

Instreet Income Instalments (“I³”)

Product Disclosure Statement

IO2 Series

Dated 7 November 2011

Issued by: Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832 and AFSL 240992)

Guaranteed by: Citigroup Inc.

Distribution Manager: Instreet Investment Limited



Important information about Instreet Income Instalments (“I³”)

This document is a Combined Financial Services Guide and Product Disclosure Statement (PDS) for the purposes of Part 7.9 of the Corporations Act and the Corporations Regulations, and has been issued by Citigroup Global Markets Australia Pty Limited.

This PDS is dated 7 November 2011.

Instreet Income Instalments (“I³”) are issued by Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) AFSL number 240992 (“Citi”, “Issuer”, “we” or “us”), a participant of ASX.

Citi has appointed Instreet Investment Limited (ABN 44 128 813 016) (Instreet or the Distribution Manager) as the distribution manager for I³. Instreet is an authorised representative (ASIC Authorised Representative No. 322612) of EA Financial, LP under Australian Financial Services Licence (AFSL) number 246801. EA Financial, LP is responsible for overseeing the services of Instreet but does not guarantee or otherwise provide assurance in respect of the obligations of Instreet or the Issuer. Instreet can be contacted on 1300 954 678 or at Level 11, 2 Bulletin Place, Sydney, NSW Australia. EA Financial, LP can be contacted on (02) 8224 9360, or facsimile (02) 8224 9380, or Bonnell Rowntree, Level 8, 387 George Street Sydney 2000 NSW.

Neither Instreet or EA Financial, LP are part of the Citigroup Inc. group of companies. Instreet is not the agent or representative of any member of the Citigroup Inc. group of companies and acts on behalf of EA Financial, LP. No person (including Instreet) has been authorised by the Issuer, or any other Citigroup Inc. company to give any information or make any representations in connection with the offer which is not in this PDS and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, or any other Citigroup Inc. company.

This PDS is not required to be and will not be lodged with the Australian Securities and Investments Commission (ASIC). ASIC takes no responsibility for the contents of this PDS or the I³. Citi will notify ASIC that this PDS is in use in accordance with Section 1015D of the Corporations Act.

This PDS complies with Schedule 10 to the Operating Rules as varied or waived by ASX. ASX takes no responsibility for the contents of this PDS or the I³.

Information in this PDS may change from time to time. Where those changes are not materially adverse to Holders, Citi may provide that information on its website www.citifirst.com.au. Citi will provide Holders with a paper copy of that information, free of charge, on request. You may also obtain that information from Instreet on request on 1300 954 678 or from its website at www.instreet.com.au

THIS DOCUMENT IS NOT INVESTMENT ADVICE

This is an important document and should be read in its entirety before any decision is made to apply for or acquire the I³. The information provided in this PDS is not financial product advice and has been prepared without taking into account your personal investment objectives or financial situation. Accordingly, nothing in this PDS is a recommendation by Citi, its associates or any other person to invest in the I³ or in the Underlying Shares. YOU SHOULD CONTACT YOUR STOCKBROKER OR OTHER PROFESSIONAL FINANCIAL ADVISER BEFORE MAKING ANY DECISION TO INVEST IN THE I³, AND TAKE INTO ACCOUNT YOUR OWN PERSONAL INVESTMENT OBJECTIVES AND FINANCIAL SITUATION.

I³ are instalment warrants issued by Citi. I³ are classified as ‘securities’ within the meaning of section 761A of the Corporations Act or, where the Underlying Shares include interests in a managed investment scheme, as ‘managed investment products’ within the meaning of section 761A of the Corporations Act. They are also classified as ‘warrants’ within the meaning of Schedule 10 to the Operating Rules. Investors should read Section 4 of this PDS in relation to the risks of this investment. Warrants are speculative investments: they may be significantly less valuable at maturity and they may expire worthless.

ASX Booklets

The ASX publishes a number of booklets in relation to warrants, which can be downloaded free of charge from the ASX website. Investors are encouraged to read these booklets and the information that is available on the ASX website in relation to warrants, to understand the different types of warrants, the terms and conditions under which warrants are issued and the operation of the warrants market in general.

Overseas Distribution

Neither the I³ nor this PDS have been or will be registered in any jurisdiction outside of Australia. The offer of I³ under this PDS is only

made to Australian residents located in Australia. The distribution of this PDS in jurisdictions outside Australia may be restricted by law. Persons who obtain this PDS in jurisdictions outside Australia should seek advice on and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. This PDS does not constitute an offer or an invitation in any place outside Australia where, or to any person to whom, it would be unlawful to make such an offer or invitation. Neither the I³ nor this PDS will be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to, or for the account of, or the benefit of, US Persons. On the exercise of an I³ the Holder represents and warrants that the I³ is neither directly or indirectly held in favour of a US Person.

Disclaimers

The I³ and any securities recommended, offered, or sold by the Issuer: (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or other obligations or liabilities of any insured depository institution (including Citibank, N.A.); and (iii) are subject to investment risks, including the possible loss of the principal amount invested in the event of an early maturity. The I³ do not represent a deposit or other liability of Citigroup Pty Limited or Citibank, N.A. (Sydney Branch) and these entities do not stand in any way behind the capital value and/or performance of the I³. The Issuer is not subject to regulatory supervision by the Australian Prudential Regulation Authority (APRA).

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Instreet is the distribution manager for I³. Instreet is not responsible for, and does not warrant nor make any representation regarding the performance of Citi or the I³. Citi takes no responsibility and accepts no liability for advice given or statements made by Instreet or any other adviser or distribution manager in relation to I³ and neither Instreet, nor any other adviser or distribution manager, acts as the agent or representative of Citi in giving any advice or making any representations in relation to I³. Holders will have no recourse to Citi for any advice given or representations made by Instreet or any other adviser or distribution manager in relation to I³. Instreet and other advisers or distribution managers may receive fees in connection with I³, as disclosed in Section 6 of this PDS.

For further information regarding Instreet, please see the Instreet website at www.instreet.com.au or contact Instreet on 1300 954 678. The Instreet website is not a Citi website. Any material, including contact details, e-mail addresses or numbers, contained on that website is not maintained or updated by Citi. Citi does not take any responsibility for the content or information available from Instreet on the Instreet website, by email or by any other means.

Role of Entities

No Entity has been involved in the preparation of this PDS and no Entity has provided any information to Citi for the purposes of the preparation of this PDS. Any information about an Entity that appears in this PDS is information that is publicly available. Citi has not verified any information about an Entity that appears in this PDS.

Citi takes no responsibility and accepts no liability for, and makes no representation or warranty (whether express or implied) as to the accuracy or completeness of any information about an Entity in this PDS. Potential Holders should make their own enquiries.

Any reference to an Entity in this PDS is only for the purpose of identifying the Underlying Shares and the Entity that issued those Securities. The references are not an express or implied endorsement of the I³ by an Entity. No Entity accepts any responsibility for any statement in this PDS. No Entity or authorised officer of an Entity has authorised the issue of or any statement in this PDS. No Entity has given its consent to be named in this PDS.

Cooling-off Period

There is no cooling off period when you buy or sell the I³ issued under this PDS.

Electronic Documents

You may obtain a copy of this PDS from Instreet on request at 1300 954 678 or from www.instreet.com.au.

A copy of this PDS is available online at www.citifirst.com.au. If this PDS is accessed electronically, it must be downloaded in its entirety.

A paper copy of this PDS will be provided, free of charge, on request from Citi at 1300 30 70 70. A copy of this PDS is also available on the ASX website.

Glossary

Section 9 contains definitions of certain terms used in this PDS.

Instreet

Instreet works closely with the financial community to create and distribute investment products that harness inspiration, market insight and intelligent structuring.

After identifying investment product needs and market trends, Instreet builds investment products by identifying and working with quality wholesale financial service providers from around the world. By doing so, Instreet makes institutional assets available to individual investors through structured investment products. Instreet's investment products are administered by recognised financial institutions and Instreet obtains ratings from research houses for many of its investment products. The end result is a selection of investment products which are designed to better achieve the goals of investors and advisers.

Overview

I³ may suit investors with a moderately positive long-term view on the Underlying Shares, offering a gearing level of approximately 50% as at the date of this PDS. I³ may not be appropriate for all Investors.

I³ may be an appropriate investment for you if you are:

- looking to leverage your medium or long-term view of the Underlying Shares;
- investing with a moderately positive long-term view on the Underlying Shares;
- seeking the benefit of any dividend yields and franking credits on the Underlying Shares;
- seeking periodic income payments in addition to any dividends and franking credits and prepared to accept the Appreciation Cap feature in exchange for these payments;
- an existing holder of Underlying Shares wishing to unlock cash while still maintaining exposure to those securities;
- seeking a leveraged investment which offers a gearing level of approximately 50% as at the date of this PDS and which does not require complicated loan documentation or credit checks;
- experienced in investing in instalment warrant products;
- able to accept that an Appreciation Cap Amount will be payable to Citi on each Reset Date and the Maturity Date, where the Underlying Parcel Value as at that Reset Date or Maturity Date exceeds the Appreciation Cap Level;
- able to accept that, where they have insufficient cash, some or all of the Underlying Parcel may need to be sold to fund the payment of the Appreciation Cap Amount; or
- able to accept the fees detailed in Section 6.

I³ may not be appropriate for you if you:

- are seeking a medium to low-risk investment;
- do not believe the market price of the Underlying Shares will rise over the investment term;
- do not have sufficient financial resources to bear the risks associated with an investment in the Underlying Shares or in the I³. This includes the loss of your entire investment amount;
- are not prepared to accept a European style exercise feature, where the I³ can only be exercised on a Reset Date or the Maturity Date;
- are not prepared to accept the Appreciation Cap feature which may cap the potential upside of an investment in return for periodic income payments in addition to entitlements to any dividends and franking credits during the investment term; or
- are unable to fund the payment of the Appreciation Cap Amount independently of this investment.

If you are a self managed superannuation fund, please refer to section 4.9 of this PDS and seek professional advice in relation to whether an investment in I³ is appropriate for your fund.

Before investing in I³ you should read this PDS, including section 4 (in relation to risks) and consider carefully the risks that may affect the financial performance of the investment. You should contact your stockbroker or other professional financial adviser before making any decision to invest in I³ and take into account your own personal investment objectives and financial situation.

Benefits and Features

I³ offered under this PDS seek to provide you with the following benefits and features:

Dividends and Franking Credits	During the term of the investment, investors will receive all ordinary dividends and available franking credits in respect of the Underlying Shares, as if they owned the Underlying Shares outright.	'Investment Overview' Section 1 'Key Information'
Periodic Payments	In addition to any dividend payments, investors will receive quarterly periodic payments. The Periodic Payment amount in respect of the period from the date of this PDS up to the first Reset Date is specified in the Summary Table. On each Reset Date, a new Periodic Payment amount will be determined by Citi and published on the ASX's website, www.instreet.com.au and www.citifirst.com.au , in respect of the period up to the next Reset Date (or, if none, the Maturity Date).	'Investment Overview' Section 1 'Key Information'
Appreciation Cap	A Holder's ability to receive the benefit of increases in price, or capital appreciation, of the Underlying Shares and the I ³ is subject to the Appreciation Cap feature. The amount of the Appreciation Cap Level will be determined on the Quotation Date for the period to the first Reset Date and thereafter will be determined on each Reset Date in respect of the period from that Reset Date to the next Reset Date (or, if none, the Maturity Date).	'Investment Overview' Section 1 'Key Information'
Reset Mechanism	I ³ include a reset feature which operates to reset the loan approximately every year, on each Reset Date.	'Investment Overview' Section 1 'Key Information'
Term	Up to 10 years with a Reset Date approximately every year.	'Investment Overview'
European Style Exercise	Holders may only exercise their I ³ on a Reset Date or the Maturity Date. Completed Exercise Notices (including direct debit authorisation and details) must be delivered before 12pm (midday) on the Business Day immediately prior to the relevant Reset Date or Maturity Date.	'Investment Overview'

Key Risks

All warrants have different features. I³ is an instalment warrant and as such it is likely to be different in some respects to other Instreet warrants (if any) on issue. Some of the significant risks associated with investing in I³ are outlined below. Further information on the risks which may be applicable to investing in the I³ are outlined in Section 4 "Risk Factors". Investors should ensure that they have closely read Section 4 "Risk Factors" of this PDS before investing.

Returns not guaranteed	Investors should be aware that there is no capital protection or guarantee of financial return on your investment. Warrants are speculative investments: they may be significantly less valuable at maturity and they may expire worthless.	'Investment Overview' Section 4 'Key Risks'
Gearing	Investors should be aware that an investment in I ³ includes the Loan and that an I ³ investment may increase or decrease in value at a greater rate than an investment in the Underlying Shares. Gearing also gives rise to gearing costs including the Interest Amounts and the Loan Establishment Fee.	Section 4 'Key Risks'
Appreciation Cap Amount	A Holder's ability to receive the benefit of increases in the price of the Underlying Shares and the I ³ is subject to the Appreciation Cap feature, which may require the Holder to pay an Appreciation Cap Amount to Citi on a Reset Date or Maturity Date. The amount of the Appreciation Cap Level will be determined on the Quotation	'Investment Overview' Section 1 'Key Information' Section 4 'Key Risks'

	<p>Date for the period to the first Reset Date. Thereafter the Appreciation Cap Level will be determined on each Reset Date in respect of the period from that Reset Date to the next Reset Date (or, if none, the Maturity Date).</p> <p>Investors should be aware that unlike some other instalment products without an appreciation cap feature, a Holder's entitlement to any increase in the price of the Underlying Shares above the Appreciation Cap will be offset by their obligation to pay any Appreciation Cap Amount.</p>	
Illiquidity Risk	<p>Investors should be aware that there is no firm indication as to how the I³ will trade in the secondary market.</p> <p>In times of extreme volatility the ability of market makers to maintain a market will be put under stress. Investors should be aware that in these situations, the presence of appropriate quotes in the market cannot always be assured.</p>	Section 4 'Key Risks'
Discretions	<p>A number of provisions of the Instalment Warrant Deed confer discretions on Citi which could affect the value of I³. These include terminating the I³ on a Reset Date, declaring an Extraordinary Event, adjusting the Underlying Shares or the Final Instalment and determining the interest rate to be applied to your Loan.</p>	Section 4 'Key Risks'
Market and law risks	<p>General movement in local and international stock markets, prevailing and anticipated economic conditions and interest rates, investor sentiment and general economic conditions could all affect the market price of I³.</p> <p>A number of risks may affect a Holder of an I³ as a result of Australian legislative or taxation regulation and any changes to Australian legislative or taxation regulation.</p>	Section 4 'Key Risks' and Section 5 'Taxation Summary'
Extraordinary Events	<p>If certain corporate actions eg a takeover arise in relation to the Underlying Shares, the I³ are suspended from trading on ASX or a Trust Tax Change occurs, Citi may with the consent of ASX declare an Extraordinary Event and fix an earlier Maturity Date.</p>	Section 4 'Key Risks'
Direct Debit	<p>Investors should be aware that if they have elected to pay any Appreciation Cap Amounts or Exercise Amounts by direct debit they will need to ensure that there are sufficient funds in their Nominated Account on the direct debit transaction date. If they don't, their holding of I³ may be sold under Option 3 to pay their Appreciation Cap Amounts, or their Exercise Notice will be invalid.</p> <p>Investors should also be aware that Exercise Notices given to Citi are irrevocable, notwithstanding that the Appreciation Cap Amount (if any) will not be known at the time the Holder completes their Exercise Notice.</p>	Section 4 'Key Risks'

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Investment Overview

Distribution Manager	Instreet Investment Limited
Issuer	Citigroup Global Markets Australia Pty Limited
Guarantor	Citigroup Inc.
Description	<p>I³ enable investors to leverage their exposure to ASX listed Securities, subject to the Appreciation Cap feature described below.</p> <p>By purchasing an I³, an investor pays a portion of the upfront cost of the Underlying Share and borrows the balance from Citi.</p> <p>During the term of the investment, Holders will receive quarterly periodic payments, the amounts of which will be determined from time to time as explained below.</p> <p>Additionally, Holders will receive any ordinary dividends and available franking credits in relation to the Underlying Share, as if they owned the Underlying Share outright.</p> <p>However, a Holder's ability to receive the benefit of any increase in the price of the Underlying Share and the I³ will be subject to the Appreciation Cap feature, which may require the Holder to pay an Appreciation Cap Amount to Citi on a Reset Date or the Maturity Date.</p> <p>On each Reset Date or the Maturity Date, Holders have the right to pay the Final Instalment and any Exercise Costs and Appreciation Cap Amounts owing, and receive the Underlying Shares.</p> <p>Holders also have the right to deliver a Request for Purchase Notice and sell the Underlying Shares to Citi, but only on the Maturity Date.</p>
Gearing	<ul style="list-style-type: none"> As at the date of this PDS, the level of gearing for I³ is approximately 50% of the price of the Underlying Shares. After the date of this PDS, the level of gearing will vary depending on the price of the Underlying Shares as at the time your Application is accepted by Citi. Investors who apply for I³ should be aware that the level of gearing may change between the date of this PDS and the date of issue of their I³. See the information provided in relation to Interest below.
Investment Term	Up to 10 years with a Reset Date approximately every year. See Summary Table
Minimum Investment Amount	\$2,500
Offer Open	7 November 2011
ASX Quotation	I ³ will be quoted and traded on ASX after their issue
Expected Quotation Date	7 November 2011
ASX Code (as set out in the Summary Table)	IO2 Series XXXIO2, (e.g. BHPIO2)
Periodic Payment	<p>Holders will receive a Periodic Payment on each Periodic Payment Date (approximately quarterly dates). This payment is in addition to any Dividends paid to Holders or any reduction of the Final Instalment in respect of Special Dividends.</p> <p>The amount for Periodic Payments in respect of the period from the date of this PDS to the first Reset Date is specified in the Summary Table.</p> <p>On each Reset Date, a new Periodic Payment amount will be determined by Citi and published on the ASX's website, www.instreet.com.au and www.citifirst.com.au, in respect of the period up to the next Reset Date (or, if none, the Maturity Date).</p>
Periodic Payment Ex Dates	07 February 2012, 07 May 2012, 07 August 2012, 07 November 2012, 07 February 2013, 07 May 2013, 07 August 2013, 07 November 2013, 07 February 2014, 07 May 2014, 07 August 2014, 07 November 2014, 06 February 2015, 07 May 2015, 07 August 2015, 06 November 2015, 05 February 2016, 06 May 2016, 05 August 2016, 04 November 2016, 03 February 2017, 04 May 2017, 04 August 2017, 03 November 2017, 02 February 2018, 03 May 2018, 03 August 2018, 02 November 2018, 01 February 2019, 02 May 2019, 02 August 2019, 01 November 2019, 31 January 2020, 01 May 2020, 31 July 2020,

