for a period of 1 x 6 years and 7 months and 1 x 5 years”

(b) Item 1 of the Reference Schedule of the Lease is replaced with:

1.	Rent	2.1	<p>On and from the Commencing Date, \$300,000 per annum GST exclusive.</p> <p>On and from 1 December 2024, \$319,200 per annum GST exclusive.</p>
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(c) Item 3 of the Reference Schedule of the Lease is replaced with:

3.	Further Term	8	<p>First Further Term</p> <p><i>Option Exercise Period:</i> Any time on or before 29 November 2024</p> <p><i>Term:</i> 6 years and 7 months</p> <p><i>Commencing Date:</i> 1 December 2024</p> <p><i>Terminating Date:</i> 30 June 2031</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Review Date</th> <th style="text-align: left;">Review Type</th> </tr> </thead> <tbody> <tr> <td>1 July 2025</td> <td>Fixed increase – 3.5%</td> </tr> <tr> <td>1 July 2026</td> <td>Fixed increase – 3.5%</td> </tr> <tr> <td>1 July 2027</td> <td>Fixed increase – 3.5%</td> </tr> <tr> <td>1 July 2028</td> <td>Fixed increase – 3.5%</td> </tr> <tr> <td>1 July 2029</td> <td>Fixed increase – 3.5%</td> </tr> <tr> <td>1 July 2030</td> <td>Fixed increase – 3.5%</td> </tr> </tbody> </table> <p>Second Further Term</p> <p><i>Option Exercise Period:</i> Not less than 6 months and not more than 9 months before the Terminating Date.</p> <p><i>Term:</i> 5 years</p> <p><i>Commencing Date:</i> 1 July 2031</p> <p><i>Terminating Date:</i> 30 June 2036</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Review Date</th> <th style="text-align: left;">Review Type</th> </tr> </thead> <tbody> <tr> <td>1 July 2031</td> <td>Market Review Date</td> </tr> <tr> <td>1 July 2032</td> <td>Fixed increase – 3.5%</td> </tr> <tr> <td>1 July 2033</td> <td>Fixed increase – 3.5%</td> </tr> <tr> <td>1 July 2034</td> <td>Fixed increase – 3.5%</td> </tr> <tr> <td>1 July 2035</td> <td>Fixed increase – 3.5%</td> </tr> </tbody> </table> <p><i>Redecoration Dates:</i> The Terminating Date</p>	Review Date	Review Type	1 July 2025	Fixed increase – 3.5%	1 July 2026	Fixed increase – 3.5%	1 July 2027	Fixed increase – 3.5%	1 July 2028	Fixed increase – 3.5%	1 July 2029	Fixed increase – 3.5%	1 July 2030	Fixed increase – 3.5%	Review Date	Review Type	1 July 2031	Market Review Date	1 July 2032	Fixed increase – 3.5%	1 July 2033	Fixed increase – 3.5%	1 July 2034	Fixed increase – 3.5%	1 July 2035	Fixed increase – 3.5%
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1 July 2034	Fixed increase – 3.5%																												
1 July 2035	Fixed increase – 3.5%																												

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- (d) Clause 3.1 is amended by deleting the words “at any time between the date 6 months before the Market Review Date and the next Review Date”, and replacing with the words “*not more than 6 months before, and not less than 3 months before, the relevant Market Review Date*”.
- (e) Clause 8.1(a) is deleted and replaced with the following:
 - “(a) *The Tenant gives the Landlord a notice stating that it wants a new lease of the Premises within the Option Exercise Period for the relevant Further Term as set out in Item 3 of the Reference Schedule.*”

2.2 Variations not to affect validity, rights, obligations

- (a) This deed is intended only to vary the Lease and not to terminate, discharge, rescind or replace it.
- (b) The variations to the Lease do not affect the validity or enforceability of the Lease.
- (c) Nothing in this deed:
 - (1) prejudices or adversely affects any right, power, authority, discretion or remedy which arose under or in connection with the Lease before the date of this deed; or
 - (2) discharges, releases or otherwise affects any liability or obligation which arose under or in connection with the Lease before the date of this deed.

2.3 Confirmation

Except as varied under clause 2.1:

- (a) the terms of the Lease remain unchanged; and
- (b) the parties confirm the terms of the Lease as varied by this deed.

2.4 Acknowledgement

Each party acknowledges that this deed is issued in accordance with the Lease.

3 General

3.1 Governing law and jurisdiction

- (a) This deed is governed by the law in force in New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed.
- (c) Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.



3.2 Costs and stamp duty

- (a) Each party must pay their own legal costs in connection with the preparation, negotiation and completion of this deed.
- (b) The Tenant must pay any stamp duty on this deed.

3.3 Further action

The Landlord and the Tenant must each do everything necessary to give effect to this deed.

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Signing page

Executed as a deed

Landlord

Signed sealed and delivered by
**New Centenary Properties Pty
Ltd ACN 168 188 010**
by

sign here ▶ _____
Company Secretary/Director

sign here ▶ _____
Director

print name _____

print name _____

Tenant

Signed sealed and delivered by
**Prestige Auto Traders Australia
Pty Ltd ACN 105 105 771**
by

sign here ▶ _____
Company Secretary/Director

sign here ▶ _____
Director

print name _____

print name _____

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Residential Development
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APPENDIX 4: CBRE REPORT, 135 Moggill Road, Taringa, Qld 4068

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Market Rental Assessment

**New Centenary Mercedes Benz & Mazda,
135 Moggill Road, Taringa, Qld 4068**

Leased Premises The whole of the land formed by Lot 1 on RP106498, Lot 1 on RP 880691 & Lot 2 on RP109330.

Date of Market Review 1 December 2024

Reliant Party BDO Corporate Finance Australia Pty Ltd & Autosports Group Ltd

CBRE Reference F244104.0101780

Photo

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1 Market Rental Assessment Summary

INSTRUCTIONS / RELIANCE

Instructing Party	Mr David McCourt of BDO Corporate Finance Australia Pty Ltd and Mr Aaron Murray of Autosports Group Limited
Instruction Date	2 August 2024
Reliant Party/Purpose	BDO Corporate Finance Australia Pty Ltd & Autosports Group Ltd for Market Rental assessment purposes only. The Market Rental assessment, is to be completed as at the commencement date of the availability option period of 1 December 2024, in accordance with the current lease document and the proposed Deed of Variation (to be executed).
Limitation of Liability (Condition of Reliance)	To the fullest extent permitted by law, the total aggregate liability of CBRE under or in relation to this valuation, however caused, and whether arising under contract, tort (including negligence) or otherwise, is limited to the prescribed liability caps in the Terms of Engagement.


PROPERTY PARTICULARS

Lessor	New Centenary Properties Pty Ltd
Lessee	New Centenary Mercedes Benz Pty Ltd
Brief Description	The property comprises a modern purpose built multi-level motor vehicle sales/service complex incorporating showrooms, administration offices, sales offices, full service workshop with offices, customer lounges, covered display areas, open display areas and rear open line marked storage areas. The dealership comprises Mercedes Benz Toowong and Mazda Toowong. The property has a total gross building area of approximately 6,462 square metres. Ancillary improvements include concrete and bitumen sealed display/parking areas totalling 4,718 square metres
Lease Details	The property is occupied under formal lease arrangements by New Centenary Mercedes Benz Pty Ltd for a 10 year term that commenced 2 June 2014, with the availability of 2 further 5 year option terms (refer to the body of this report for further details).
Proposed Deed of Variation	We have been provided with an unsigned copy of a proposed Deed of Variation, that includes extension of the existing lease to 30 November 2024 along with other matters in relation to the option periods and rent adjustment and review dates, refer to the body of this report for further detail.
Lettable Area (sqm)	6,462
Registered Owner	New Centenary Properties Pty Ltd

RENTAL ASSESSMENT

Date of Inspection	24 June 2024 & 9 July 2024
Date of Rent Review	1 December 2024
MARKET RENTAL ASSESSMENT (per annum)	\$2,375,000 (Two Million, Three Hundred and Seventy Five Thousand Dollars) This assessment is exclusive of GST.
MARKET RENTAL in accordance with Lease Terms (per annum)	\$2,917,896 * rounded to nearest \$ (Two Million, Nine Hundred and Seventeen Thousand, Eight Hundred and Ninety Six Dollars) This assessment is exclusive of GST.

GST & Outgoings In addition to the base annual rental, the lessee is responsible for property outgoings and GST payable on base rental.

Principal Valuer	 Mel Evans FAPI Registered Valuer No. 1735 Certified Practising Valuer Director Valuation & Advisory Services Property Inspection - Yes
Co-Signatory *	 Michael Walsh AAPI Associate Director Valuation & Advisory Services Property Inspection - No Job Involvement - Counter Signatory in capacity of Peer Reviewer.

* The Counter-Signing Director/Peer or Quality Assurance Reviewer confirms having reviewed the valuation methodology and calculations, however the opinion of the value expressed has been arrived at by the Principal Valuer alone.

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2 Reliance & Reporting

2.1 Reliance & Liability

Liability	Liability limited by a scheme approved under Professional Standards Legislation.
Reliance	This assessment is strictly and only for the use of the Reliant Party and for the Purpose specifically stated in the Instructions section.
Confidentiality	This assessment is strictly confidential between CBRE and the Reliant Party.
Transmission	Only an original report received by the Reliant Party directly from CBRE without any third-party intervention can be relied upon.
Restricted	No responsibility is accepted or assumed to any third party who may use or rely on the whole or any part of the content of this report.
Copyright	Neither the whole nor any part of the content of this report may be published in any document, statement, circular or otherwise by any party other than CBRE, nor in any communication with any third party, without the prior written approval from CBRE, and subject to any conditions determined by CBRE, including the form and context in which it is to appear.
Value Subject to Change	This assessment is current as at the date of rental assessment only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movement or factors specific to the particular property). For the avoidance of doubt, this may include global financial crises or force majeure events. We do not accept liability for losses arising from such subsequent changes in value.
Reliance Period	We do not assume any responsibility or accept any liability in circumstances where this rental assessment is relied upon after the expiration of 90 days from the date of report, or such earlier date if the Reliant Party becomes aware of any factors that have any effect on the assessment.
Disclosure	CBRE must be advised in the event that the Reliant Party becomes aware of any changes relating to the information and advice provided by the Instructing/Reliant Party during the Reliance Period. This includes, without limitation, any changes to information and advice provided in relation to encumbrances, registered/unregistered interests, title, and land area/dimensions. In any such event, this assessment must not be relied upon without consulting CBRE first to reassess any effect on the rent.
Valuer's Interest	We hereby certify that the Principal Valuer is suitably qualified and authorised to practise as a valuer; has at least 5 years of continuous experience in valuation; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper assessment of the property; and accepts instructions to value the property only from the Responsible Entity/Instructing Party.

2.2 Market Rental Definitions

Market Rent Definition	In accordance with the International Valuation Standard, the definition of market rent is as follows: "The estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."
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2.3 Critical Assumptions

Our assessment is subject to the following critical assumptions:

Information Provided	The data provided to us by the instructing parties is a true and accurate representation of the facts.
Proposed Deed of Variation	We have been provided with an unsigned copy of a proposed Deed of Variation, that includes extension of the existing lease to 30 November 2024 along with other matters in relation to the option periods and rent adjustment and review dates. Should the Deed of Variation be amended or not proceed to execution this report should not be relied upon and returned to the Valuer for review and potential amendment.

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Floor Areas	Floor areas have been calculated by reference to information held on file, aerial measurements and tenancy information provided by the instructing parties. Should a formal survey of the property reveal building/property areas that materially differ from those adopted within our calculations then this report should be returned to the valuer for comment and possible re-assessment.
Certificate of Classification	We have not sighted a copy of the Certificate of Classification for the subject. Accordingly, our valuation assumes that the property complies with all requirements of the relevant Local Authority and that there are no outstanding requisitions.
Date of Assessment	All advice herein is current as at the date of the assessment only. The market parameters assessed may in the future change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property or particular property sector). CBRE does not accept liability for losses arising from subsequent changes in value.
GST	We have not been provided with legal advice regarding any non-recoverable GST liability in relation to the leases over the subject property. In the absence of such, we have relied upon the Owner/Manager disclosing any current or potential GST shortfalls in either rent or outgoings payments.

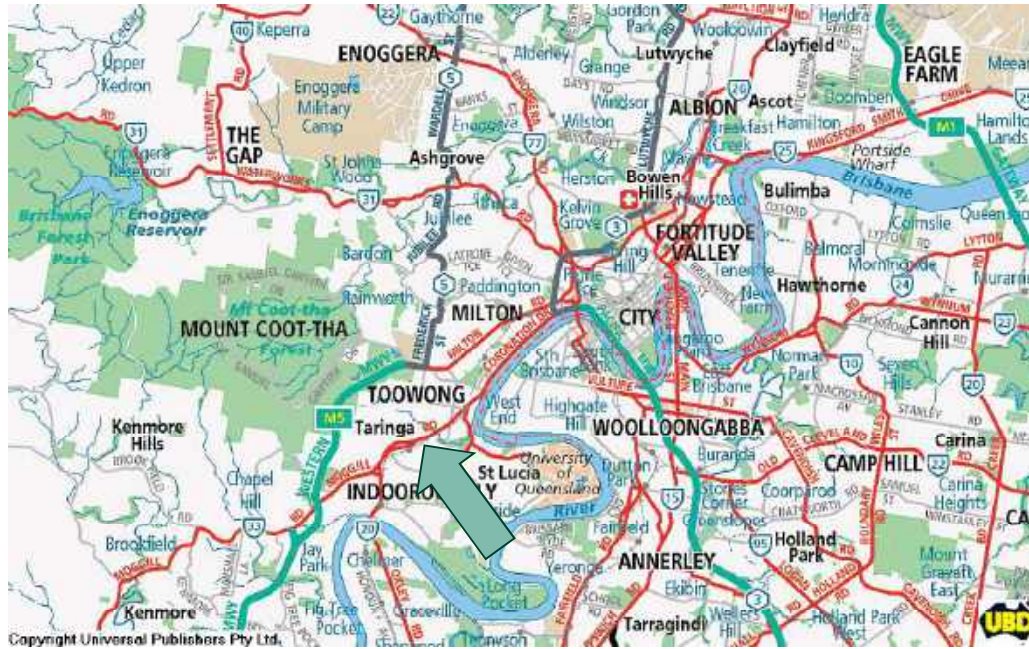
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3 Location

- Locality** Located in Taringa an inner western suburb of Brisbane.
Situating on the northern intersection of Moggill Road and Harrys Road, approximately 5.2 kilometres radial distance in a southwestern direction from the Brisbane CBD.
- Surrounds** The property is situated in a prominent main road location on the fringe of the Taringa Village with good exposure to passing traffic. Surrounding development comprises single unit and multi-unit residential properties together with a Toyota Motor Vehicle Dealership opposite and Brisbane Boys College.
- Transport/Roads** Taringa Railway Station is situated approximately 200 metres south of the subject property, whilst Brisbane City Council bus services pass the property.

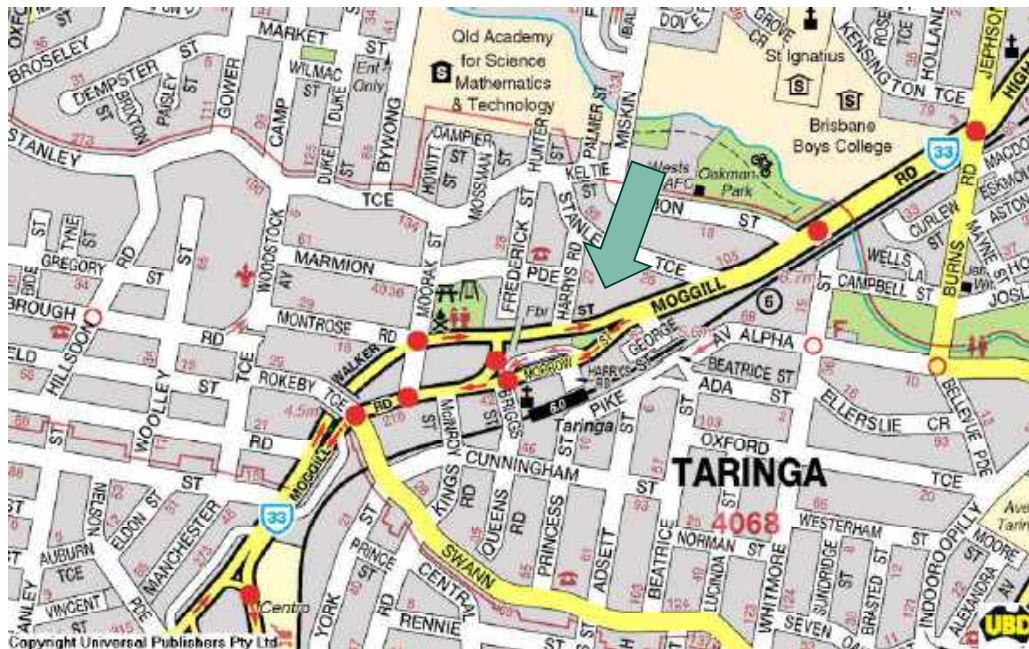
Regional Map

Source: Map section reproduced with permission of UBD



Local Map

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4 Premises

4.1 Property Description

Overview

The property comprises a modern purpose-built multi-level motor vehicle sales/service complex incorporating showrooms, administration offices, sales offices, full-service workshop with offices, customer lounges, covered display areas, open display areas and rear open line marked storage areas.

Access & Exposure

The property is situated in a prominent main road location with good exposure to passing traffic with the street frontages providing multi access cross overs enabling access to both visitors, clients and delivery vehicles. An aerial image of the property below indicates the attributes of the location.

Source: Nearnap, 2021 (Indicative outline only)



4.2 Leased Premises Description

Tenancy Position & Description

The lease premises comprises The whole of the land formed by Lot 1 on RP106498, Lot 1 on RP 880691 & Lot 2 on RP109330.

Overview

The dealership comprises Mercedes Benz Toowong and Mazda Toowong. The property has a total gross building area of approximately 6,462 square metres. Ancillary improvements include concrete and bitumen sealed display/parking areas and covered parking totalling 4,718 square metres.

The premises presents to a high-quality standard.

Mercedes Dealership Photos



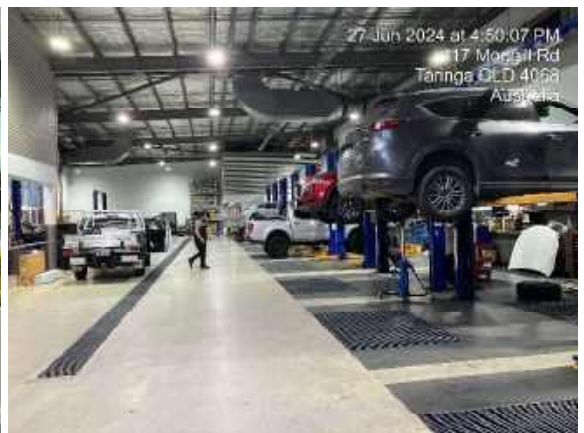
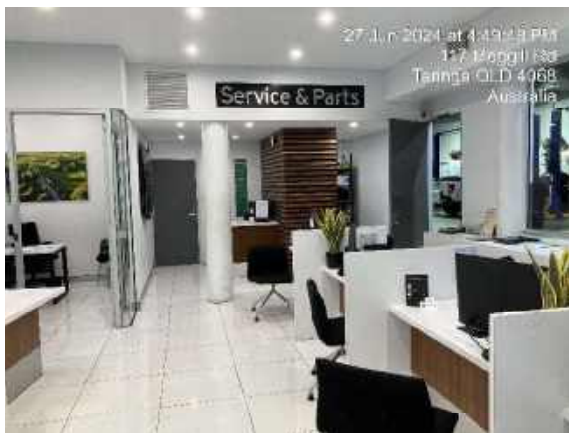
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Mazda Dealership Photos





Lettable Area

Based on the information provided, the subject tenancy/property has a total gross lettable area of 6,462 square metres.

