

ASX ANNOUNCEMENT

31 January 2022

Irongate Group (ASX: IAP)

Irongate Group receives non-binding, indicative proposal from Charter Hall managed partnership¹

Irongate Group (**IAP**) announces that on Saturday 29 January 2022 it received a non-binding, indicative proposal from a Charter Hall (ASX: CHC) (**Charter Hall**) managed partnership comprised of Dutch pension fund PGGM (**PGGM**) and Charter Hall (together, the **Partnership**) to acquire, by way of an agreed trust scheme, all of the stapled securities in IAP for A\$1.90 cash per IAP stapled security² (**Indicative Proposal**). Under the terms of the Indicative Proposal, IAP securityholders will be entitled to retain a distribution for the period ending 31 March 2022 of up to 4.67 cents per stapled security³.

The Indicative Proposal includes a memorandum of understanding with IAP's largest securityholder, 360 Capital⁴ (**MOU**). The MOU contains a call option over 360 Capital's 19.9% securityholding in IAP. The MOU also includes standstill and exclusivity provisions in favour of the Partnership and describes a proposal under which 360 Capital will acquire certain assets within IAP's portfolio, IAP's funds management business and IAP's co-investment stake in the ITAP Fund if the Partnership is successful in acquiring IAP. The Indicative Proposal is not conditional upon 360 Capital completing the acquisitions meaning that the Partnership will retain responsibility for funding the Indicative Proposal.

The Indicative Proposal indicates that the Partnership expects to fund the Indicative Proposal from existing financial resources, including existing cash and undrawn and new debt facilities. Charter Hall and PGGM have received approvals from their relevant Board and Investment Committees to pursue the transaction.

The IAP Board is considering the Indicative Proposal with the assistance of its advisers. IAP securityholders do not need to take any action in relation to the Indicative Proposal and are advised to exercise caution when dealing in their IAP stapled securities.

The Indicative Proposal contains the following conditions:

- Completion of due diligence to the satisfaction of the Partnership (request for 6-week exclusive due diligence period);
- Final approval of the Partnership boards and investment committees prior to execution of an agreed scheme implementation Agreement (**SIA**);
- Execution of an SIA on customary terms and conditions including with respect to providing exclusivity and deal protection (including a break fee, no talk and no shop);
- JSE and other regulatory approvals;
- FIRB approval; and
- The unanimous recommendation of the IAP Board.

IAP's advisers are Macquarie Capital (Australia) Limited and J.P. Morgan Securities Australia Limited as its financial advisers, King & Wood Mallesons as its Australian legal adviser and Cliffe Dekker Hofmeyr as its South African legal adviser.

This announcement has been authorised for release by the Board.

¹ This announcement constitutes a cautionary announcement under paragraph 11.40 of the JSE Listings Requirements.

² Reduced by any subsequent distribution announced or paid in respect of IAP, excluding the distribution for the period ending 31 March 2022. A\$1.90 per IAP stapled security represents an implied price per IAP stapled security in South African Rand of R20.65, based on the South African Rand to Australian Dollar ratio of 0.092 as at 28 January 2022.

³ The distribution for the period ending 31 March 2022 represents the top end of the guidance given to the market by IAP on 9 December 2021.

⁴ 360 Capital includes 360 Capital Group and 360 Capital REIT

ENDS

FOR FURTHER INFORMATION, PLEASE CONTACT:

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28 January 2022

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Dear Richard and Graeme,

Subject: Confidential and non-binding indicative proposal to acquire all of the securities of Irongate Group (ASX: IAP, JSE: IAP) for \$1.90 per security

On behalf of a Charter Hall managed wholesale partnership comprised of Dutch pension fund PGGM and Charter Hall (the "**Partnership**"), Charter Hall is pleased to submit this confidential and non-binding indicative proposal to acquire 100% of the outstanding securities in Irongate Group ("**IAP**") on the terms described in this letter ("**Proposal**").

The Partnership proposes to acquire all of the securities in IAP by way of a scheme of arrangement for \$1.90 cash per IAP security (the "**Offer Price**"). IAP securityholders will also be able to retain a distribution for the period ending 31 March 2022 of up to 4.67 cents per security, representing the top end of the guidance given to the market on 9 December 2021. The Offer Price will be reduced by any distribution announced or paid in respect of IAP subsequent to the date of this Proposal, excluding the ordinary distribution for the period ending 31 March 2022 of up to 4.67 cents per security.

Offer Price

The Partnership believes the Proposal provides IAP securityholders with a unique opportunity to realise significant value with a high degree of certainty.

Specifically, the Offer Price represents a:

- 26.7% premium to IAP's closing price of \$1.50 per security on 15 October 2021, being the business day prior to the announcement of 360 Capital's Initial Indicative Proposal;
- 21.0% premium to IAP's last closing price of \$1.57 per security on 28 January 2022;
- 14.2% premium to IAP's one-month VWAP of \$1.663 per security as at 28 January 2022;
- 22.6% premium to the issue price of IAP's \$50 million equity raising of \$1.55 per security;
- 23.4% premium to IAP's pro forma NTA per security of \$1.54 as disclosed in IAP's ASX announcement on 9 December 2021 in relation to its \$50 million equity raising; and

- 10.5% premium to 360 Capital's further improved indicative proposal of \$1.72 per security as announced on 15 December 2021.