	30 October 2020, 29 January 2021, 30 April 2021, 30 July 2021, 29 October 2021
Periodic Payment Record Dates	For each Periodic Payment Ex Date, the Periodic Payment Record Date is the date 4 Trading Days after the Periodic Payment Ex Date.
Periodic Payment Dates	For each Periodic Payment Ex Date, the Periodic Payment Date is the date 9 Trading Days after the Periodic Payment Ex Date.
Dividends and Special Dividends	Any ordinary dividends received in respect of the Underlying Shares will be paid to Holders within 5 Business Days of receipt of cleared funds in respect of these amounts by Citi. Citi intends, but is not bound, to withhold any Special Dividends received in respect of Underlying Shares and to use those amounts to reduce the Final Instalment.
Interest	Interest will be pre-paid for each interest period and charged by Citi on the Final Instalment on the Drawdown Date and each Interest Date. The interest rate charged by Citi for the period to the first Interest Date will be set on the date of issue having regard to the cost of funds and the risks associated with the Underlying Shares. Interest rates will be fixed for the period from the Drawdown Date to the next Interest Date, and thereafter from each Interest Date to the next Interest Date (or, if none, the Maturity Date). Please contact Citi for more information on current interest rates on 1300 30 70 70.
Interest Dates	Each Reset Date
Reset Dates	7 November 2012, 7 November 2013, 7 November 2014, 6 November 2015, 4 November 2016, 3 November 2017, 2 November 2018, 1 November 2019, 30 October 2020
Maturity Date	29 October 2021
Instalment Payments	<p>First Instalment – This amount is variable and is paid at the time of application. The amount of the First Instalment will be dependent, at the date of application, on the price of the Underlying Shares, volatility of the Underlying Shares, time to maturity and prevailing interest rates.</p> <p>Final Instalment – The Final Instalment is initially equal to the amount of the Loan granted by Citi to the Applicant. The amount of the Loan is equal to the Final Instalment amount calculated as at the time the investor's Application is accepted by Citi. Investors should contact Instreet on 1300 954 678 or Citi on 1300 30 70 70 to obtain an indication of the relevant Final Instalment amount when completing their Application Form.</p> <p>Citi may withhold any Special Dividends received in respect of the Underlying Shares and use those amounts to reduce the Final Instalment.</p> <p>The Final Instalment will be reset by Citi in its discretion on each Reset Date. Details of the Final Instalment are provided in Sections 1.1 to 1.4 of this PDS.</p>
Appreciation Cap	<p>A Holder's ability to receive the benefit of increases in the price of the Underlying Shares and the I³ will be subject to the Appreciation Cap feature, as described below.</p> <p>At any time, the Appreciation Cap Level is equal to 110% x Underlying Parcel Value as at the previous Reset Date or if there has not been a previous Reset Date, as at the Quotation Date.</p> <p>On each Reset Date and on the Maturity Date, if the Underlying Parcel Value exceeds the Appreciation Cap Level, the Holder will become liable to pay an Appreciation Cap Amount to Citi.</p> <p>The Appreciation Cap Amount will be equal to the amount (if any) by which the Underlying Parcel Value as at that Reset Date or Maturity Date exceeds the Appreciation Cap Level.</p> <p>Immediately after each Reset Date, the Appreciation Cap Level will be reset to 110% of the Underlying Parcel Value as at the most recent Reset Date and that reset Appreciation Cap Level will then apply for the purposes of calculating the next Appreciation Cap Amount.</p> <p>When completing an Application Form, or after a purchase of I³ in the secondary market, Holders will be invited to elect one of the following 3 options for the payment of any Appreciation Cap Amount in relation to their holding of I³:</p> <ol style="list-style-type: none"> Option 1: a number of Underlying Shares which is sufficient to pay the Appreciation Cap Amount will be sold and the Holder's holding of I³ will reduce accordingly; Option 2: the Holder pays the Appreciation Cap Amount by direct debit; or

	<p>3. Option 3: all of the Holder's Underlying Shares will be sold and the Appreciation Cap Amount will be paid in accordance with the Order of Payment.</p> <p>Option 3 will be deemed to be elected by a Holder in the following 3 circumstances:</p> <ul style="list-style-type: none"> • where the Holder does not make an Appreciation Cap Election in their Application Form or a Payment Method Election Form; • where the Holder elects Option 1 but that election is deemed to be invalid because after the payment of the Appreciation Cap Amount under Option 1, the market value of the remaining Underlying Shares would be less than \$500; or • where the Holder elects Option 2 but that election is deemed to be invalid because there were insufficient funds in the account nominated by the Holder for the direct debit payment. <p>More information in relation to these options is set out in section 1.6 of the PDS.</p> <p>Holders may elect their preferred method for the payment of Appreciation Cap Amounts either by completing their Application Form (in the case of Applicants) or a Payment Method Election Form (in the case of Transferees) or by otherwise notifying Citi. Where Citi does not receive a Appreciation Cap Election from a Holder in relation to a holding of I³, and an Appreciation Cap Amount becomes due on a Reset Date or Maturity Date in relation to that holding of I³, Option 3 (the default option set out above) will apply in relation to that payment.</p> <p>When a Holder exercises an I³ on a Reset Date or Maturity Date, they will be required to pay to Citi (by authorising payment via direct debit using the banking details provided to Citi on their Exercise Notice):</p> <ul style="list-style-type: none"> • their Final Instalment; and • any Appreciation Cap Amount payable to Citi on that Reset Date or Maturity Date, which will be equal to the amount by which the Underlying Parcel Value as at that Reset Date or Maturity Date exceeds the Appreciation Cap Level. Holders may contact Citi prior to submitting an Exercise Notice to obtain an indication of the relevant Appreciation Cap Amount (if any) which will be payable on exercise. If the Holder has elected Option 2, the payment of that Holder's Appreciation Cap Amount (if any) will be made by direct debit from the Holder's Nominated Account provided that there are sufficient funds in that account. <p>An Exercise Notice will only be valid if it is received by Citi on or before 12pm (midday) on the Business Day immediately prior to the relevant Reset Date or Maturity Date on which the Holder wishes to exercise their I³, and if it contains the relevant direct debit authorisation and banking details of the Holder.</p>
Reset Mechanism	<p>I³ include a reset feature which operates approximately every year on each Reset Date.</p> <p>On each Reset Date, the Final Instalment will be reset by Citi in its discretion to a level which maintains a similar level of gearing, based on changes to the price of the Underlying Shares, the prevailing interest rates and share price volatility. Details of how the Reset Mechanism interacts with the Appreciation Cap is described in Section 1.4 of this PDS.</p>
Reset Cashback or Reset Payment	<p>On the Reset Date, Holders may either:</p> <p>(a) receive the Reset Cashback amount which will be automatically directed to the subscription for additional I³ pursuant to the I³ Reinvestment Plan (IRP) (or which Holders can elect to receive in cash if that cash is to be used for business or investment purposes); or</p> <p>(b) be required to pay the Reset Payment. If a Holder does not pay the Reset Payment, Citi will dispose or direct the disposal of the Underlying Parcels of some or all of a holder's I³ to meet the Reset Payment and other amounts then due on the Holder's holding of I³.</p> <p>Any Reset Cashback or any Reset Payment payable is determined separately from any Appreciation Cap Amount payable.</p>
Exercise	<p>Holders may only exercise their I³ on a Reset Date or the Maturity Date. Completed Exercise Notices (including direct debit authorisation and details) must be delivered before 12pm (midday) on the Business Day immediately prior to the relevant Reset Date or Maturity Date.</p>

Risks	Investors should read Section 4 of this PDS in relation to the risks of an investment in I ³ , some of which are also summarised in section 1.10 of this PDS. Warrants are speculative investments: they may be significantly less valuable at maturity and they may expire worthless.
Application Type	<p>Cash Application – apply for I³ by completing a Cash Application Form and submitting it with payment of the First Instalment and Loan Establishment Fee by cheque or Bpay or direct debit.</p> <p>Shareholder Application – convert an existing shareholding of Securities (being those which make up the Underlying Shares of an I³) into I³ by completing the Shareholder Application Form and submitting it with a copy of the holding statement for the existing shares (other than self-managed superannuation funds).</p> <p>Rollover Application – roll your prior series of expiring instalment warrants into a new Series of I³ (if available) by completing the Rollover Application Form and submitting it with a copy of the holding statement for the Rollover Instalments.</p>
Maturity Options	<ul style="list-style-type: none"> • On a Reset Date or Maturity Date, pay the Final Instalment plus any Exercise Costs and Appreciation Cap Amount payable to Citi on that Reset Date or Maturity Date and receive full ownership of the Underlying Shares. • Defer payment of the Final Instalment by rolling into the next series of I³ (if available). • Deliver a Request for Purchase Notice requiring Citi to purchase the Underlying Shares for the greater of the Final Instalment or Market Value and receive the amount (if any) by which the Market Value exceeds the Final Instalment, less the amount of any Appreciation Cap Amount payable to Citi on the Maturity Date. • Do nothing. Your Underlying Shares will be sold by the Trustee and you will receive the proceeds of the sale less the amount of the Final Instalment, less any Appreciation Cap Amount and less any costs and expenses in accordance with the Order of Payment.
Commissions and Fees	<p>A. FEES PAYABLE BY THE INVESTOR</p> <p>Loan Establishment Fee: A Cash Applicant must pay when submitting their Cash Application, and a Shareholder Applicant must pay using their Cashback Amount, a Loan Establishment Fee per I³.</p> <p>The Loan Establishment Fee is 2.20% (including GST) of the amount advanced under the Loan (i.e. the Final Instalment) and is payable to Citi. This fee may be reduced if you and your financial adviser agree to rebate a portion of the upfront Adviser Fee payable by Citi to the adviser, in which case Citi will reduce your Loan Establishment Fee by that rebated amount. Citi reserves the right to not charge the Loan Establishment Fee in relation to Cash Applications and Shareholder Applications.</p> <p>Assuming equal investment amounts, those investors who have a portion of the upfront Adviser Fee rebated will be issued with more warrants than those investors who do not have a portion of the upfront Adviser Fee rebated.</p> <p>The Loan Establishment Fee will be calculated on the basis of the amount advanced under the Loan (i.e. the Final Instalment) as at the time your Application is accepted by Citi. Please contact Citi on 1300 30 70 70 or Instreet on 1300 954 678 to obtain an indication of the Loan Establishment Fee when you complete your Application Form.</p> <p>B. FEES PAYABLE BY CITI – These fees are payable by Citi out of Citi’s funds and at no additional cost to investors.</p> <p>Adviser Fee – Citi may pay advisers, in respect of Cash Applications and Shareholder Applications, an upfront fee of 2.20% (including GST) of the Final Instalment. This fee is at no additional cost to investors. Depending on your arrangements with your financial adviser, your adviser may be required to rebate a portion of the Adviser Fee. If so, Citi will reduce your Loan Establishment Fee by that rebated amount.</p> <p>Trailing Fee – Citi may pay advisers (including the Distribution Manager) a trailing fee of 0.55% (including GST if applicable) of the Final Instalment. Citi may also pay the Distribution Manager a trailing fee of 1.375% (including GST if applicable) of the Final Instalment. Any such trailing fees paid by Citi will be at no additional cost to investors.</p> <p>Details of these fees are provided in Section 6 of the PDS.</p>

^ Note that the dates in the Investment Overview are indicative only and are subject to change with the consent of the ASX. Any changes to these dates will be published on the ASX's website, www.instreet.com.au and at www.citifirst.com.au.

Summary Table

Warrant ASX Code	Underlying Security	Underlying Security ASX Code	Final Instalment as at the date of this PDS	Periodic Payment to first Reset Date [^]	
				As a \$ amount [^]	Annualised as a % of Underlying Security price as at 4 November 2011 [^]
ANZIO2	ANZ Banking Group Limited	ANZ	\$10.00	\$0.18	3.43%
BHPIO2	BHP Billiton Limited	BHP	\$18.00	\$0.66	6.96%
CBAIO2	Commonwealth Bank	CBA	\$24.00	\$0.49	4.00%
ILCIO2	Ishares S&P ASX 20	ILC	\$9.00	\$0.10	2.14%
NABIO2	National Australia Bank	NAB	\$12.00	\$0.35	5.56%
QBEIO2	QBE Insurance Group	QBE	\$7.00	\$0.12	3.33%
RIOIO2	Rio Tinto Limited	RIO	\$34.00	\$1.16	6.63%
STWIO2	SPDR 200 Fund	STW	\$20.00	\$0.35	3.44%
TLSIO2	Telstra Corporation	TLS	\$1.50	\$0.01	1.28%
WBCIO2	Westpac Banking Corporation	WBC	\$11.00	\$0.28	5.07%
WESIO2	Wesfarmers Limited	WES	\$16.00	\$0.32	4.00%
WOWIO2	Woolworths Limited	WOW	\$11.00	\$0.09	1.48%
WPLIO2	Woodside Petroleum	WPL	\$18.00	\$0.50	5.45%

[^] ON EACH RESET DATE, A NEW PERIODIC PAYMENT AMOUNT WILL BE DETERMINED AND PUBLISHED ON THE ASX'S WEBSITE, www.instreet.com.au AND www.citifirst.com.au IN RESPECT OF THE PERIOD UP TO THE NEXT RESET DATE (OR, IF NONE, THE MATURITY DATE). **Notes:**

The first Reset Date for each I³ issued is 7 November 2012.

The issue size for each Series of I³ is AUD10million, but Citi reserves the right to increase the issue size for any Series, with the consent of ASX.

The Appreciation Cap Level is 110% of the Underlying Parcel Value (as at the Quotation Date, in respect of the period to the first Reset Date).

SECTION 1 – KEY INFORMATION

I³, and the rights and obligations of Holders and Citi are governed by this PDS, the Instalment Warrant Deed, the Declaration of Trust, which is summarised in this PDS, the Loan Agreement, a copy of which appears in Section 10 and the general law. Investors should read this entire PDS prior to making any decision to invest.

1.1 WHAT ARE I³?

Investing in I³ is a convenient way of borrowing to invest. There are no intrusive credit checks or complicated loan documents to complete, and no margin calls.

The structure of I³ involves:

- two separate “instalment” payments, the First Instalment and the Final Instalment;
- a limited recourse Loan with a prepaid interest component and a Loan Establishment Fee;
- a Reset Mechanism, which operates to reset the Final Instalment and amount of the Loan on each Reset Date;
- an Appreciation Cap feature, where the Holder pays the Appreciation Cap Amount to Citi on each Reset Date and Maturity Date if the Underlying Parcel Value as at that Reset Date or Maturity Date exceeds the Appreciation Cap Level; and
- Periodic Payments, to be paid on each Periodic Payment Date (approximately quarterly) by Citi to Holders in amounts specified in the Summary Table for the period to the first Reset Date and thereafter as determined by the Issuer on a Reset Date in respect of the period to the next Reset Date (or, if none, the Maturity Date).

The First Instalment

The first payment to be made by an investor is the purchase price of the I³ and is known as the First Instalment. An investor pays a portion of the upfront cost of the Underlying Share to acquire the I³, and receives a Loan from Citi to fund the remaining cost of the Underlying Share and interest payments on the Loan. The Underlying Shares are held in trust by the Trustee for the term of the investment as security against the Loan.

Entitlement to Dividends

During the term of the investment, a Holder is entitled to receive all the Dividends and, depending on their circumstances, available franking credits (if any) paid in relation to the Underlying Shares.

Citi intends but is not bound to follow the practice of the ASX Clearing Corporation by withholding any Special Dividends paid on Underlying Shares and use those amounts to reduce the Loan amount. Where a Special Dividend is applied to reduce the Loan amount, a portion of the Interest Amount for the current Interest Period will be refunded by way of further reduction of the amount of the Loan and the Final Instalment will be further reduced accordingly. Where this occurs the Appreciation Cap Level will also be reduced by the amount of the Special Dividend.

However, the reduction of the Final Instalment on account of a Special Dividend will not affect the operation of the Reset Mechanism on a subsequent Reset Date, except that:

- where a Reset Payment becomes payable by a Holder to Citi on that Reset Date, the amount of the Reset Payment will most likely be lower than it would have been if the Final Instalment had not been previously reduced on account of the Special Dividend; and
- where a Reset Cashback becomes payable by Citi to a Holder on that Reset Date, the amount of the Reset Cashback will most likely be higher than it would have been if the Final Instalment had not been previously reduced on account of the Special Dividend.

The Trustee will pay to investors the Dividends received from the relevant Entity within 5 Business Days of receipt of cleared funds in respect of these amounts by Citi.

Periodic Payments

Holders will receive a Periodic Payment on each Periodic Payment Date (approximately quarterly). This payment is in addition to any payment of Dividends or Special Dividends in respect of the Underlying Shares which may be paid to Holders or used to reduce their Final Instalment.

Further details regarding Periodic Payments are contained in Section 1.5 below.

The Final Instalment

The second instalment payment to be made by a Holder is known as the Final Instalment. The Final Instalment is initially equal to the amount of the Loan granted by Citi to the Applicant.

The initial amount of the loan will be calculated as at the time the investor's Application is accepted by Citi. Investors should contact Instreet on 1300 954 678 or Citi on 1300 30 70 70 to

obtain an indication of the relevant Final Instalment amount when completing their Application Form.

Citi may withhold any Special Dividends received in respect of the Underlying Shares and use those amounts to reduce the Final Instalment. The Final Instalment will be reset by Citi in its discretion on each Reset Date. Details of the Final Instalment are provided in Sections 1.3 and 1.4 of this PDS.

Investors have the right to pay the Final Instalment on any Reset Date or on the Maturity Date (together with the Exercise Costs and any Appreciation Cap Amount payable to Citi on that date) to obtain full ownership of the Underlying Shares.

Reset

On each Reset Date, unless the I³ is exercised by payment of the Final Instalment and any Appreciation Cap Amount on that Reset Date:

- the Final Instalment will be reset to a level determined by Citi;
- the existing Loan will be due and payable;
- the Holder will receive a new Loan in an amount equal to the reset Final Instalment (the **New Loan Amount**); and
- interest on the new Loan for the period to the next Reset Date (or, if none, the Maturity Date) (**New Interest Amount**) will be due and payable to Citi.