FLOOR AREA ANALYSIS		
Component	(sqm)	%
Lettable Areas		
<u>Mercedes Benz Dealership</u>		
New Vehicle Showroom/ Office	903	14%
AMG Showroom/ Office	748	12%
AMG Mezzanine Office	155	2%
Workshop/ Service	2,562	40%
<u>Mazda Dealership</u>		
Showroom/ Office	676	10%
Mezzanine Office	303	5%
Workshop/ Service	938	15%
Workshop Mezzanine	177	3%
Total Lettable Area	6,462	100%
Mercedes Display	870	
Mercedes Rear Yard	1,504	
Mazda Display	2,200	
Mazda Covered Parking	144	
Total Lettable Area	4,718	

4.3 Condition & Utility

Overview

The subject property provides modern motor vehicle dealership facilities with the external elevations appearing to be in sound repair, and the internal areas are clean and well maintained.

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5 Current Lease Summary

5.1 Lease Overview

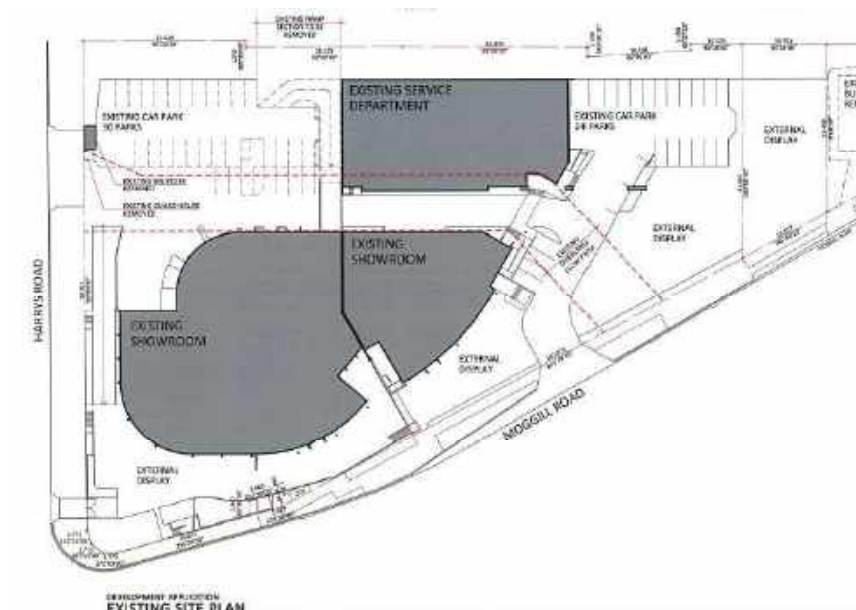
Lease Terms We have been provided with a copy of the signed lease document, the salient terms of which are detailed below.

LEASE SUMMARY

Lease Details			
Lessor	New Centenary Properties Pty Ltd		
Lessee	New Centenary Mercedes Benz Pty Ltd		
Tenancy Area (sqm)	6,462		
Premises	The whole of the land		
Lease Term (yrs)	10.0		
Option Period/s (yrs)	5 + 5		
Commencement Date	02-Jun-14		
Expiry Date	01-Jun-24		
Market Review Date	01-Jun-24		
Rent	\$pa	\$psm (GLA)	
Contract Rent	\$2,917,896.00	\$452	
Outgoings Contribution	The lease is structured on a net basis, with the Lessee responsible for all operating expenses (including Land Tax).		
Rent Reviews	The rent is to be adjusted on the each anniversary of the commencement date at a fixed rate of 4%, with a market review to be completed at the commencement of each further term (option periods).		
Permitted Use	Vehicle sales, vehicle showroom, vehicle parking, vehicle service and vehicle storage.		
Guarantee	An amount equal to 6 months' Rent plus Outgoings, plus GST, except while the tenant is New Centenary Mercedes Benz Pty Ltd.		
Information Source	Lease:	Copy of executed Lease.	
	Rent:	Tenancy and rental information information provided by Deputy Chief Financial Officer.	
	GST:	Lease provides for recovery of GST.	
Inclusions/Exclusions	Our assessment includes those items that form part of the building service installations such as heating and cooling equipment, lifts, sprinklers, lighting, etc., that would normally pass with the sale of the property, but excludes all items of plant, machinery, equipment, partitions, furniture and other such items which may have been installed (by the occupant/operator) or are used in connection with the enterprise carried on within the property.		

Comment It is noted that the Rent Review procedures under the existing lease may not be in-line with current market parameters. The last few years have seen high levels of CPI (though now eased) and new leases for large industrial facilities and similar dealership properties, annual rent reviews are set to CPI with a cap of 3.5%.

Site Plan The site plan below illustrates the building layout of the leased property, prior to the addition of the covered parking area.



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5.2 Market Rent Review Criteria

Overview The mechanism for reviewing the market rent under the lease agreement is encapsulated within Clauses 5.3 (f) and Section (cc) "Property Valuation Methodology" of the lease document which are detailed as follows.

- 5.3 (f) The Rent from the relevant Market Review Date will be the greater of either:
- (i) the market rent of the Premises as agreed in writing by the Landlord and the Tenant or as determined by the Property Valuer; and
 - (ii) the Rent payable immediately prior to the relevant Market Review Date.
- (cc) "Property Valuation Methodology": the methodology as agreed between the Landlord and Tenant to value market rent for the relevant Market Review Date, and failing agreement the following criteria:
- (i) rents as at the relevant Market Review Date in respect of any comparable premises to the Property;
 - (ii) the Permitted Use as at the relevant Market Review Date;
 - (iii) this Lease is in place and is between a willing but not anxious landlord and a willing and not anxious tenant enjoying or entitled to enjoy actual possession of the whole of the Premises as at the Market Review Date;
 - (iv) rent in respect of any subletting or of any concessional occupational arrangement in respect of the Premises or any comparable premises must not be taken into account; and
 - (v) the Premises are ready for immediate occupation and use.

5.3 Proposed Deed of Variation

Overview We have been provided with an unsigned copy of a proposed Deed of Variation, that includes extension of the existing lease to 30 November 2024 along with other matters in relation to the option periods and rent adjustment and review dates, *refer to Critical Assumptions*.

With affect from the 1 June 2024 the lease is to be varied as follows:

- Expiry Date is to be amended to 30 November 2024.
- Options to be amended to 1 x 6 years & 7 months and 1 x 5 years.

Other particulars to be amended within the lease are noted as follows:

- Landlords Name to be changed to New Centenary Properties Pty Ltd.
- Termination Date to be amended to 30 November 2024.
- Market review Date to be amended to 1 July 2031.
- Adjustment Date to be amended to 1 July annually, other than each Market Review Date.
- Rent Review adjustment during each period from 1 December 2024, to be amended to 3.5%.
- Further Terms to be amended as follows:

First Further Term

Term: 6 years & 7 months
 Commencement Date: 1 December 2024
 Terminating Date: 30 June 2031

Second Further Term

Term: 5 years
 Commencement Date: 1 July 2031
 Terminating Date: 30 June 2036

Comment In completing our assessment we have given consideration to the terms of the Deed of Variation.

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6 Market Commentary

6.1 Economic Overview

Source: Reserve Bank of Australia

Australia At its August meeting, the Reserve Bank of Australia (RBA) Board decided to leave the cash rate target unchanged at 4.35% and the interest rate paid on Exchange Settlement balances unchanged at 4.25%.

Inflation remains above target and is proving persistent.

Inflation has fallen substantially since its peak in 2022, as higher interest rates have been working to bring aggregate demand and supply closer towards balance. But inflation is still some way above the midpoint of the 2–3% target range. In underlying terms, as represented by the trimmed mean, the CPI rose by 3.9% over the year to the June quarter, broadly as forecast in the May Statement on Monetary Policy (SMP). But the latest numbers also demonstrate that inflation is proving persistent. In year-ended terms, underlying inflation has now been above the midpoint of the target for 11 consecutive quarters. And quarterly underlying CPI inflation has fallen very little over the past year.

The outlook remains highly uncertain.

The economic outlook is uncertain and recent data have demonstrated that the process of returning inflation to target has been slow and bumpy.

The central forecasts set out in the latest SMP are for inflation to return to the target range of 2–3% late in 2025 and approach the midpoint in 2026. This represents a slightly slower return to target than forecast in May, based on estimates that the gap between aggregate demand and supply in the economy is larger than previously thought. In part, this reflects an increase in the forecast for domestic demand. But it also reflects a judgement that the economy's capacity to meet that demand is somewhat weaker than previously thought, evidenced by the persistence of inflation and ongoing strength in the labour market.

There is substantial uncertainty around these forecasts. Revisions to consumption and the saving rate in the most recent National Accounts, high unit labour costs and the persistence of inflation – particularly in the services sector – suggest there are upside risks to inflation. Wages growth appears to have peaked but is still above the level that can be sustained given trend productivity growth.

On the other hand, momentum in economic activity has been weak, as evidenced by slow growth in GDP, a rise in the unemployment rate and reports that many businesses are under pressure. And there is a risk that household consumption picks up more slowly than expected, resulting in continued subdued output growth and a noticeable deterioration in the labour market.

More broadly, there are uncertainties regarding the lags in the effect of monetary policy and how firms' pricing decisions and wages will respond to the slower growth in the economy at a time of excess demand, and while conditions in the labour market remain tight.

Returning inflation to target is the priority.

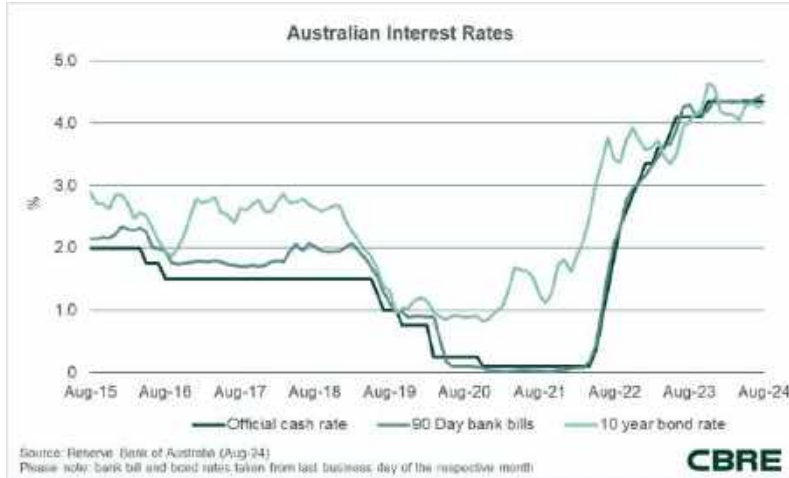
Returning inflation to target within a reasonable timeframe remains the RBA Board's highest priority. This is consistent with the RBA's mandate for price stability and full employment. To date, longer-term inflation expectations have been consistent with the inflation target and it is important that this remains the case.

Inflation in underlying terms remains too high, and the latest projections show that it will be some time yet before inflation is sustainably in the target range. Data have reinforced the need to remain vigilant to upside risks to inflation and the RBA Board is not ruling anything in or out. Policy will need to be sufficiently restrictive until the RBA Board is confident that inflation is moving sustainably towards the target range.

The RBA Board will rely upon the data and the evolving assessment of risks to guide its decisions. In doing so, it will continue to pay close attention to developments in the global economy and financial markets, trends in domestic demand, and the outlook for inflation and the labour market.

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6.2 Market Commentary Car Dealerships

National Market Comment

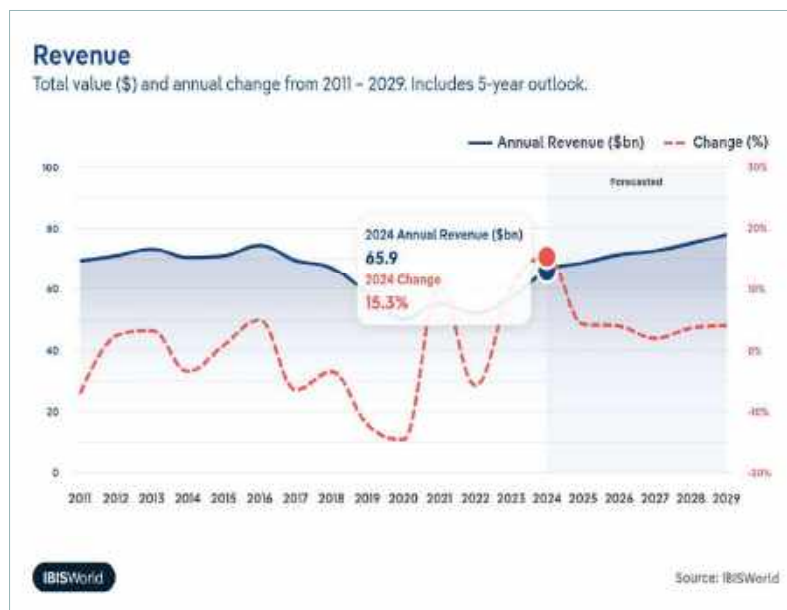
Source: IbisWorld, January 2024

Motor vehicle dealers have faced difficult trading conditions over the past few years. Uncertain economic conditions and issues with supply have led to some of the largest declines in industry revenue since the global financial crisis. However, while these factors have delayed purchases, they haven't fundamentally altered demand for cars, with delayed purchases and deliveries leading to record surges in car sales in the past couple of years.

Overall, revenue is expected to grow at an annualised 2.4% over the five years through 2023-24, to \$65.9 billion. This includes a rise of 15.3% anticipated for 2023-24 alone, as a glut of delayed deliveries led to a spike in new car sales. Increased logistics costs and vehicle shortages have swollen prices. By passing on freight costs and capitalising on weak supply, dealers have increased profit margins.

Motor vehicle preferences have changed significantly over time. Traditionally, consumers opted for passenger vehicles, but SUVs and utility vehicles have been increasing in popularity for over 20 years. In 2020-21, SUVs accounted for over half all new vehicles sold for the first time. These vehicles' higher price point has supported increased revenue. Meanwhile, electric vehicle sales have started to plateau, due to some saturation among higher income earners and a limited number of affordable models available for lower income earners. The fuel cost savings from these vehicles is also starting to wane as the gap between charging station costs and fuel costs for relatively efficient petrol or diesel engines is becoming narrower.

Increased pricing and a demand switch to more expensive SUVs and EVs are on track to drive faster revenue growth over the coming years. Cost pressures are starting to wane in 2023-24 and this should start to slow down new car prices over the next few years. Additionally, slower real household discretionary income growth will temper sale and profit margin gains. Overall, revenue is set to increase at an annualised 3.4% through the end of 2028-29, to \$77.9 billion.



Current Performance

Volatile Operating Conditions

Vehicle sales fell sharply over the two years through 2019-20, as a weak Australian dollar, tighter borrowing conditions, poor wage growth, the devastating 2019-20 bushfires and the initial COVID-19 outbreak all hurt sales. After a recovery in 2020-21, supply chain shortages caused another major drop in 2021-22.

Dealers have enjoyed recent rebounds as consumers rushed to fulfil demand for vehicles purchases that they had delayed. Additionally, used car prices spiked in 2020-21 and overall prices showed sustained increases after long-term stagnancy and declines, which is expected to cause revenue to spike by double digits over the two years through 2023-24.

Vehicle Shortage & Logistic Issues

Globally, the COVID-19 pandemic had a catastrophic effect on supply chains and manufacturing capacity as countries locked down and restricted the movement of goods and people.

Freight costs have increased significantly, pushing up revenue but not affecting margins as motor vehicle dealers have passed these costs on to buyers. Freight costs eased in the second half of 2022-23, while imported car price growth started to slow in early 2023-24.

Manufacturing disruptions have led to a global vehicle shortage and this has created inflationary pressures. The combination of delayed purchases due to the COVID-19 pandemic and delayed deliveries due to supply chain issues is expected to lead to surging new car sales and revenue over the two years through 2023-24.

Industry Consolidation

While market share concentration remains low, the industry is rapidly consolidating. The largest companies have engaged in a flurry of acquisitions as they try to build scale and enter new markets.

Eagers is one of the most active dealers, having acquired AHG in 2019 and then continuing to bolster its portfolio with 7 dealership acquisitions in 2021 and 14 in 2022. In November 2023, the company announced a \$245.0 million acquisition to buy three major dealerships in Victoria.

Peter Warren Automotive decided to buy its way into the Victorian market, making a \$104.0 million acquisition of 10 dealerships in the state in November 2021. In June 2023, the company acquired majority shares of 3 major dealerships in New South Wales for \$45.0 million.

Vehicle Choice Changes

July 2020 was a landmark month, with SUVs accounting for over 50.0% of all new vehicle sales for the first time. Just 10 years ago that figure was under 30.0%, and 15 years ago it was under 20.0%. In July 2023, SUV sales almost hit 60.0% of all new car sales.

Consumers are shifting their preferences away from passenger cars. SUVs offer perceived comfort and safety advantages, and manufacturers have improved fuel-efficiency.

Households are increasingly purchasing utility vehicles. During periods of weak trades activity, dealers can rely on strong household utility sales, particularly the Toyota HiLux and Ford Ranger, which are consistently the top-selling models.

Electrical Vehicle Impact

Electric vehicles (EVs) have a bright future, with state and federal governments transitioning to electric passenger fleets and rising environmental consciousness driving consumer demand.

International manufacturers are onboard, with Hyundai, Honda, Ford, Nissan and Volkswagen all promising to transition to exclusively manufacturing electric vehicles over the next 20 years.

While sales growth has been staggering, EVs' market share has been limited and is starting to plateau, with a small range of lower price point models making them unaffordable for many consumers.

The government has been criticised for not providing enough support to help consumers transition to EVs, constraining demand.

Industry Outlook

Steady Growth

After a period of volatility and weak trading conditions, motor vehicle dealers are set for a period of steady growth in the years ahead.

Upwards pricing pressure and a continued shift away from lower cost passenger cars, towards utility vehicles, SUVs and electric vehicles, is forecast to drive revenue growth.

Consumer sentiment is projected to slowly shift back towards positive territory over the coming years, creating a positive trading environment for motor vehicle dealers. Real household discretionary income growth is forecast to slow compared to the past few years but remain above long-term averages, further supporting industry sales.

Market Consolidation

The top four companies' market share has doubled since 2018-19, and their appetite for new acquisitions hasn't slowed.

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Dealers have looked to create economies of scale through acquisitions to give them an edge in an industry with low profit margins.

Eagers' business model for Easyauto123 is to use its scale to employ a cutthroat low-margin high-turnover approach to remain one of the industry's top dealers.

As the larger dealers develop scale, they'll increasingly find opportunities to push smaller dealers out of the industry, as smaller firms can't sustain profitability at the prices the larger companies offer.

Australian Government Electric Vehicle Policies

Australia significantly lags behind the world in electric vehicle (EV) uptake. This is largely because of gaps in government support.