The Offer Price of \$1.90 per security represents an implied price per security in South African Rand of R20.65¹. Based on IAP's South African Rand denominated security price on the Johannesburg Stock Exchange ("JSE"), this represents a:

- 28.3% premium to IAP's closing price of R16.10 per security on 15 October 2021, being the day before the date of 360 Capital's Initial Indicative Proposal; and
- 13.2% premium to IAP's last closing price of R18.24 per security on 27 January 2022.

In formulating the Offer Price, we have made the following assumptions:

- IAP has 677,569,754 ordinary securities on issue, with no options or performance rights that remain on issue. The Offer Price assumes that IAP has no other securities, or rights to be issued securities, on issue.
- IAP's net debt is no greater than \$549 million² and IAP remains in full compliance with its banking covenants.
- No dividends or other distributions will be announced or declared by IAP following the date of this letter excluding the ordinary distribution for the period ending 31 March 2022 of up to 4.67 cents per security (and in the event that any dividend or other distribution is announced or declared, the Offer Price will be adjusted accordingly).
- IAP has no material liabilities which have not been reflected in IAP's most recently filed accounts, or announced to the ASX since the date of filing of those accounts.
- There are no material acquisitions or disposals, and no material changes to the business from the position disclosed to the ASX.

Benefits to IAP securityholders

The Proposal will deliver significant benefits to IAP unitholders including:

- Certainty of all-cash consideration, which is fully funded, delivering immediate value at a compelling price;
- Attractive premiums to IAP's recent trading prices and NTA; and
- Subject to limited conditions and execution risks.

Charter Hall has significant experience in leading corporate transactions, including the recent ~\$1.7 billion acquisition of ALE Property Group (ASX: LEP) in December 2021 on behalf of a consortium comprised of Charter Hall Long WALE REIT and Hostplus.

Funding

The Partnership's members have sufficient financial resources to fund an acquisition of IAP. The Partnership intends to utilise a combination of existing cash and undrawn debt from its joint venture members and new debt facilities to finance the acquisition of IAP.

Both parties have received approvals from their relevant Boards / Investment Committees to pursue this transaction. In support of the Proposal, the Partnership has obtained a letter of support from Barclays and Morgan Stanley to provide secured debt financing against IAP's portfolio.

About the Partnership

Charter Hall and PGGM are experienced partners with a track record of successfully completed transactions. In 2019, Charter Hall and PGGM formed an Industrial & Logistics Partnership which has secured investments in 10 properties with a value of \$0.5bn. An overview of both Charter Hall and PGGM is provided below.

¹ Based on South African Rand to Australian Dollar ratio of 0.092 as at 28 January 2022.

² Based on the pro forma position post the acquisitions and placement announced on 9 December 2021

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About Charter Hall

With over 30 years' experience in property investment and funds management, we're one of Australia's leading fully integrated property groups and an ASX100 Group with a market capitalisation of approximately \$8 billion. We use our property expertise to access, deploy, manage and invest equity across our core sectors – Office, Industrial & Logistics, Retail and Social Infrastructure.

Operating with prudence, we've curated a diverse \$61.3 billion portfolio of 1,506 high quality properties. With partnership at the heart of our approach, we're creating places that help grow communities; turning them into the best they can be and unlocking hidden value. Taking a long-term view, our \$9 billion development pipeline delivers sustainable, technologically enabled projects for our customers.

About PGGM

PGGM is a not-for-profit cooperative pension fund service provider. As a pensions administrator, asset manager and advisor to pension fund boards, it executes its social mandate: to provide for good old-age incomes for 4.4 million participants in the Netherlands. On December 31, 2021 PGGM managed long-term pension capital of EUR 291 billion worldwide.

Due diligence process

Any final, binding offer is subject to the satisfactory completion of confirmatory due diligence on an exclusive basis. The Purchasers are prepared to enter into a confidentiality agreement on customary terms and commence due diligence immediately. Due diligence investigations are expected to focus on customary areas including commercial, property, financial, legal and tax matters. Charter Hall, on behalf of the Partnership, has resources on standby to engage immediately and will ensure the process is completed in a timely manner. Charter Hall has engaged Barrenjoey and Morgan Stanley as its financial advisers in relation to the transaction.

Charter Hall has reviewed IAP's public disclosures and is familiar with many of its properties. As such Charter Hall expects to be able to complete due diligence within 6 weeks from the date that the information is made available. Please refer to Annexure 1 for a preliminary due diligence request list.

Exclusivity

Given the significant resources committed to this potential transaction, the Partnership require a period of exclusivity to conduct due diligence investigations and to come to an agreement with IAP's Board.

During that time, IAP's board and its advisors would not engage with other parties in relation to a potential transaction or proposal. This requirement of exclusivity would be subject to documentation executed between the Partnership and IAP.

Proposal transaction structure

The Partnership's intention is for the Proposal to be implemented via a scheme of arrangement that is unanimously recommended by the Board of IAP. This structure is consistent with our desire for an agreed transaction. The Partnership are willing to work with IAP and its advisers to assist in implementing the Proposal.