The New Loan Amount will be applied to satisfy the current Loan and New Interest Amount. Any surplus of the New Loan Amount over the current Loan amount and New Interest Amount will be due from Citi to the Holder as a Reset Cashback (to be satisfied as described below); any shortfall will be due from the Holder to Citi as a Reset Payment. Accordingly, depending on the New Loan Amount and New Interest Amount, Holders may either be:

- entitled to either receive a Reset Cashback amount which will automatically be directed to the subscription for additional I³ pursuant to the IRP (or which Holders can elect to receive in cash if that cash is to be used wholly or predominantly for business or investment purposes); or
- required to pay the Reset Payment as determined by Citi. If a Holder has not paid the amount required to pay the Reset Payment to Citi in cleared funds prior to the Reset Date, Citi may dispose or direct the disposal of the Underlying Parcels of some or all of a Holder's I³ to meet the Reset Payment and other amounts due in respect of the holder's holding.

Any Reset Cashback or Reset Payment are determined separately from any Appreciation Cap Amount payable. In the case where an Appreciation Cap Amount is payable in relation

to XYZIO2 I³ and the Holder has elected Appreciation Cap Election Option 1:

- Citi will sell a number of Underlying Shares of that Holder's XYZIO2 I³, sufficient to pay the Appreciation Cap Amount;
- the I³ relating to those sold Underlying Parcels will be cancelled and will not be reset; and
- any Reset Cashback or Reset Payment would then be determined separately in respect of the reduced I³ holding.

In the case where an Appreciation Cap Amount is payable in relation to XYZIO2 I³ and the Holder has elected Appreciation Cap Election Option 2:

- Citi will direct debit the Appreciation Cap Amount from the Holder's nominated account; and
- any Reset Cashback or Reset Payment would then be determined separately.

In the case where an Appreciation Cap Amount is payable in relation to XYZIO2 I³ and the Holder has elected (or is deemed to have elected) Appreciation Cap Election Option 3:

- Citi will dispose of all the Underlying Shares of that Holder's XYZIO2 I³; and
- no Reset Cashback or Reset Payment would then be calculated in relation to those XYZIO2 I³, which will be cancelled and will not be reset.

Further details on the operation of the Reset Mechanism are included in Section 1.4 below.

Appreciation Cap

On each Reset Date and Maturity Date, if the Underlying Parcel Value as at that Reset Date or Maturity Date exceeds the Appreciation Cap Level, the Holder will become liable to pay an Appreciation Cap Amount to Citi.

Holders will be invited to elect in their Application Form or a Payment Election Method Form their chosen payment method for Appreciation Cap Amounts in advance of the relevant Reset Date or the Maturity Date (as applicable).

When a Holder exercises an I³ on a Reset Date or Maturity Date, they will be required to pay to Citi (by authorising payment via direct debit using the banking details provided to Citi on their Exercise Notice):

- their Final Instalment; and

- any Appreciation Cap Amount payable to Citi on that Reset Date or Maturity Date, which will be equal to the amount by which the Underlying Parcel Value as at that Reset Date or Maturity Date exceeds the Appreciation Cap Level. Holders may contact Citi prior to submitting an Exercise Notice to obtain an indication of the relevant Appreciation Cap Amount (if any) which will be payable on exercise.

Further details on the operation of the Appreciation Cap feature are included in Section 1.6 below.

Traded on ASX

I³ also offer a investment which can be bought and sold on a secondary market, the ASX, just like ordinary shares.

Tax Consequences

Potential investors should read Section 5 of this PDS which contains a taxation summary and obtain independent taxation advice in relation to an investment in I³.

Issue size

Citi reserves the right to increase the issue size in its absolute discretion, subject to notification to ASX.

1.2 HOW MUCH DO I³ COST?

An investment in I³ involves a series of payments and borrowings. The payments required by a holder are:

- the First Instalment, which is the purchase price of the I³;
- the Final Instalment (which is the total amount of the Loan, and includes the Interest Amount, and in certain circumstances an additional fee payable to Citi);
- in certain circumstances, the Reset Payment (discussed below) which Holders may be required to pay to Citi during the term of the investment in order to maintain their existing holding;
- in the case of Cash Applicants and Shareholder Applicants, the Loan Establishment Fee; and
- where the Underlying Parcel Value as at a Reset Date or the Maturity Date exceeds the Appreciation Cap Level, the Appreciation Cap Amount which the Holder will be required to pay to Citi.

The borrowings made by a Holder are:

- the initial Loan made to an applicant or transferee and applied as described in this PDS;

- new Loans made to repay the existing Loan on a Reset Date and to pay New Interest Amounts during the term of the investment as described in this PDS; and
- in certain circumstances, the Reset Cashback amount (discussed below) which Holders may be entitled to receive and which will be directed towards subscription for additional I³ (or at the Holder's election, paid to the Holder in cash if that cash is to be used for business or investment purposes).

The First Instalment

The First Instalment is the purchase price of the I³. This amount is not determined until the date your Application is processed by Citi and will depend on a number of market variables including:

- the price at which the Underlying Shares are trading;
- the time remaining to the next Reset Date (or, if none, the Maturity Date);
- volatility of the Underlying Share price;
- future expected dividends; and
- prevailing interest rates.

The effect that the factors listed above may have on the First Instalment is demonstrated in the following table:

Variable	Change in Variable	Effect on First Instalment
Price of Underlying Shares	▲	▲
Time remaining to Maturity Date	▼	▼
Volatility of Underlying Shares	▲	▲
Future expected dividends	▲	▲
Interest Rate	▲	▲

For Shareholder Applicants, the payment of the First Instalment is satisfied by the transfer to the Trustee of the Securities held by the investor that will become the Underlying Shares in respect of the I³. Shareholder Applicants will be entitled to a Cashback Amount for the difference (if any) by which the value of the Underlying Shares exceeds the value of the First Instalment plus the Loan Establishment Fee.

For Rollover Applicants, the payment of the First Instalment is satisfied by the transfer to the Trustee of the Securities that make up the underlying parcel of the Rollover Instalments that are “rolled” into and will become the Underlying Shares in respect of the I³ together with payment of a Rollover Payment, if applicable. Rollover Applicants will be required to make a Rollover Payment for the amount by which the combined cost of the First Instalment (exclusive of the Rollover Payment) and the Final Payment on the Rollover Instalments exceeds the value of the Underlying Shares. Alternatively, a Cashback Amount will be paid to Rollover Applicants where the value of the Underlying Shares is greater than the combined cost of the First Instalment and the Final Payment on the Rollover Instalments.

The Final Instalment

The Final Instalment is fixed for the period up to the next Reset Date and will be adjusted on each Reset Date. The Final Instalment may also be varied in certain circumstances in connection with the occurrence of Special Dividends, Extraordinary Events, corporate actions or Trust Tax Changes as described elsewhere in this PDS.

Citi will announce the amount of the Final Instalment to the ASX approximately one month prior to the relevant Reset Date (in the case of the reset of the Final Instalment on a Reset Date) and on or about each other date on which the Final Instalment is changed.

Details as to the operation of the Loan and the Reset Mechanism appear in Sections 1.3 and 1.4.

Other Costs

You will be required to pay Exercise Costs if you exercise an I³ on a Reset Date or Maturity Date or deliver a Request for Purchase Notice or if you fail to exercise or rollover your I³ prior to the Maturity Date.

Other costs associated with the I³ include interest on the Loan, the Loan Establishment Fee and any Appreciation Cap Amounts payable to Citi on a Reset Date or the Maturity Date. Further details of these costs can be found in Section 1.3, Section 1.6 and Section 6 of this PDS.

1.3 THE LOAN

Each I³ includes a limited recourse Loan made to a Holder by Citi, pursuant to the terms of the Loan Agreement. A copy of the Loan Agreement appears in Section 10 of this PDS.

The Loan is limited recourse in nature – this means that while a mortgage is granted to Citi in respect of the amount of the Loan, Citi’s ability to recover that amount is limited to the Mortgaged Property (being the Underlying Shares for the I³), not any other monies.

If a Holder fails to exercise the I³ by Closing Time on the Maturity Date, the Underlying Shares may be sold by Citi pursuant to Citi’s power of sale. The proceeds of sale will be used to discharge the mortgage by paying Citi any outstanding Appreciation Cap Amount, paying the Final Instalment and paying other Exercise Costs in accordance with the Order of Payment.

The description of the provisions of the Loan Agreement in Sections 1.3 and 1.4 of this PDS is a summary only. Investors should read the Loan Agreement in full.

The Interest Component

Interest is pre-paid on the Loan from the date the I³ are issued or acquired to the next Interest Date out of the Loan proceeds. Due to the relatively long term nature of I³, more than one Interest Amount may be drawn down. A New Interest Amount will be drawn down and added to the Loan (and/or paid out of a Reset Payment) on each Interest Date.

The amount of the Final Instalment (which is equal to the total amount of the Loan) will always include all Interest Amounts that have been drawn for the period ending on the day prior to the next Interest Date, or the Maturity Date (as applicable).

Interest rates will be fixed for the period from the Drawdown Date to the next Interest Date, and thereafter the interest rate will be reset on and fixed from each Interest Date to the next Interest Date (or, if none, the Maturity Date) with regard to the cost of funds and the risks associated with the Underlying Shares plus a margin. Please contact Citi for more information on current interest rates.

Details of the Interest Periods appear in the Investment Overview.

The Loan Establishment Fee

A Cash Applicant must pay when submitting their Cash Application, and a Shareholder Applicant must pay using their Loan proceeds, a Loan Establishment Fee per I³. The Loan Establishment Fee is payable to Citi in respect of offering, creating and administering the Loan and providing and maintaining the provision of the Loan. Citi reserves the right not to charge the Loan Establishment Fee in relation to Cash Applications and Shareholder Applications.

A Loan Establishment Fee is not charged by Citi for Loans to Rollover Applicants or Transferees. Further information on costs and fees associated with the Loan can be found in Section 6 of this PDS.

What happens to the Loan if an I³ is sold on ASX?

On the Transfer of an I³ on ASX, a new Loan will be granted to the Transferee by Citi. The proceeds of that Loan will be used as follows:

- to prepay the interest for the remainder of the period to the next Interest Date (or, if none, the Maturity Date) in respect of the Transferee's Loan;
- to pay the outstanding amount of the Transferor's Loan, after:
- that part of the Interest Amount of the Transferor's Loan that relates to the remainder of the relevant Interest Period is refunded by way of set-off against the Transferor's Loan; and
- the Transfer Costs (if any) have been added to, or deducted from, the Transferor's Loan (as applicable).

The Transfer Costs are discussed below.

The discharge of the Transferor's Loan and the creation of the new Loan will take place automatically, and will not require any action to be taken by any party. On the Transfer of an I³ on ASX, the Transferee is taken to pay the First Instalment by the payment of the purchase price to the Transferor.

The examples in Section 1.18 provide an illustration of how this Loan repayment process works.

Transfer Costs

Transfer Costs are payable:

- by Citi to the Transferor where the interest rate applying to the Transferor's Loan is less than the interest rate applying to the Transferee's Loan, with such Transfer Costs payable by applying the Transfer Costs against the Transferor's Loan; or
- by the Transferor to Citi where the interest rate applying to the Transferor's Loan is greater than the interest rate applying to the Transferee's Loan, with such Transfer Costs payable by adding that amount to the Transferor's Loan.

No action will be required to be taken by any party in respect of the payment of Transfer Costs. Transfer Costs will reflect the difference between the interest to be prepaid by the Transferee and the interest to be refunded to the Transferor.

Loan at Exercise or Maturity

Details on how the Loan will be discharged on the exercise of an I³ or at maturity appear in Section 2.4.

1.4 THE RESET MECHANISM

I³ include a Reset Mechanism, which gives Citi the ability to "reset" the Loan and the Final Instalment on each Reset Date unless the Holder has submitted an Exercise Notice to exercise the I³ by payment of the Final Instalment and any

Appreciation Cap Amount on that Reset Date. Citi may also terminate a Series of I³ on any Reset Date, which is then deemed to be the Maturity Date.

Unless Citi elects to terminate a Series on a Reset Date, Citi will, between 20 Business Days and 30 Business Days prior to the relevant Reset Date, notify Holders of the amount to which the Final Instalment for the Series will be reset on that Reset Date (which will be the New Loan Amount) and the indicative New Interest Amount in accordance with the Loan Agreement.

The actual amount of the New Interest Amount, and consequently the amount of the Reset Cashback or Reset Payment (as applicable), will be determined by Citi on the Reset Date and notified to the Holder promptly thereafter unless agreed between Citi and the Holder prior to the Reset Date as described below.

Citi intends to offer each Holder an ability to lock in the amount of the New Interest Amount, and consequently their Reset Cashback amount or Reset Payment (as applicable), before the Reset Date. To lock in these amounts (which may differ from the indicative figures first notified by Citi), Holders must contact Citi prior to the Reset Date to confirm the applicable amounts, complete such documentation as Citi may require and pay to Citi any applicable Reset Payment. Any Holders who lock in these amounts in respect of their I³ must not exercise or transfer those I³ until after the next Reset Date. Any Exercise Notice submitted to Citi before the next Reset Date in respect of those I³ will be rejected and invalid and in the event of any transfer of those I³ prior to the Reset Date, Citi will be entitled to recover from the transferor the amount determined by Citi (in good faith) to represent any loss resulting from that transfer.

Additional Loan Amount

In circumstances where the New Loan Amount is equal to or greater than the sum of the Current Loan Amount and New Interest Amount, a new Loan shall be drawn down and applied as at the relevant Reset Date as follows:

- to pay to Citi the New Interest Amount;
- to pay to Citi the Current Loan Amount; and
- to pay the Reset Cashback amount (being the difference between the New Loan Amount and the sum of the Current Loan Amount and New Interest Amount) to Citi to be automatically used to subscribe for additional I³ of the same Series pursuant to the IRP (discussed below). A Holder may elect to receive the Reset Cashback amount in cash (to be used by the holder for business or investment purposes) by completing the "Reset Cashback Payment Notice". The notice is available on the Citi warrants website at www.citifirst.com.au or a paper copy will be provided to a Holder free of charge by

calling Citi on 1300 30 30 70. This notice also includes a declaration for National Credit Code purposes.

Reduced Loan Amount

In circumstances where the New Loan Amount is less than the sum of the Current Loan Amount and New Interest Amount, Holders will be required to pay a Reset Payment (being the difference between the sum of the Current Loan Amount and New Interest Amount, and the New Loan Amount). Where the New Loan Amount exceeds the Current Loan Amount, the difference will be drawn down and applied towards payment of the New Interest Amount and the balance of the New Interest Amount will be satisfied out of the Reset Payment. Where the New Loan Amount is less than the Current Loan Amount, the New Interest Amount and a repayment of the Current Loan Amount equal to the difference will be satisfied out of the Reset Payment.

Failure to make Reset Payment

If a Holder has not paid to Citi the amount required to pay the Reset Payment in cleared funds prior to the relevant Reset Date, Citi may sell or on behalf of the Holder direct the Trustee to sell that number of Underlying Shares determined by Citi as being the number of Underlying Shares required to be sold in order that the net proceeds of that disposal are sufficient to meet:

- the Final Instalment on those I³, the Underlying Parcels of which are to be disposed of;
- the Reset Payments in respect of the remaining I³; and
- any other Secured Monies then due and payable,

and any remaining amounts will be payable to the Holder.

If the total market value of the Underlying Shares that make up a Holder's I³ is less than \$500 following the disposal process outlined above, Citi may elect in its absolute discretion to require the repayment of all Loans in full and exercise its power of sale or direct the Trustee to sell the Underlying Parcels in respect of the remaining I³.

Investors should note that the Reset Payment (if any) will be determined by Citi on the Reset Date unless that amount has been agreed with the Holder prior to the Reset Date. Therefore, in order to ensure that they maintain their holdings, Holders must contact Citi to lock in the New Interest Amount and Reset Cashback or Reset Payment (as applicable), and pay any Reset Payment to Citi in cleared funds, prior to the Reset Date. If a Holder fails to do so and Citi determines that a Reset Payment is due, the New Loan Amount may be insufficient to satisfy the Current Loan Amount and New Interest Amount and accordingly the Holder's holding will be subject to action being taken by Citi as described above.

I³ Reinvestment Plan (IRP)

Any Reset Cashback amount that is payable to a Holder following a Reset Date will be automatically used to subscribe for additional I³ pursuant to the IRP (unless a Holder elects to receive the Reset Cashback amount in cash).

The terms of the IRP are currently as follows:

- the reinvestment election will apply to the total of all the Reset Cashback amounts payable to a Holder in respect of all the I³ held by that Holder as at the relevant Reset Date;
- the I³ issued to a Holder under the IRP will form part of the same Series of I³ as those pursuant to which the Reset Cashback amount became payable;
- the price used to determine the number of I³ to be subscribed for pursuant to the IRP will be the price determined by Citi in the six Business Days following the Reset Date (the **IRP Price**);
- the number of I³ to be issued to a Holder will be determined by dividing the Reset Cashback amount due and payable for a given Series by the IRP Price;
- any fractional entitlements shall be rounded down to the nearest whole number;
- any remaining monies following the issue of the I³ pursuant to the IRP and after rounding will be donated to a charity of Citi's choice; and
- the I³ to be issued pursuant to the IRP will be issued as soon as practicable after the relevant Reset Date.

Citi may amend or discontinue the terms of the IRP above, at any time in its absolute discretion, in respect of a particular Series or generally. In circumstances where the IRP is amended or discontinued, Citi shall make an announcement to this effect to ASX.

The Appreciation Cap Amount and the Reset Mechanism

Any Reset Cashback or Reset Payment are determined separately from any Appreciation Cap Amount payable. In the case where an Appreciation Cap Amount is payable in relation to XYZIO2 I³ and the Holder has selected Appreciation Cap Election Option 1:

- Citi will sell a number of Underlying Shares of that Holder's XYZIO2 I³ sufficient to pay the Appreciation Cap Amount;
- the XYZIO2 I³ relating to those sold Underlying Parcels will be cancelled and will not be reset; and

- any Reset Cashback or Reset Payment would then be determined separately in respect of the reduced holding.

In the case where an Appreciation Cap Amount is payable in relation to XYZIO2 I³ and the Holder has selected Appreciation Cap Election Option 2:

- Citi will direct debit the Appreciation Cap Amount from the Holder's nominated account; and
- any Reset Cashback or Reset Payment would then be determined separately.