Over the coming years, government support is set to ramp up, driving new demand. State governments already had their own incentive systems to improve affordability, but these were supplemented by a Federal Government scheme in November 2022.

In November 2022, the Federal Government committed to \$500.0 million of investment into a national charging network. State governments have also implemented procurement policies that favour electric vehicles.

One of the main risks going forwards is some governments' desire to levy an excise tax on electric vehicles to replace lost fuel excises that pay for road infrastructure maintenance and construction.

Demographic Challenges

The industry faces some demographic challenges over the coming years, as it increasingly relies on Generation Y and baby boomers to drive new car sales.

As baby boomers age, their demand for new cars will be limited. However, sales to this market will benefit from relatively high levels of wealth and savings in this demographic.

Generation Y has been more reticent than previous generations to purchase new cars at young ages, but as these consumers move into the suburbs, many holdouts will take the plunge. Urban sprawl in cities like Melbourne and Sydney necessitates car ownership. As Generation Y moves further into the urban fringe, in part due to rising house prices, car sales in this demographic are likely to increase.

Comment

The industry is consolidating as the larger players look for growth through acquisition. Eagers has rapidly increased its market share by acquiring dealerships across Australia.

In 2019, the company merged with Automotive Holdings Group, making it by far the largest motor vehicle dealer in Australia.

The company has tactically targeted businesses in various markets. It acquired Kelly Trotter & Heritage Motor Group in 2021, including seven dealerships in New South Wales. In 2022, it acquired WFM Motors, adding 14 dealerships in the Australian Capital Territory. Eagers acquired a further 3 dealerships in Victoria for \$245.0 million in 2023.

6.3 Dealership Commentary – Queensland

Markets

In general, industry enterprises are distributed across Australia in line with the spread of the population and the distribution of motor vehicles. A large portion of enterprises are therefore located in New South Wales, which also holds the largest population. Victoria has the second-highest number of enterprises, also in line with population balance and its share of motor vehicles.

Queensland (around 22.5%) is also over-represented as it accounts for a higher share of motor vehicles on register in Australia than its population share, indicating that there are more opportunities to sell cars in Queensland on a per capita basis than the majority of other states.

Comment

Rental and sale transactions of motor vehicle dealerships within Queensland including the greater Brisbane area have always been limited. This is due in most part to the fact that those more prominent dealerships are generally tightly held being strategically acquired by major dealers on a long term holding basis. More frequent transactions are generally associated with smaller car yards operated by independent second-hand dealers. In some cases, these operations are more susceptible to market imperfections and cannot be sustained for long periods of time. These sites generally offer limited and inferior improvements and often lack the level of exposure of the larger dealerships.

Whilst recent rental evidence is limited, market sentiment has declined with an expectation that both rentals and yields have softened off the back of high inflation and interest rates.

7 Market Evidence

7.1 Leasing Evidence

Overview

We have had consideration to the following car dealership leasing transactions. We note the majority of car dealerships are owner occupied or are subject to long term leases therefore, leasing transactions for properties of this nature are limited.

Property	Tenant	Land Area (sqm)	Building Area (sqm)	Passing Rent (pa)	\$psm (Bldg)	\$psm (Site)	Type	Term	Comm. Date	
1166 Ipswich Road Moorooka	MHPL Investments - Motorama Ford	5,927	1,053	\$550,000	\$522	\$93	Net	10 + 3 x 5	Dec-23	
	<u>Hypothetical Apportionment</u>									
	Office - Building 1		83	\$18,675	\$225					
	Showroom - Building 1		170	\$42,500	\$250					
	Office - Building 2		250	\$75,000	\$300					
	Showroom - Building 2		550	\$192,500	\$350					
	Awning Rear Yard		400	\$50,000	\$125					
		2,950	\$171,325	\$58						
Comprises an irregular shaped 5,927 square metre 'Specialised Centre (Large Format Retail)' classified allotment situated on the eastern side of Ipswich Road with additional frontage along the southern side of Keats Street, Moorooka. The property is improved with a motor vehicle dealership complex which comprises two buildings providing a total lettable area of 1,053 square metres. Building 1 comprises semi-modern accommodation and Building 2 comprises modern accommodation, with both arranged into a combination of office and showroom accommodation. Ancillary improvements to the property include circa 2,950 square metres of open yard area, a 400 square metre awning extending from the northern alignment of Building 2, signage and soft landscaping. The new lease has been established on a 10 year term with 3 x 5 year option periods by the owner following sale of the business to MHPL Investments P/L, a related entity of the Servco Australia Group.										
2 - 6 Brennan Street Slacks Creek	MHPL Investments - Motorama Mitsubishi	8,721	3,954	\$687,500	\$174	\$79	Net	10 + 3 x 5	Dec-23	
	<u>Hypothetical Apportionment</u>									
	Showroom		594	\$178,200	\$300					
	Showroom/Office		677	\$169,250	\$250					
	Workshop		1,283	\$160,375	\$125					
	10 Brennan Street		665	\$83,125	\$125					
	16 Brennan Street		735	\$96,550	\$125					
Comprises the amalgamation of 6 lots which form an irregular shaped 8,721 square metre 'Mixed Use' classified allotment situated on the western side of the Pacific Highway Service Road with additional frontages along the southern side of Brennan Street and Aranda Street, Slacks Creek. The property has exposure to the Pacific Highway and is improved with multiple building envelopes which comprise a combination of purpose-built car dealerships and service buildings which provide a combined lettable area of 3,954 square metres. The buildings are configured into a combination of accommodation types which include showroom, showroom offices, office and workshops. Ancillary improvements to the property include access from all road frontages, on-site car parking, signage and soft landscaping. The new lease has been established on a 10 year term with 3 x 5 year option periods by the owner following sale of the business to MHPL Investments P/L, a related entity of the Servco Australia Group.										
72 - 88 Anzac Avenue Hillcrest	MHPL Investments - Motorama Browns Plains	17,671	3,711	\$1,350,000	\$364	\$76	Net	10 + 3 x 5	Dec-23	
	<u>Hypothetical Apportionment</u>									
	Office/Showrooms		1,578	\$52,200	\$350					
	Office - Mezzanine		285	\$85,500	\$300					
	Service Centre Office/Workshop		1,700	\$255,000	\$150					
	Detailing Store		148	\$11,100	\$75					
	Display/Delivery Awnings		519	\$51,900	\$100					
	Car Wash Bays		192	\$19,200	\$100					
	Display Yard		4,100	\$307,500	\$75					
	Rear Yard		3,400	\$67,500	\$20					
The property is positioned within a prominent main road location within the suburb of Hillcrest, a western suburb of Logan City approximately 26 radial kilometres south of Brisbane's Central Business District and GPO. The property comprises a modern motor vehicle sales/service complex incorporating three separate showroom and sales/administration offices, a full service workshop with office, customer lounge with three separate open display areas and rear open storage areas and car parking areas on a large prominent main road position within an established local business area of Hillcrest. The dealership comprises Motorama Hillcrest a multi brand dealership (Mitsubishi, Toyota, Nissan and Kia) providing a large modern full sales and service facility to meet the requirements of Motorama Hillcrest and the standards of the respective motor vehicle companies. The property has a total building area of approximately 3,711 square metres with the required ancillary improvements comprising wash bay buildings, awning/canopies and covered areas with a total building area of 711 square metres, concrete and bitumen sealed display areas of 4,100 square metres and rear carpark/hardstand storage areas 3,400 square metres. The new lease has been established on a 10 year term with 3 x 5 year option periods by the owner following sale of the business to MHPL Investments P/L, a related entity of the Servco Australia Group.										
1032 - 1060 Ipswich Road Moorooka	MHPL Investments - Motorama Moorooka	15,800	9,890	\$2,507,500	\$254	\$159	Net	10 + 3 x 5	Dec-23	
	<u>Hypothetical Apportionment</u>									
	Showroom/Office		1,732	\$606,200	\$350					
	Administration/Office		1,176	\$382,200	\$325					
	Service Reception Areas		196	\$49,000	\$250					
	Spare Parts/Service - Upper Floor		3,260	\$570,500	\$175					
	Service Building/Carpark		3,150	\$393,750	\$125					
	Office/Sales - Used Cars		220	\$60,500	\$275					
	Workshop - Used Cars		98	\$12,250	\$125					
	Covered Slaves/ Staff Area - Used Cars		58	\$7,250	\$125					
	Covered Awnings		586	\$58,600	\$100					
	Car Wash & Mezzanine		120	\$15,000	\$125					
	Display Yard - New Cars		3,500	\$210,000	\$60					
	Display Yard - Used Cars		2,350	\$142,250	\$60					
The property is positioned within a prominent main road location within the suburb of Moorooka, an inner southern suburb of Brisbane approximately 8.5 kilometres south of Brisbane's Central Business District and GPO. The subject property is improved with a modern motor vehicle dealership complex comprising two modern multi-level showroom/office buildings, a multi-level spare parts and service building with sub-floor secure car parking, a freestanding sales office, carwash building with a total GFA of approx. 9,514 square metres. Other improvements comprise on-site car parking and both covered and open motor vehicle display areas. The new lease has been established on a 10 year term with 3 x 5 year option periods by the owner following sale of the business to MHPL Investments P/L, a related entity of the Servco Australia Group.										

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Property	Tenant	Land Area (sqm)	Building Area (sqm)	Passing Rent (pa)	Spsm (Bldg)	Spsm (Site)	Type	Term	Comm. Date	
18 Anzac Avenue Hillcrest	MHPL Investments - Motorama Mazda	11,889	2,822	\$1,000,000	\$354	\$84	Net	10 + 3 x 5	Dec-23	
	<u>Hypothetical Apportionment</u>									
	Showroom/Office		923	\$323,050	\$350					
	Office - Mezzanine		211	\$63,300	\$300					
	Service Parts Building		1,336	\$233,800	\$175					
	Service Parts - Mezzanine		191	\$27,695	\$145					
	Wash Bay/Store		159	\$15,900	\$100					
	Service Delivery Awning		930	\$69,750	\$75					
	Display Yard		2,600	\$195,000	\$75					
	Rear Yard		2,000	\$71,505	\$36					
<p>The property is positioned within a prominent main road location within the suburb of Hillcrest, a western suburb of Logan City approximately 26 radial kilometres south of Brisbane's Central Business District and GPO. The property is improved with a purpose built modern motor vehicle dealership located in the well established motor vehicle dealership strip of Anzac Avenue. The dealership improvements a two level office/showroom building and workshop/warehouse building interconnected by a fully covered drive through/delivery area together with a pre-delivery/wash bay building and extensive display and hardstand areas. The property has a total GLA of approximately 2,822 square metres. The new lease has been established on a 10 year term with 3 x 5 year option periods by the owner following sale of the business to MHPL investments P/L, a related entity of the Servco Australia Group.</p>										
210 Musgrave Road Berserker, Mackay	Rockhampton Mazda	4,940	1,546	\$459,000	\$297	\$93	Net	10+5+5	Apr-23	
	<u>Hypothetical Apportionment</u>									
	Office/Showroom		631	\$189,300	\$300					
	Office - Upper Floor		190	\$52,250	\$275					
	Workshop/ Service		725	\$90,625	\$125					
	Display Yard		850	\$68,000	\$80					
	Rear Yard		1,520	\$58,825	\$39					
<p>The property comprises motor vehicle sales yard occupied by a Mazda dealership, located in a prominent main road position on the northern fringe of the Rockhampton main business area in the suburb of Berserker. The property has three street frontages and comprises a modern circa 2012 purpose built motor vehicle sales/service complex incorporating showrooms, administration offices, sales offices, full service workshop with offices, customer lounge, open display areas and rear hardstand area. The property has a total building area of approximately 1,546 square metres (including 190 square metres of mezzanine office), 850 square metres of vehicle display area and 1,520 square metres of hardstand (rear lot). The lease has been established on a fully net basis with the tenant responsible for all property outgoings including land tax.</p>										

7.2 Leasing Evidence Conclusions

Overview

Recent available rental evidence within the surrounding Brisbane area is limited and accordingly we have had some regard to recent rental evidence that has occurred for similar facilities within the wider areas of Queensland.

The evidence reflects a range of \$76 to \$159 per square metre of site area and a range of \$174 square metre to \$522 per square metre of GLA), depending upon the size of the premises (land and GLA, location, external display areas and standard of improvements.

Although not directly comparable in all cases to the subject property, the evidence available does provide a guide as to the overall rates that may apply to such properties.

We have undertaken an assessment by apportioning net rents on a component basis with final reconciliation of the overall rate on a direct comparison basis with the rental evidence.

In assessing the net market rent for the subject premises we have had regard to:

- Comparable rentals.
- The permitted use.
- Outgoings recovery.
- Prescribed criteria for determining market rental within the lease.
- Prevailing market conditions.

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8 Rental Assessment

8.1 Introduction

Overview In arriving at our opinion of market rental, we have considered relevant general and economic factors and in particular have investigated recent leasing transactions of comparable properties (as previously detailed).
Assessment Approach: Direct Comparison.

8.2 Reconciliation

Market Rent Adopted As detailed earlier, in completing our assessment of the market rental for the subject property under the lease we have had regard to the following:

- The subject property provides high standard dealership office/showroom/workshop facilities and vehicle display areas.

The evidence comprises varying standards of full-service dealerships located in both wider Queensland and Brisbane locations and in completing our assessment we have given more weight to the Brisbane evidence.

On a component basis the evidence reflects ranges as follows:

- Showroom/Office Area \$225 to \$350/sqm
- Mezzanine Office Area \$275 to \$300/sqm
- Workshop/Warehouse Areas \$125 to \$175/sqm
- Awning Area \$100 to \$125/sqm
- Open Display Area \$60 to \$80/sqm
- Rear Yard Area \$20 to \$55/sqm

In completing our comparison with the available evidence, we have given regard to the following:

- Subject proposed lease term under the available option.
- Size of the dealership premises.
- Location of the dealership premises.
- Access to the property and the premises.
- Standard of the dealership improvements.
- Component areas of the dealership premises.

It is anticipated, on an overall basis, the subject property market rental would reflect a rate towards the upper end of the evidence range on both a GLA and site area basis.

8.3 Market Rent Assessment

8.3.1 Subject to Proposed Deed of Variation

Key Considerations We highlight that in this rapidly changing economic environment, the opinions and values detailed at the time of preparing this report may change materially in a short period of time.

The standard 90-day reliance period should be considered in light of current market sentiment and the evolving nature of the market/economy.

Market Rental Assessment Based on our understanding of rental levels within comparable motor vehicle dealership properties we have completed our rental assessment on a component basis as shown in the following table.

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MARKET RENTAL ANALYSIS			
Component	GLA (sqm)	Market Rent	
		\$pa	\$psm
Lettable Areas			
<u>Mercedes Benz Dealership</u>			
New Vehicle Showroom/ Office	903	\$383,775	\$425
AMG Showroom/ Office	748	\$317,900	\$425
AMG Mezzanine Office	155	\$58,125	\$375
Workshop/ Service	2,562	\$512,400	\$200
<u>Mazda Dealership</u>			
Showroom/ Office	676	\$287,300	\$425
Mezzanine Office	303	\$113,625	\$375
Workshop/ Service	938	\$164,150	\$175
Workshop Mezzanine	177	\$26,550	\$150
Total Lettable Area	6,462	\$1,863,825	\$288
Mercedes Display	870	\$130,500	\$150
Mercedes Rear Yard	1,504	\$150,400	\$100
Mazda Display	2,200	\$220,000	\$100
Mazda Covered Parking	144	\$14,400	\$100
Total Lettable Area	4,574	\$515,300	\$113
Total	6,462	\$2,379,125	\$368
Total	6,462.0	\$2,379,125	\$368
ADOPT	6,462	\$2,375,000	\$368
Analysis - GLA	6,462	\$2,375,000	\$368
Analysis - Site Area	10,100	\$2,375,000	\$235

Comment The assessed overall market rent equates to \$235 per square metre of total site area and \$368 per square metre of gross building area. In view of the size and nature of the dealership facilities and site coverage these rates are considered to be appropriate.

Market Rental Assessment We have assessed the Net Market Rental Value as follows:

- \$2,375,000 **per annum**
- **(Two Million Three Hundred and Seventy-Five Thousand Dollars)**

This assessment is exclusive of GST.

We are not tax experts and have not been provided with tax or legal advice. The Reliant Party must make its own enquiries if they consider that GST applies.

8.3.2 In Accordance with Lease Requirements

Key It is noted that there is no proposed amendment to clause 5.3 (f) within the proposed Deed of Variation.

Considerations In accordance with clause 5.3 (f) of the Lease:

The Rent from the relevant Market Review Date will be the greater of either:

- (i) the market rent of the Premises as agreed in writing by the Landlord and the Tenant or as determined by the Property Valuer; and
- (ii) the Rent payable immediately prior to the relevant Market Review Date.

Market Rental Assessment Accordingly Net Market Rental Value to commence 2 June 2024 is as follows:

- \$2,917,896 **per annum** * * rounded to nearest \$
- **(Two Million and Nine Hundred and Seventeen Thousand Eight Hundred and Ninety-Six Dollars)**

This assessment is exclusive of GST.

We are not tax experts and have not been provided with tax or legal advice. The Reliant Party must make its own enquiries if they consider that GST applies.

9 Qualifications

The report must be read in accordance with and subject to the following qualifications:

Market Movement	Values vary from time to time in response to changing market circumstances. The assessment is based on available information as at the date of assessment. No warranty can be given as to the maintenance of this value into the future. Therefore, it should be reviewed periodically.
Extent of Investigations	We are not engaged to carry out all possible investigations in relation to the property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party to instruct further investigations where considered appropriate or where we recommend as necessary prior to Reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.
Assumptions	Assumptions are a necessary part of undertaking assessments. CBRE adopts assumptions for the purpose of providing assessment advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. Assumptions adopted by CBRE will be formulated on the basis that they could reasonably be expected from a professional and experienced valuer. The Reliant Party accepts that the assessment contains certain specific assumptions and acknowledges and accepts the risk that if any of the assumptions adopted in the assessment are incorrect, then this may have an effect on the assessment.
Information Supplied by Others	This document contains information which is derived from other sources. Where this information is provided by experts and experienced professionals, we have relied upon the expertise of such experts and by necessity we have relied upon the information provided being accurate, whether prepared specifically for assessment purposes or not. Unless otherwise specifically instructed by you, we have not independently verified that information, nor adopted it as our own. Notwithstanding the above, we have reviewed the provided information to the extent that such a review would be reasonably expected from a professional and experienced valuer having regard to normal industry practice undertaking a similar assessment/consultancy service. The Reliant Party acknowledges that the valuer is not a specialist in the areas from which the expert information is derived and accepts the risk that if any of the information/advice provided by others and referred to in the assessment is incorrect, then this may have an effect on the assessment.
Future Matters	To the extent that the assessment includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CBRE at the date of this document. CBRE does not warrant that such statements are accurate or correct.
Industry Practice	Subject to the assumptions and qualifications detailed within, this report is prepared and issued in accordance with the International Valuation Standards published by the IVSC and adopted by the API, as well as relevant and applicable valuation guidelines published by the API as Guidance Papers, Technical Information Papers and Valuation Protocols.