We propose that the Partnership and IAP would enter into a Scheme Implementation Agreement ("**SIA**") that contains customary conditions including market standard no shop, no talk and a break fee equal to 1% of IAP's equity value at the Offer Price.

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Agreement with 360 Capital

In order to support certainty of execution of the Proposal, the Partnership has entered into a binding memorandum of understanding with 360 Capital (“**MOU**”) in connection with 360 Capital acquiring certain assets within IAP’s portfolio and the funds management business (including the co-investment stake in the ITAP Fund), if the Partnership is successful in acquiring IAP. Should the Proposal proceed, prior to executing a SIA, 360 Capital will also require due diligence on the relevant assets which we expect to be undertaken concurrently with the Partnership’s due diligence. The MOU also contains a call option over 360 Capital’s stake, and standstill and exclusivity provisions in favour of the Partnership which prevent 360 Capital from participating in or voting in favour of a Competing Proposal and from selling down their stake during the exclusivity period.

The Proposal is not conditional upon 360 Capital completing the acquisitions meaning that the Partnership will retain responsibility for funding the acquisition of IAP.

Approvals

PGGM and the Board of Directors for Charter Hall Group have approved the submission of this Proposal. The Proposal would be subject to appropriate transaction documentation, required regulatory approvals and approval of final terms by the Purchasers and their relevant Boards and/or Investment Committees. Charter Hall has available cash and undrawn debt facilities to complete this transaction without the need to raise equity. As PGGM is a foreign investor, the Partnership will require FIRB approval but is confident this can be achieved expeditiously, noting its pre-existing exemption certificate and successful track record with FIRB.

Confidential Non-Binding Indicative Proposal

This Proposal is strictly confidential and is submitted on the basis that neither the existence of this letter, nor its contents, may be disclosed to anyone (including, without limitation, any other prospective purchaser of securities or assets of IAP) other than employees of IAP and professional advisers on a need to know basis, without first obtaining the prior written consent of Charter Hall. This letter should not form the basis for any announcement by IAP under the ASX Listing Rules in light of the applicability of the exceptions in Listing Rule 3.1A.

This Proposal is an incomplete proposal and expresses current intentions only, it is not an offer for IAP securities that is capable of acceptance or otherwise gives rise to a binding contract in relation to IAP securities or any other matter. Unless and until definitive agreements are entered into regarding the transactions set out in this letter, Charter Hall and PGGM will not be under any obligation whatsoever with respect to the Proposal, including, without limitation, to negotiate terms of the Proposal with IAP. For avoidance of doubt, the Proposal is not, and cannot be considered to be, notification, or a public announcement, of an intention to make a takeover offer pursuant to section 631 of the Corporations Act or other offer of any kind.

Conclusion and next steps

Charter Hall has spent considerable time and resources reviewing IAP’s portfolio from public sources in order to be in a position to put forward this Proposal. The Proposal is financially compelling for IAP securityholders and is subject to limited conditions and execution risks. Charter Hall and PGGM are highly motivated and are able to complete due diligence and proceed to a formal offer in an expeditious manner.

Should you wish to discuss or clarify any aspect of this letter, please contact David Harrison. We reiterate our desire to engage on a co-operative and collaborative basis with IAP and look forward to hearing from you.

Yours sincerely



David Harrison
Managing Director & Group CEO

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Annexure 1: Preliminary due diligence request list

The list below outlines some of the items expected to be reviewed in due diligence. Charter Hall reserves the right to request further items during the due diligence process.

Area	Information
Tenants	<ul style="list-style-type: none"> — Tenant lease documentation — Details of any Licenses & Agreements — Tenancy schedules — Details of any committed capex or outstanding incentives. — Outgoings schedule (previous and forecast budgets) — Arrears report and arrears history report — Last 12 months of tenant's tax invoices — Details on any COVID related abatements provided that are still current — Schedule of any outstanding incentives (that are not COVID related)
Site	<ul style="list-style-type: none"> — Certificates of Title — Deposited Plan — Site Survey — GLA Surveys — Site Audit Certificate — Sewerage Plan
Planning	<ul style="list-style-type: none"> — Copies of any Development Approvals — Occupancy Certificates — Building/Compliance Certificates (Certificate of Classification or the state legislated equivalent) — H&S Compliance Certs — Planning Reports — Copies of any current drawings and development proposals
Physical	<ul style="list-style-type: none"> — As Built Drawings (arch, mech, elec, hydraulic, civil, structural) — Structure & Façade Reports — Services (mech, elec, lifts, hydraulic) Reports — NABERS / Green Star — Operating/Services Manuals (incl air conditioning) — Environmental Reports — Hazardous materials report including asbestos register — Geotech Reports — Building Compliance Reports & Warrant of Fitness — Fire safety information including AFSS, Annual Essential Safety Measures Reports (AESMR), Fire Hydrant commissioning flow tests (5 yearly Hydrostatic Test Results, tank integrity tests) — Occupational Health & Safety / Disabled Disability Act Reports — Flooding Reports — Schedule of capital expenditures incurred by the Landlord at the Property for the last 2 years
Insurance	<ul style="list-style-type: none"> — Details of Current Cover (ISR & PLI Cover) — Schedule of insurance claims for the last 5 years and any outstanding claims — Certificates of Currency for Tenant Insurance — Insurance (Replacement Cost) Valuation Report
Tax and accounting	<ul style="list-style-type: none"> — Details of any off balance sheet items including contingencies and commitments