In the case where an Appreciation Cap Amount is payable in relation to XYZIO2 I³ and the Holder has selected (or is deemed to have elected) Appreciation Cap Election Option 3:

- Citi will dispose of all the Underlying Shares of that Holder's XYZIO2 I³; and
- no Reset Cashback or Reset Payment would then be calculated in relation to those XYZIO2 I³, which will be cancelled and will not be reset.

Trading after a Reset Date

Investors should note that there will be a period of deferred settlement trading of I³ for approximately 10 Business Days after a Reset Date. This is to allow for the adjustments and reconciliations associated with the Reset Mechanisms to take place, and the despatch of updated holding statements. Following this period, trading will resume on a normal T+3 basis.

1.5 PERIODIC PAYMENTS

Holders will receive a Periodic Payment on each Periodic Payment Date (approximately quarterly). This payment is in addition to any Dividends paid to Holders or any reduction of the Final Instalment in respect of Special Dividends.

The amount of the Periodic Payments in respect of the period to the first Reset Date is specified in the Summary Table. On each Reset Date, a new Periodic Payment amount will be determined by Citi and published on the ASX's website, www.instreet.com.au and www.citifirst.com.au, in respect of the period up to the next Reset Date (or, if none, the Maturity Date). This Periodic Payment amount will then be paid by Citi to Holders on each Periodic Payment Date until:

- the next Reset Date, when once again a new Periodic Payment amount will be determined by Citi to apply until the following Reset Date (or, if none, the Maturity Date); or
- if there are no more Reset Dates, the Maturity Date.

On each Periodic Payment Ex Date, I³ will commence trading on the ASX "ex" the relevant Periodic Payment (if any).

A Holder's entitlement to a Periodic Payment is determined at the Closing Time on a Periodic Payment Record Date. For each Periodic Payment Ex Date, the Periodic Payment Record Date is the date 4 Trading Days after the Periodic Payment Ex Date. Holders who dispose of their I³ before the Closing Time on a Periodic Payment Record Date will not be entitled to the Periodic Payment due on the applicable Periodic Payment Date.

The Periodic Payment Date applicable to a Periodic Payment Ex Date is the date 9 Trading Days after that Periodic Payment Ex Date

On each Periodic Payment Date, Citi will pay the Periodic Payment to Holders by direct credit, in accordance with the instructions and banking details provided in their Application Form or their Payment Method Election Form.

The Periodic Payment Ex Dates, Periodic Payment Record Dates and Periodic Payment Dates are set out in the Investment Overview.

1.6 APPRECIATION CAP

On each Reset Date and Maturity Date, where the Underlying Parcel Value as at that Reset Date or Maturity Date exceeds the Appreciation Cap Level, the Holder will become liable to pay an Appreciation Cap Amount to Citi. The Holder is invited to elect a preferred method for making this payment at the time of completing the Application Form or, where the Holder is a Transferee, in a Payment Method Election Form. This election is the Appreciation Cap Election.

The Appreciation Cap Amount is due and payable by the Holder on the applicable Reset Date or on the Maturity Date. However, when the Holder has made an Appreciation Cap Election and the Holder performs its obligations with respect to that election Citi will not take action to recover the Appreciation Cap Amount except in accordance with the Appreciation Cap Election.

If a Holder's Appreciation Cap Election is Option 2, the Holder must ensure that sufficient funds are available in the Holder's Nominated Account to pay any Appreciation Cap Amount when due. If a Holder's Appreciation Cap Election is Option 1 or Option 3, the Holder will not be required to take any action in relation to the payment of any Appreciation Cap Amount when due.

In connection with this Appreciation Cap feature:

- the Underlying Parcel Value as at a Reset Date or a Maturity Date will be equal to the aggregate value of the Underlying Shares which comprise the underlying parcel for an I³, calculated on the basis of the Underlying Share

price on ASX at the Closing Time on the most recent Trading Day prior to that Reset Date or Maturity Date; and

- the Appreciation Cap Amount will be equal to the amount (if any) by which the Underlying Parcel Value as at that Reset Date or Maturity Date exceeds the Appreciation Cap Level (which is explained below). The Appreciation Cap Amount will not be affected in any way by the amount of the Final Instalment, Interest Amounts or the value of the I³ as at the relevant Reset Date or the Maturity Date (as applicable).

Appreciation Cap Level

At any time, the Appreciation Cap Level for an I³ is equal to:

110% x Underlying Parcel Value for that I³ as at the previous Reset Date or if there has not been a previous Reset Date, as at the Quotation Date.

Immediately after each Reset Date, the Appreciation Cap Level will be reset to 110% of the Underlying Parcel Value as at the most recent Reset Date and that reset Appreciation Cap Level will then apply for the purposes of calculating the next Appreciation Cap Amount.

Payment of Appreciation Cap Amounts on a Reset Date or the Maturity Date (except where a Holder is exercising their I³)

Holders may elect their preferred method for the payment of Appreciation Cap Amounts either by completing their Application Form (in the case of Applicants) or a Payment Method Election Form (in the case of Transferees) or otherwise by notifying Citi.

Where Citi does not receive a Appreciation Cap Election from a Holder in relation to an I³, and an Appreciation Cap Amount becomes due on a Reset Date or Maturity Date in relation to that I³, Option 3 (explained below) will apply in relation to that payment.

Option 1 - Citi to sell the necessary Underlying Parcels in order to pay the Appreciation Cap Amount

If a Holder's Appreciation Cap Election is Option 1 and an Appreciation Cap Amount becomes payable by a Holder on a Reset Date or the Maturity Date, that Appreciation Cap Amount will be paid by:

- Citi disposing (or directing the disposal by the Trustee of) the Underlying Shares of such number of that Holder's I³, as is sufficient to generate net proceeds of sale (after the payment of costs and expenses in relation to the sale) sufficient to pay in full that Appreciation Cap Amount; and

- Citi retaining the net proceeds of sale in payment of the Appreciation Cap Amount.

Holders should be aware that if they elect Option 1 in their Application Form or Payment Method Election Form but, after the payment of the Appreciation Cap Amount under Option 1, the market value of the remaining Underlying Shares would be less than \$500, the election for Option 1 will be deemed to be invalid and that Holder's Appreciation Cap Election will be deemed to be Option 3 instead.

Option 2 - Holder to pay the Appreciation Cap Amount in cash via direct debit

If a Holder's Appreciation Cap Election is Option 2 and an Appreciation Cap Amount becomes payable by a Holder on a Reset Date or the Maturity Date, that Appreciation Cap Amount will be paid by the Holder by direct debit.

Citi will notify Holders in writing of the Appreciation Cap Amount to be debited from the Holder's Nominated Account and the date on which the direct debit transaction will occur shortly after the relevant Reset Date or Maturity Date on which that Appreciation Cap Amount becomes payable. It is the Holder's responsibility to ensure there are sufficient funds in their Nominated Account to meet this payment on the relevant date when the debit will occur, and to advise Citi beforehand if they have any problems or queries in relation to the direct debit transaction.

Citi will automatically deduct the relevant amount from the Holder's Nominated Account on the direct debit transaction date (as notified to the Holder).

Holders should be aware that if they elect Option 2 in their Application Form or Payment Method Election Form but there are insufficient funds in the Holder's Nominated Account on the direct debit transaction date, the election for Option 2 will be deemed to be invalid and that Holder's Appreciation Cap Election will be deemed to be Option 3 instead.

Option 3 - Citi to exercise its security interest to arrange for ALL the Underlying Shares to be sold

If a Holder's Appreciation Cap Election is Option 3 (including where it is deemed to be Option 3 following invalid elections for Option 1 or Option 2 or a failure by the Holder to make an election their Application Form or a Payment Method Election Form) and an Appreciation Cap Amount becomes payable by a Holder on a Reset Date or the Maturity Date, that Appreciation Cap Amount will be paid by:

- Citi disposing (or directing the disposal by the Trustee of) all of the Underlying Shares in relation to all of that Holder's I³ to which that Appreciation Cap Election applies; and

- Citi retaining an amount equal to the Appreciation Cap Amount from the net proceeds of sale of that Holder's I³ in accordance with the Order of Payment. Given the limited recourse nature of the Holder's obligation to pay the Final Instalment, Exercise Costs, Appreciation Cap Amount and any other Secured Monies, no further payments will be required from the Holder where the aggregate of these amounts exceeds the net proceeds from the Trustee's disposal of the Underlying Shares.

Making your payment method election for Appreciation Cap Amounts

Holders will be invited to elect their payment method for Appreciation Cap Amounts either in their Application Form (in the case of Applicants), by completing and returning to Citi a Payment Method Election Form received from Citi following a purchase of I³s on ASX (in the case of Transferees), or by otherwise notifying Citi in writing of their election. If a Holder does not make an election then that Holder's Appreciation Cap Election will be deemed to be Option 3.

Transferees will receive their Payment Method Election Form in the mail from Citi within 10 Business Days of becoming a registered holder of I³s. If you purchase I³s on ASX less than 10 Business Days prior to a Reset Date or the Maturity Date, you are advised to contact Citi on 1300 30 30 70 to arrange for your payment method election to be effected prior to that Reset Date or Maturity Date. If you fail to do so, there is a risk that your payment method election will not be effected prior to that Reset Date or Maturity Date, in which case your Appreciation Cap Election will be deemed to be Option 3 in relation to those I³.

Payment of any Appreciation Cap Amount payable on exercise of your I³

When a Holder exercises an I³ on a Reset Date or Maturity Date, they will be required to pay to Citi (by authorising payment via direct debit using the banking details provided to Citi on their Exercise Notice):

- their Final Instalment; and
- any Appreciation Cap Amount payable to Citi on that Reset Date or Maturity Date, which will be equal to the amount by which the Underlying Parcel Value as at that Reset Date or Maturity Date exceeds the Appreciation Cap Level. Holders may contact Citi prior to submitting an Exercise Notice to obtain an indication of the relevant Appreciation Cap Amount (if any) which may be payable on exercise.

Citi will advise Holders in writing of the total amount to be debited from the Holder's Nominated Account in relation to the exercise of their I³ in accordance with their Exercise Notice, and the date on which the direct debit transaction will occur, shortly after the relevant Reset Date or Maturity Date on which

they wish to exercise. It is the Holder's responsibility to ensure there are sufficient funds in their Nominated Account on the relevant date when the debit will occur, and to advise Citi beforehand if they have any problems or queries in relation to the direct debit transaction.

Citi will automatically deduct the Appreciation Cap Amount from the Holder's Nominated Account on the direct debit transaction date (as notified to the Holder). However, if there are insufficient funds in the Holder's Nominated Account on the direct debit transaction date, that Exercise Notice will be invalid and that Holder's Appreciation Cap Election will be deemed to be Option 3 and the Holder's Underlying Shares will be sold.

An Exercise Notice will only be valid if it is received by Citi on or before 12pm (midday) on the Business Day immediately prior to the relevant Reset Date or Maturity Date on which the Holder wishes to exercise their I³, and it contains the relevant direct debit authorisation and banking details of the Holder.

1.7 ARE THERE ANY COMMISSIONS OR FEES PAYABLE?

Citi may pay advisers, in respect of Cash Applications and Shareholder Applications, an upfront fee of 2.20% (including GST) of the Final Instalment. This fee is at no additional cost to investors. Depending on your arrangements with your financial adviser, your adviser may be required to rebate a portion of the Adviser Fee. If so, Citi will reduce your Loan Establishment Fee by that rebated amount. Assuming equal investment amounts, those investors who have a portion of the upfront Adviser Fee rebated will be issued with more I³ than those investors who do not have a portion of the upfront Adviser Fee rebated.

Citi may pay advisers (including the Distribution Manager) a trailing fee of 0.55% (including GST if applicable) of the Final Instalment. Citi may also pay the Distribution Manager a trailing fee of 1.375% (including GST if applicable) of the Final Instalment. Any such trailing fees paid by Citi will be at no additional cost to investors.

If you purchase I³ on ASX your broker may also charge you commission. On each Reset Date and the Maturity Date (including where Holders wish to exercise their I³ on that date), Holders may be required to pay an Appreciation Cap Amount to Citi where the Underlying Parcel Value as at that Reset Date or Maturity Date exceeds the Appreciation Cap Level. Further details regarding the payment of Appreciation Cap Amounts can be found in Section 1.6 and Section 6 of this PDS.

If a Holder exercises an I³ at a time when the Final Instalment exceeds the amounts due to Citi under the Loan, the Final Instalment will include a fee equal to the difference.

You will also be required to pay Exercise Costs if you exercise an I³ on a Reset Date or Maturity Date or deliver a Request for

Purchase Notice or if you fail to exercise or rollover your I³ prior to the Maturity Date.

1.8 WHAT ARE THE KEY BENEFITS A HOLDER MAY RECEIVE?

I³ have the following key features and offer investors the following benefits:

- an easy way to leverage their exposure to shares in leading Australian companies and trusts without the risk of margin calls or complicated loan documentation;
- benefits of share ownership for a fraction of the upfront cost of the Underlying Shares, subject to the Appreciation Cap feature;
- receive all ordinary dividends and any available franking credits in respect of the Underlying Shares;
- receive capital appreciation in respect of the Underlying Shares, subject to the Appreciation Cap Level and the operation of the Appreciation Cap feature;
- receive Periodic Payments from Citi on each Periodic Payment Date (approximately quarterly) in addition to payments of ordinary dividends and the benefits of any franking credits on the Underlying Shares and the benefit of any Special Dividends on the Underlying Shares which may be applied to reduce the Loan;
- on any Reset Date or the Maturity Date, pay the Final Instalment, Exercise Costs and any Appreciation Cap Amount payable on that Reset Date or Maturity Date and receive the Underlying Shares. For example, if the Holder acquired the I³ for \$5.00 and the Final Instalment was \$10.00, by paying the Final Instalment the Holder would acquire the Underlying Shares for a total cost of \$15.00 (plus any Exercise Costs and Appreciation Cap Amount);
- Holders may, depending on their circumstances, be entitled to interest deductions (see the taxation summary in Section 5);
- Shareholder Applicants can free-up capital for other investments without crystallising capital gains; and
- a liquid investment that can be traded on ASX.

1.9 IN WHAT CIRCUMSTANCES CAN A HOLDER RECEIVE THESE BENEFITS?

Over the course of the life of the I³, a Holder may benefit from an increase in the price of the Underlying Shares, subject to the Appreciation Cap Level and the operation of the Appreciation Cap feature. The Holder will also be paid Periodic Payments by Citi on each Periodic Payment Date (approximately quarterly) during the life of their investment.

During the term of the investment a Holder is entitled to receive all the ordinary Dividends and, depending on their circumstances, available franking credits (if any) paid in relation to the Underlying Shares. The Trustee makes these payments, and any payment payable in respect of Special Dividends, to investors 5 Business Days after Citi's receipt of cleared funds in respect of these amounts from the relevant Entity.

1.10 WHAT ARE THE KEY RISKS A HOLDER MAY BE EXPOSED TO?

Investors in I³ may be exposed to the following key risks:

- the value at which an I³ may be bought or sold on ASX will vary according to a number of factors, and this means that on the Maturity Date, your I³ may be significantly less valuable or may expire worthless. I³ are speculative and a Holder may lose some or all of the purchase price paid for the I³;
- there is no firm indication as to how I³ will perform in the secondary market, or whether that market will be liquid or illiquid. Trading of I³ on ASX may be halted or suspended by ASX in certain circumstances;
- general movement in local and international stock markets, general economic conditions and interest rates could all affect the market price of I³;
- Citi may exercise its discretion to terminate the I³ on a Reset Date. Citi also has the discretion to adjust the Underlying Shares or the Final Instalment upon the occurrence of certain corporate events. Citi may exercise its discretion to declare an Extraordinary Event to amend the terms of issue and fix an early maturity date. ;
- the current Australian regulatory environment and any legislative, tax or regulatory changes may impact on a Holder of I³;
- if the Underlying Parcel Value on a Reset Date or the Maturity Date exceeds the Appreciation Cap Level, you will be required to pay an Appreciation Cap Amount to Citi;
- if your Appreciation Cap Election is (or is deemed to be) Option 3 and an Appreciation Cap Amount becomes due on a Reset Date or the Maturity Date, Citi will arrange for all your Underlying Shares to be sold and you will receive the net proceeds of sale following payment of the Final Instalment, the Appreciation Cap Amount and any other Secured Monies; and
- the amounts payable by you in relation to your Application may differ from the indicative amounts given to you by phone by Citi.

A more detailed description of the risk factors relating to investing in I³ can be found in Section 4 of this PDS.

Investing in I³ involves a significant degree of risk. Like any investment that offers the potential for profit there is a corresponding potential for loss. In particular, investors should be aware that I³ may decrease in value at a greater rate than an investment in the Underlying Shares.

Investors should consult their stockbroker or financial adviser to ascertain the appropriateness of investing in warrants as part of their particular investment strategies.

1.11 ARE I³ AN APPROPRIATE INVESTMENT FOR ME?

Citi has developed a variety of instalment products to suit a range of investors and their financial profiles. I³ may suit investors with a moderately positive long-term view on the Underlying Shares, offering a gearing level of approximately 50% (as at the date of this PDS).

I³ may be an appropriate investment if one or more of the following apply to you:

Are you:

looking to leverage your medium or long-term view of the Underlying Shares

seeking a leveraged investment which offers a gearing level of approximately 50% as at the date of this PDS and which does not require complicated loan documentation or credit checks

investing with a moderately positive long-term view on the Underlying Shares

seeking the benefit of dividend yields and franking credits on the Underlying Shares

seeking periodic income payments (Periodic Payments) approximately quarterly in addition to any dividends and franking credits and prepared to accept the Appreciation Cap feature in exchange for these payments

an existing holder of Underlying Shares wishing to unlock cash while still maintaining exposure to those securities

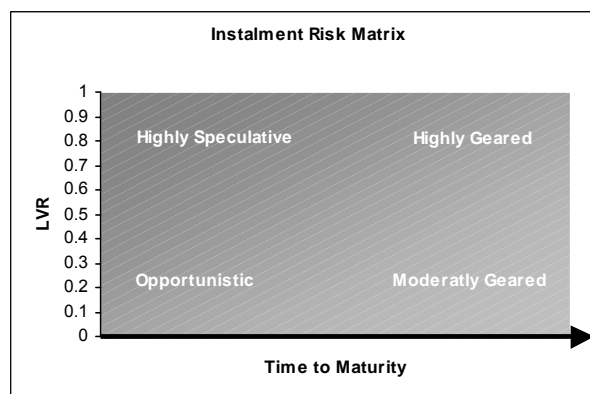
experienced in investing in instalment warrant products

able to accept that an Appreciation Cap Amount will be payable to Citi on each Reset Date and the Maturity Date, where the Underlying Parcel Value as at that Reset Date or Maturity Date exceeds the Appreciation Cap Level and forgoing increases in the price of the Underlying Shares beyond the Appreciation Cap Level

able to accept the fees detailed in Section 6

If you are a self managed superannuation fund, please refer to section 4.9 of this PDS and seek professional advice in relation to whether an investment in I³ is appropriate for your fund.