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APPENDICES

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A. Letter of Engagement

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CBRE Valuations Pty Limited
ABN 15 005 912 641
Level 21
363 George Street
Sydney NSW 2000
T 61 2 9333 3333

thomas.webster@cbre.com
www.cbre.com.au

25 July 2024

David McCourt
Partner, Advisory
BDO
Level 11, 1 Margaret Street
Sydney NSW 2000

Via Email: David.McCourt@bdo.com.au

Dear David,

Request for Provision of a Rental Assessment of:

- 45 Dickson Avenue, Artarmon NSW 2064
- 135 Moggill Road, Toowong QLD 4066

Thank you for your recent request for a quote to provide a rental assessment regarding the above properties.

Rental Assessment Brief

The rental assessment provided will be the current market rent of the premises at the date of assessment on the following basis:

- 'As Is' for Market Rental Assessment purposes only.

The rental assessment will be prepared strictly and only for the use of the Reliant Parties and for the Purpose specifically stated, which we understand to be:

- BDO for Market Rental Assessment purposes only.
- Autosports Group Limited for Market Rental Assessment purposes only.

We do not assume any responsibility or accept any liability in circumstances where this valuation is relied upon after the expiration of 90 days from the date of valuation, or such earlier date if the Reliant Party becomes aware of any factors that may have an effect on the valuation.

Outlined below is our fee proposal for provision of the rental valuation outlined in the letter of engagement ("the Services") and attached are our standard terms and conditions. If accepted by you, this letter and attachments will form the Terms of Engagement between BDO ("Instructing Party") and CBRE Valuations Pty Limited ("CBRE", "the Company" or "we").

Provision of Information

We require the following information:

- Copy of lease
- Budgeted outgoings - current year
- GLA Floorplans

Fee Proposal

Report delivery

- We will produce an electronic copy of the report in Adobe PDF format.
- A physical hard copy will incur an additional cost of \$250 + \$25 GST = \$275 per copy (your written request will be required).

Artarmon			
Toowong			
TOTAL *			

* 0.89% credit card fee where payment is made by credit card (Visa/Mastercard)

Any additional advice/consultation beyond the scope of the initial valuation brief, including meetings with auditors, will require your written request and will incur an Additional Fee as detailed below, unless otherwise agreed in writing.

Additional Fees	Director		
	Valuer		
	Disbursements		

We require a minimum period of 10 business days ("Minimum Time Frame") from the date of instruction/receipt of all information to complete our valuation. The Minimum Time Frame is subject to your co-operation to provide all requested information (see Attachment 3) in a timely manner. Any delay in providing the information may necessitate re-inspection of the property and relevant sales evidence (to be determined at our sole discretion) and will be subject to the Additional Fee rate, unless otherwise agreed in writing.

Conflict of Interest

You acknowledge that CBRE is a large, multi-national company providing a variety of services to clients. If either party becomes aware of an actual or potential conflict of interest, it will notify the other party as soon as is reasonably practicable thereafter, and the parties will work together to attempt to resolve any such actual or potential conflict.

Cancellation Policy

If you decide for whatever reason to cancel the valuation brief, the following cancellation fees will apply:

- Before property inspection: \$500 + \$50 GST = \$550 (minimum cancellation fee)
- After property inspection: 100% Disbursements + 50% Base Fee
- After issue of preliminary valuation numbers: 100% Disbursements + 85% Base Fee
- After issue of report (final or otherwise): 100% Disbursements + 100% Base Fee

CBRE is to provide the services as set out in accordance with the Terms of Engagement. Notwithstanding anything else contained in the Terms of Engagement, CBRE reserves its right to terminate the engagement in its absolute discretion where it considers that:

- a conflict of interest arises (notwithstanding the clause 'Conflict of Interest', above);
- any terms are changed by the Instructing Party or Reliant Party that CBRE considers substantially changes the engagement; or
- any other reason that CBRE is unable to continue carrying out the engagement.

Such termination will be notified in writing to the Instructing Party (or any other party as necessary) and will be without recourse.

Terms of Payment

Upon acceptance of these Terms of Engagement, our invoice for 100% Fee will be issued and payable within 14 days of the date of invoice. The valuation report (draft or final) will not be issued until receipt of payment has been confirmed.

Our fee quote is valid for a period of 14 days (from the date of this letter).

Should you elect to pay your account via direct deposit, please advise us and we will issue you with your Tax Invoice along with our bank account details. (Please use the Tax Invoice Number as your direct deposit reference number.)

When executed and delivered by all parties, this letter, together with the Terms and Conditions and any additional attachments hereto and incorporated herein, will serve as the Agreement for services by and between CBRE and Client and any Reliant Parties who have executed the agreement below.

Each person signing below represents that it is authorised to enter into this Agreement and to bind the respective parties hereto.

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We thank you for the opportunity to submit our proposal.

Yours sincerely
CBRE Valuations Pty Limited



Thomas Webster
Registered Valuer No. 34299
Associate Director
Valuation & Advisory Services

Liability limited by a scheme approved under Professional Standards Legislation.

The valuation and valuation service are provided subject to:

1. All issues, assumptions, disclaimers, qualifications and recommendations as outlined in the advice/report provided. Examples are provided in Attachment 1 and may differ in the report.
2. The "CBRE Valuation & Advisory Services Terms and Conditions" set out in Attachment 2.
3. Compliance with the "Information Request" and Client disclosure set out in Attachment 3.

Billing Party Acknowledgement & Details

* Authorised Representative

Billing Party (entity name in full) **BDO Corporate Finance Australia Pty Ltd**

Billing Party Address **Level 11, 1 Margaret Street
Sydney NSW 2000**

Billing Party ABN (must be provided) **70 050 038 170**

Billing Party Email **david.mccourt@bdo.com.au**

Billing Party Phone Landline () Mobile **0414 018 317**

Name * **David McCourt**

Job Title * **Director**

Signature *  Date **2/8/2024**

Reliant Party Acknowledgement

RELIANT PARTY (name in full) **BDO**
Authorised Representative's Name **David McCourt**

Signature  Date **2/8/2024**

I acknowledge receipt of the Terms and Conditions and any additional attachments incorporated herein and acknowledge my reliance on the valuation is subject to these standard Terms and conditions and attachments.

RELIANT PARTY (name in full) **Autosports Group Limited**
Authorised Representative's Name **Aaron Murray**

Signature  Date **2.08.24**

I acknowledge receipt of the Terms and Conditions and any additional attachments incorporated herein and acknowledge my reliance on the valuation is subject to these standard Terms and conditions and attachments.

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Attachment I. Assumptions, Disclaimers, Limitations, Qualifications

Reliance	For the avoidance of doubt, nothing in this valuation report will constitute any legal recommendation or advice in relation to investment, or an offer or solicitation for the purpose of or for sale of any securities, financial instrument or products or other services, CBRE are not liable to any purchasers and/or investors in their own decisions in relation to any purchasing or investments from the services provided.
Assumptions	Assumptions are a necessary part of undertaking valuations, CBRE adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. Assumptions adopted by CBRE will be formulated on the basis that they could reasonably be expected from a professional and experienced valuer. The Reliant Party accepts that the valuation contains certain specific assumptions and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation.
Site Survey Not Provided	We do not commission site surveys and a site survey has not been provided to us, We have assumed there are no encroachments by or on the property, and the Reliant Party should confirm this status by obtaining a current survey report and/or advice from a registered surveyor.
Site Conditions	We do not commission site investigations to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys, We have assumed that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances, In the case of property which may have redevelopment potential, we proceed on the basis that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems (unless stated otherwise), Include last sentence if property has future redevelopment potential.
Title/Unregistered Interests	We have assumed that there are no further easements, unregistered interests or encumbrances not disclosed by this brief title search which may affect market value, However in the event that a future title search is undertaken which reveals additional easements or encumbrances, CBRE should be consulted to reassess any effect on the value stated herein.
Planning Information	We assume information provided by the relevant responsible authority is current and accurate, We do not commission formal investigations to verify information provided to us.
Measurement of Lettable Areas	We have assumed that the floor areas provided have been calculated in accordance with the Property Council of Australia (PCA) Method of Measurement or as specifically instructed by the Instructing Party, Should the Reliant Party obtain a survey that reveals a variance in areas, then this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Valuation Analyses	In arriving at our opinion of value, we have employed industry recognised valuation methodologies, We have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties.
Extent of Our Investigations	We are not engaged to carry out all possible investigations in relation to the property, Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party to instruct further investigations where considered appropriate or where we recommend as necessary prior to Reliance, CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.
Information Supplied by Others	This document contains information which is derived from other sources, Where this information is provided by experts and experienced professionals, we have relied upon the expertise of such experts and by necessity we have relied upon the information provided being accurate, whether prepared specifically for valuation purposes or not, Unless otherwise specifically instructed by you, we have not independently verified that information, nor adopted it as our own, Notwithstanding the above, we have reviewed the provided information to the extent that such a review would be reasonably expected from a professional and experienced valuer having regard to normal industry practice undertaking a similar valuation/consultancy service, The Reliant Party acknowledges that the valuer is not a specialist in the areas from which the expert information is derived and accepts the risk that if any of the information/advice provided by others and referred to in the valuation is incorrect, then this may have an effect on the valuation.

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Attachment 2. CBRE Valuation & Advisory Services - Terms & Conditions

These conditions form part of the Terms of Engagement provided by CBRE which confirms the scope of Services, the personnel providing those Services and the Company's charges for those Services.

Instructing Party/ Reliant Party Obligation to Assist	The Instructing Party and/or Reliant Party agree to provide all reasonable assistance to the Company to allow the Company to complete this instruction including all relevant documents and/or information the Instructing Party knows or ought reasonably to know will so assist the Company, at its own cost and in a timely fashion, including but not limited to: <ul style="list-style-type: none"> - all information which the Company requests from time to time for the performance of the Services; - reasonable access to the property/properties and to the Instructing Party's premises (if relevant) for the purpose of providing the Services.
Matters Which Affect or May Affect the Valuation	If the Instructing Party and/or Reliant Party become aware of any matters which affect or may affect the valuation, then the Company must be advised of those matters. Reliance will not be placed on the valuation, under any circumstance, unless all such matters are disclosed to the Company.
CBRE Does Not Assign Valuations	The Company does not assign valuations. If the Instructing Party has not determined the Reliant Party and Purpose details by the time of report finalisation, the report will be addressed and issued to the Instructing Party for Financial Reporting purposes in PDF format only. Once the Reliant Party and Purpose details have been advised to us, the report will be re-addressed and issued to the Reliant Party. This additional service may incur an additional fee (refer to Fee Quote). No responsibility will be accepted or assumed to any third party who may use or rely on the whole or any part of the content of our valuation.
Confidentiality	Any valuation service is confidential as between the Company and the Reliant Party as specifically stated in the valuation advice/report. Neither the whole of the report, nor any part of it, may be published in any document, statement, circular or otherwise by any party other than the Company, nor in any communication with any third parties, without the prior written approval of the Company of the form and context in which it is to appear.
Future Change in Value	All valuations are current as at the date of valuation only. The value assessed may in the future change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property or particular property sector). The Company does not accept liability for losses arising from changes in value after the date of the valuation.
Lending Practices	Where our valuation is prepared for First Mortgage Security purposes, it will be provided on the basis that any associated lending must comply with the Banking Act 1959, follow prudent finance industry lending practices and credit risk for any potential borrower including the borrower's ability to service and repay any mortgage loan, and follow prudent loan to value ratio guidelines. No responsibility is accepted where these requirements are not strictly observed.
Fees & Disbursements	All disbursements, including travelling and other reasonable expenses incurred by the Company in the provision of the Services are fully recoverable from the Instructing Party as and when incurred. All invoices are payable within 14 days of the date of invoice, unless otherwise stated in the Terms of Engagement. A late payment fee of 2% per month (or part thereof) for any overdue amount may be charged by the Company. All legal and debt recovery costs which the Company may incur in recovering overdue account balances from the Instructing Party shall be fully recoverable from the Instructing Party as and when incurred.
Suspension of Services	The Company has the right to suspend its engagement where the Instructing Party fails to pay any invoiced fees and disbursements within the required time frame by giving the Instructing Party seven days' notice in writing. Should the engagement be suspended by the Company, all obligations by the Company to the Instructing Party and/or Reliant Party cease and furthermore, all documents that the Company receives from the Instructing Party prior to the engagement being suspended becomes the property of the Company and, unless otherwise agreed, the Company shall be free to use this information and to value the Property for any other party. Once all outstanding invoices have been paid, the Company will at the request of Instructing Party, return documents owned by the Instructing Party within a reasonable time.
Dispute Resolution	If a dispute arises out of or in any way relates to this engagement or the breach, validity or subject matter thereof ("the dispute"), the aggrieved party shall, within 7 days of becoming aware of the dispute, by notice in writing notify the other party/parties that the dispute exists. The parties agree to first endeavour to settle the dispute by mediation conducted in accordance with the Australian Dispute Centre (ADC) mediation guidelines and administered by the ADC or as otherwise agreed by the parties. The costs of the mediation shall be borne equally by the parties. In the event that: <ol style="list-style-type: none"> (a) the parties have not agreed upon a mediation or have not requested the ADC to appoint a mediator within twenty-eight (28) days (or other such time period as agreed to in writing between the parties) after the notification of the dispute; or (b) the dispute has not settled at mediation or otherwise within twenty-eight (28) days (or such time period as agreed to in writing between the parties) after the mediation, the parties have liberty to commence proceedings in respect of the dispute in a court of competent jurisdiction subject to compliance with the Governing Law clause in this Terms of Engagement.
Electronic Communication	If the Instructing Party asks the Company to send any documents by email, the Instructing Party will be deemed to have accepted the risk of (and the Company will have no responsibility for) the message being intercepted, not being received or not being viewed by the recipient.

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If the Instructing Party asks the Company to provide a copy of a document by email or USB drive, the Company will do so on the basis that the Company does not warrant that the USB drive or email communication will be virus or defect free and on the basis that:

- the Company will not be responsible for any loss or damage sustained by the computer system which reads the USB drive or email, and
- precautions will be taken by the Instructing Party to ensure that the USB drive or email does not cause any loss or damage.

Copyright Copyright in any written work, drawing, compilation, table, graph and similar works created by or on behalf of the Company remains with the Company.

Privacy The Instructing Party acknowledges that the Company will collect certain personal information within the meaning of that term in the Privacy Act 1988 (Cth) ("Personal Information") from or about the Instructing Party to perform its obligations hereunder, including promoting its services.

Subject to clause (c) below:

- (a) the Company will only collect, store, use and disclose Personal Information in accordance with the Company's privacy policy as it applies from time-to-time located at <https://www.cbre.com.au/about/australia-privacy-policy> ("Privacy Policy") and as permitted under the Privacy Act 1988 (Cth) in order to perform its duties under this Terms of Engagement and achieve the purposes specified in clause above; and
- (b) the Instructing Party and/or Reliant Party warrants that it has read and understood the Company's privacy policy and consents to the Company handling the Personal Information in the manner specified in this clause. Without limiting the foregoing, the Instructing Party and/or Reliant Party specifically consents to the disclosure of the Personal Information on the internet and to third parties such as advisors, suppliers, property data service providers, government and statutory bodies and financial institutions.
- (c) Where the Instructing Party has indicated in writing that the Personal Information is confidential, the Company will only disclose the Personal Information to a third party (other than a related body corporate of the Company) with the Instructing Party's written consent or as required by law, an order of the court or request by a government authority, or otherwise for the purposes of obtaining financial or legal advice. The obligation of confidence by the Company will end upon the confidential information becoming publicly available other than by a breach of this obligation of confidence by the Company.
- (d) The Instructing Party and/or Reliant Party must not provide the Company with Personal Information of any other individual unless it has the express consent of that individual to do so. The Instructing Party and/or Reliant Party warrants that it has that individual's consent to provide their Personal Information to the Company.

Offshore Data Disclosure CBRE may store data outside of Australia or New Zealand. CBRE may also use outsourced third-party companies located inside and outside of Australia for data hosting and related services. CBRE may also utilise the services of CBRE owned and operated offices in the Philippines to provide administrative services. CBRE will ensure compliance with Australian Privacy Principles in accordance with CBRE's Privacy Policy.

Limitation of Liability

1. **Application of clause**
Nothing in this clause operates to exclude, restrict or modify the application of any implied condition or warranty, the exercise of any right or remedy or the imposition of any liability, implied or conferred under the Australian Consumer Law or any other law, the exclusion, restriction or modification of which would contravene that law or cause any term of this engagement to be void ("Non-Excludable Obligations").
2. **Exclusion of implied obligations**
Except in relation to the Non-Excludable Obligations, all conditions, warranties, guarantees, rights, remedies, liabilities and other terms implied or conferred by law that impose any liability or obligation on the Company are expressly excluded under this engagement.
3. **Limitation of liability**
 - (a) The Company's liability is limited by a scheme approved under Professional Standards Legislation.
 - (b) Notwithstanding the clause 3(a) and subject to clause 3(c), to the fullest extent permitted by law, each party's maximum aggregate liability to the other party and its personnel under or arising out of this Terms of Engagement or any law is capped at the value of the fee.
 - (c) Except for services of a kind ordinarily acquired for personal, domestic or household use or consumption, the Company's liability to the Instructing Party for a failure to comply with any Non-Excludable Obligation is limited to (at the Company's election):
 - (i) supplying the relevant Service again; or
 - (ii) paying the Instructing Party the cost of having the relevant Service supplied again.
 - (d) To the fullest extent permitted by law, neither party will have any liability to the other or its personnel (whether arising in contract, tort (including negligence), statute, equity or otherwise) for any of the following types of loss under or arising out of this Terms of Engagement:
 - (i) loss of revenue, use, production, goodwill, profit, business, contract or anticipated savings;
 - (ii) financing costs or increase in operating costs; or
 - (iii) other financial or economic loss or any other special or indirect loss or damage.

CBRE Staff You agree that you will not bring any claim relating to this appointment (in contract, tort, negligence or otherwise) against any CBRE officer, director, employee, member or consultant in their personal capacity.

Indemnity The Instructing Party and/or Reliant Party indemnifies the Company from and against any losses, liabilities, damages, costs, claims and expenses (including legal fees on a full indemnity basis) suffered or incurred by or awarded against the Company as a result of any use of, or reliance upon, the information contained in the full valuation advice/report by a third party other than the Instructing Party and/or Reliant Party/Parties where such third party was provided the report by the Instructing Party and/or Reliant Party/Parties.

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Entirety of Terms of Engagement	<p>These terms of engagement, subject to any qualifications, conditions, assumptions, and reservations set out in any report or opinion furnished to you:</p> <ul style="list-style-type: none">- Constitutes the entire understanding and agreement of the parties relating to the matters dealt within in;- Supersedes and extinguishes all prior agreements, statements, representations and understandings whether verbal or written between us relating to the matters dealt with in this Terms of Engagement; and- May be varied at any time by mutual agreement in writing.
Governing Law	<p>This Terms of Engagement is governed by the laws of the state or territory in which the subject property is located and each party submits to the non-exclusive jurisdiction of the courts of that state or territory.</p>
Survival	<p>Any provision of this Terms of Engagement which contemplates performance or observance subsequent to any termination or expiration of this engagement shall survive any termination or expiration of this engagement and continue in full force and effect including, but not limited to, clauses regarding intellectual property, confidentiality, reliance, and limitation of liability.</p>

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B. Copy of Lease

For personal use only

Dealing Number

Duty Imprint



OFFICE USE ONLY

Privacy Statement

Collection of this information is authorised by the Land Title Act 1994 the Land Act 1994 and the Water Act 2000 and is used to maintain the publicly searchable registers in the land registry and the water register. For more information about privacy in NR&W see http://www.nrw.qld.gov.au/about/privacy/index.html.