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Area	Information
	<ul style="list-style-type: none"> — Statutory and management accounts — Land Tax Notices — Council Rates Notices — Water Rates Notices — Depreciation Schedules
Valuation	<ul style="list-style-type: none"> — Previous valuation reports
Property Management	<ul style="list-style-type: none"> — Existing service and maintenance agreements — Property management agreements — Last 12 months Management Reports (including rental schedules and invoices) if applicable
Legal	<ul style="list-style-type: none"> — Corporate structure chart — Compliance plan including breach registers — Details of any litigation — Material correspondence with regulators, including any breaches or investigations — Copies of funds and asset management agreements in relation to external funds
Corporate	<ul style="list-style-type: none"> — Asset and business plans — Debt documentation — Derivative documentation — Securityholder register — Board and Committee papers for the prior two years — Details of transaction costs payable due to the Proposal — Details of funds management platform — Details of operating expenses, including employee and non-employee expenses

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28 January 2022

360 Capital Group (ASX: TGP) and
360 Capital REIT (ASX: TOT)
Suite 3701,
Level 37, 1 Macquarie Place,
Sydney 2000

Attention: Tony Pitt

Dear All

Irongate Group (ASX: IAP) – Charter Hall and PGGM Partnership and 360 Capital Group (ASX: TGP) and 360 Capital REIT (ASX: TOT) (together 360 Capital) Memorandum of Understanding

1. Background

- (a) Charter Hall Wholesale Management Limited (ACN 006 765 206) as trustee of the Charter Hall PGGM Industrial Partnership (ABN 29 250 100 507) (**Partnership**) intends to make a non-binding indicative offer to acquire (directly or through its nominee) all of the stapled securities in Irongate Group (ASX: IAP) (**Irongate**), including 360 Capital's 19.9% stake in Irongate, by way of an agreed trust scheme.
- (b) Subject to the terms of this MOU, the Partnership has agreed to procure the responsible entity of the relevant trust wholly owned by Irongate as at the date of this MOU to sell each Property, the Funds Management Business and the Equity Accounted Investments (each defined below) to 360 Capital on an 'as is, where is' basis for its respective Price. The sale of the Properties, the Funds Management Business and the Equity Accounted Investments to 360 Capital will occur simultaneously and completion of the sale of the Properties, Funds Management Business and Equity Accounted Investments will be interdependent with Implementation. The Parties intend this MOU to be binding and enforceable.
- (c) In this MOU capitalised terms will have the meaning given to them in Annexure A unless otherwise expressly provided.

2. Parties' Commitments

The Partnership and 360 Capital agree on their own behalf and on behalf of their respective related bodies corporate that:

- (a) this MOU constitutes a binding agreement and is executed and operates as a deed;
- (b) the Partnership must on or about the date of this MOU make a non-binding indicative offer (**Proposal**) to acquire (directly or through its nominee) all of the stapled securities in Irongate, including 360 Capital's 19.9% stake in Irongate, by way of an agreed trust scheme on terms no less favourable than those set out in the non-binding indicative offer initialled by or on behalf of the parties for identification on or about the date of this MOU;

- (c) all Irongate stapled securityholders will be entitled to the March 2022 distribution, (which is estimated to be 4.5 cents per stapled security);
- (d) the Partnership must take all reasonable steps to pursue the Proposal and use its best endeavours to procure that 360 Capital has the opportunity to conduct due diligence in respect of the Properties, Funds Management Business and the Equity Accounted Investments;
- (e) except as required by applicable law or the requirements of any authority, the Partnership must at all times keep 360 Capital informed of all material details relating to the Proposal and its status;
- (f) without affecting the binding nature of this MOU:
 - (i) the Parties will procure that prior to despatch of any materials in connection with the Proposal to Irongate securityholders, the parties or their nominees will enter into such documentation as to enable 360 Capital or its nominee(s) to have a call option and the Partnership to have a put option in respect of:
 - (A) the interest and for the price set out in the table below in each of the following properties that at the date of this MOU are owned by Irongate or a sub trust that is owned and controlled by Irongate:

Property	Acquiring Entity	Interest	Price
38 Sydney Avenue, Forrest – ACT, Australia	TOT (or its nominee)	100%	\$80,000,000
34 Southgate Avenue, Cannon Hill- QLD, Australia	TOT (or its nominee)	100%	\$42,000,000
100 Willis Street, Wellington – New Zealand	TGP (or its nominee)	50%	\$82,000,000
510 Church Street, Cremorne – VIC, Australia	TOT(or its nominee)	50%	\$132,000,000

(each a **Property**, together the **Properties**);

- (B) ownership and operation of the funds management business conducted by Irongate, including the co-investment stake held in the ITAP Fund (**Funds Management Business**) and all of the co-investment stakes in the managed funds (**Equity Accounted Investments**) for the following prices:

Business	Price
Funds Management Business	\$5,000,000
Equity Accounted Investments	\$22,504,940