Before investing in I³ you should read this PDS, including section 4 (in relation to risks) and consider carefully the risks that may affect the financial performance of the investment. You should contact your stockbroker or other professional financial adviser before making any decision to invest in I³ and take into account your own personal investment objectives and financial situation.



As can be seen from the table above, the greater the degree of gearing and the shorter the time to maturity, the more speculative the investment and the greater the leverage to movements in the Underlying Share price. Conversely, a lesser degree of gearing and longer time to maturity would generally mean that the investment is less speculative and that the investor can be seen to be moderately geared. Note that "LVR" is the loan to value ratio (a measure of gearing) and is the relationship between the Loan amount and the value of the Underlying Share.

1.12 WHAT ARE THE UNDERLYING SHARES?

The Underlying Shares are ASX listed securities, which may be ordinary shares in the capital of companies, units of listed trusts or CHESS depository instruments ("CDI").

CDIs are ASX quoted financial products which confer a beneficial interest in the foreign securities to which they relate.

The ASX codes in respect of the Underlying Shares or the Entities which issue the Underlying Shares appear in the Summary Table.

Further information on the Underlying Shares and dealings in relation to them appear in Section 3 of this PDS.

1.13 CAN THE TERMS OF ISSUE OF THE I³ CHANGE?

The Maturity Date may be varied as outlined in Section 4.6.

The Final Instalment, the amount and terms of the Loan and the Underlying Shares may be varied by the operation of the Reset Mechanism on a Reset Date or may be varied in

accordance with the Terms of Issue in the event of returns of capital, rights and bonus issues and other reconstructions or corporate actions by the Entity which issues the relevant Underlying Shares.

Full details of these variations appear in Sections 3 and 4 of this PDS.

Other variations to the Terms of Issue may take place with the consent of ASX or upon a resolution of Holders, each as more fully described in Section 8.5.

1.14 WHAT ARE THE TAX CONSEQUENCES OF INVESTING IN THE I³?

The acquisition, dealing in, and exercise of I³ may have income tax or capital gains tax implications for Holders, depending on their own individual circumstances.

Subject to the comments in Section 5 of this PDS, and a Holder's circumstances, a Holder may be entitled to:

- tax deductions for interest on the Loan;
- deduct certain prepaid interest expense in the financial year in which the prepayment is made;
- utilise franking credits which may be used to offset other tax obligations;
- utilise foreign income tax offsets in respect of foreign tax paid on Dividends; and
- convert their existing holding of Securities into I³ without triggering a capital gains tax liability in relation to their existing holding of Securities.

A general summary of some of the taxation consequences in respect of an investment in I³ can be found in Section 5 of this PDS.

Investors should obtain their own independent taxation advice prior to making any decision to invest in I³.

1.15 WHEN DO THE I³ EXPIRE?

I³ expire on the Maturity Date. The Maturity Date for a particular Series of I³ appears in the Investment Overview.

1.16 CAN THE I³ TERMINATE EARLY?

I³ will not terminate early unless there is an Extraordinary Event declared by Citi or Citi exercises its discretion to have a Series expire on a Reset Date, as discussed in Section 1.4 above. Holders will be provided with notice of the declaration of an Extraordinary Event by Citi.

Investors should note that the declaration of an Extraordinary Event by Citi requires the consent of ASX.

Section 4.6 of this PDS contains further details of what types of events may constitute Extraordinary Events.

1.17 CAN I TRADE MY I³?

Yes, subject to the restrictions referred to in Section 1.4, a Holder can buy or sell I³ on ASX at any time prior to Closing Time on the Maturity Date, in the same way as buying or selling ordinary shares.

The treatment and operation of the Loan following a sale on ASX is detailed in Section 1.3 of this PDS and in the examples that appear in Section 1.18 of this PDS.

1.18 EXAMPLES OF I³ PRICING

The figures used in the following examples are illustrative only and do not represent in any way the figures that may apply to the actual issue of I³. The examples do not provide illustration of all of the different types of individual transactions that may be entered into in relation to I³.

Calculating the First Instalment

The First Instalment is the purchase price of the I³ and will depend on a number of market variables prevailing at the time of issue or acquisition. The formula for calculating the amount of the First Instalment (F1) is as follows:

$$F1 = SP - F2 + IC + PP - AC$$

where:

SP = the share price of the Underlying Share at the time of issue of the I³

F2 = Final Instalment (as at the date of issue)

IC = Interest Component (the Interest Amount payable from the date of issue until the next Interest Date)

PP = Periodic Payments accrued but not paid

AC = An amount determined by Citi to take account of the Appreciation Cap

The Interest Component (IC) is calculated in respect of the first Interest Period as follows:

$$IC = (\text{Rate}\% \times \text{Loan} \times (D_n - D_0) / 365)$$

Where:

IC = Interest Component calculated for the first Interest Period

Rate% = the effective interest rate (%) applicable to the relevant Series of I³

Loan = Final Instalment

D₀ = the date of issue

D_n = the next Interest Date

Investors should note that these figures will change following an Interest Date as the new Loan amount and interest rate may change on each Interest Date.

The amount of the Periodic Payments accrued but not paid (PP) is calculated as follows:

$$PP = \frac{\text{Periodic Payment amount} \times (\text{days between last and next Periodic Payment Ex Dates} - (D_n - D_p))}{\text{days between last and next Periodic Payment Ex Dates}}$$

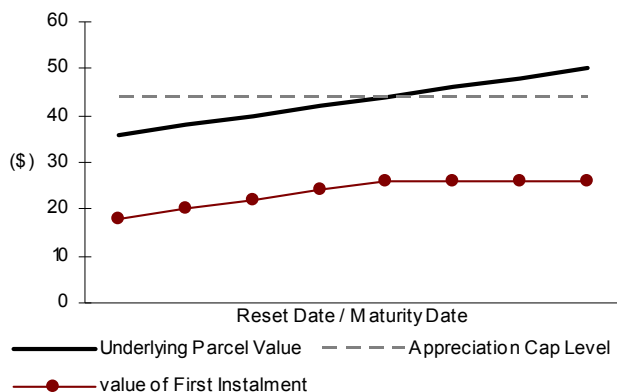
Where:

D_p = date on which pricing is provided

D_n = the next Reset Date

The amount determined by Citi to take account of the Appreciation Cap (AC) is calculated with reference to a number of factors described in Section 1.2 as affecting the First Instalment, including time to the next Reset Date or Maturity Date, the price of the Underlying Shares, interest rates, volatility of the Underlying Shares, and future expected dividends for the Underlying Shares.

The diagram following illustrates the value of the First Instalment based on different Underlying Parcel Values at a Reset Date or Maturity Date.



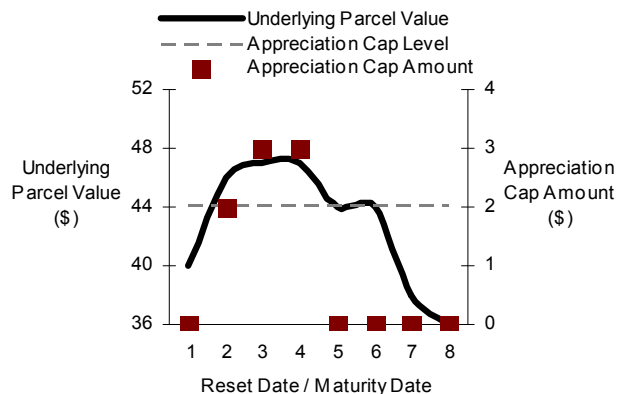
Calculating the Appreciation Cap Amount

On each Reset Date and Maturity Date, if the Underlying Parcel Value as at that Reset Date or Maturity Date exceeds the Appreciation Cap Level, the Holder will become liable to pay an Appreciation Cap Amount to Citi. The Appreciation Cap Amount is the amount by which the Underlying Parcel Value as at that Reset Date or Maturity Date exceeds the Appreciation Cap Level. The Underlying Parcel Value as at a Reset Date or a Maturity Date will be equal to the aggregate value of the Underlying Shares which comprise the underlying parcel for an I³, calculated on the basis of the Underlying Share price on ASX at Closing Time on the most recent Trading Day prior to that Reset Date or Maturity Date.

For example, the Appreciation Cap Amount is calculated at maturity as:

$$\text{Maximum (0, Underlying Parcel Value at Closing Time on the previous Trading Day} - \text{Appreciation Cap Level)}$$

At maturity, the higher the Underlying Parcel Value is, relative to the Appreciation Cap Level, the greater the Appreciation Cap Amount.



Calculating the Cashback Amount for Shareholder Applications

An investor who owns the applicable Underlying Shares and applies for I³ is entitled to a Cashback Amount (CB) calculated as follows:

$$CB = SP - F1 - LE$$

Where:

SP = the market price of the Underlying Shares

F1 = the First Instalment

LE = the amount of the Loan Establishment Fee

Calculating the Loan Establishment Fee

The Loan Establishment Fee (LE) is a percentage of the Final Instalment (relevant to Cash Applicants and Shareholder Applicants only).

Example of Calculations for i³ over XYZ Shares.

The following examples are based on a hypothetical i³ issued over shares in XYZ with a Final Instalment (F₂) of \$20.00. For the following examples we have assumed that on the Closing Time on the Trading Day before the date of issue (assumed to be 7 November 2011) the XYZ share price is \$40 and the interest rate (Rate%) is 10.0% per annum.

The Interest Component (IC) for the period from the issue date to the next Reset Date is determined as follows:

$$\begin{aligned} \text{IC} &= (\text{Rate}\% \times \text{Loan} \times (D_n - D_0)/365) \\ &= (10.0\% \times \$20.00 \times 365/365) \\ &= \$2.00 \end{aligned}$$

Where:

$$D_0 = 7 \text{ November 2011 (the date of issue)}$$

$$D_1 = 7 \text{ November 2012 (the next Reset Date)}$$

The Periodic Payment accrued (PP) on the date of issue is determined as follows:

$$\begin{aligned} \text{PP} &= (\$0.57 \times (\text{days between last and next Periodic Payment Ex Dates} - (D_1 - D_0)) / \text{days between last and next Periodic Payment Ex Dates}) \\ &= (\$0.57 \times (91 - (91))) / 91 \\ &= \$0.00 \end{aligned}$$

Where:

Periodic payment amount = \$0.57 (for example)

$$D_0 = 7 \text{ November 2011 (the date of issue)}$$

$$D_1 = 7 \text{ February 2012 (the next Periodic Payment Ex Date)}$$

The Appreciation Cap will be fixed until the next Reset Date and is determined as follows:

$$110\% \times \text{Underlying Parcel Value} = 110\% \times \$40.00 = \$44.00$$

Example 1 - Cash Application

In this example, an investor applies by way of Cash Application on the date of issue for a Series of i³ issued over shares in XYZ with a Final Instalment (F₂) of \$20.00. The Loan Establishment Fee (LE) is 2.20% of F₂ and is not reduced by the amount of any rebate of the Adviser Fee. The First Instalment (F₁) in respect of the Cash Application can be calculated as follows:

$$\begin{aligned} \text{F1} &= \text{SP} - \text{F2} + \text{IC} + \text{PP} - \text{AC} \\ &= [\$40 - \$20.00 + \$2.00 + \$0.00 - \$0.00] \\ &= \$22.00 \\ \text{LE} &= 2.20\% \times \$20.00 \\ &= \$0.44 \end{aligned}$$

Example 2 – Shareholder Application

In this example, an investor applies by way of Shareholder Application on the date of issue for a Series of i³ issued over shares in XYZ. The Cashback Amount (CB) payable to the investor in respect of the Shareholder Application can be calculated as follows:

$$\begin{aligned} \text{CB} &= \text{SP} - \text{F1} - \text{LE} \\ &= [\$40.00 - \$22.00 - \$0.44] \\ &= \$17.56 \end{aligned}$$

The investor will be paid a Cashback Amount of \$17.56 in respect of the Loan and is issued an i³ in return for the XYZ shares that formed the basis of the Shareholder Application. This amount is required to be used by the Shareholder Applicant wholly or predominately for business or investment purposes only.

Example 3 - Purchase and Sale on ASX

If a Holder sells their holding of i³ on ASX, the Holder will receive, by way of reduction of its Loan Amount, a refund of the prepaid interest from the date of sale to the end of the current Interest Period. Any difference between the amount of interest payable by the Transferee and the amount of interest refundable to the selling Holder, the Transferor, will constitute Transfer Costs payable to or by the Transferor by way of deduction from or an addition to the Transferor's Loan. The purchaser of the i³, the Transferee, will receive a new Loan which will be used to repay the balance of the Transferor's Loan and prepay the Interest Amount on the Transferee's Loan for the period from the date of acquisition to the next Interest Date.

Refund of Interest to Transferor

Using the previous example, the Transferor had prepaid an Interest Amount of \$2.00 (at 10.0% per annum) for the Interest Period from the date of 7 November 2011 to 7 November 2012. If the investor sold their holding of I³ on 7 May 2012, the interest refund (IR) would be calculated as follows:

$$\begin{aligned} \text{IR} &= \text{Loan} \times \text{Rate}\% \times (D_1 - D_0)/365 \\ &= \$20.00 \times 10.0\% \times 184/365 \\ &= \$1.0082 \end{aligned}$$

Where

$$D_0 = 7 \text{ May 2012 (the sale date)}$$

$$D_1 = 7 \text{ November 2012 (the next Reset Date)}$$

Interest Component for Transferee

Assume that the interest rate that will apply to the new Loan to be granted to the Transferee is 10.5% per annum, which is an increase on the interest rate that applied to the Transferor. The Interest Amount that would be prepaid for the remainder of the current Interest Period would be:

$$\begin{aligned} I_1 &= \text{Loan} \times \text{Rate}\% \times (D_1 - D_0)/365 \\ &= \$20.00 \times 10.5\% \times 184/365 \\ &= \$1.0586 \end{aligned}$$

Where

$$D_0 = 7 \text{ May 2012 (the purchase date)}$$

$$D_1 = 7 \text{ November 2012 (the next Reset Date)}$$

Transfer Costs Calculation

Due to the increase in the interest rate, Transfer Costs will be payable by Citi to the Transferor and would be calculated as follows:

$$\begin{aligned} \text{TC} &= \text{IP} - \text{IR} \\ &= 1.0586 - 1.0082 \\ &= \$0.0504 \end{aligned}$$

where:

$$\text{TC} = \text{Transfer Costs}$$

$$\text{IP} = \text{Interest Amount prepaid (as above)}$$

$$\text{IR} = \text{Interest Refund (as above)}$$

The amount of the Transfer Costs is \$0.0555 per I³.

Example 4 – Calculating the First Instalment when Underlying Parcel Value is higher than the Appreciation Cap Level

Using the figures from Example 1, if an investor held the I³ at Closing Time on a Trading Day on 7 November 2012 and the price of a XYZ share was now \$46.00, the First Instalment (F1) would be calculated as follows:

$$\begin{aligned} \text{F1} &= \text{SP} - \text{F2} + \text{IC} + \text{PP} - \text{AC} \\ &= \$46 - \$20.00 + \$0.00 + \$0.57 - \$2.00 \\ &= \$24.57 \end{aligned}$$

Example 5 – Calculating the Appreciation Cap Amount

Using the figures from Example 1, if an investor held the I³ at Closing Time on 7 November 2012 and the price of a XYZ share was now \$50.00, the Appreciation Cap Amount would be payable and would be calculated as follows:

$$\begin{aligned} \text{Appreciation Cap Amount} &= \text{Maximum (0, Underlying Parcel Value at Closing Time on previous Trading Day – Appreciation Cap Level)} \\ &= \text{Maximum (0, \$50 – \$44)} \\ &= \$6.00 \end{aligned}$$

Using the figures from Example 1, if an investor held the I³ at Closing Time on 7 November 2012 and the price of a XYZ share at the Closing Time on the Trading Day prior to 7 November 2012 was \$40.00, the Appreciation Cap Amount would not be payable because the Underlying Parcel Value as at that Reset Date would be \$40, which is less than the Appreciation Cap Level as at that Reset Date (which is \$44).

Example 6 – value of I³ at Maturity

Assuming we are now at maturity, F2 is \$20.00, the Appreciation Cap is \$44.00 and IC and PP are all \$0. The value of a I³ would be determined as follows:

This example illustrates that if the Underlying Parcel Value at maturity exceeds the Appreciation Cap Level (of \$44 in this example) the value of the I³ is capped at the difference between the Appreciation Cap Level and the Final Instalment, and that value won't increase as the Underlying Parcel Value increases.

Example 7 – The Appreciation Cap and Reset Mechanism

Any Reset Cashback or Reset Payment are determined separately from any Appreciation Cap Amount payable.

Assuming on a Reset Date, the Final Instalment (F2) is \$20.00, the Appreciation Cap is \$44.00, the interest rate is 10% p.a. and IC and PP are all \$0.

a) If the share price of XYZ is less than or equal to the Appreciation Cap Level (say XYZ's price is \$42.00) there would be no Appreciation Cap Amount payable. Citi would then proceed to reset the I³.

The reset Final Instalment would be \$21.00 (\$42.00 x an assumed 50% gearing), the reset IC would be \$2.10 (10% p.a. x \$21.00). The New Loan Amount of \$21.00 is less than the Current Loan Amount of \$20.00 plus the New Interest Amount of \$2.10. Therefore, a Reset Payment of \$1.10 per I³ held would be required. If the Holder wants to maintain the number of instalments held pre and post reset, the Holder will need to make a payment of \$1.10 per XYZIO2 I³ held to Citi. If the Holder does not pay the Reset Payment, Citi will dispose of some of the Holders Underlying Shares to pay this Reset Payment.

b) If the share price of XYZ is greater than the Appreciation Cap (say the XYZ price is \$46.00) there would be a Appreciation Cap Amount payable of \$2.00 (\$46.00 - \$44.00).

If a Holder's Appreciation Cap Election is Option 3, Citi will exercise its security interest to arrange for ALL the Underlying Shares in relation to that Holder's particular XYZIO2 I³ to be sold and the investor would receive \$24.00 per I³ held (assuming that the costs associated with the sale are nil).