1. Lessor Shannon Nominees No. 219 Pty Ltd ACN 011 008 370	Lodger (Name, address & phone number) Mahoney Lawyers GPO Box 3311 BRISBANE QLD 4001 Telephone (07) 3007 3777	Lodger Code 101A
----------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------

2. Lot on Plan Description	County	Parish	Title Reference
Lot 1 on RP 106498	Stanley	Indooroopilly	13788117
Lot 1 on RP 880691	Stanley	Indooroopilly	50074576
Lot 2 on RP 109330	Stanley	Indooroopilly	14124153

3. Lessee Given names	Surname/Company name and number (include tenancy if more than one)
	New Centenary Mercedes Benz Pty Ltd ACN 168 183 864

4. Interest being leased

Fee Simple

5. Description of premises being leased

The whole of the Land

6. Term of lease

Commencement date/event: 02 / 06 / 2014
Expiry date: 01 / 06 / 2024 and/or Event:
#Options: 2 x 5 years
#Insert nil if no option or inset option period (eg 3 years or 2 x 3 years)

7. Rental/Consideration

\$2,125,000.00 plus GST per annum subject to the attached

8. Grant/Execution

The Lessor leases the premises described in item 5 to the Lessee for the term stated in item 6 subject to the covenants and conditions contained in the attached schedule.

Witnessing officer must be aware of his/her obligations under section 162 of the Land Title Act 1994

..... signature

ANTONY JOHN HARRISON full name

Solicitor qualification

02/06/2014 Execution Date

Lessor's Signature

Witnessing Officer

(Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

SHANNON NOMINEES NO. 219 PTY LTD ACN 011 008 370

9. Acceptance

The Lessee accepts the lease and acknowledges the amount payable or other considerations for the lease.

..... signature

..... full name

ANTONY JOHN HARRISON full name

Solicitor qualification

02/06/2014 Execution Date

Lessee's Signature

Witnessing Officer

(Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

NEW CENTENARY MERCEDES BENZ PTY LTD ACN 168 183 864 by its duly authorised attorney Nick Pagent pursuant to Power of Attorney dated 29 May 2014

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This is the Schedule referred to in the Lease between **SHANNON NOMINEES NO. 219 PTY LTD** (Landlord) and **NEW CENTENARY MERCEDES BENZ PTY LTD** (Tenant) dated the *2nd* day of *June* 2014.

PARTICULARS

Landlord: Shannon Nominees No. 219 Pty Ltd ACN 011 008 370

Tenant: New Centenary Mercedes Benz Pty Ltd ACN 168 183 864

Primary Commencement Date: June 2, 2014 or the 'Completion Date' of (and as defined in) the Sale Deed

Commencement Date: June 2, 2014 or the 'Completion Date' of (and as defined in) the Sale Deed

Termination Date: June 1, 2024 (or 10 years from the Primary Commencement Date)

Rent: \$2,125,000.00 plus GST per annum subject to the attached

Market Review Dates: At the commencement of each Further Term

Adjustment Dates: Each anniversary date of the Primary Commencement Date other than the first anniversary date of the Primary Commencement Date and each Market Review Date

Further Term:

1. 5 years
2. 5 years

Outgoings Year Date: June 30

Permitted Use: Vehicle sales, vehicle showroom, vehicle parking, vehicle service and vehicle storage.

Redecoration Dates: Each tenth anniversary of the Primary Commencement Date

Public Risk Insurance: \$20,000,000.00

Guarantor: James Ian Pagent and Nicholas Ian Pagent each care of Deloitte Private, Level 1 225 George Street, Sydney, NSW

Security Amount: An amount equal to 6 months' Rent plus Outgoings plus GST except whilst the Tenant is New Centenary Mercedes Benz Pty Ltd ACN 168 183 864 or a related body corporate of that company when it will be fixed at \$584,375.00 (being 3 months' Rent at \$531,250 + GST).

Address of Tenant: c/- Corner Harrys Road and Moggill Road, Taringa, Queensland 4068

Facsimile No. of Tenant: (07) 3871 0318

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In consideration of the Landlord entering into this Lease with the Tenant at the request of the Guarantors, the Guarantors agree to be bound by clause 23 of this Lease.

SIGNED SEALED AND DELIVERED)
by JAMES IAN PAGENT as)
Guarantor in the presence of:)


.....



.....
Justice of the Peace/Solicitor

WARREN DAVIS

.....
Name: (printed)

SIGNED SEALED AND DELIVERED)
by NICHOLAS IAN PAGENT as)
Guarantor in the presence of:)


.....



.....
Justice of the Peace/Solicitor

ANTONY JOHN HARRISON

.....
Solicitor
Name: (printed)

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1. DEFINITIONS

1.1 In this Lease, unless the subject or context is not consistent, the following expressions have the following meanings:

- (a) "Approved Property Valuer Office": M3 Property, Landmark White/Herron Todd White, CBRE; Jones Lang La Salle or Savilles;
- (b) "Amenities": any drain, stormwater drain, basin, sink, toilet or urinal;
- (c) "Authority": any Federal or State court, any semi or local government, any statutory or public authority, instrumentality or body or other person having jurisdiction over the Premises or the Land;
- (d) "Bank": an authorised deposit-taking institution within the meaning of the *Banking Act 1959 (Cth)*;
- (e) "Bank Guarantee": a guarantee by ANZ or another Bank reasonably acceptable to the Landlord to pay the security amount specified in the Particulars to the Landlord that is:
 - (i) in respect of all the Tenant's obligations under this Lease;
 - (ii) unconditional and irrevocable;
 - (iii) without an expiry date; and
 - (iv) otherwise in a form acceptable to the Landlord acting reasonably;
- (f) "Building": all improvements on the Land at any time, including all of the fittings, fixtures, conveniences, Amenities in or on the Building and all plant and machinery in the Building (excluding any vehicles in the control, ownership or possession of the Tenant);
- (g) "Building Replacement Value": the amount the Landlord reasonably believes is the replacement value of the Buildings and Landlord Fixtures on the Premises at the start of the relevant Outgoings Year;
- (h) "Business Day": a week day excluding a day which is designated as a public holiday in Brisbane CBD;
- (i) "Claim": any actions, claims, demands, Notices, losses, damages, costs or expenses of a property, personal or other nature;
- (j) "Condition Report": the condition report annexed to this Lease, obtained at the joint cost of the Landlord and Tenant in relation to the condition of the Building, the Premises, the Services, the Amenities and the Landlord's Fixtures as at the Primary Commencement Date;
- (k) "Contaminant": anything (including a liquid, a solid, a gas, an odour, temperature, sound, vibration or radiation) which does or may result in a breach of an Environmental Law or the issuing of an order or direction under an Environmental Law or makes or may make the Premises or the surrounding environment:
 - (i) unsafe or unfit for humans; or
 - (ii) materially diminished in value;

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- (l) "Defect Maintenance": works that reasonably maintain the Premises and that temporarily and reasonably minimise the effect of:
- (i) Excluded Defects;
 - (ii) Water Defects; and/or
 - (iii) any defects that have arisen from the Tenant's failure to carry out reasonable maintenance and repairs that minimise the effect of Excluded Defects or Water Defects;
- but excluding:
- (iv) works that are the responsibility of the Landlord in relation to Landlord Structural Repairs;
 - (v) works that are the responsibility of the Landlord in relation to Initial Repairs;
 - (v) works required to repair any Amenities or Services that are under the control and responsibility of an Authority or third party;
 - (vi) works that are to level or standard beyond the Initial Repairs carried out by or on behalf of the Landlord; and
 - (vii) works required to repair Excepted Damage;
- (m) "Environmental Assessment Report": a report in relation to compliance with Environmental Law;
- (n) "Environmental Law": any legislation, regulations or related codes, standards or policies which relate to environmental and/or planning matters, including matters concerning land use or water or the protection of the environment, development, building works, pollution, contamination, waste, toxic and hazardous substances, disposal of waste or other substances, human health, conservation of natural, cultural or native title resources, heritage and resource allocation whether by virtue of the *Environmental Protection Act 1994* or otherwise;
- (o) "Excepted Damage": damage:
- (i) caused without negligence on the part of the Tenant or the Tenant's Employees, by reason of fire, lightning, storm, tempest, inevitable accident, flood, earthquake or acts of Australia's enemies; or
 - (ii) caused by reason of fair wear and tear provided the Tenant has taken reasonable measures to ensure that such damage does not cause or contribute any further damage to the Premises;
- (p) "Excluded Defects": those defects in the Building, the Premises, the Services, the Amenities and the Landlord's Fixtures that exist as at the Primary Commencement Date, including the Ramp Defect and any defects identified in the Condition Report but this term excludes Defect Maintenance;
- (q) "Initial Repairs: the following works:

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- (i) replace light bulbs that were damaged by the recent power surge and all other showroom light bulbs that are not working at the Primary Commencement Date;
 - (ii) repair cracked render on the external of the Mercedes Benz building;
 - (iii) Water Leakage Repair Works; and
 - (iv) works to repair any defects identified in the Condition Report that the Landlord and Tenant (each acting reasonably) agree in writing are Initial Repairs;
- (r) "Land": the land described in Item 2 of the Form 7;
- (s) "Landlord's Fixtures": all plant and equipment, fittings, fixtures, furniture and other things supplied by the Landlord and any other property of the Landlord on or servicing the Premises;
- (t) "Landlord Structural Repairs": those of the following structural repairs that are not caused by an act, omission or neglect of the Tenant or a Tenant's Employee (which includes the omission by the Tenant failing to carry out reasonable maintenance and repairs that minimise the effect of defects contemplated by clause 1.1(l)):
- (i) structural repairs required to temporarily stop the internal water leakage in the service department and service department reception caused by the Ramp Defect;
 - (ii) structural repairs to Buildings required to temporarily stop water leakage or water egress into the Building caused by Water Defects; and
 - (iii) works required to rectify defective Initial Repairs;
- (u) "Law": any requirement of or under any statute, regulation or Authority present or future;
- (v) "Lease": the Form 7 to which this Schedule is attached, this schedule and all annexures including execution by and words relating to execution by the Guarantor and, where this Lease is not registered, any implied tenancy at law or equitable lease and any extension or renewal of this Lease;
- (w) "Notice": any notice in writing, any statement in writing, any written material and any other written communication, and in the case of legal proceedings includes all forms of originating, interlocutory and final documentation;
- (x) "Outgoings": all expenses and outgoings paid or payable by the Landlord in connection with the repair, maintenance, insurance, operation, promotion and management of the Premises (except those expenses and outgoings the Landlord agrees to be solely responsible for under this Lease), including without limitation any and all costs and expenses:
- (i) for rates, taxes, land tax and charges of a capital, revenue or other nature imposed by any Authority including any carbon emission related tax or impost;
 - (ii) of removing rubbish and waste;
 - (iii) of cleaning, maintenance and repairs (including repairs and replacement of bitumen and/or concreting) of the carpark, hardstands, driveways, including the Amenities and removing any Contaminant;
 - (iv) of cleaning and maintaining any grease trap or use of an oily water/sludge separator;

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- (v) of providing Services;
 - (vi) for insurances against such risks as the Landlord considers appropriate acting reasonably;
 - (vii) for management and administration expenses including wages and management fees;
 - (viii) for non-structural maintenance and repairs; and
 - (ix) associated with maintaining, repairing, insuring and operating any "high risk plant" (as that term is defined in the *Work Health and Safety Act 2011 (Qld)* from time to time) in the Building that is the responsibility of the Landlord to at least the level as required by the *Work Health and Safety Act 2011 (Qld)* and any associated regulations and codes;
- (y) "Outgoings Year": each period of 12 months ending on the date in each year specified in the Particulars;
- (z) "Particulars": the particulars described as such and set out in this Lease;
- (aa) "Premises": the Land described in Item 5 of the Form 7 and includes the Buildings and the Landlord's Fixtures;
- (bb) "Property Valuer": either:
- (i) a real estate valuer as agreed between the Landlord and Tenant who is:
 - A. jointly appointed by the Landlord and Tenant
 - B. independent of the Landlord and Tenant;
 - C. experienced in valuing the kind of property required to be valued;
 - D. active in the relevant market at the time of the appointment with at least 5 years standing; and
 - E. a member of an Approved Property Valuer Office; or
 - (ii) falling agreement, such valuer satisfying the above criteria as nominated by the President for the time being of the Australian Property Institute (Queensland Division);
- (cc) "Property Valuation Methodology": the methodology as agreed between the Landlord and Tenant to value market rent for the relevant Market Revenue Date, and failing agreement the following criteria:
- (i) rents as at the relevant Market Review Date in respect of any comparable premises to the Property;
 - (ii) the Permitted Use at the relevant Market Review Date;
 - (iii) this Lease is in place and is between a willing but not anxious landlord and a willing but not anxious tenant enjoying or entitled to enjoy actual possession of the whole of the Premises as at the Market Review Date;

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- (iv) rent in respect of any subletting or of concessional occupational arrangement in respect of the Premises or any comparable premises must not be taken into account; and
- (v) the Premises are ready for immediate occupation and use;
- (dd) "Ramp Defect": the movement in the ramp that, over time, causes water leakage in the service department and service department reception;
- (ee) "Rent": the amount being an annual amount as specified in the Particulars as varied in accordance with this Lease;
- (ff) "Sale Deed": sale deed dated 28 February 2014 between Shannon Nominees No 219 Pty Ltd, Denbusy Pty Ltd, Newstar Classic Pty Ltd, Shannon Nominees No 219 Pty Ltd atf Shannon Property Trust, New Centenary Mercedes Benz Pty Ltd, New Centenary Mazda Pty Ltd, Robert Kenton Tucker, Robert Gordon Tucker, Ian Pagent and Nick Pagent;
- (gg) "Services": all services or systems provided to the Premises or available for use including without limitation the provision of any electronic medium, energy source, water, trade waste, sewerage, drainage, sullage, fire service, sprinkler systems, alarms, air-conditioning, gas and the fixtures and fittings, appliances, plant and equipment utilised for any of the services;
- (hh) "Sign": includes any sign, advertisement, name, flag, Notice or hoarding;
- (ii) "Tenant's Employees": each of the Tenant's employees, agents, contractors, consultants, customers, invitees or visitors at any time on the Land or the Premises;
- (jj) "Tenant's Fittings": all fixtures, fittings, plant, equipment, partitions, stock or other articles not owned by the Landlord and at any time on the Premises;
- (kk) "Term": the period of time specified in Item 6 of the Form 7;
- (ll) "Water Defects": any defect to any part of a Building that results in water leakages or water egress to the interior of a Building, except for defects that arise from an act, omission or neglect of the Tenant or a Tenant Employee such as failing to carry out Defect Maintenance; and
- (mm) "Water Leakage Repair Works": reasonable repairs that, at the Primary Commencement Date, temporarily stop the water leakage in the service department and service department reception caused by the Ramp Defect.

1.2 Expressions appearing in this Lease will unless the context requires otherwise have the same meaning as given to them in the Particulars.

2. INTERPRETATION

2.1 In the interpretation of this Lease, unless the context otherwise requires:

- (a) references to "related body corporate", "affiliate" and "related entity" have the meanings given in the *Corporations Act 2001* (Cth);
- (b) any obligation on the part of or for the benefit of 2 or more persons will be deemed to bind or benefit as the case may be, any 2 or more of them jointly and each of them severally;
- (c) words importing the singular will include the plural and vice versa;

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- (d) every obligation on the Tenant will be deemed to include an obligation by the Tenant to procure compliance with the obligation by each of the Tenant's Employees;
- (e) any restriction upon the Tenant will be not only in respect of the Premises but also in respect of the Land and the Building;
- (f) any obligation on the Tenant not to do anything includes an obligation not to permit that thing to be done;
- (g) references to any legislation includes any legislation which varies such legislation and any subordinate legislation;
- (h) references to any of the parties include their successors and assigns; and
- (i) no rule of construction will apply to the disadvantage of a party because that party was responsible for the drafting of this Lease or any part of it.

3. EXCLUSION OF STATUTORY PROVISIONS

- 3.1 The obligations and powers implied by sections 105 and 107 of the *Property Law Act* will not apply to this Lease.
- 3.2 If and where any inconsistency exists between the provisions of this Lease and those implied by the *Property Law Act*, the provisions of the Lease will prevail over those implied by the Act.
- 3.3 To the extent permitted by law, no Law or moratorium will apply to this Lease so as to prejudicially affect any rights or remedies given to the Landlord.

4. TERM

- 4.1 The Landlord leases the Premises to the Tenant for the Term subject to the terms of this Lease.
- 4.2 If the Tenant continues to occupy the Premises after the Term expires with the consent of the Landlord then:
 - (a) the Tenant occupies the Premises as a monthly tenant;
 - (b) as far as applicable, the monthly tenancy will continue on the terms of this Lease (including the terms relating to Rent which will operate as if the holding over period was a new annual year); and
 - (c) the Landlord or Tenant may terminate the monthly tenancy by giving to the other 1 months' Notice expiring on any date.

5. RENT

- 5.1 The Tenant will pay the Rent, without any deduction whatsoever (except as provided under this Lease) including without limitation deductions for any legal or equitable Claims or any legal or equitable set-off, free of exchange and all deductions how and to whom the Landlord in writing directs:
 - (a) on the first day of each month except the first payment which will be made on the Commencement Date; and

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- (b) by monthly instalments in advance equal to one twelfth of the then annual Rent except the first and last payments which will be proportionate if appropriate.

5.2 The Rent will be adjusted on each Adjustment Date and from that date will be "R" in the following formula:

$$R = A \times 1.04$$

where "A" is the Rent payable immediately prior to the relevant Adjustment Date.

5.3 The Landlord may elect to review the Rent to market rent with effect from any Market Review Date. Such election must occur before the relevant Market Review Date in accordance with this clause 5.3. If the Landlord does elect to review the Rent to market rent then:

- (a) not more than 6 months before, and not less than 3 months before, the relevant Market Review Date, the Landlord must give Notice to the Tenant of what the Landlord considers the Rent should be from such date;
- (b) if the Tenant does not, within 28 days of receiving such Notice ("Initial Review Period"), give Notice to the Landlord disputing the amount nominated by the Landlord ("dispute notice"), that amount will be the Rent from the relevant Market Review Date;
- (c) if the Tenant does give a dispute notice within the Initial Review Period, the Landlord and Tenant will seek to negotiate in good faith the market rent to apply to the relevant Market Review Date, for 28 days after the date of the dispute notice or until the Landlord and Tenant agree in writing to appoint the Property Valuer to determine the market rent;
- (d) if the Landlord and Tenant do not agree the market rent pursuant to clause 5.3(c) or the Landlord and Tenant agree the Property Valuer will determine market rent pursuant to clause 5.3(c), then the Property Valuer will be appointed or nominated (as the case may be);
- (e) if the Property Valuer is appointed:
 - (i) the Property Valuer will act as an expert and not as an arbitrator;
 - (ii) the Property Valuer's decision will be final and binding on the Landlord and Tenant;
 - (iii) the Landlord and Tenant will each bear the Property Valuer's costs equally, 50/50; and
 - (iv) the Property Valuer will determine the market rent of the Premises based on the Property Valuation Methodology; and
- (f) the Rent from the relevant Market Review Date will be the greater of either:
 - (i) the market rent of the Premises as agreed in writing by the Landlord and Tenant or as determined by the Property Valuer; or
 - (ii) the Rent payable immediately prior to the relevant Market Review Date.