- (ii) in respect of 100 Willis Street, Wellington (**Wellington Property**), the Partnership and TGP:
 - (A) will procure the entry into a call option deed whereby TGP (or its nominee) will purchase the remaining 50% from the Partnership. The call option may be exercised within 2 years of purchase of the initial 50% share for a price of \$82,000,000, with the option purchase price adjusted over the option term by any increase in the net income from the Wellington Property between the date of the original 50% acquisition by 360 Capital and the date of exercise of the call option; and
 - (B) will procure the entry into a co-owners agreement whereby PMG Property Funds Management Limited (registered in New Zealand) will be jointly appointed as the property manager over the whole of the Wellington Property at market rates for the term of the call option referred to in paragraph 2(f)(ii)(A) and with usual pre-emptive rights in the co-owner's agreement;
- (iii) the put option referred to in paragraph 2(f)(i) will have an exercise period expiring on the later of:
 - (A) Exclusivity Period; and
 - (B) where the Partnership and Irongate have entered into a binding implementation agreement in respect of implementation of a trust scheme prior to the end of the Exclusivity Period, such exclusivity period or sunset date agreed between the Partnership and Irongate for implementation of the trust scheme; and
- (iv) the call option referred to in paragraph 2(f)(i) will have an exercise period expiring on the date which is 15 months after the date of the MOU;
- (v) the Parties agree that:
 - (A) entry into any put and call option deeds is conditional upon 360 Capital being satisfied (in its sole discretion) with the results of its due diligence investigations; and
 - (B) the aforementioned put and call options are conditional on Implementation prior to the expiry of the exercise period;
- (vi) 360 Capital will be provided with a 4 week due diligence period, within which it must complete its due diligence on the Properties, the Funds Management Business and the Equity Accounted Investments and the Partnership will take reasonable steps to enable 360 Capital to carry out such due diligence;

- (vii) the Parties agree that completion of the Property transfers and purchase of the Funds Management Business and Equity Accounted Investments shall occur on the date upon which Implementation occurs, or as soon as possible thereafter and that Implementation will not occur independently of the sale of the Properties, the Funds Management Business and Equity Accounted Investments to 360 Capital or its nominees;
 - (viii) the parties will work together to transition the Funds Management Business to 360 Capital in an efficient and timely manner;
 - (ix) the Funds Management Business will only be transferred with such staff as 360 Capital determines;
 - (x) the Partnership makes no representation or gives no warranties in relation to any of the Properties, the Funds Management Business and Equity Accounted Investments, Irongate or any sub trust that owns a Property, the Funds Management Business and Equity Accounted Investments; and
- (g) nothing in this MOU limits or restricts the actions of 360 Capital in relation to their respective previous, current or future non-binding indicative offers for Irongate.

3. Debt Financing

360 Capital confirms that both 360 Capital Group and 360 Capital REIT have sufficient financial resources to complete the transaction proposed by this MOU and do not require any capital raising. 360 Capital will fund the acquisitions of the Properties, Funds Management Business and Equity Accounted Investments from existing cash reserves, scheme consideration and a small debt facility will be obtained by 360 Capital REIT for its acquisitions. 360 Capital REIT will provide evidence to the Partnership of a binding commitment to such financing prior to the expiry of the due diligence period agreed between the Partnership and Irongate.

4. Exclusivity

During the Exclusivity Period:

- (a) 360 Capital agrees that it will not (and must procure that its Related Bodies Corporate (alone or acting in concert with any third party other than the Partnership) do not directly or indirectly); and
- (b) the Partnership agrees that it will not and must procure that its Related Bodies Corporate (alone or acting in concert with any third party other than the Partnership) do not directly or indirectly,

except with the prior written consent of the other party:

- (c) participate in any negotiations or discussions with any Third Party in relation to a Competing Proposal or which may reasonably be expected to lead to a Competing Proposal;
- (d) accept in respect of, sell or agree to sell any of, its Irongate stapled securities to a Third Party ;

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- (e) vote in favour of a Competing Proposal; or
 - (f) make any public announcement that it will accept or propose to accept, vote in favour of or otherwise support a Competing Proposal,

and 360 Capital also agrees it will, and must ensure that its Related Bodies Corporate and Representatives (alone or acting in concert with any Third Party) will, vote against any Competing Proposal, except with the prior written consent of the Partnership.

5. IAP Call Option

- (a) In consideration of their entry into this MOU, the Partnership and 360 Capital agree on their own behalf and on behalf of their respective related bodies corporate that from the date of this MOU until the later of:
 - (i) the Exclusivity Period; and
 - (ii) where the Partnership and Irongate have entered into a binding implementation agreement in respect of implementation of a trust scheme prior to the end of the Exclusivity Period, such exclusivity period or sunset date agreed between the Partnership and Irongate for implementation of the trust scheme,

(Option Period), 360 Capital grants to the Partnership an option to require 360 Capital to transfer its 19.9% stake in Irongate (representing 135,417,786 stapled securities in Irongate)) to the Partnership (or its nominee) **(IAP Call Option)** at a price of \$1.90 per stapled security **(IAP Call Price)**, subject to paragraph 5(b). The IAP Call Option is exercisable from the date on which all conditions (including member approval, court approval and any other regulatory approvals) are satisfied or waived in respect of Implementation to the date on which Implementation occurs. For the avoidance of doubt, 360 Capital will remain entitled to the March distribution (which is estimated to be 4.5 cents per stapled security).