If a Holder's Appreciation Cap Election is Option 2, the Holder will need to pay an Appreciation Cap Amount of \$2.00 for each I³ held in cash via direct debit.

If a Holder's Appreciation Cap Election is Option 1, Citi will dispose of a number of that the Underlying Shares sufficient to pay for the Appreciation Cap Amount of \$2.00 for each I³ held.

For those Holders who elected Option 1 or Option 2, Citi would then proceed to reset the I³ in respect of the continuing holding of I³ on that Reset Date. The reset Final Instalment would be \$23.00 (\$46.00 x an assumed 50% gearing), the reset IC would be \$2.30 (10% p.a. x \$23.00). The New Loan Amount of \$23.00 is greater than the Current Loan Amount of \$20.00 plus the New Interest Amount of \$2.30. Therefore, a Reset Cashback of \$0.70 per I³ held would be automatically used to subscribe for additional I³ pursuant to the IRP (unless a Holder elects to receive the Reset Cashback a mount in cash).

XYZ price at maturity	Final Instalment	Appreciation Cap Amount	value of I ³
\$1	\$20	\$0	\$0
\$10	\$20	\$0	\$0
\$20	\$20	\$0	\$0
\$40	\$20	\$0	\$20
\$44	\$20	\$0	\$24
\$50	\$20	\$6	\$24
\$60	\$20	\$16	\$24

1.19 WHAT IS THE INSTALMENT WARRANT DEED?

The Instalment Warrant Deed regulates aspects of the trust relationship between a Holder and the Trustee in respect of the Underlying Shares which is created under the Declaration of Trust. The Instalment Warrant Deed also contains provisions in relation to the issue and creation of, and the terms of, the I³ and is binding on the holders of I³. The principal terms of the Instalment Warrant Deed are set out in this PDS.

If you wish to view the terms of the Instalment Warrant Deed, you may attend Citi's offices at Level 40, 2 Park Street Sydney NSW 2000. Appointments to view the Instalment Warrant Deed must be made in advance, by telephoning 1300 30 70 70. You are not permitted to replicate the Instalment Warrant Deed in any form.

1.20 WHAT IS THE DECLARATION OF TRUST?

The Trustee has executed a Declaration of Trust under which the Trustee undertakes to hold each Underlying Share transferred to the Trustee (or its nominee) by Citi, or an Applicant, as trustee for the holder of the corresponding I³ on a Separate Trust, generally until the Maturity Date, or if earlier, the exercise of an Instalment Warrant.

1.21 WHO IS THE TRUSTEE AND WHAT POWERS DOES IT HAVE?

The Trustee is Citigroup Global Markets Australia Nominees No 2 Pty Limited, a wholly owned subsidiary of Citi.

The Trustee has no powers, duties, rights or discretions in relation to the Separate Trusts except those expressly set out in the Instalment Warrant Deed and Declaration of Trust.

Those powers include:

- the grant of a Security Interest in favour of Citi in relation to the Underlying Shares;
- specific powers of sale in relation to the Underlying Shares in certain circumstances;

- powers in relation to the payment of Dividends and Special Dividends;
- certain acts in relation to “closely held trusts”; and
- general powers to administer the Separate Trusts.

SECTION 2 – APPLICATION AND MATURITY

2.1 WHO CAN APPLY FOR I³?

	Cash Applicant	Shareholder Applicant	Rollover Applicant
Who Can Apply	Persons with \$2,500 or more to invest in I ³	Current holders of Securities (excluding trustees of superannuation funds) where those Securities are the same as those which make up the Underlying Shares of the I ³	Current holders of Rollover Instalments which have the same Underlying Shares as the new Series of I ³
How Do I Apply	Complete the Cash Application Form and submit it with payment to your stockbroker, approved financial adviser or directly to Citi	Complete the Shareholder Application Form and submit it, together with the current holding statement for your existing Securities, to your stockbroker, approved financial adviser or directly to Citi	Complete the Rollover Application Form and submit it, together with payment (if any) and a copy of your holding statement to your stockbroker, approved financial adviser or directly to Citi
Minimum Investment Amount	\$2,500	Sufficient that the Loan constitutes at least \$2,500	No minimum
Amount Payable on Application	First Instalment and Loan Establishment Fee	Nil. Loan proceeds are used to pay the First Instalment and the Loan Establishment Fee	Rollover Payment where the Final Payment for the Rollover Instalment plus the Interest Amount on the new Loan is greater than the amount of the new Loan
Amount Received on Application	Nil	Cashback Amount	Cashback Amount where the amount of the Loan less the Interest Amount is greater than the Final Payment to be paid on the Rollover Instalments
Application Form	Cash Application Form	Shareholder Application Form	Rollover Application Form
Do I Need a Brokerage Account	No	No	No

2.2 HOW TO APPLY

The Application Forms and instructions on how to apply are contained in Section 11 of this PDS. Citi will only accept applications which are made on the Application Forms which are enclosed with this PDS. Potential investors should lodge their Application Form with their stockbroker or approved financial adviser, or directly with Citi.

Citi may accept or reject any application in its absolute discretion. Citi may also accept an application for a lesser number of I³ than the number applied for. Cash Applicants which are rejected or which are for a lesser number of I³ will have their application monies returned without interest.

(a) Cash Applicants

For Cash Applicants the First Instalment is the purchase price of the I³ and is not fixed and will depend on the following

factors as at the time the Holder's Application is accepted by Citi:

- the price at which the Underlying Shares are trading;
- the time remaining to the next Reset Date or the Maturity Date;
- volatility of Securities comprising the Underlying Shares;
- projected future dividends;
- future expected dividends; and
- prevailing Interest Rates.

Cash Applicants must subscribe for the minimum investment amount of \$2,500.

Cash Applicants should apply for I³ by completing a Cash Application Form, which nominates the dollar amount that the investor wishes to invest in a Series and pay that amount by cheque, Bpay or provide authorisation for Citi to deduct that amount from their Nominated Account by direct debit.

At the time the Applicant's Application is accepted by Citi, Citi will:

- calculate the relevant First Instalment and Loan Establishment Fee applicable at that time;
- deduct those amounts from the cash payment or their Nominated Account for each I³ the Applicant is issued with; and
- issue the Applicant with the maximum whole number of I³ (rounded up or down as explained in Section 11) which can be issued for the Applicant's nominated investment amount.

Cash Applicants can obtain an indication of the current amount of the First Instalment and Loan Establishment Fee for a Series at any time by calling Citi on 1300 30 70 70.

Citi will hold all funds received in a trust account (without interest) for the applicant until all conditions relating to the issue of the I³ have been fulfilled and the Trustee becomes the registered holder of the Underlying Shares.

(b) Shareholder Applicants

The transfer of a Shareholder Applicant's existing shareholding represents the First Instalment. Shareholder Applicants will use the Loan to pay the First Interest Amount and their Loan Establishment Fee. As a result, no cash payment is required on application. Shareholder Applicants must transfer that number of Securities (being those that make up the Underlying Shares of an I³) to the Trustee equal to the number of I³ for which they are applying.

Following Citi's acceptance of a Shareholder Application, the Shareholder Applicant will be entitled to receive a Cashback Amount equal to the Final Instalment less the First Interest Amount, and less their Loan Establishment Fee.

The Cashback Amount must be applied by the Shareholder Applicant wholly for the purpose of producing assessable income and the Application Form includes a declaration for National Credit Code purposes confirming that the Loan will be applied wholly or predominantly for business or investment purposes other than investment in residential property.

Shareholder Applicants can obtain an indication of the Cashback Amount at any time by calling Citi on 1300 30 70 70.

No Shareholder Applications from superannuation funds

On 16 December 2002 APRA and the ATO issued guidelines indicating that they considered that it was unlawful for trustees of superannuation funds (including trustees of self managed superannuation funds) to use shares owned by the fund as security over the in-built loan portion of an instalment warrant purchase. Accordingly, Citi will not accept Shareholder Applications from trustees of superannuation funds. For further information see Section 4.9 of this PDS.

(c) Rollover Applicants

Holders of Rollover Instalments who are Rollover Applicants are not required to pay a cash amount for the First Instalment. However, where the amount of the new Loan in respect of the I³ being applied for is less than the aggregate of the final instalment to be paid on the Rollover Instalments (the **Final Payment**), plus the Interest Amount payable for the new Loan, the Rollover Applicant will be required to provide Citi with a cash payment for the shortfall (the **Rollover Payment**) with the Application Form.

Where the amount of the new Loan less the Interest Amount is greater than the Final Payment on the Rollover Instalments, Rollover Applicants will receive a Cashback Amount back from Citi. This Cashback Amount must be applied by the Rollover Applicant wholly for the purpose of producing assessable income and the Application Form includes a declaration for National Credit Code purposes.

Rollover Applicants can obtain an indication of the Cashback Amount at any time by calling Citi on 1300 30 70 70.

(d) Application Forms

When completing an Application Form (or after a purchase of I³ in the secondary market), Holders will be invited to elect one of the following 3 options for the payment of any Appreciation Cap Amount in relation to their holding of I³:

1. **Option 1:** a number of Underlying Shares which is sufficient to pay the Appreciation Cap Amount will be sold, with Citi retaining the net proceeds of sale in payment of the Appreciation Cap Amount, and the Holder's holding of I³ will reduce accordingly;
2. **Option 2:** the Holder pays the Appreciation Cap Amount by direct debit; or
3. **Option 3:** all of the Holder's Underlying Shares will be sold and the Appreciation Cap Amount will be paid in accordance with the Order of Payment.

Option 3 will be deemed to be elected by a Holder in the following 3 circumstances:

- where the Holder does not make an Appreciation Cap Election in their Application Form (or a Payment Method Election Form);
- where the Holder elects Option 1 but that election is deemed to be invalid because after the payment of the Appreciation Cap Amount under Option 1, the market value of the remaining Underlying Shares would be less than \$500; or
- where the Holder elects Option 2 but that election is deemed to be invalid because there were insufficient funds in the Holder's Nominated Account for the direct debit payment.

More information in relation to these options is set out in section 1.6 of the PDS.

2.3 I³ ISSUED FOR THE PURPOSES OF INVENTORY AND MARKET MAKING

In addition to the I³ that are issued to investors pursuant to the Application Forms accompanying this PDS, I³ will also be issued to Calex Nominees, a related party of Citi.

Investors should note that the I³ issued to Calex Nominees Pty Ltd will be used as inventory for the sale of I³ to investors via ASX and for market making purposes. Citi will act as market-maker. Upon accepting an order from a secondary purchaser, Citi will direct Calex Nominees to transfer an Instalment Warrant that it holds to the secondary purchaser. See Section 4.2 of this PDS for some of the risks that exist in relation to market making.

2.4 HOW DO YOU EXERCISE I³?

Paying the Exercise Amount

A Holder may exercise an I³ on a Reset Date or the Maturity Date by paying to Citi (by authorising payment via direct debit using the banking details provided to Citi on their Exercise Notice) the Final Instalment plus any Appreciation Cap Amount payable on that Reset Date or Maturity Date and any Exercise Costs.

The Final Instalment payment will be used to repay the outstanding amount of the Loan (and, to the extent of any excess, constitutes a fee payable to Citi). The Loan will then be discharged and the legal title to the Underlying Shares will be transferred from the Trustee to the Holder in discharge of the Security Interest.

Any Appreciation Cap Amount payable to Citi on that Reset Date or Maturity Date will be equal to the amount by which the Underlying Parcel Value as at that Reset Date or Maturity Date exceeds the Appreciation Cap Level. Holders may contact Citi prior to submitting an Exercise Notice to obtain an indication of the relevant Appreciation Cap Amount (if any) which will be

payable on exercise. More information in relation to payment of the Appreciation Cap amount on exercise of an I³ is set out in section 1.6 of the PDS.

Exercise Notices given to Citi are irrevocable, notwithstanding that the Appreciation Cap Amount (if any) will not be known at the time the Holder completes their Exercise Notice.

In the event that there are insufficient funds in the Nominated Account on the date that the Exercise Amount, including any Appreciation Cap Amount, is due, the Holder's Exercise Notice will be invalid.

Citi will notify Holders in writing of the total amount to be debited from the Holder's Nominated Account in order to exercise their I³ in accordance with their Exercise Notice, and the date on which the direct debit transaction will occur shortly after the relevant Reset Date or Maturity Date on which they wish to exercise. It is the Holder's responsibility to ensure there are sufficient funds in their Nominated Account on the relevant date when the debit will occur, and to advise Citi beforehand if they have any problems or queries in relation to the direct debit transaction.

Delivering the Request for Purchase Notice

A Holder may also deliver a Request for Purchase Notice to Citi, requiring Citi to purchase the Underlying Shares from the Holder for the Request for Purchase Price (being the greater of the Market Value and the Final Instalment less any Appreciation Cap Amount payable to Citi). Those monies will then be used to discharge the Security Interest by repaying the Loan and paying the Exercise Costs, with the balance of the proceeds of sale going to the Holder.

Investors should note that the Request for Purchase Notice is only effective on the Maturity Date, and that the Request for Purchase Price will be reduced by the amount of any Appreciation Cap Amount payable to Citi in respect of the Maturity Date unless that amount has otherwise been paid by the Holder. Holders must deliver the Request for Purchase Notice prior to 12pm (midday) Sydney time on the Maturity Date.

2.5 EXERCISE NOTICES

A copy of the Exercise Notice is attached to this PDS and must be completed in accordance with the instructions set out on that notice.

An Exercise Notice will only be valid if it is received by Citi on or before 12pm (midday) on the Business Day immediately prior to the relevant Reset Date or Maturity Date on which the Holder wishes to exercise their I³, and it contains the relevant direct debit authorisation and banking details of the Holder.

Exercise Notices are irrevocable, subject only to no other Exercise Notice being given in respect of the same I³,

notwithstanding that the Appreciation Cap Amount (if any) will not be known at the time the Holder completes their Exercise Notice but may be payable on the Reset Date or the Maturity Date (as applicable) in accordance with the Appreciation Cap Election. Citi retains certain discretions with respect to the treatment of partially valid Exercise Notices.

If Citi or the Trustee fail to perform any of their obligations upon delivery of a valid Exercise Notice, the Holder may give a default notice to Citi in respect of the relevant Underlying Shares and Citi must within 10 Business Days after the date on which it receives such notice, pay to the Holder by cheque a liquidated damages payment.

If the Holder has paid the Final Instalment (plus any Appreciation Cap Amount payable to Citi and any Exercise Costs) and the Trustee fails to arrange delivery of the Underlying Shares to the Holder, the liquidated damages amount will be determined as follows:

$LDA = 1.1 \times \text{Market Value of Underlying Share}$

In these circumstances, the Market Value of the Underlying Share is the Weighted Average Sale Price of Underlying Shares on the ASX on the 5 Trading Days following the date the Exercise Notice was given.

If the Holder delivers a Request for Purchase Notice and Citi fails to distribute the amount of the Request for Purchase Price in accordance with the Order of Payment, the liquidated damages amount will be determined as follows:

$LDA = (1.1 \times \text{Request for Purchase Price}) - (\text{Final Instalment} + \text{any Appreciation Cap Amount payable to Citi} + \text{Exercise Costs})$

Once the liquidated damages amount is paid by Citi, the relevant I³ shall be cancelled, the beneficial interest of the Holder in respect of the Underlying Share will be extinguished and Citi and the Trustee will have no further obligations to the Holder.

2.6 ROLLOVER

A Holder may also be able to “rollover” their holding of I³ into future instalment warrant products issued by Citi. Holders will be advised by Citi prior to the Maturity Date if a further series of instalment warrant products will be available for rollover. “Rollovers” may only occur on a Reset Date or the Maturity Date.

2.7 WHAT HAPPENS IF I DO NOT EXERCISE?

If a Holder fails to exercise the I³ by Closing Time on the Maturity Date, the Underlying Shares may be sold by Citi pursuant to Citi’s power of sale. The proceeds of a sale will be used to discharge the Security Interest by paying Citi any outstanding Appreciation Cap Amount, repaying the Loan and

paying other Exercise Costs in accordance with the Order of Payment. However, where the Intrinsic Value of the I³ is equal to or greater than 5% of the Final Instalment then the disposal proceeds shall be paid in accordance with the Revised Order of Payment.

SECTION 3 – THE UNDERLYING SHARES

3.1 INTRODUCTION

The Underlying Shares are ASX listed securities which may be ordinary shares in the capital of companies, units in listed trusts or CDIs.

The Entities which issue the Underlying Shares are subject to the continuous disclosure requirements imposed by ASX and by the Corporations Act. The issuers of foreign securities are also registered as foreign bodies under the Corporations Act and subject to the continuous disclosure obligations imposed by ASX on foreign issuers and by any continuous disclosure obligations applying in their home jurisdiction.

The ASX codes in respect of the Underlying Shares or the Entities which issue the Underlying Shares appear in the Summary Table as the first three letters of the ASX code for a particular Series of I³.

Information (including historical data and trading information) about the Entities and the Underlying Shares can be obtained from a variety of sources including ASX, the Entities themselves, brokers and investment advisers and the issuers of foreign securities. Information may also be found on the websites of the Entities, and the issuers of foreign securities, the ASX website and related sites. Citi takes no responsibility and accepts no liability for, and makes no representation or warranty (whether express or implied) as to the accuracy or completeness of any information obtained by an investor about an Entity, an Underlying Share or the issuers of foreign securities. Investors should make their own inquiries and where appropriate, obtain advice in relation to any investment decisions.

The initial Underlying Share for each Series of I³ is one Security. During the life of the I³, however, this may be adjusted to take into account corporate actions that may affect the Securities that comprise the Underlying Shares.

3.2 VARIATION TO FINAL INSTALMENT AND UNDERLYING SHARES AS A RESULT OF A CORPORATE ACTION

The Final Instalment and the Underlying Shares may be varied in accordance with the Terms of Issue in the event of various corporate actions by the Entity which issued the relevant Underlying Shares or in relation to the Underlying Shares. However, where the Final Instalment is reduced due to a corporate action, this reduction will not affect the operation of

the Reset Mechanism on a subsequent Reset Date, except that:

- where a Reset Payment becomes payable by a Holder to Citi on that Reset Date, the amount of the Reset Payment will most likely be lower than it would have been if the Loan had not been previously reduced due to the relevant corporate action; and
- where a Reset Cashback becomes payable by Citi to a Holder on that Reset Date, the amount of the Reset Payment will most likely be higher than it would have been if the Loan had not been previously reduced due to the relevant corporate action.