6. OUTGOINGS

6.1 If the Landlord so elects, then the following applies:

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- (a) the Tenant must pay to the Landlord all Outgoings by way of equal periodic payments equal to one twelfth of the Landlord's estimated annual Outgoings on the same dates as payment of the instalments of Rent are to be paid and proportionately for any part of any month; and
- (b) within a reasonable period after the end of any Outgoings Year or of the Term the Landlord will provide the Tenant with a statement of the actual Outgoings incurred during that Outgoings Year and an adjustment will be made between the Landlord and the Tenant by the payment of any deficiency or excess by one to the other as the case may be.

6.2 Where the Landlord does not make an election under clause 6.1 to recover Outgoings on a monthly basis or an Outgoing is levied on the Premises that was not included as part of the estimated monthly amount, then the Tenant must pay the total amount due for that Outgoing to the Landlord within 21 days of demand.

6.3 The Tenant may, at any time, request from the Landlord supporting evidence for any Outgoing, including meter readings, invoices and any demand letters. The Landlord must promptly provide any such supporting evidence requested by the Tenant.

7. COSTS

7.1 The Tenant will pay, in a timely manner in accordance with the relevant payment terms, all costs, charges and expenses, including all legal fees calculated at the Landlord's option on a solicitor and own client basis whether on a time costing basis at the Landlord's solicitor's usual hourly rates of charge or otherwise or at the appropriate scale adopted by the Queensland Law Society Inc, with respect to:

- (a) the obtaining of any mortgagee's consent;
- (b) registration fees on this Lease (capped at \$1,000 plus GST and disbursements) and any surrender of this Lease contemplated by clause 20;
- (c) any breach or default by the Tenant under this Lease or any Notice issued or action taken in consequence thereof;
- (d) any proceedings brought by the Landlord to enforce the performance by the Tenant or any Guarantor of any provision of this Lease; and
- (e) any costs incurred by the Landlord in connection with any litigation involving the Tenant and a third party in which the Landlord is made a party (for example, an occupiers liability claim) (except to the extent that litigation is instigated by the Tenant against the Landlord, the litigation involves a Claim contemplated by clause 10, the litigation relates to an act or omission of the Landlord (excluding an occupiers liability claim), or the litigation results in an adverse order being made by the Court against the Landlord).

8. CHARGES

8.1 The Tenant will pay in a timely manner in accordance with the relevant payment terms all charges for telephone, electricity, trade waste, refuse collections, carbon emissions and other Services connected to, supplied to or consumed on the Premises.

8.2 Where goods and services tax (or any similar tax) ("GST") is applicable to any supply under or in connection with this Lease (including any supply as defined by GST legislation) and a party is required to make payment for that supply to another party, then the party required to make the payment will pay the applicable GST in addition to the base amount payable.

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8.3 Where the use of the Premises involves

- (a) accessing a grease trap or use of an oily water/sludge separator, the Tenant must pay, on demand, any and all costs associated with cleaning, maintaining and/or repairing that grease trap or sludge separator, including Authority charges and costs of disposal of oily water and sludge.
- (b) subject to clause 8.4, any discharge from the Premises (including trade waste and carbon emissions), the Tenant must pay, on demand, any and all Claims associated with that discharge including testing, complying with Authority requirements and remedial action except to the extent the Claim was caused or contributed to by any party prior to the start of the Term or was caused or contributed to by the Landlord or by the Landlord's employees, agents, contractors or consultants at any time.

8.4 Clause 10 will apply to the exclusion of clause 8.3(b) where the discharge from the Premises involves a Contaminant.

9. USE OF PREMISES

9.1 The Landlord gives no warranty and the Tenant will in all respects satisfy itself as to:

- (a) the suitability of the Premises;
- (b) the use to which the Premises are to be, or may be, put; and
- (c) any statutory instrument affecting the Premises or the Building.

9.2 The Tenant will not without the Landlord's prior written consent, which consent the Landlord may withhold in its absolute discretion, use the Premises for any purpose other than the Permitted Use.

9.3 The Tenant will:

- (a) cause its business to be conducted in a proper businesslike manner;
- (b) at all times conduct its business in the Premises and unless contrary to Law, cause the business to remain open for at least the usual trading hours of businesses of like nature;
- (c) do everything necessary, at its expense, for the Tenant to use the Premises lawfully;
- (d) keep the Premises free and clear of pests, insects and vermin;
- (e) keep the Premises and all parts of them properly and regularly cleaned in a proper and workmanlike manner;
- (f) not accumulate rubbish nor throw rubbish or articles from the Premises;
- (g) store all wastes and garbage in proper containers and arrange for regular removal thereof;
- (h) ensure that any grease trap, oily water/sludge separator and/or drainage pits (including connecting pipes) used by the Premises are regularly cleaned to the reasonable satisfaction of the Landlord;
- (i) not hold any auction, bankrupt or fire sale except in the ordinary course of the Tenant's business;

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- (j) not place or erect any antennae, loud speaker or amplifier;
- (k) not use or store any inflammable or explosive substance except as part of the Tenant's business;
- (l) not do anything which may cause any part of the Building or the Land to become "contaminated land" within the meaning of the *Environmental Protection Act 1994 (Qld)*;
- (m) not install a greater number of electric lights or power points than the Landlord in writing permits;
- (n) not overload the electrical Services to the Premises;
- (o) replace when necessary all electric light bulbs, tubes and globes in the Premises;
- (p) not burn any rubbish or waste;
- (q) keep all doors and windows securely locked and fastened at all times when the Premises are not being used;
- (r) not overload the floors (beyond that to which they have been built) nor any of the Services;
- (s) not carry on any noxious, immoral, noisome, offensive or illegal activity;
- (t) not do or allow to be done on the Premises anything which causes gross annoyance, grievance, disturbance or damage to occupiers or owners of any adjacent premises or land;
- (u) not do anything which will or may disturb or cause damage to any person in or in the vicinity of the Premises;
- (v) not do anything which:
 - (i) may invalidate or lead to an increase in the premium for any policy of insurance on the Premises or the Building or their contents; or
 - (ii) conflicts with any such insurance policy or Law;
- (w) in the event of any infectious illness happening in the Buildings which may by Law require notification, give such Notice to the Landlord and thoroughly fumigate and disinfect the Buildings;
- (x) permit the Landlord or its agents:
 - (i) during the last 3 months of the Term and during any period after the Term to:
 - (A) place and keep without interference on any part of the Premises a Notice for reletting the Premises; and
 - (B) show interested persons through the Premises at reasonable times of the day; and
 - (ii) during the Term:

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- (A) place and keep without interference on any part of the Premises a Notice for the sale of the Premises and/or the Building; and
- (B) show interested persons through the Premises at reasonable times of the day;
- (y) only provide keys to the Premises to its employees and upon expiration or determination or the termination of this Lease deliver to the Landlord all keys to the Premises;
- (z) only use the Amenities for their designed purposes and not place in them anything they were not designed to receive and will not deposit or allow to be deposited in those facilities any sweepings, rubbish or other material and the Tenant will promptly make good any damage caused by misuse, at its expense;
- (aa) comply with any and all insurance, electrical, mechanical, hydraulic, fire or other service regulations or Laws relating to the Premises;
- (bb) at all times keep in force and available for inspection all licences, permits and registrations required for carrying on any business conducted by the Tenant on the Premises;
- (cc) not obstruct any entries or exits to or from the Land; and
- (dd) not cover or obstruct the floors, skylights, lights, windows or other parts of the Building that admit or provide light or air into the Building.

9.4 The Tenant will not without the prior written consent of the Landlord:

- (a) keep any animals or birds on the Premises;
- (b) interfere with any, or access to any, of the Services in the Building or on the Land;
- (c) erect any blinds, screens or awnings;
- (d) install any gas, water or electrical fixtures, equipment or appliances or any apparatus for illuminating, air-conditioning, heating, cooling or ventilating the Premises;
- (e) inscribe or affix any Sign and then only of such style and size and in such places on the Premises as approved in writing by the Landlord (which approval will not be unreasonably withheld) and all relevant Authorities (noting that temporary signage used in the ordinary course of the Tenant's business does not need Landlord prior consent but does require approval of the relevant Authority, where relevant); or
- (f) bring, move, remove or move about any heavy machinery or other plant or equipment not necessary or proper for the Tenant's use of or its conduct of the business conducted from the Premises and in no event will any machinery, plant or equipment be of a nature or size that will cause or be likely to cause any structural damage to any part of the Premises, Land or Building.

9.5 The Tenant will at the Tenant's expense comply with all Laws relating to:

- (a) the Premises or the Tenant's Fittings;
- (b) the use or occupation of the Premises; and
- (c) the use of any plant and equipment in the Premises.

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9.6 In addition to its obligations under clause 9.5, the Tenant must:

- (a) at its cost, comply with the Law and the requirements of the Landlord's insurer about fire safety and fire prevention for the Premises including any particular requirements which result from the Tenant's use of the Premises;
- (b) pay to the Landlord its cost of any alterations to the sprinklers, hydrants, hose reels, extinguishers, or fire alarm installation in or servicing the Premises which are necessary because the Tenant does not comply with this clause 9.6;
- (c) if required because of the Tenant's use or occupation of the Premises, the Tenant's Fittings or the Tenant's act, omission, negligence or default, do all things necessary to enable the Landlord to obtain a statement or record in relation to each essential fire or other safety measure implemented in the Premises, Building and/or Land and to comply with the Landlord's obligations under the Law;
- (d) on or before the date nominated in writing by the Landlord or such earlier date required by Law, obtain and provide to the Landlord and the relevant Authority at the Tenant's cost an occupier statement in relation to the Premises in the form and in accordance with the requirements of the Law and the Landlord's reasonable requirements; and
- (e) at its cost, maintain, and keep a record of maintenance of, fire safety installations installed in or forming part of the Premises in accordance with the requirements of the Law and relevant Authority. The Tenant must provide the Landlord with the maintenance records for the fire safety installations when requested.

10. CONTAMINATION

10.1 In this clause:

- (a) "the Act" means the *Environmental Protection Act 1994*; and
- (b) "contaminated land" has the same meaning as that assigned to that term under the Act.

10.2 The Tenant must not do anything which causes or is likely to cause any part of the Premises or the Land or any adjoining or nearby land to become contaminated land.

10.3 The Tenant will at its expense comply with any notices which are issued to any person under the Act in respect of the Land where the issuing of such notice has in any way resulted from any act, neglect or default of the Tenant.

10.4 The Landlord will, at its expense, comply with any notices which are issued to any person under the Act in respect of the Land to the extent it relates to the Landlord's occupation of the Land prior to the Primary Commencement Date.

10.5 The Tenant must give notice to the Landlord immediately the Tenant becomes aware of:

- (a) any Contaminant on or released from Premises during the Term;
- (b) any event during the Term that causes or has the potential to cause environmental damage the Premises or any surrounding land; or
- (c) any environmental damage to the Premises or any surrounding land during the Term.

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- 10.6 The Tenant must not, without the prior written consent of the Landlord:
- (a) have a Contaminant on the Premises, except a Contaminant ordinarily used by the Tenant in the ordinary course of its business, including, without limitation, any oils, vehicle batteries, vehicle tyres, vehicle lubricants and cleaning products; or
 - (b) release a Contaminant from the Premises on to any surrounding land.
- 10.7 If the Tenant brings onto the Premises a Contaminant to which the Landlord has not consented or that is exempted under clause 10.6(a), the Tenant must remove it immediately and make good any damage to the Premises or any surrounding land caused by the Contaminant or its removal.
- 10.8 If a Contaminant is released or escapes from the Premises at any time during the Term or arises from the Tenant's occupation of the Land during the Term, the Tenant must ensure that its effect on the Premises and any surrounding land is minimised and make good any damage the Contaminant causes. This obligation will not apply to the extent it can be proved by the Tenant on the balance of probabilities that the Contaminant was released or escaped from the Premises other than during the Term.
- 10.9 If a Contaminant is released or escapes from the Premises at any time before the Term, the Landlord must ensure that its effect on the Premises and any surrounding land is minimised and make good any damage the Contaminant causes. The Tenant grants the Landlord the right to access the Premises, after reasonable Notice or without Notice in the case of an emergency, to carry out its obligations under this clause and/or elsewhere under this Lease provided at all times the Landlord takes such measures to minimise the disruption to the Tenant's business caused by this access. This obligation will not apply to the extent the Landlord can prove on the balance of probabilities that the Contaminant was released or escaped from the Premises during the Term.
- 10.10 Despite any other provision in this Lease, the parties agree that the Tenant will not be liable to the Landlord, or to any third party or to any Authority for any breach of Environmental Law or liability to remediate any part of the environment, including any part of the Premises, to the extent the breach of Environmental Law or liability to remediate any part of the environment, was caused or contributed to by any party prior to the start of the Term or was caused or contributed to by the Landlord or by the Landlord's employees, agents, contractors, or consultants at any time.
- 10.11 Subject to clause 10.10, the Tenant must, at its own cost, comply in all respects with all of its obligations under any applicable Environmental Laws in relation to:
- (a) the Premises; and
 - (b) the Tenant's use and occupation of the Premises (including any activities undertaken on or from the Premises by the Tenant).
- 10.12 The Landlord may:
- (a) prior to or as soon as practicable after the expiry, surrender, assignment or termination of this Lease; and
 - (b) at any other time the Landlord (acting reasonably) believes that the Tenant's use of the Premises poses an environmental risk to the Premises and/or the surrounding land,
- at the joint cost of the Landlord and Tenant, have prepared, in a form acceptable to the Landlord, an Environmental Assessment Report in relation to the Premises and, if the Landlord does so, it will provide the Tenant with a copy of the results of the Environmental Assessment Report.

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10.13 Subject to clause 10.10, the Tenant must, at its cost and as soon as practicable, undertake all works reasonably required by the Landlord to rectify any environmental damage revealed by the Environmental Assessment Report referred to in clause 10.12 to the extent it has been caused by or in connection with the Tenant's or the Tenant's Employee's use or occupation of the Premises even though this Lease may have expired, been surrendered or terminated.

10.14 The Landlord must, at its cost and as soon as practicable, undertake all works reasonably required by the Tenant to rectify any environmental damage revealed by the Environmental Assessment Report referred to in clause 10.12 to the extent it has been caused by or in connection with the Landlord's use or occupation, or its employees, agents, contractors, or consultants use or occupation, of the Premises even though this Lease may have expired, been surrendered or terminated.

11. ASSIGNMENT

11.1 Subject to clause 11.2, the Tenant will not assign, sublet, transfer or part with possession of the Premises or this Lease or any part of or interest in them without the Landlord's prior written consent, such consent not to be unreasonably withheld or delayed.

11.2 While the Tenant is New Centenary Mercedes Benz Pty Ltd ACN 168 183 864, the Landlord accepts that a related body corporate of the Tenant need not comply with clause 11.3(c) or 11.3(f) provided the existing guarantee given by Ian Pagent and Nick Pagent applies to that related body corporate.

11.3 The Landlord will not unreasonably withhold consent if:

- (a) the Tenant gives to the Landlord prior Notice of its intention to assign at least 28 days before the proposed assignment date;
- (b) there is not at the time any unremedied breach by the Tenant of any provision of this Lease;
- (c) the Tenant proves to the Landlord's satisfaction that the proposed new tenant:
 - (i) is respectable, responsible, solvent and capable of performing the Tenant's obligations under this Lease; and
 - (ii) has financial resources and business skills that are not inferior to the Tenant's financial resources and business skills;
- (d) the Tenant and the new tenant enter into a deed with the Landlord prepared and in the form reasonably required by the Landlord at the Tenant's expense or new tenant's expense (which Landlord's legal fees will be capped at \$1,500 plus GST) under which the Tenant and the Guarantor remain liable under this Lease, the new tenant agrees to be bound by this Lease and containing a power of attorney in favour of the Landlord in the same form as that contained in this Lease (or enters into the escrow deed contemplated therein);
- (e) where a bank guarantee or other form of security is payable under this Lease, the new tenant provides the Landlord with a replacement security for the amount calculated in accordance with the Particulars; and
- (f) where the new tenant is a corporation, there is provided to the Landlord a guarantee from such of its directors and shareholders as are, and in a form that is, acceptable to the Landlord.

11.4 Where the Tenant is a corporation whose shares are not traded on the Australian Stock Exchange, any change in its shareholding will be deemed an assignment of this Lease and the provisions of this

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clause 11 will need to be complied with. While the Tenant is New Centenary Mercedes Benz Pty Ltd ACN 168 183 864 or a related body corporate of that company that has complied with clause 11.3, this clause 11.4 only applies to the extent that the change in the Tenant's shareholding results in, or is likely to result in, a change in "control" (as that term is defined in the *Corporations Act 2001 (Cth)*) of the Tenant to someone other than Ian Pagent and/or Nick Pagent.

- 11.5 The Tenant will not mortgage, charge or grant any security interest in this Lease or the Tenant's interest in the Premises without the Landlord's prior written consent which will not be unreasonably withheld.
- 11.6 While the Tenant is New Centenary Mercedes Benz Pty Ltd ACN 168 183 864 or a related body corporate of that company that has complied with clause 11.3, the Tenant is permitted to sublease part of the Premises to New Centenary Mazda Pty Ltd ACN 168 183 800 or a related body corporate of that company ("NCM") provided that, prior to NCM taking occupation, the Tenant enters into, and causes NCM to enter into, a deed with the Landlord prepared, and in the form reasonably required by, the Landlord under which:
- (a) the Tenant and Guarantor remain liable under this Lease notwithstanding the sublease to NCM;
 - (b) the Tenant and Guarantor accept liability for any act or omission by NCM or its employees, agents, contractors, consultants, customers, invitees or visitors at any time on the Land or the Premises;
 - (c) NCM accepts that the sublease will automatically end if this Lease ends for any reason whatsoever; and
 - (d) NCMB agrees to be bound by a power of attorney in favour of the Landlord in the same form as that contained in this Lease (or enters into the escrow deed contemplated therein).

12. MAINTENANCE REPAIRS, WORKS

- 12.1 The Landlord will, at its sole cost (which it will not pass on to the Tenant in any way), carry out the Initial Repairs within 20 Business Days of the Primary Commencement Date, or such reasonable time having regard to the nature and extent of the Initial Repairs.
- 12.2 The Landlord will, at its sole cost (which it will not pass on to the Tenant in any way), carry out Landlord Structural Repairs within 20 Business Days of receiving a written request from the Tenant, or such other reasonable time having regard to the nature and extent of the Landlord Structural Repairs and the impact on the Tenant's business. The Tenant must take all such action as is reasonably required in the circumstances to prevent damage being caused to the Premises and any Tenant's Fittings until the Landlord Structural Repair is completed. The Landlord will indemnify the Tenant against any costs and expenses incurred in the Tenant taking that action to prevent damage being caused to the Premises and any Tenant's Fittings until the Landlord Structural Repair is completed.
- 12.3 Subject to Excepted Damage, the Tenant will:
- (a) keep the Premises and the Tenant's Fittings in good repair and condition including Defect Maintenance;
 - (b) cultivate, maintain and keep trim, well-watered and in good order and condition all garden areas of the Premises including lawns, shrubberies and other landscaped areas and will not, except in the course of proper management, remove any trees or shrubs;

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- (c) keep clean and clear all internal plumbing and drainage systems on the Premises and ensure all external plumbing and drainage systems servicing the Premise are not damaged or blocked by the Tenant or the Tenant's Employees; and
- (d) on vacating the Premises return the Premises to the Landlord in as good repair and condition as they are in at the Primary Commencement Date,

provided that nothing in this clause requires the Tenant to carry out Landlord Structural Repairs or any structural works required to rectify Excluded Defects.