- (b) Subject to paragraph 5(c), if during the Option Period a Competing Proposal with a higher implied consideration per Irongate stapled security than the Partnership's Proposal is recommended by the Irongate Board, is otherwise put to Irongate members by the Irongate Board or is comprised in an unconditional takeover bid **(Recommended Competing Proposal)**, then the Partnership is restricted (the **Call Option Restriction**) from exercising the IAP Call Option unless the Partnership announces to ASX within seven days of announcement by Irongate of the Recommended Competing Proposal that the consideration payable under the Partnership's Proposal is increased to be the same or greater than the consideration payable under the Recommended Competing Proposal **(Matched Proposal)**.
- (c) If the Partnership does not offer a Matched Proposal within seven days of announcement by Irongate of a Recommended Competing Proposal, then on the conclusion of that period, 360 Capital may sell its stake in Irongate during the balance of the period of any Call Option Restriction, at a price at least equal to \$1.90 per stapled security. The Call Option Restriction ceases to apply at anytime

that any relevant Competing Proposal is withdrawn or terminated. The IAP Call Option will cease to apply to any securities sold in accordance with this paragraph (c).

- (d) The Parties acknowledge that the IAP Call Option is an irrevocable offer by 360 Capital during the option term set out in paragraph 5(a).
- (e) The Parties acknowledge that the IAP Call Option may be exercised by notice in writing from the Partnership to 360 Capital and that the exercise date shall be two Business Days after receipt (including deemed receipt) by 360 Capital.

6. Confidentiality

(a) Confidentiality

Each Party must not disclose to any person, and must keep confidential any other information which is disclosed by a Party to another in connection with this MOU.

(b) Exceptions

A Party may make any disclosures in relation to the matters specified in paragraph 6(a) of this MOU as, in its absolute discretion, it thinks necessary to:

- (i) its professional advisers, bankers, financial advisers, financiers and insurers for the purpose of giving full effect to this MOU and the transactions contemplated by it, if those persons undertake to keep information disclosed confidential;
- (ii) comply with any applicable law or requirement of any authority (including the listing rules of any applicable stock exchange);
- (iii) any of its employees to whom it is necessary to disclose the information, if that employee undertakes to keep the information confidential; or
- (iv) if, and to the extent, the information is or becomes part of the public domain otherwise than through a breach of confidence owed under this MOU.

(c) Public announcements

- (i) The Parties agree that following execution of this MOU, each of Charter Hall (on behalf of the Partnership) and 360 Capital will issue the Announcements, which must be approved in writing by the Parties (both acting reasonably).
- (ii) The Parties acknowledge that the terms of this MOU will be attached to a substantial holder notice filed by the Partnership with the Australian Securities Exchange and/or the Johannesburg Stock Exchange.
- (iii) Except as required by applicable law or the requirements of any authority, all other press releases and other public announcements relating to the transactions dealt with by this MOU must be in terms first agreed in writing by the Parties (both acting reasonably) (other than to the extent that any

such public announcement repeats terms that have previously been agreed in writing by the Parties).

(d) Approaches to Irongate

360 Capital agrees that it will not make any approach to Irongate in connection with the Partnership's Proposal, the potential on-sale of any or all assets to 360 Capital or any other transactions contemplated under this MOU without the prior written consent of the Partnership.

7. Notices

Any notice given or made under this MOU:

- (a) must be in writing;
- (b) must be addressed and delivered by email to the intended recipient at the email address below:

to the Partnership

c/o Charter Hall Holdings Pty Limited

Email: Mark.Bryant@charterhall.com.au

Copy to: Kate.Towey@allens.com.au and
Vijay.Cugati@allens.com.au

To 360 Capital:

360 Capital Group and 360 Capital REIT

Email: james.storey@360capital.com.au and
tony.pitt@360capital.com.au

Copy to: manderson@claytonutz.com

- (c) a notice sent by email will be conclusively taken to be served on the first to occur of:
 - (i) receipt by the sender of an email acknowledgement from the recipient's information system showing that the notice has been delivered to the email address stated above;
 - (ii) the time that the notice enters an information system which is under the control of the recipient; and
 - (iii) the time that the notice is first opened or read by an employee or officer of the recipient,
- (d) but if the result is that a notice would be taken to be given or made on a day that is not a Business Day in the place to which the notice is sent or is later than 7pm (local time) it will be conclusively taken to have been duly given or made at the start of business on the next Business Day in that place.

8. Limitation of Liability – CHWML

360 Capital acknowledges and agrees that:

- (a) Charter Hall Wholesale Management Limited (ACN 006 765 206) (**Trustee**) enters into this MOU in its capacity as trustee of the Partnership only;