In relation to corporate actions such as bonus issues, rights issues and capital reconstructions, CDI holders will generally receive equal treatment to that of holders of foreign securities because under the ASX Settlement Operating Rules, all economic benefits such as dividends, bonus issues, rights issues or similar corporate actions must flow through to the CDI holders as if they were the holders of the corresponding foreign securities.

TAKEOVER BID

If the Securities that comprise the Underlying Shares are subject to a Takeover Bid each Holder directs the Trustee not to accept any offer in respect of the Securities that comprise the Underlying Shares.

If in respect of a Takeover Bid Citi has not declared an Extraordinary Event and the Takeover proceeds to compulsory acquisition the following will apply:

1. the Trustee will direct a Qualified Sale Agent to sell any security, asset or right (other than cash) received in consideration for the acquired Securities comprising the Underlying Shares;
2. the Trustee will apply the net proceeds of the sale or cash receipts in accordance with the Order of Payment; and
3. the I³ corresponding to the Underlying Shares the subject of the compulsory acquisition, shall be cancelled.

SCHEME

If a Scheme occurs and Citi has not declared an Extraordinary Event the following will apply:

1. the Trustee will direct a Qualified Sale Agent to sell any security, asset or right (other than cash) received in consideration for the acquired Securities comprising the Underlying Shares;

2. the Trustee will apply the net proceeds of the sale or cash receipts in accordance with the Order of Payment; and
3. the I³ corresponding to the Underlying Shares the subject of the compulsory acquisition shall be cancelled.

ENTITLEMENTS OFFER

Under the terms of the Instalment Warrant Deed, if an Entity makes an Entitlements Offer in respect of Securities comprising the Underlying Shares, the Trustee is not obliged to respond in any way to the Entitlements Offer nor to notify the Holders of that offer.

However, if it chooses to do so, the Trustee may take such Reasonable Action as is prudent to confer the benefit of that Entitlements Offer on Holders.

RECONSTRUCTIONS

Under the terms of the Instalment Warrant Deed, if Underlying Shares are the subject of a reconstruction, the Underlying Shares will be adjusted thereafter to comprise the Securities issued in substitution for the prior Underlying Shares. The Final Instalment will not change.

CAPITAL REDUCTIONS

Under the terms of the Instalment Warrant Deed, if an Entity reduces its share capital without making a capital distribution or cancelling any Securities comprising Underlying Shares, neither the Trustee nor Citi is obliged to take any action.

However, if as a result of a capital reduction an Entity makes a capital distribution a Qualified Sale Agent will be appointed to sell any non-cash distribution and the net proceeds of the sale or cash distribution will be applied in accordance with the Order of Payment. In this case, the proceeds retained by Citi to reduce the Final Instalment will be treated in a similar manner to Special Dividends. Where the Entity also cancels some or all of the Securities comprising Underlying Shares, there shall be a corresponding cancellation of the relevant Instalment Warrants and Underlying Shares.

BONUS ISSUES

Under the terms of the Instalment Warrant Deed, where an Entity makes a Bonus Issue of securities identical to the Securities comprising the Underlying Shares, the Holder will irrevocably make an offer for the maximum whole number of Instalment Warrants as can be issued with those additional Securities as Underlying Shares. Citi may accept all or none such applications. If there is another type of Bonus Issue or Citi does not accept a Holder's application for additional Instalment Warrants, the Holder irrevocably instructs the Trustee to direct a Qualified Sale Agent to sell any Security forming part of the Bonus Issue and the net proceeds will be

used to reduce the Holder's Final Instalment in a manner similar to the use of Special Dividends.

Any bonus Instalment Warrants issued by Citi will be registered and subject to the same terms as all other Instalment Warrants. The amount of the Final Instalment will be reduced, and all other terms of the Loan will be adjusted on a pro rata basis having regard to the increased number of Instalment Warrants.

SHARE BUY-BACKS

Under the terms of the Instalment Warrant Deed, if an Entity makes a Buy-Back Offer in relation to all or any of its Underlying Shares before the Maturity Date:

1. the Trustee will reject that Buy-Back Offer and will not be required to notify any Holder of the Buy-Back Offer; and
2. Citi may nominate an Extraordinary Event.

OTHER CORPORATE EVENTS

Under the terms of the Instalment Warrant Deed, if an Entity or a third party takes action in respect of the capital of an Entity or Underlying Shares other than as set out above, Citi may, with the consent of ASX, determine the appropriate Reasonable Action to be taken in respect of the relevant I³.

3.3 VARIATION TO FINAL INSTALMENT AND APPRECIATION CAP AS A RESULT OF THE APPLICATION OF SPECIAL DIVIDENDS

Adjustment of the Final Instalment may also take place in circumstances where an Entity declares a Special Dividend, and Citi exercises its right to require the Special Dividend to be applied to reduce the Loan.

If a Special Dividend is paid by an Entity in respect of an Underlying Share, Citi may direct that the Special Dividend be paid to Citi and be used by Citi to reduce the Loan and the Final Instalment in respect of the particular Series of I³ to which the Special Dividend relates. See "Entitlement to Dividends" in Section 1.1.

If a Special Dividend is used by Citi to reduce the Loan and Final Instalment in respect of the particular Series of I³ to which the Special Dividend relates, the Appreciation Cap Level will also be reduced by the Special Dividend.

3.4 BUYBACK AND CANCELLATION OF I³

Citi may buy-back I³ and become the holder of I³, which shall not be deemed to lapse or be cancelled on buy-back unless Citi cancels the I³.

Citi may cancel an I³ if Citi is the holder of that I³.

Citi and its related bodies corporate and officers are not prohibited from holding I³, entering into financial transactions with any Holder, or acquiring Underlying Shares nor are any such persons liable to account to Holders for profits or benefits derived as a result of those activities or other such business activities.

3.5 VOTING THE UNDERLYING SHARES

The terms of the Instalment Warrant Deed provide that Holders irrevocably direct the Trustee, as legal holder of the Securities that comprise the Underlying Shares, not to vote in respect of any of those Underlying Shares at any meetings of members or unit holders. The Instalment Warrant Deed also provides that the Trustee is not required to send to any Holder any notice of meeting, annual report or similar documents distributed by an Entity.

3.6 DIVIDEND REINVESTMENT PLANS

Under the terms of the Instalment Warrant Deed, each Holder instructs the Trustee not to participate in any dividend reinvestment plan or other arrangement for the reinvestment or receipt of benefits in lieu of Dividends.

SECTION 4 – RISK FACTORS

SUBSCRIPTION FOR OR THE PURCHASE OF THE I³ IS CONSIDERED BY CITI TO BE APPROPRIATE ONLY FOR INVESTORS WITH EXPERIENCE IN, OR ON THE ADVICE OF PROFESSIONAL ADVISERS WITH EXPERIENCE IN, DERIVATIVE TRANSACTIONS. POTENTIAL INVESTORS SHOULD REACH AN INVESTMENT DECISION ONLY AFTER CAREFULLY CONSIDERING, WITH THEIR ADVISERS, THE APPROPRIATENESS OF THE I³ IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, TAKING INTO ACCOUNT THE RISK FACTORS RELATING TO THE I³ SET OUT BELOW.

4.1 FACTORS AFFECTING THE VALUE OF I³

The value at which an I³ may be bought or sold on ASX is dependent upon such factors as the price at which the Underlying Shares are trading on ASX, the amount of the Final Instalment, the time remaining to expiry, interest rates and risks applicable to stock markets generally.

Investment in I³ is speculative. The I³ may be significantly less valuable on the Maturity Date or may expire worthless. This means that Holders may either lose money or sustain a total loss on their investment.

4.2 POSSIBLE ILLIQUIDITY OF TRADING MARKET

Investors should be aware that there is no firm indication as to how the I³ will trade in the secondary market. Nor is there sufficient evidence as to whether that market will be liquid or illiquid.

Citi will conduct market making activities in relation to the I³ by the provision of bids and offers made in a spread around the prevailing market price to help ensure liquidity in the market for the I³.

However, there are no spread or quantity obligations applied to the market making requirements. The quality of market making will depend on competitive pressures. In times of extreme volatility the ability of market makers to maintain a market will be put under stress. Investors should be aware that in these situations, the presence of appropriate quotes in the market cannot always be assured.

4.3 GEARED PRODUCTS

The Loan provides leverage, which has the potential to magnify losses (as well as gains) in relation to the I³ and gives rise to gearing costs, including the Interest Amounts and the Loan Establishment Fee.

As at the date of this PDS, the I³ issued under this PDS are geared to approximately 50% of the Underlying Share price but the level of gearing in relation to the I³ will vary over time.

Investors should be aware that an investment in I³ may increase or decrease in value at a greater rate than an investment in the Underlying Shares.

4.4 GENERAL MARKET RISKS

General movement in local and international stock markets, prevailing and anticipated economic conditions and interest rates, investor sentiment and general economic conditions could all affect the market price of I³.

Investors are warned that the price of I³ may fall in value as rapidly as it may rise and Holders may sustain a total loss of their investment. Prospective investors should therefore ensure that they understand the nature of I³ and carefully study the risk factors set out in this PDS before they invest in I³.

4.5 EXERCISE OF DISCRETION BY CITI

Investors should note that a number of provisions of the Instalment Warrant Deed confer discretions on Citi which could affect the value of I³. These include the power to declare an Extraordinary Event and the right to adjust the Underlying Shares or the Final Instalment upon the occurrence of certain corporate events.

Holders do not have the power to direct Citi concerning the exercise of any discretion. However, in relation to many of these discretions, Citi may only exercise those discretions with the consent of ASX, unless that consent is unreasonably withheld or delayed.

Similarly, Citi also has certain discretions conferred on it by this PDS, the Loan Agreement and the Instalment Warrant Deed (and which do not require ASX consent) to:

- apply the Reset Mechanism to determine the interest rate and the New Loan Amount on each Reset Date, which may affect the amount of a Reset Payment or Reset Cashback (as applicable);
- determine on each Reset Date, the Periodic Payment amounts payable to Holders on each Periodic Payment Date during the period to the next Reset Date (or, if none, the Maturity Date);
- determine the New Interest Amount payable on the Loan for each new Interest Period commencing on an Interest Date;
- terminate the I³ on a Reset Date; and

- determine, and negotiate with investors, the amount of the Loan Establishment Fee payable by Cash Applicants and Shareholder Applicants.

Citi's use of its discretion to determine these amounts will affect the amount Holders will be required to pay to Citi or receive from Citi in the relevant circumstances.

The fact that I³ may become significantly less valuable over their term (including due to the annual capitalisation of Interest Amounts onto the Loan) and in certain circumstances automatically terminate or expire worthless, means that a Holder of I³ may lose some or all of the purchase price paid for the I³. In particular, investors should be aware that even where the Underlying Shares increase in value over the investment term, the I³ may still become less valuable due to various other factors including the annual capitalisation of Interest Amounts onto the Loan, whether Holders are required to (or likely to be required to) pay Appreciation Cap Amounts to Citi and the Periodic Payment amounts paid to Holders.

4.6 EXTRAORDINARY EVENTS

If the Underlying Shares are subject to a compulsory acquisition notice (in either a takeover or scheme of arrangement context), are withdrawn from quotation, are suspended, are the subject of a buy-back offer, or if the I³ are withdrawn from admission to trading status or suspended, or a Trust Tax Change occurs (or is expected to occur), Citi may with the consent of ASX declare such an event to be an Extraordinary Event.

In such circumstances Citi may fix an earlier Maturity Date, or in respect of a Trust Tax Change terminate the trust relationship governed by the Instalment Warrant Deed. Citi shall give written notice to each Holder within 10 Business Days of declaring an Extraordinary Event.

4.7 LEGISLATIVE RISKS

A number of risks may exist and impact on a Holder of an I³ as a result of Australian legislative regulation.

The acquisition and/or exercise of an I³ may have implications for Holders under Chapter 6 of the Corporations Act, in particular those provisions that relate to an acquisition by a person of shares or other securities that would give rise to a relevant interest (as defined in the Corporations Act).

The issues raised by Chapter 6 of the Corporations Act in the context of warrants are complex and are dependant on individual circumstances and the interpretation of the law in this area. Holders should obtain their own legal advice on this issue.

The acquisition and/or exercise of an I³ may also have implications for certain Holders under the provisions of the Foreign Acquisitions and Takeovers Act 1975 (Cth).

Prospective Holders should seek independent legal advice on these matters.

4.8 TAX CHANGES

Section 5 contains a taxation summary based on current Australian taxation laws. Prospective Holders should read this carefully and also monitor any taxation changes.

4.9 SUPERANNUATION FUNDS

Superannuation entities, such as regulated superannuation funds and trustees of approved deposit funds and pooled superannuation trusts, are subject to restrictions on entering into borrowing arrangements and on the types of investments that can be made.

The Australian Prudential Regulation Authority and the Australian Taxation Office have released guidelines dated 16 December 2002 which provide that superannuation funds are not permitted, under the terms of the Superannuation Industry (Supervision) Act 1993 (Cth) and related regulations, to invest in I³ by way of shareholder application. The guidelines also contain information for trustees and superannuation entities as to the matters that should be considered by these entities before any decision is made to invest in I³.

On 24 September 2007, amendments to the Superannuation Industry (Supervision) Act 1993 (Cth) took effect to allow superannuation funds to invest in instalment warrants of a limited recourse nature over any asset a fund would be permitted to invest in directly. These amendments, however, do not extend to allow superannuation funds to transfer existing security holdings in application for instalment warrants.

Any trustees or superannuation entities considering an investment in I³ should obtain their own advice as to whether I³ are an appropriate and permissible investment.

Citi makes no representation or warranty, express or implied, that trustees or superannuation entities may invest in I³ under the terms of the Superannuation Industry (Supervision) Act 1993 (Cth) and related regulations.

In addition, Shareholder Applicants represent and warrant that the Shareholder Application is not being made by or on behalf of a superannuation fund or entity.

4.10 NATIONAL GUARANTEE FUND - NOT A GUARANTOR IN ALL CASES

Claims against the National Guarantee Fund may only be made in respect of secondary trading in I³ between brokers on ASX and cannot be made in relation to the primary issue of I³ by Citi.

The capacity of Citi to settle all outstanding I³ is not guaranteed by ASX, the National Guarantee Fund or ASX Settlement.

4.11 POTENTIAL CONFLICTS OF INTEREST

Citi and related bodies corporate of Citi may, in their absolute discretion, buy and sell I³, Underlying Shares and other financial products relating to I³ or the Underlying Shares, either as principal or agent. This trading may impact positively or negatively on the price at which I³ trade on ASX.

Citi is not in a fiduciary relationship with Holders. Any profits earned and losses incurred by Citi in its trading activities in I³ will accrue entirely to it independent of Citi's obligations to Holders.

4.12 SUSPENSION OF TRADING IN I³

Trading of I³ on the stock market conducted by ASX may be halted or suspended by ASX. This may occur whenever ASX deems such action appropriate in the interests of maintaining a fair and orderly market in I³ or otherwise deems such action advisable in the public interest or to protect investors. Matters that may be considered also include circumstances where Citi becomes unable or unwilling or fails to comply with the ASIC Market Integrity Rules or the Operating Rules or if ASX in its absolute discretion thinks fit.

Except where it is determined to be an Extraordinary Event, the I³ will continue to exist notwithstanding any delisting, withdrawal of trading status or suspension of the I³ from ASX.

4.13 MAINTAINING YOUR HOLDING

As explained in Section 1.4, investors should note that the Reset Payment (if any) will be determined by Citi on the Reset Date unless it has been agreed with the Holder prior to the Reset Date.

For a Holder who does not exercise its I³ prior to a Reset Date to ensure that it maintains its holding, the Holder must contact Citi to lock in the New Interest Amount and Reset Cashback or Reset Payment (as applicable), and pay any Reset Payment to Citi in cleared funds, prior to the Reset Date. If a Holder fails to do so and a Reset Payment is due, Citi may exercise its power of sale, or to direct the Trustee to sell, the Underlying Shares for some or all of the Holder's I³ to satisfy the amounts due to Citi.

4.14 APPLICATIONS

You should call Citi on 1300 30 70 before submitting your Application Form to obtain an indication of the amounts of the First Instalment, Final Instalment and Loan Establishment Fee (if applicable) for the I³ you intend to apply for.

Please note that the actual amounts payable by you in relation to your Application may differ from the indicative amounts given to you by phone by Citi due to changes in the price of the Underlying Shares on ASX and to the passage of time between your call and the processing of your Application Form.

4.15 APPRECIATION CAP

If the Underlying Parcel Value as at a Reset Date or the Maturity Date exceeds the Appreciation Cap Level, you will be required to pay an Appreciation Cap Amount to Citi.

The risk of an Appreciation Cap Amount being payable to Citi on a Reset Date or the Maturity Date will increase as the price of the Underlying Shares increases. This means that a Holder's ability to benefit from increases in the price of the Underlying Shares will be limited by their obligation to pay any Appreciation Cap Amounts to Citi during the investment term.

If you fail to make an election in relation to the payment of any Appreciation Cap Amounts and an Appreciation Cap Amount becomes due on a Reset Date or the Maturity Date, your Appreciation Cap Election will be deemed to be for Option 3 and Citi will arrange for all your Underlying Shares to be sold and you will receive the net proceeds of sale following payment of the Final Instalment, the Appreciation Cap Amount and any other Secured Monies.

If you purchase I³ on ASX less than 10 Business Days prior to a Reset Date or the Maturity Date, you are advised to contact Citi on 1300 30 30 70 to arrange for your payment method election to be effected prior to that Reset Date or Maturity Date. If you fail to do so, there is a risk that your payment method election will not be effected prior to that Reset Date or Maturity Date, in which case your Appreciation Cap Election will be deemed to be for Option 3.

Further details regarding the Appreciation Cap feature and the Appreciation Cap Election are described in Section 1.6 of this PDS.

4.16 DIRECT DEBIT

If you have elected Option 2 to pay any Appreciation Cap Amounts by direct debit and an Appreciation Cap Amount is payable or if you submit an Exercise Notice prior to a Reset Date or the Maturity Date, you need to ensure that there are sufficient funds in your Nominated Account on the direct debit transaction date advised to Holders in writing shortly after the relevant Reset Date or the Maturity Date.

Where you have insufficient funds in your Nominated Account to pay the relevant amount owing to Citi:

- in the case of a Holder who has elected Option 2 to pay Appreciation Cap Amounts by direct debit, your Appreciation Cap Election will be deemed to be for

Option 3 and Citi will arrange for all your Underlying Shares to be sold and you will receive the net proceeds of sale following payment of the Final Instalment, the Appreciation Cap Amount and any other Secured Monies; and

- in the case of a Holder who has submitted an Exercise Notice to effect an exercise of I³ on a Reset Date or Maturity Date, that Exercise Notice will be invalid and any Appreciation Cap Amount due on that Reset Date or Maturity Date will be paid in accordance with that Holder's Appreciation Cap Election.