12.4 The Tenant will:

- (a) immediately repair any damage to the Premises or the Landlord's Fixtures caused by acts or omissions of the Tenant or the Tenant's Employees; and
- (b) give prompt Notice to the Landlord of any actual or likely damage to, defects in or leakage to or from the Building, the Premises, the Services, the Amenities or the Landlord's Fixtures including the need of a Landlord Structural Repair.

12.5 The Tenant will not, without the prior written consent of the Landlord:

- (a) make any alterations or additions to the Premises; or
- (b) mark, paint any different colour or damage any part of the Premises.

Any consent of the Landlord under clause 12.5(a) and/or 12.5(b) will be deemed to include the following conditions:

- (c) the alterations or additions must be carried out in accordance with any Landlord's fitout guidelines prevailing at that time;
- (d) all alterations or additions must be constructed with new materials and first class workmanship;
- (e) the Tenant must not commence alterations or additions until plans and specifications of all alterations and additions have been approved by the Landlord;
- (f) notwithstanding the Landlord giving its approval or requiring amendments to the plans and specifications:
 - (i) the Landlord and the Landlord's consultants are not responsible for the alterations or additions to the Premises or any Claim or liability incurred by the Tenant as a result of such approval or amendments;
 - (ii) the Tenant indemnifies the Landlord and the Landlord's consultants against any Claims in respect of the alterations or additions to the Premises including any approval or amendments to the plans and specifications by the Landlord; and
 - (iii) the Tenant releases the Landlord and the Landlord's consultants from all Claims arising out of any error, defect or inadequacy in the alterations or additions to the Premises;
- (g) the Tenant must obtain all necessary local government and other statutory approvals for the alterations and additions;

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- (h) the Tenant must, and must cause its contractors to, comply with such reasonable directions of the Landlord as notified by the Landlord to the Tenant from time to time;
- (i) the Tenant must:
 - (i) cause as little inconvenience as possible to other persons who may be affected by the alterations and additions;
 - (ii) contain all rubbish and debris within the Premises and remove all rubbish from the Premises, the Land and the Building on a daily basis;
 - (iii) repair and make good any damage which may be caused to the Land, Building or the Premises or to any other property either directly or indirectly as a result of the alterations and additions; and
 - (iv) pay the cost of water, electricity and other services for the alterations and additions;
- (j) if any such Tenant alterations are required to the electrical, mechanical, hydraulic, fire or other services to the Premises or the Building as a result of the alterations and additions, those alterations are to be carried out by the Landlord's contractor at the cost of the Tenant, which cost will be the amount charged by the Landlord's contractor to the Landlord;
- (k) in addition to the Tenant's obligation under clause 15, the Tenant must provide a construction risks insurance policy for the alterations and additions for their full value; and
- (l) the costs of alterations and additions are payable by the Tenant.

12.6 The Landlord and its agents may, on giving reasonable Notice to the Tenant (except in an emergency when no Notice is necessary), enter the Premises and view their condition.

12.7 The Landlord may:

- (a) by Notice require the Tenant to carry out within a specified time any repair that is the responsibility of the Tenant under this Lease; and
- (b) if the Tenant fails to do so, carry out such repairs at the Tenant's expense.

12.8 If the Landlord wishes or is required to carry out any works or repairs to the Premises or the Building, the Landlord and those authorised by the Landlord may at all reasonable times after giving the Tenant reasonable Notice (except in an emergency when no Notice is required), enter the Premises and carry out those works or repairs. In doing so no undue inconvenience will be caused to the Tenant.

12.9 This clause 12 does not require the Tenant to carry out any structural repairs to the exterior of the Building or to remedy any Water Defects, except where necessary because of any act or omission of the Tenant or the Tenant's Employees or as part of the Tenant's obligation to carry out Defect Maintenance.

12.10 Subject to clause 12.11, the Tenant will before each of the Redecoration Dates specified in the Particulars and the Termination Date or other determination of this Lease, to the satisfaction of the Landlord:

- (a) paint with 2 coats of high quality paint all internal and external surfaces of the Buildings previously painted, such painting to be of such neutral colours as the Landlord approves, such approval not to be unreasonably withheld;

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- (b) treat as previously treated all other internal and external surfaces of the Buildings by staining, polishing or otherwise as appropriate; and
- (c) replace all carpeted floor coverings, and any window coverings or blinds.

12.11 Clause 12.10 only applies if the Tenant occupies the Premises after the 10th anniversary date of the Primary Commencement Date.

13. THE LANDLORD'S OBLIGATIONS

13.1 If the Tenant complies with all of the express and implied provisions of this Lease:

- (a) the Landlord gives the Tenant quiet enjoyment of the Premises;
- (b) the Landlord will take out and maintain during the Term property insurances to cover the prevailing Building Replacement Value at the start of each Outgoings Year (and where reasonably practicable, have the Tenant specified as an interest noted); and
- (c) the Landlord will comply with all Laws relating to the Premises except those that are the Tenant's responsibility under this Lease.

13.2 The Landlord will pay all premiums in respect of the insurances referred to in clause 13.1(b) and if required by the Tenant will produce to the Tenant a certificate of currency.

14. LANDLORD'S COVENANT ON SALE OF LAND

14.1 If the Landlord sells or otherwise transfers its interest in the Premises to any person other than the Tenant or a related party of the Tenant ("Buyer"), then the Landlord will obtain from the Buyer a covenant in favour of the Tenant that the Buyer will recognise and be bound by the provisions of the Lease, including any Further Term.

15. INSURANCES

15.1 The Tenant will take out and maintain with an insurer approved by the Landlord (acting reasonably) in the name of the Tenant for their respective interests:

- (a) public risk insurance for an amount of at least that shown in the Particulars (and where reasonably practicable, with the Landlord specified as an interest noted);
 - (b) worker's compensation; and
 - (c) business interruption and loss of profit insurance,
- ("Insurance Policies").

15.2 The Tenant will pay all premiums in respect of such Insurance Policies and if required by the Landlord will produce to the Landlord a certificate of currency.

16. EXCLUDED WARRANTY AND RECIPROCAL INDEMNITY

16.1 The Landlord gives no warranty or representation regarding the following during the Term:

- (a) the construction and/or condition (and whether the same includes any faults or defects) of the Premises, the Building, the Landlord's Fixtures, the Amenities or the Services; or

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(b) the flow or supply of any water or Service from or to any part of the Premises or Building (including any leakages in the Buildings).

16.2 To the extent that the Landlord is not fully indemnified from any insurances taken out by the Tenant or the Landlord, the Tenant indemnifies the Landlord against all Claims incurred by the Landlord:

(a) arising from any happening caused or contributed to by the act, negligence or omissions of the Tenant or the Tenant's Employees; and

(b) arising from any breach or non-observance by the Tenant or the Tenant's Employees of any provision of this Lease.

16.3 The indemnity of clause 16.1 will not apply, and the Tenant will not be liable to indemnify the Landlord under clause 16.1:

(a) to the extent the Claim is caused or contributed to by an act or omission or negligence of the Landlord or of the Landlord's employees, agents, contractors, or consultants; or

(b) if the Landlord has not complied with clause 13.1(b).

16.4 To the extent that the Tenant is not fully indemnified from any insurances taken out by the Tenant or the Landlord, the Landlord indemnifies the Tenant against all Claims incurred by the Tenant:

(a) arising from any happening caused or contributed to by the act, negligence or omissions of the Landlord or the Landlord's employees, agents, contractors, or consultants; and

(b) arising from any breach or non-observance by the Landlord of any provision of this Lease.

16.5 The indemnity of clause 16.4 will not apply, and the Landlord will not be liable to indemnify the Tenant under clause 16.4:

(a) to the extent the Claim is caused or contributed to by an act or omission or negligence of the Tenant or a Tenant Employee; or

(b) if the Tenant has not complied with clause 15.1.

17. DAMAGE AND DESTRUCTION

17.1 If:

(a) the Premises or part of them are destroyed or damaged so as to be wholly or partly unfit for occupation or use; and

(b) the damage or destruction has not been caused or contributed to by the act, omission or neglect of the Tenant or the Tenant's Employees,

then until the Premises are fit for occupation or use:

(c) the Tenant's obligation to maintain and repair will be suspended; and

(d) the obligation to pay Rent will be suspended and not be payable until such time as the Premises are made fit for occupation or use.

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- 17.2 Should any dispute arise as to the amount of rent payable pursuant to clause 17.1, such dispute will be referred to a valuer appointed by the President of the Australian Property Institute (Queensland Division) at the request of either the Landlord or the Tenant, who will act as an expert and whose decision will be final and binding on the parties and whose costs will be shared equally by the Landlord and the Tenant.
- 17.3 If as a result of such damage or destruction the Premises are partly unfit for occupation or use and clause 17.1(b) is fulfilled, the Landlord may (but will not be obliged to) reinstate the Building, but if the Landlord fails to do so within a reasonable time after Notice from the Tenant requiring reinstatement having regard to the extent of the damage and work required to do so, either party may terminate this Lease by Notice to the other, such termination to be effective at the expiration of 30 days of the giving of that termination Notice.
- 17.4 If as a result of such damage or destruction the Premises are wholly unfit for use or occupation and clause 17.1(b) is fulfilled, the Landlord and Tenant will meet with a view to reaching an agreement on reinstatement or construction of alternative premises. If such agreement is not reached within 60 days of the damage or destruction, then either party may at the end of that 60 day period by Notice to the other, terminate this Lease from the date of the damage or destruction, but will retain any prior accrued rights prior to the date of the damage or destruction.
- 17.5 If the Lease is terminated pursuant to this clause 17, then the Tenant will not be liable to the Landlord for any Rent related to the period after the termination date or for any loss or damages related to the early termination of the Lease.

18. DEFAULT

- 18.1 If the Tenant fails to perform any of its obligations under this Lease, the Landlord may remedy such failure and the Landlord's costs of doing so will be a liquidated debt immediately payable by the Tenant to the Landlord.
- 18.2 If the Landlord fails to perform any of its obligations under this Lease and such failure continues for 14 days after the giving of a Notice by the Tenant to the Landlord setting out the obligation and what the Tenant considers is necessary, and a reasonable time (having regard to the obligation to be performed), to remedy that non-performance, the Tenant may remedy such failure and the Tenant's costs of doing so will be a liquidated debt immediately payable by the Landlord to the Tenant.
- 18.3 If:
- (a) the Tenant fails to pay any Rent when due or fails to observe or perform any of the Tenant's obligations under this Lease that is capable of remedy and such default continues for 14 days after the giving of a Form 7 Notice under section 124 of the Property Law Act by the Landlord to the Tenant; or
 - (b) the Tenant and/or any Guarantor:
 - (i) fails to observe or perform any of the Tenant's obligations under this Lease that is not capable of remedy;
 - (ii) repudiates this Lease including abandonment of the Premises;
 - (iii) becomes insolvent;
 - (iv) makes an assignment for the benefit of or any composition with any of its creditors;
 - (v) has a voluntary administrator appointed;

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- (vi) has proceedings for voluntary or involuntary liquidation commenced in respect of it;
 - (vii) has a receiver or trustee of the whole or any part of its property appointed; or
 - (viii) if a natural person, dies or becomes of unsound mind; or
- (c) any Guarantor breaches any covenant contained in that guarantee,

then the Tenant will be deemed to have made default and the Landlord may without prejudice to any prior accrued rights do one or more of the following, namely:

- (d) elect to treat any such default as a repudiation of this Lease by the Tenant;
- (e) re-enter the Premises;
- (f) by Notice immediately determine this Lease; or
- (g) by Notice elect to convert the unexpired portion of the Term into a tenancy from month to month.

18.4 Without in any way increasing the liability of the Tenant to the Landlord under contract or common law and without prejudice to the common law duty for the Landlord to mitigate any of its losses, the Landlord's entitlement to recover damages at general law will not be affected by any of the following:

- (a) if the Landlord elects to re-enter the Premises or terminate the Lease;
- (b) the Landlord accepts the Tenants repudiation; or
- (c) if either party's conduct does or may amount to a surrender by operation of law.

19. DETERMINATION OF TERM

19.1 Upon expiration or determination of this Lease the Tenant will:

- (a) remove from the Premises all of the Tenant's Fittings; and
- (b) deliver the Premises to the Landlord in the order and condition described in the repair obligations in this Lease.

19.2 If the Tenant fails to remove any of the Tenant's Fittings under clause 19.1(a), or if the Landlord re-enters the Premises:

- (a) the Landlord may, after giving the Tenant 10 Business Day's written notice to remove the Tenant's Fittings, at its option:
 - (i) have the Tenant's Fittings removed and stored as it sees fit at the Tenant's risk and expense; or
 - (ii) sell or otherwise dispose of all or any of the Tenant's Fittings, with or without removing them from the Premises.
- (b) the Landlord will account to the Tenant for the amount received on sale of any of the Tenant's Fittings to the extent such sale amount exceeds any and all monies owing to the

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Landlord under this Lease (including the Claims arising from the indemnity under clause 19.3).

- 19.3 The Tenant is responsible for and indemnifies the Landlord in respect of:
- (a) any loss or damage caused by the Tenant or the Tenant's Employees during the removal of the Tenant's Fittings from the Premises; and
 - (b) the costs of removing storing and/or selling any of the Tenant's Fittings.

20. POWER OF ATTORNEY

- 20.1 The Tenant:
- (a) irrevocably appoints the Landlord, its officers, representatives and agents, jointly and severally, to be the Tenant's attorney(s) after the power to re-enter or determine will become exercisable, sufficient proof of which will be the declaration of an officer, representative or agent of the Landlord, to at the Tenant's expense execute and/or register a surrender of this Lease; and
 - (b) agrees to ratify and confirm all that the attorney(s) do or cause to be done.
- 20.2 Clause 20.1 will not apply if, prior to the Primary Commencement Date, the Landlord, its solicitors and the Tenant enter into an escrow deed, on terms agreed between the Landlord, its solicitors and the Tenant, that provides the Landlord solicitors with a duly executed surrender of lease capable of immediate registration (including duty assessment) to be held in escrow pending determination of this Lease.

21. MISCELLANEOUS

- 21.1 The Landlord may at any time by Notice to the Tenant appoint an agent to exercise the Landlord's powers and rights under this Lease.
- 21.2 None of the following things will preclude the Landlord from insisting upon strict compliance by the Tenant with the provisions of this Lease, nor from taking action against the Tenant for any breach of any provisions of this Lease:
- (a) the Landlord's failure to take advantage of any default or breach of any provision by the Tenant;
 - (b) any custom or practice which may grow up between the parties;
 - (c) a waiver by the Landlord of a particular breach; or
 - (d) acceptance of Rent when there are other outstanding breaches.
- 21.3 Any Notice:
- (a) by the Landlord will be deemed to be duly served on the Tenant if:
 - (i) delivered personally to;
 - (ii) sent by registered or express post to;
 - (iii) left at; or

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(iv) sent by facsimile to;

the Premises, the Tenant's address or facsimile number shown in the Particulars, the last known address or facsimile number or the registered office of the Tenant or to the Tenant's last known solicitors (which may or may not be given by the Landlord's agent and/or solicitors);

(b) to the Landlord will be delivered or sent by registered or express post to the Landlord at the Landlord's registered office or to such person as the Landlord nominates in writing; and

(c) will be deemed to be served if sent by:

(i) post, 2 Business Days after posting; or

(ii) facsimile, at the time of transmission provided the sending machine indicates no malfunction in the transmission.

21.4 Should any Authority resume whole or part of the Premises, Land and/or Building, the Tenant without prejudice to its rights to claim compensation from such Authority, will not be entitled to claim any compensation from the Landlord. If a resumption occurs, then the Landlord and Tenant agree to negotiate in good faith to seek agreement on an appropriate reduction of Rent payable from the date the Authority resumes that part of the Land.

21.5 The Tenant will, at the Tenant's cost and expense, take out, maintain and where appropriate renew, service contracts on terms and conditions and with specialist contractors satisfactory to the Landlord for inspection, maintenance, servicing, adjusting, and testing of any fire equipment, alarm systems, air conditioning plant, roller doors and grilles, automatic doors and any other machinery installed from time to time in the Premises that is the property of the Landlord, except where that obligation to repair or maintain is a Landlord responsibility under this Lease. When requested by the Landlord, the Tenant will produce evidence to the Landlord of its compliance with this clause by providing copies of the service contracts.

21.6 The Landlord reserves to itself and all persons claiming by, through or under it, the right after reasonable Notice (except in the case of emergency when no Notice will be required) to install, maintain, use, repair, alter, service and replace any Services or any part of them, including any pipe, duct, wire and plant for the Premises or for the Building or both or for any other land or buildings in the vicinity of the Premises.

21.7 The Landlord may for the purpose of:

(a) the provision of public or private access to and egress from the Premises or to other land in the vicinity of the Premises; or

(b) the provision of any Services;

create any easement in favour of any owners, tenants or occupiers or others having an interest in any land (including the Land) near the Premises or with any Authority (under any valid and enforceable requirement of any Authority) as the Landlord thinks reasonably fit, provided that any such easement will not interfere with the Tenant's access to or enjoyment of the Premises (or any part of the Premises) and the Landlord has the Tenant's prior written approval, which approval will not be unreasonably withheld or delayed. The Landlord agrees to reasonably and promptly consult with the Tenant on the issues contemplated by this clause to minimise the likelihood of a dispute arising over the creation of any easement that will or may impact on the Tenant's access to or enjoyment of the Premises (or any part of the Premises).

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- 21.8 If the Landlord or Tenant requires it, this Lease will be registered and the Landlord and Tenant must do anything necessary to assist the Landlord or Tenant in registering the Lease, including answering any requisitions that may issue relating to the registration of the Lease.
- 21.9 The Tenant will do everything that is reasonably necessary (but without the Tenant being required to enter into any ongoing obligation or liability with the Landlord's mortgagee), including executing any consents, as expeditiously as possible to obtain the Landlord's mortgagee's consent to this Lease.
- 21.10 If this Lease requires the Tenant to do something then, unless this Lease specifically provides otherwise, the Tenant must do that thing at its own cost. If this Lease requires the Landlord to do something, then, unless this Lease specifically provides otherwise, the Landlord must do that thing at its own cost.
- 21.11 If, under this Lease, the Tenant must not do something:
- (a) the Tenant must not authorise another person to do that thing; and
 - (b) the Tenant must ensure that Tenant's Employees do not do that thing.
- 21.12 If the Tenant is the trustee of a trust the Tenant enters into this Lease both in its own capacity and in its capacity as trustee of the trust and the Tenant's liability under this Lease is not limited in any way.
- 21.13 Any and all amounts to be paid by the Tenant under this Lease must be paid by the required date by cash, bank cheque drawn on a Bank or telegraphic transfers of cleared funds.
- 21.14 The Tenant agrees that should the Tenant fail to pay any Rent or other moneys due to the Landlord, the Landlord will as a result of such non-payment suffer damages equivalent to interest on those moneys unpaid calculated at the rate of 1.5% of such amount for each month or part thereof for which it remains unpaid. The Tenant will pay upon demand such damages to the Landlord.