- (b) the recourse of the parties to the Trustee in respect of any obligations and liabilities of the Trustee under or in connection with this MOU (whether that liability arises under a specific provision of this MOU, for breach of contract, tort (including negligence) or otherwise) is limited to the extent to which the Trustee can be satisfied out of the Partnership's assets out of which the Trustee is actually indemnified in respect of such obligations and liabilities;
- (c) the parties may not sue the Trustee in any capacity other than as trustee of the Partnership, including seeking the appointment of a receiver (except in relation to property of the Partnership), a liquidator, an administrator or any similar person to the Trustee or prove in any liquidation, administration or arrangement of or affecting the Trustee (except in relation to property of the Partnership);
- (d) the provisions of this paragraph 8 do not apply to any obligation or liability of the Trustee in its capacity as trustee of the Partnership to the extent that it is not satisfied because under the constituent documents of the Partnership or by operation of law there is a reduction in the extent of the Trustee's indemnification out of the Partnership assets as a result of fraud, negligence or breach of trust on the part of the Trustee; and
- (e) if a Party does not recover the full amount of any money owing to it arising from non-performance by the Trustee of any of its obligations, or non-payment by the Trustee of any of its liabilities, under or in respect of this MOU, by enforcing the rights referred to in paragraph 8(b), that Party may not (except in the case of fraud, negligence or breach of trust by the Trustee) seek to recover the shortfall by:
 - (i) bringing proceedings against the Trustee in its personal capacity; or
 - (ii) applying to have the Trustee wound up.
- (f) This paragraph applies despite any other provision of this MOU, the constituent documents of the Partnership or any principle of equity or law to the contrary and extends to all liabilities and obligations of the Trustee in relation to any representation, warranty, conduct, omission, agreement or transaction related to this MOU, including under the constituent documents of the Partnership.

9. Limitation of Liability – 360 Capital FM

The Partnership acknowledges and agrees that:

- (a) 360 Capital FM Limited ABN 15 090 664 396 (**Responsible Entity**) enters into this MOU in its capacity as responsible entity of
 - (i) 360 Capital REIT; and
 - (ii) 360 Capital Investment Trust ARSN 104 552 598 (**Trust**),only;
- (b) the recourse of the parties to the Responsible Entity in respect of any obligations and liabilities of the Responsible Entity under or in connection with this MOU (whether that liability arises under a specific provision of this MOU, for breach of contract, tort (including negligence) or otherwise) is limited to the extent to which

the Responsible Entity can be satisfied out of the 360 Capital REIT's or the Trust's (as applicable) assets out of which the Responsible Entity is actually indemnified in respect of such obligations and liabilities;

- (c) the parties may not sue the Responsible Entity in any capacity other than as responsible entity of 360 Capital REIT and the Trust, including seeking the appointment of a receiver (except in relation to property of 360 Capital REIT and the Trust), a liquidator, an administrator or any similar person to the Responsible Entity or prove in any liquidation, administration or arrangement of or affecting the Responsible Entity (except in relation to property of 360 Capital REIT or the Trust);
- (d) the provisions of this paragraph 9 do not apply to any obligation or liability of the Responsible Entity in its capacity as responsible entity of 360 Capital REIT and the Trust to the extent that it is not satisfied because under the constituent documents of 360 Capital REIT or the Trust or by operation of law there is a reduction in the extent of the Responsible Entity's indemnification out of 360 Capital REIT's or the Trust's assets as a result of fraud, negligence or breach of trust on the part of the Responsible Entity; and
- (e) if a Party does not recover the full amount of any money owing to it arising from non-performance by the Responsible Entity of any of its obligations, or non-payment by the Responsible Entity of any of its liabilities, under or in respect of this MOU, by enforcing the rights referred to in paragraph 9(b), that Party may not (except in the case of fraud, negligence or breach of trust by the Responsible Entity) seek to recover the shortfall by:
 - (i) bringing proceedings against the Responsible Entity in its personal capacity; or
 - (ii) applying to have the Responsible Entity wound up.
- (g) This paragraph applies despite any other provision of this MOU, the constituent documents of 360 Capital REIT or the Trust or any principle of equity or law to the contrary and extends to all liabilities and obligations of the Responsible Entity in relation to any representation, warranty, conduct, omission, agreement or transaction related to this MOU, including under the constituent documents of 360 Capital REIT or the Trust.

10. Governing Law and Jurisdiction

This MOU is governed by the laws in force in New South Wales, Australia. In relation to it and related non-contractual matters each Party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

11. Costs

- (a) Subject to paragraph 11(b), the Partnership and 360 Capital will each be responsible for their own costs in relation to the negotiation, preparation and

completion of this MOU, the Proposal and the transactions or transfer contemplated by it including each Option Deed and debt break fees, except that:

- (i) 360 Capital shall be responsible for 20% of the Irongate office lease tail costs and 20% of any staff redundancy, long service leave or other staff costs incurred in respect of the Funds Management Business as a result of the transaction contemplated by this MOU; and
 - (ii) the Partnership shall be responsible for the balance of the costs.
- (b) 360 Capital will be responsible for, and pay its own costs in relation any due diligence conducted on the Properties, the Funds Management Business and Equity Accounted Investments.

12. Counterparts

- (a) This MOU may be executed in any number of counterparts, each signed by one or more of the Parties. All counterparts together will be taken to constitute one instrument.
- (b) Each Party warrants that immediately prior to entering into this MOU, it has unconditionally consented to:
- (i) the requirement for a signature under any law being met; and
 - (ii) any other Party to this MOU executing it,
- by any method of electronic signature that other Party uses (at that other Party's discretion), including signing on an electronic device or by digital signature.