22. OPTION FOR FURTHER TERM

- 22.1 If the Tenant:
- (a) wishes to have a lease of the Premises granted to it for a Further Term specified in the Particulars; and
 - (b) gives the Landlord not more than 12 months' Notice nor less than 6 months' Notice to that effect before the expiration of the Term and is not at the time of giving such Notice nor at the expiration of the Term in breach of any provision of this Lease,

the Landlord will grant to the Tenant the relevant Further Term of the Lease on the same provisions as are contained in this Lease except that:

- (c) the Term of the further lease will be the relevant Further Term specified in the Particulars;
- (d) the date of commencement of the Further Term will be the day after the Termination Date;
- (e) the date of termination of the further lease will be the last day of the relevant Further Term specified in the Particulars;

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- (f) the amount of Rent to be specified in the Particulars of the further lease for the first year will be determined as if the date of commencement of the Further Term was a Market Review Date or an Adjustment Date determined by reference to those dates as specified in the Particulars;
- (g) the next Further Term in the Particulars (if any) will be renumbered in the Particulars and any Further Terms renumbered sequentially;
- (h) this clause will be included only in the number of further leases (if any) for which Further Terms are specified in the Particulars so that the last further lease will expire on the last day of the last Further Term specified in the Particulars; and
- (i) if there is in existence any guarantee of this Lease, without derogating from the continuing operation of such or any other guarantee, the new lease will contain a guarantee in the form of clause 23 of this Lease which will be executed by any such Guarantor.

23. GUARANTEE AND INDEMNITY

23.1 In consideration of the Landlord entering into this Lease with the Tenant at the request of the Guarantor, the Guarantor hereby agrees with the Landlord as follows:

- (a) the Guarantor guarantees:
 - (i) the payment of the Rent and other monies payable to the Landlord;
 - (ii) performance by the Tenant of the Tenant's obligations; and
 - (iii) the payment of all loss and damage recoverable by the Landlord from the Tenant.
- (b) This guarantee will be a continuing guarantee and will not be affected or avoided in any way by:
 - (i) any agreement or arrangement made between the Landlord and the Tenant;
 - (ii) any alterations or variations to the rights and obligations of either the Landlord or the Tenant;
 - (iii) the granting of any time or other indulgence or forbearance by the Landlord to the Tenant or to the Guarantor;
 - (iv) the making of any composition with or waiver of any breach or default by the Tenant;
 - (v) the neglect or forbearance of the Landlord to enforce the provisions of this Lease or those of this guarantee;
 - (vi) the avoidance for any reason whatsoever by statute or otherwise of any payment by or on behalf of the Tenant or any Guarantor to the Landlord;
 - (vii) any moratorium or other period staying or suspending by statute;
 - (viii) the order of any Authority;
 - (ix) any transfer, assignment, subletting or other dealing with this Lease or the Tenant's interest in this Lease; or

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(x) any further guarantee being given to the Landlord by any person;

it being the intention that this guarantee be unconditional and absolute in any and all circumstances.

(c) The obligations of the Tenant the performance of which are hereby guaranteed include any obligations arising:

(i) during any extension or renewal of this Lease;

(ii) during any tenancy arising from any holding over after the Term or the term of any extension or renewal of this Lease; or

(iii) from the conversion of the Term or the term of any extension or renewal of this Lease into a monthly tenancy;

and notwithstanding any transfer, assignment, subletting or other dealing with this Lease or the Tenant's interest in this Lease.

(d) The Landlord will be at liberty to regard the Guarantor in all respects as a principal debtor and will not be obliged to take action first against the Tenant.

(e) The obligations of the Guarantor will not merge or be deemed to have merged in any judgment obtained by the Landlord against the Tenant.

(f) In the event of any term of this Lease not being enforceable against the Tenant as principal whether by reason of any legal limitation, disability or incapacity, or by reason of any liquidator of the Tenant disclaiming this Lease, the Guarantor will be responsible under this guarantee as though the Guarantor was solely or principally liable as Tenant under this Lease and the term of the Lease had continued for the Term or until any earlier date nominated by the Landlord.

(g) The Guarantor waives in favour of the Landlord, the Tenant and any other person any estate or assets so far as necessary to give effect to anything contained in this guarantee.

23.2 As a separate and independent obligation and for the consideration referred to, the Guarantor hereby agrees to indemnify the Landlord from all Claims suffered or incurred by the Landlord by reason of the Tenant's default in observing or performing the Tenant's obligations under this Lease and the preceding provisions of this clause will apply to this indemnity.

24. RETAIL SHOP LEASES ACT

24.1 The parties agree that this Lease is not a retail shop lease under the Retail Shop Leases Act 1994.

25. BANK GUARANTEE

25.1 If the Tenant requests the Landlord's consent to an assignment of this Lease, the new tenant must give the Bank Guarantee ("Security") to the Landlord on or before the proposed assignment date and the provisions of this clause 25 will apply for the balance of the Term and any term granted pursuant to an option in this Lease.

25.2 The Landlord may, without notice to the Tenant, recover from the Security any Claim incurred or loss suffered by the Landlord if the Tenant breaches this Lease.

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- 25.3 The Tenant must either replace the Security or the proportion of the Security recovered by the Landlord in accordance with clause 25.2 within 15 Business Days of receiving notice from the Landlord to do so.
- 25.4 If the amount of the Security required under this Lease increases as a result of an increase in Rent or other monies payable by the Tenant under this Lease then the Tenant must deliver to the Landlord –
- (a) a replacement or additional Bank Guarantee for that increased amount; or
 - (b) a bank cheque equal to the amount of the deficiency relating to that increased amount;
 - (c) within 15 Business Days from the date on which the increase in that amount occurred.
- This clause 25.4 will not apply if the Tenant is New Centenary Mercedes Benz Pty Ltd ACN 168 183 864 or a related body corporate that has complied with clause 11.3.
- 25.5 Unless the Landlord is entitled to exercise its rights under clause 25.2, the Landlord will return the Security to the Tenant within 10 Business Days after expiry or termination of this Lease, any period of holding over or any lease granted pursuant to an option in this Lease.
- 25.6 If the Landlord deals with its interest in the Land in accordance with the terms and conditions of this Lease so that another person becomes the Landlord –
- (a) the Landlord may assign any Bank Guarantee to that other person;
 - (b) the Landlord has no personal liability to the Tenant for returning the Security;
 - (c) if the Landlord requires the Tenant to do so, the Tenant must enter into any document that the Landlord reasonably requires to effect or to perfect an assignment of the Security to that other person; and
 - (d) where the Landlord holds a Bank Guarantee, then the Tenant must, within a reasonable time of receiving a request from the Landlord, provide a replacement Bank Guarantee in favour of that other person.
- 25.7 This clause 25 will apply to any other security accepted by the Landlord in its absolute discretion.

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1. Lot on Plan Description	County	Parish	Title Reference
Lot 1 on RP 106498	Stanley	Indooroopilly	13788117
Lot 1 on RP 880691	Stanley	Indooroopilly	50074576
Lot 2 on RP 109330	Stanley	Indooroopilly	14124153

2. Instrument/document being consented to

Instrument/document type Lease

Dated 216114

Names of parties Shannon Nominees No. 219 Pty Ltd ACN 011 008 370 (Landlord) and New Centenary Mercedes Benz Pty Ltd ACN 168 183 864 (Tenant)

3. Instrument/document under which consent required

Instrument/document type Mortgage

Dealing No. 714072415 & 713813863

Name of consenting party National Australia Bank Limited ABN 12 004 044 937

4. Execution by consenting party

The party identified in item 3 consents to the registration of the instrument/document identified in item 2.

Witnessing officer must be aware of his/her obligations under section 162 of the Land Title Act 1994



ANDREW JAMES CLARK

C.DEC No. 69050

Witnessing Officer

(Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

216114
Execution Date



Consenting Party's Signature
National Australia Bank Limited ABN 12 004 044 937
by its Attorney who holds the position of Level 3
Attorney under Power of Attorney No. 710425749

Privacy Statement

Collection of this information is authorised by the Land Title Act 1994 the Land Act 1994 and the Water Act 2000 and is used to maintain the publicly searchable registers in the land registry and the water register. For more information about privacy in NR&W, see <http://www.nrw.qld.gov.au/about/privacy/index.html>.

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REGISTRATION CONFIRMATION STATEMENT

DEPT OF NATURAL RESOURCES AND MINES, QUEENSLAND

Title Reference : 13788117

This is the current status of the title as at 15:55 on 26/11/2014

REGISTERED OWNER

Dealing No: 707024175 25/09/2003

SHANNON NOMINEES NO. 219 PTY LTD A.C.N. 011 008 370

ESTATE AND LAND

Estate in Fee Simple

LOT 1 REGISTERED PLAN 106498
County of STANLEY Parish of INDOORCOOPILLY
Local Government: BRISBANE CITY

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Deed of Grant No. 10152041 (POR 677)
2. MORTGAGE No 713813863 18/04/2011 at 10:35
NATIONAL AUSTRALIA BANK LIMITED A.C.N. 004 044 937
3. LEASE No 716032694 23/09/2014 at 15:02
NEW CENTENARY MERCEDES BENZ PTY LTD A.C.N. 168 183 864
OF THE WHOLE OF THE LAND
TERM: 02/06/2014 TO 01/06/2024 OPTION 5 YEARS

ADMINISTRATIVE ADVICES - NIL

UNREGISTERED DEALINGS - NIL

CERTIFICATE OF TITLE ISSUED - No

DEALINGS REGISTERED

716032694 LEASE

Caution - Charges do not necessarily appear in order of priority

** End of Confirmation Statement **

EV Dann

Registrar of Titles and Registrar of Water Allocations

Lodgement No: 3511991
Email: info@mahoneylawyers.com.au
MAHONEY LAWYERS
Office: BRISBANE
Box: 101

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REGISTRATION CONFIRMATION STATEMENT

DEPT OF NATURAL RESOURCES AND MINES, QUEENSLAND

Title Reference : 50074576

This is the current status of the title as at 15:55 on 26/11/2014

REGISTERED OWNER

Dealing No: 707024175 25/09/2003

SHANNON NOMINEES NO. 219 PTY LTD A.C.N. 011 008 370

ESTATE AND LAND

Estate in Fee Simple

LOT 1 REGISTERED PLAN 880691
County of STANLEY Parish of INDOOROOPIILLY
Local Government: BRISBANE CITY

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Deed of Grant No. 10152041 (POR 677)
2. MORTGAGE No 713813863 18/04/2011 at 10:35
NATIONAL AUSTRALIA BANK LIMITED A.C.N. 004 044 937
3. LEASE No 716032694 23/09/2014 at 15:02
NEW CENTENARY MERCEDES BENZ PTY LTD A.C.N. 168 183 864
OF THE WHOLE OF THE LAND
TERM: 02/06/2014 TO 01/06/2024 OPTION 5 YEARS

ADMINISTRATIVE ADVICES - NIL

UNREGISTERED DEALINGS - NIL

CERTIFICATE OF TITLE ISSUED - No

DEALINGS REGISTERED

716032694 LEASE

Caution - Charges do not necessarily appear in order of priority

** End of Confirmation Statement **

EV Dann

Registrar of Titles and Registrar of Water Allocations

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MAHONEY LAWYERS
Office: BRISBANE
Box: 101

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REGISTRATION CONFIRMATION STATEMENT

DEPT OF NATURAL RESOURCES AND MINES, QUEENSLAND

Title Reference : 14124153

This is the current status of the title as at 15:55 on 26/11/2014

REGISTERED OWNER

Dealing No: 714072414 21/09/2011

SHANNON NOMINEES NO.219 PTY LTD A.C.N. 011 008 370

ESTATE AND LAND

Estate in Fee Simple

LOT 2 REGISTERED PLAN 109330
County of STANLEY Parish of INDOOROOPILLY
Local Government: BRISBANE CITY

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Deed of Grant No. 10152041 (POR 677)
2. MORTGAGE No 714072415 21/09/2011 at 10:47
NATIONAL AUSTRALIA BANK LIMITED A.B.N. 12 004 044 937
3. LEASE No 716032694 23/09/2014 at 15:02
NEW CENTENARY MERCEDES BENZ PTY LTD A.C.N. 168 183 864
OF THE WHOLE OF THE LAND
TERM: 02/06/2014 TO 01/06/2024 OPTION 5 YEARS

ADMINISTRATIVE ADVICES - NIL

UNREGISTERED DEALINGS - NIL

CERTIFICATE OF TITLE ISSUED - No

DEALINGS REGISTERED

716032694 LEASE

Caution - Charges do not necessarily appear in order of priority

** End of Confirmation Statement **

EV Dann

Registrar of Titles and Registrar of Water Allocations

Lodgement No: 3511991
Email: info@mahoneylawyers.com.au
MAHONEY LAWYERS
Office: BRISBANE
Box: 101

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C. Copy of Deed of Variation v2

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HERBERT
SMITH
FREEHILLS



Deed

135 Moggill Road, Taringa QLD

Deed of Variation

New Centenary Properties Pty Ltd

New Centenary Pty Ltd

James Ian Pagent

Nicholas Ian Pagent

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Deed of Variation

Date ►

Between the parties

Landlord **New Centenary Properties Pty Ltd**
ACN 168 188 010 of 565 Parramatta Rd, Leichhardt NSW 2040
(Landlord)

Tenant **New Centenary Pty Ltd**
ACN 168 183 864 of c/- Corner Harrys Road and Moggill Road,
Taringa Queensland 4068
(Tenant)

Guarantor **James Ian Pagent**
of c/- Deloitte Private, Level 1, 225 George Street, Sydney NSW 2000
and
Nicholas Ian Pagent
of c/- Deloitte Private, Level 1, 225 George Street, Sydney NSW 2000
(together, **Guarantor**)

Recitals 1 The Tenant occupies the Premises under the Lease.
2 The Guarantor has guaranteed to the Landlord the performance
of the Tenant's obligations under the Lease.
3 The parties wish to amend the Lease to record the extension of
the term of the Lease and other changes in the manner set out in
this deed.

This deed witnesses as follows:



1 Definitions, interpretation and deed components

1.1 Definitions

In this deed, the following words have these meanings:

Term	Meaning
Lease	the lease of the Premises (dealing no. 716032694) commencing on 2 June 2014 and expiring on 1 June 2024 between Shannon Nominees No. 219 Pty Ltd ACN 011 008 370 (as assigned to the Landlord) and the Tenant.
Premises	the whole of the land known as: <ul style="list-style-type: none">• Lot 1 on RP106498 (Title Reference 13788117);• Lot 1 on RP880691 (Title Reference 50074576); and• Lot 2 on RP109330 (Title Reference 14124153).
Variation Date	1 June 2024.

1.2 Lease Definitions

Words which begin with a capital letter and are not defined in this deed but are defined in the Lease have the same meaning in this deed.

1.3 Interpretation

Clause 2 of the Lease applies to this deed but with references to "Lease" being reference to this deed.

1.4 Deed components

This deed and any schedule to this deed.

2 Variation to Lease

2.1 Variation

With effect from the Variation Date, the Lease is varied as follows:

- (a) Item 6 of the Form 7 of the Lease is deleted and replaced with the following:



"Term of lease

Commencement date/event: 02 / 06 / 2014

Expiry date: 30 / 11 / 2024

Options: 1 x 6 years and 7 months and 1 x 5 years"

(b) the Particulars of the Lease are amended as follows:

(1) delete the "Landlord" row and replace with the following:

Landlord: New Centenary Properties Pty Ltd ACN 168 188 010

(2) delete the "Termination Date" row and replace with the following:

Termination Date: 30 November 2024

(3) delete the "Rent" row and replace with the following:

Rent On and from the Commencement Date, \$2,125,000.00 plus GST per annum subject to the attached.
On and from 1 December 2024, \$2,375,000.00 plus GST per annum subject to the attached.

(4) delete the "Market Review Dates" row and replace with the following:

Market Review Dates: 1 July 2031.

(5) delete the "Adjustment Dates" row and replace with the following:

Adjustment Dates each of 2 June 2016, 2 June 2017, 2 June 2018, 2 June 2019, 2 June 2020, 2 June 2021, 2 June 2022, 2 June 2023, and thereafter on each 1 July, other than each Market Review Date.

(6) delete the "Further Term" row and replace with the following:

Further Term: **First Further Term:**
Option Exercise Period: Any time on or before 29 November 2024
Term: 6 years and 7 months
Commencing Date: 1 December 2024
Terminating Date: 30 June 2031

Second Further Term:

For personal use only



Option Exercise Period: Not less than 6 months and not more than 12 months before the Terminating Date.

Term: 5 years

Commencing Date: 1 July 2031

Terminating Date: 30 June 2036

(c) Clause 5.2 is deleted and replaced with the following:

“5.2 The Rent will be adjusted on each Adjustment Date and from that date will be “R” in the following formula:

$$R = A \times F$$

where:

“A” is the Rent payable immediately prior to the relevant Adjustment Date

“F” is:

- during the period commencing on the Commencement Date and ending on 30 November 2024, equal to 1.04; and*
- during the period on and from 1 December 2024, equal to 1.035.”*

(d) Clause 22.1(b) is deleted and replaced with the following:

“(b) gives the Landlord a Notice to that effect within the Option Exercise Period for the relevant Further Term as specified in the Particulars, and is not at the time of giving such Notice nor at the expiration of the Term in breach of any provision of this Lease,”

2.2 Variations not to affect validity, rights, obligations

- (a) This deed is intended only to vary the Lease and not to terminate, discharge, rescind or replace it.
- (b) The variations to the Lease do not affect the validity or enforceability of the Lease.
- (c) Nothing in this deed:
- (1) prejudices or adversely affects any right, power, authority, discretion or remedy which arose under or in connection with the Lease before the date of this deed; or
 - (2) discharges, releases or otherwise affects any liability or obligation which arose under or in connection with the Lease before the date of this deed.

2.3 Confirmation

Except as varied under clause 2.1:

- (a) the terms of the Lease remain unchanged; and



- (b) the parties confirm the terms of the Lease as varied by this deed.

2.4 Acknowledgement

Each party acknowledges that this deed is issued in accordance with the Lease.

3 Guarantor's consent

The Guarantor:

- (a) consents to the variation of the Lease under this deed; and
- (b) confirms that the Guarantor's obligations under the Lease extend to the Tenant's obligations under the Lease as varied by this deed.

4 General

4.1 Governing law and jurisdiction

- (a) This deed is governed by the law in force in Queensland.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Queensland and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed.
- (c) Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

4.2 Costs and stamp duty

- (a) Each party must pay their own legal costs in connection with the preparation, negotiation and completion of this deed.
- (b) The Tenant must pay any stamp duty on this deed.

4.3 Further action

The Landlord and the Tenant must each do everything necessary to give effect to this deed.



Signing page

Executed as a deed

Landlord

Signed sealed and delivered by
**New Centenary Properties Pty
Ltd ACN 168 188 010**
by

sign here ► _____
Company Secretary/Director

sign here ► _____
Director

print name _____

print name _____

Tenant

Signed sealed and delivered by
**New Centenary Pty Ltd ACN 168
183 864**
by

sign here ► _____
Company Secretary/Director

sign here ► _____
Director

print name _____

print name _____

Guarantor

Signed by
James Ian Pagent

sign here ► _____

print name _____

For personal use only



Guarantor

Signed by
Nicholas Ian Pagent

sign here ► _____

print name _____

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