13. Recovery of GST

- (a) If GST is payable, or notionally payable, on a supply made under or in connection with this MOU, the party providing the consideration for that supply must pay as additional consideration an amount equal to the amount of GST payable, or notionally payable, on that supply (the **GST Amount**). Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time that the other consideration for the supply is provided. If a tax invoice is not received prior to the provision of that other consideration, the GST Amount is payable within 10 days of the receipt of a tax invoice.
- (b) Unless the context requires otherwise, words and phrases used in this paragraph that have a specific meaning in the GST law (as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth)) shall have the same meaning in this paragraph

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Executed and delivered as a deed in Sydney.

Executed by 360 Capital FM Limited ABN 15 090 664 396 in its capacity as responsible entity of 360 Capital REIT (the stapled fund comprised of 360 Capital Passive REIT ARSN 602 304 432 and 360 Capital Active REIT ARSN 602 303 613) in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of director

Tony Pitt

Full name of director



Signature of company secretary/director

Glenn Butterworth

Full name of company secretary/director

Executed by 360 Capital Group Limited ACN 113 569 136 in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of director

Tony Pitt

Full name of director



Signature of company secretary/director

Glenn Butterworth

Full name of company secretary/director

Executed by 360 Capital FM Limited ABN 15 090 664 396 in its capacity as responsible entity of 360 Capital Investment Trust ARSN 104 552 598 in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of director

Tony Pitt

Full name of director



Signature of company secretary/director

Glenn Butterworth

Full name of company secretary/director

Executed by Charter Hall Wholesale Management Limited (ACN 006 765 206) as trustee of the Charter Hall PGM Industrial Partnership (ABN 29 250 100 507) in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of director

DAVID WILLIAM HARRISON

Full name of director



Signature of company secretary

MARK ROBERT BRYANT

Full name of company secretary

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Annexure A

Definitions

360 Capital means 360 Capital Group (ASX: TGP) and 360 Capital REIT (ASX: TOT) together with their associated entities.

360 Capital Group means the stapled entity comprising 360 Capital Group Limited (ABN 18 113 569 136) and 360 Capital Investment Trust (ARSN 104 552 598) and together with their controlled entities.

360 Capital REIT means the stapled fund comprised of the 360 Capital Passive REIT ARSN 602 304 432 and 360 Capital Active REIT ARSN 602 303 613.

Annexure means an annexure to this MOU.

Announcements means the public announcements to be made by Charter Hall (on behalf of the Partnership) and 360 Capital in the forms agreed between the parties.

associate has the meaning given in the Corporations Act.

Business Day means any day except Saturday or Sunday or a day that is a public holiday in Sydney, New South Wales.

Charter Hall means Charter Hall Wholesale Management Limited (ACN 006 765 206).

Competing Proposal means any proposal, agreement, arrangement or transaction, which, if entered into or completed, would result in a Third Party (either alone or together with any associates):

- (a) acquiring, directly or indirectly, a Relevant Interest in, or having a right to acquire, a legal, beneficial or economic interest in, or control of, or the right to vote, 10% or more of Irongate securities;
- (b) directly or indirectly acquiring Control of Irongate Funds Management Limited (ABN 93 071 514 246);
- (c) directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or control of, all or a substantial part or material part of all of the business or assets of Irongate; or
- (d) directly or indirectly acquiring or merging with Irongate,

whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved transaction, capital reduction or buy-back, sale or purchase of shares, units or assets, joint venture, dual-listed company structure (or other synthetic merger) or other transaction or arrangement.

Control has the meaning given in the Corporations Act.

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

Exclusivity Period means the earlier of:

- (a) six months after the date of this deed;

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- (b) the date that is three weeks after any Proposal is rejected by Irongate (unless within that period a revised proposal is made for greater consideration by the Partnership, in which case, three weeks after that increased Proposal is rejected by Irongate); and
 - (c) 3 weeks after a Competing Proposal is received and recommended by Irongate and the Partnership does not make an offer for the same or a greater implied consideration than the Competing Proposal; and
 - (d) the date on which the Partnership informs 360 Capital that it no longer intends to pursue the Proposal; and
 - (e) the day after Implementation.

Implementation means the Partnership (or its nominee) acquiring all of the stapled securities in Irongate.

Irongate means Irongate Group (ASX: IAP) comprising Irongate Property Fund I (ARSN 162 067 736) and Irongate Property Fund II (ARSN 644 081 309).

ITAP Fund means the Irongate Templewater Australia Property Fund.

MOU means this memorandum of understanding.

Option Deed means a put and call option deed between the Partnership and 360 Capital in which the Partnership agrees to procure the sale of a Property, the Funds Management Business and the Equity Accounted Investments to 360 Capital and any other terms which the Parties agree in writing.

Parties means the parties to this MOU and **Party** means each of them individually.

Partnership means Charter Hall Wholesale Management Limited (ACN 006 765 206) as trustee of the Charter Hall PGGM Industrial Partnership (ABN 29 250 100 507).

Proposal means the non-binding indicative offer to be submitted by the Partnership to Irongate for the Partnership or its nominee to acquire all of the stapled securities in Irongate by way of inter-conditional trust schemes of arrangement dated on or about the date of this MOU.

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given in the Corporations Act.

Third Party means a person other than a Party or any of its related bodies corporate (as defined in the Corporations Act) or associates.