Holders who wish to exercise their I³ on a Reset Date or Maturity Date should be aware that any Appreciation Cap Amount which becomes payable on that Reset Date or Maturity Date will still be payable by direct debit with their Final Instalment and that Exercise Notices given to Citi are irrevocable, notwithstanding that the Appreciation Cap Amount (if any) will not be known at the time the Holder completes their Exercise Notice. However Holders who are considering exercising their I³ on an upcoming Reset Date or Maturity Date may contact Citi at any time on 1300 30 30 70 to obtain an indication of the Appreciation Cap Amount which would be payable on the basis of the Underlying Parcel Value at the time of your call.

4.17 INTEREST RATE RISK

Interest will be charged annually by Citi on the Loan, at a rate which reflects the cost of funds and the risks associated with the Underlying Shares plus a margin. Interest rates will be fixed for the period from the Drawdown Date to the next Interest Date, and thereafter from each Interest Date to the next Interest Date (or, if none, the Maturity Date).

Citi will determine the annual interest rate to be applied to your Loan in its absolute discretion and investors should be aware if the interest rate is increased by Citi, they will be required to pay a higher Interest Amount to Citi for the next Interest Period (which will be paid out of the Loan). In general, an increase in market interest rates will increase the interest rate applying to your Loan.

4.18 CREDIT AND COUNTERPARTY RISK OF THE ISSUER AND THE GUARANTOR

The value of the I³ depends on, among other things, the ability of Citi to perform its obligations in accordance with the Instalment Warrant Deed and the Terms of Issue and the ability of the Guarantor to meet the guaranteed obligations of the Issuer.

If you invest in I³, you will be exposed to counterparty risk and credit risk of (and the credit worthiness of) the Guarantor. You should be aware that between the date of the PDS and the date on which you acquire I³, the Guarantor may publish

earnings releases and undertake corporate actions that may detrimentally affect the credit worthiness of the Guarantor.

Each of Citi's and the Guarantor's obligations in relation to I³ are unsecured and will rank equally with their other unsecured obligations. More information in relation to Citi and the Guarantor are provided in Section 7.

SECTION 5 – TAXATION SUMMARY

This section is intended only as a general summary of some of the taxation consequences arising for potential Holders who are Australian resident taxpayers including individuals, companies and complying superannuation funds who hold I³ on capital account (ie not on revenue account or as trading stock) for tax purposes. Whether I³ are held on capital account or revenue account will depend on the Holder's individual circumstances. (For example, Holders who acquire I³ for the purpose of exercising them and holding the Underlying Shares for long term investment will generally hold I³ on capital account. In contrast, Holders who acquire I³ in the ordinary course of their business or, for the purpose of disposing of them at a profit, will generally hold them on revenue account.)

This section is necessarily general in nature and does not take into account the specific taxation circumstances of each potential Holder. The Issuer is not in the business of providing tax advice and cannot be relied upon to do so. Accordingly, potential Holders should not rely on this section and should obtain specific taxation advice referable to their own circumstances prior to making any investment decision.

Except as specifically indicated below, this section is based on law and Australian Taxation Office ("ATO") practice that is current as at the date of this PDS. Potential Holders should seek their own advice on any changes in the law or administrative interpretation after the date of this PDS which may affect the tax consequences of investing in I³.

The regime for the taxation of certain financial arrangements ("the TOFA regime") where it applies, may impact upon the tax character and tax timing of gains and losses arising from those financial arrangements. However, exceptions to the TOFA regime would be expected to automatically apply to many retail investors. Investors who are subject to the TOFA regime, or who are considering electing into the TOFA regime, are advised to obtain independent tax advice as to its potential impact upon the taxation consequences discussed in this section.

This section does not cover the taxation consequences of Special Dividends or extraordinary events occurring in relation to the Underlying Shares, including Corporate Actions, Takeover Bids and reconstructions of the I³.

Finally, the comments below are premised on the basis that, notwithstanding that the Underlying Shares are held on trust by the Trustee, the Holder is effectively treated as holding the Underlying Shares for capital gains tax purposes (ie the Holder

is absolutely entitled to the Underlying Shares as against the Trustee). In this regard, the ATO has continued to administer the law on the basis that investors in typical instalment warrants do have absolute entitlement. The ATO has indicated to Treasury that it considers that there are issues as to whether investors in instalment warrants generally are absolutely entitled to the underlying shares as against the trustee. Treasury has circulated for comment a proposed legislative change which would resolve those issues. At this stage, the proposal is expressed to extend to "traditional instalment warrants" with a single underlying share per instalment warrant.

If a Holder is not absolutely entitled to the Underlying Shares as against the Trustee, then the following would be taxing points under the capital gains tax ("CGT") provisions:

- Shareholder Applicant transferring the Underlying Shares to the Trustee;
- Rollover Applicant rolling over their existing I³ into a new series of I³; and
- Holder becoming absolutely entitled to the Underlying Shares as against the Trustee following payment of the Final Instalment (even if the Holder continued to hold the Underlying Shares following receipt from the Trustee).

5.1 Acquiring your I³

5.1.1 Issue of I³

Applying for and being issued I³ does not give rise to any immediate tax consequences for a Holder (for example, a Holder cannot deduct any amount for acquiring the I³). Rather, the Holder should generally be treated as acquiring two assets for CGT purposes, being the beneficial interest in the Underlying Shares and the right to deliver a Request for Purchase Notice. However, the right to deliver a Request for Purchase Notice has no market value separate to the I³. Accordingly, no further CGT consequences should arise for these Holders in relation to that right.

Acquiring I³ establishes the cost base (and reduced cost base) for a Holder's beneficial interest in the Underlying Shares. The cost base (and reduced cost base) will be relevant to the CGT consequences for the Holder when the I³ are sold, exercised, terminated, expire, the Holder sells the Underlying Shares pursuant to a Request for Purchase Notice or if Citi exercises its power of sale under the Security Interest.

The Holder's cost base (and reduced cost base) for their beneficial interest in the Underlying Shares will include:

- For Cash Applicants, the First Instalment and the amount of the Loan applied to purchase the Underlying Shares.

- For Shareholder Applicants, the Holder's existing cost base for the Underlying Shares.
- For Rollover Applicants, the Holder's existing cost base for the beneficial interest in the Underlying Shares of the Rollover Instalment. That cost base would not be affected by payments made to Citi or received from Citi in respect of the Loan.
- For Cash Applicants, Shareholder Applicants and Rollover Applicants, any amount deemed to be incurred for a put option (see below) if either the right to deliver a Request for Purchase Notice is ultimately exercised or if Citi exercises its power of sale under the Security Interest.

In a number of product rulings in relation to other retail financial products, the ATO has accepted that payments corresponding to the Appreciation Cap Amount are included in the Holder's cost base for the relevant underlying asset. Consistent with that approach, any Appreciation Cap Amount paid should be included in the cost base (and reduced cost base) of the beneficial interest in the Underlying Shares for Cash Applicants, Shareholder Applicants and Rollover Applicants.

Depending on the circumstances, an amount may be treated under s.247-20 of the Tax Act (the "capital protected borrowing provisions") as being incurred for a put option. Broadly, this will be the case if the rate of interest at the time of issue, or subsequent Reset Date, exceeds the relevant benchmark rate. The relevant benchmark rate is the Reserve Bank of Australia's indicator variable rate for standard housing loans plus 100 basis points.

5.1.2 Purchasing your I³ on ASX

Purchasing I³ on ASX gives rise to similar consequences to those for a Cash Applicant. That is, purchasing the I³ establishes the cost base (and reduced cost base) for the Holder's beneficial interest in the Underlying Shares and the right to deliver a Request for Purchase Notice.

The cost base (and reduced cost base) of the Underlying Shares will be relevant to the CGT consequences for the Holder when the I³ are sold, exercised, terminated, expire, the Holder sells the Underlying Shares pursuant to a right to deliver a Request for Purchase Notice or if Citi exercises its power of sale under the Security Interest. The Holder's cost base (and reduced cost base) for their beneficial interest in the Underlying Shares will include the purchase price of the I³, any brokerage and the amount of the Holder's Loan that is applied to repay the transferring Holder's Loan.

The right to deliver a Request for Purchase Notice has no market value separate to the I³. Accordingly, no further CGT consequences should arise for these Holders in relation to that right.

Depending on the circumstances, an amount may be treated under s.247-20 of the capital protected borrowing provisions as being incurred for a put option. Broadly, this will be the case if the rate of interest applicable at the time of acquisition, or subsequent Reset Date, exceeds the relevant benchmark rate (see Section 5.1.1 above).

5.2 Holding your I³

5.2.1 Interest deductibility

Taxpayers are generally entitled to deductions for interest on borrowed funds that are used for income producing purposes such as acquiring income producing assets like Australian shares and units. Interest which is paid from a Loan drawdown, such that subsequent interest payments are in respect of funds applied in part to make previous interest payments, is not precluded from being deductible on the basis that it is compound interest.

The Loan to Cash Applicants and Holders who acquire I³ on the ASX is applied to acquire a beneficial interest in the Underlying Shares and to pay Interest Amounts. Those Underlying Shares typically produce dividends and/or distributions which are included in the assessable income of the Holder. Accordingly, subject to the comments below, if the I³ are acquired by a Holder for the purpose of deriving assessable dividends and/or distributions, then interest on the Loan should be deductible to the Holder. Also, interest on the Loan should be deductible for:

- Shareholder Applicants to the extent that the borrowed funds are used for income producing purposes; and
- Rollover Applicants to the extent that, if the Loan exceeds the total of the Final Payment on the Rollover Instalment and the Interest Component, the excess is used for income producing purposes.

Interest on the Loan will not be deductible if incurred by the Holder solely for the purpose of deriving capital gains.

Some part of an Interest Amount may be denied deductibility if part of an Interest Amount is treated under the capital protected borrowing provisions as being incurred for a put option (see Section 5.1.1).

Depending on the Holder's personal circumstances, there remains a residual risk that some part of the total of the Interest Amounts may be denied deductibility if an Interest Amount for a particular income year exceeds the assessable amount of dividends or distributions, grossed up for any franking credits, paid in respect of the Underlying Shares.

Finally, no part of an Interest Amount should be denied deductibility under the general deduction provisions on the basis that any part of an Interest Amount should be characterised as being paid for the grant of the right to deliver

a Request for Purchase Notice (as Citi has confirmed that this right has no market value separate to the I³).

Where a Holder receives a Reset Cashback amount (which is not reinvested in I³) that is funded by a new Loan (see Section 5.4), a deduction for the interest on that part of the New Loan referable to this Reset Cashback amount will only be available if the Reset Cashback amount received is used wholly for income producing purposes.

5.2.2 Prepayment of interest

Interest on the Loan is prepaid to the next Reset Date (or, if none, the Maturity Date). In cases where this period ends more than 12 months after the time of prepayment, interest deductions will generally be spread across tax years by reference to the number of days to which the prepaid interest is referable.

However, Holders should generally be able to deduct interest in the tax year of prepayment if either:

- the total prepaid interest is less than \$1,000; or
- the Reset Date is in the same tax year as the Drawdown Date.

In addition, in cases where interest is prepaid for a period of 12 months or less from the time of prepayment (eg where a Holder purchases I³ less than 12 months before a Reset Date), based on the position taken and assumptions made by the ATO in product rulings relating to other instalment warrants, Holders who are individuals (who do not incur the interest in carrying on a business) and small business entities should generally be entitled to claim a deduction for the prepaid interest in the tax year when the prepayment is made.

5.2.3 Early repayment

If a Holder exercises I³ prior to the Maturity Date then:

- A portion of the interest prepaid in respect of the Interest Periods to the next interest Date may be refunded to the Holder by way of reduction of the outstanding amount of the Loan. This amount should be required to be included in the Holder's assessable income in the tax year in which the early repayment occurs.
- Unless waived by Citi, any surplus of the Final Instalment over the amounts due under the Loan Agreement constitutes a fee payable by the Holder to Citi. This fee constitutes additional consideration for acquiring the Underlying Parcels and so will be included in the cost base for the Holder's beneficial interest in the Underlying Shares.

5.2.4 Loan Establishment Fee

A Holder should be entitled to deduct any Loan Establishment Fee the Holder is required to pay to the extent that it is incurred to borrow money for income producing purposes, over the shorter of:

- 5 years; and
- the period from the Drawdown Date to repayment of the Loan.

5.2.5 Distributions on the Underlying Shares

Under the terms of the I³ and the relevant Instalment Warrant Deed, Holders are presently entitled to income from the Underlying Shares regardless of the fact that certain amounts – ie Special Dividends – may be applied to reduce the Final Instalment. The tax consequences to the Holder depend on whether the Underlying Shares comprise a share or a unit in a trust.

(a) Dividends

A Holder's assessable income will include dividends paid on the Underlying Shares where the Security is a share in a company. A Holder's assessable income will also include the amount of any franking credits on those dividends, but the Holder would generally be entitled to tax offsets equal to the amount of the franking credits. Broadly, under the franking provisions, only Holders with marginal tax rates above the corporate tax rate (currently 30%) will effectively pay additional tax on franked dividends. If a Holder's marginal tax rate is less than the corporate tax rate then certain Holders, including individuals and superannuation funds, will be entitled to a refund of the amount of the excess franking credits.

However, a Holder's entitlement to franking tax offsets can be affected by complex "franking credit trading" provisions. These provisions are designed to ensure that a Holder is only entitled to franking tax offsets if the Holder has sufficient economic exposure to the Underlying Shares. The Issuer has determined that, at the date of this PDS, the I³ give a Holder sufficient economic exposure to be entitled to the franking tax offsets.

Nevertheless, the Holder's economic exposure to the Underlying Shares can be affected by the Holder's other dealings (eg entry into options, warrants, contracts for sale and so on). Holders should seek their own specific advice on this issue.

Additional issues arise under the franking credit trading provisions because a trust structure is involved, and so there is in effect a requirement that the Holder be treated as having for tax purposes a "vested and indefeasible interest" in the corpus of the trust (ie the Underlying Shares) in order to be entitled to the franking credits. However, it is considered that

the better view is that either the Holder has, or the ATO should properly determine that the Holder has, such an interest.

Holders who are individuals and whose franking credits do not exceed \$5,000 in a tax year are generally entitled to franking tax offsets for that tax year, regardless of their actual economic exposure to the Underlying Shares.

Generally, no Australian franking credits will arise where the Underlying Share is in a company that is not a resident of Australia for Australian income tax purposes. However, in certain circumstances, dividends paid by New Zealand tax resident companies may be franked with Australian franking credits.

Although certain changes to the tax law have affected the applicability of the abovementioned franking credit trading provisions, the previous Government indicated in a press release dated 27 September 2002 that it intended to amend the law to ensure that these provisions continue to apply without substantive change. As at the date of this PDS, no legislation has been enacted in this regard. The ATO has indicated that it will continue to apply the provisions as a matter of administrative practice.

(b) Unit trust distributions

Subject to the comments below, a Holder's assessable income will include distributions received on the Underlying Shares where the Security is a unit in a unit trust.

Certain distributions from unit trusts may be "tax deferred". A Holder's assessable income will not include "tax deferred" amounts when they are received. Instead, these distributions generally reduce the cost base (and reduced cost base) of the Holder's interest in the Underlying Shares, and so may increase any capital gain (or decrease any capital loss) on a subsequent disposal of the Underlying Shares. If the total of these "tax deferred" distributions exceeds the cost base for the Holder's interest in the Underlying Shares, then the excess will be taxed as a capital gain to the Holder in the tax year the excess is distributed.

A Holder's assessable income will include a share of dividends distributed by the unit trust. A Holder's assessable income will also include the amount of any franking credits on those dividends, but the Holder would generally be entitled to tax offsets equal to the amount of the franking credit. Where the Underlying Shares are units, the application of the franking credit trading provisions is even more complicated than where they are shares for two reasons. First, the trust must also satisfy the franking credit trading provisions and secondly the Holder's economic exposure to the Underlying Shares may be affected by the terms of the relevant trust deed. Again, Holders should seek their own specific advice on this issue.

Broadly, if the unit trust makes a capital gain, then Holders can offset the amount of their distribution attributable to the capital

gain against their capital losses. If the unit trust makes a discount capital gain, then Holders are treated as having made a capital gain equal to double the amount of their distribution attributable to the discount capital gain, which effectively negates the discount capital gain applying at the trust level. Certain Holders (individuals, trustees and complying superannuation entities) are then entitled to the CGT discount on that capital gain in their hands.

A Holder's assessable income will include any foreign tax paid on foreign income derived by the trust. The Holder will then generally be entitled to a tax offset for the foreign tax, capped at the lesser of the amount of Australian tax payable on the total of that type of foreign income and the foreign tax.

If the trust is a public trading trust, the trust will be treated as a company and distributions will be deemed to be dividends so that the tax consequences described in the Section 5.2.5(a) "Dividends" above will generally apply.

5.2.6 Periodic Payments

A Holder's assessable income will include Periodic Payments in the tax year in which they are received.

5.3 Selling your I³

When a Holder sells their I³ on ASX, or a Holder's Underlying Shares are sold by Citi exercising its power of sale under the Security Interest, for CGT purposes they dispose of their beneficial interest in the Underlying Shares.

The Holder will make a capital gain to the extent that the total of the sale price and the amount of the Holder's Loan that is repaid by the Transferee exceeds the cost base of their beneficial interest in the Underlying Shares.

Further, although the capital protected borrowing provisions are not entirely clear on this issue, and there is no case law or ATO guidance on point, consistent with the policy intention of the capital protected borrowing provisions, if a Holder is deemed under the capital protected borrowing provisions to have incurred an amount for a put option (see Section 5.1.1), then the Holder should also realise a capital loss when they sell their I³ equal to the amount they are treated as having incurred for it.

A capital gain may be eligible to be a discount capital gain if the Holder is an individual, trust or a complying superannuation entity and the I³ are disposed of at least 12 months after the Holder acquired them. For this purpose, the 12 month period excludes the day the Holder acquires and the day the Holder sells their I³. Capital gains made by companies and other taxpayers are not discounted. Capital gains are only discounted after a Holder's other capital losses and carried forward net capital losses have been applied. If a capital gain is eligible to be discounted, then only 50% of the amount of the capital gain is included in the assessable income of a Holder

who is an individual or a trust, and 66⅔% for a Holder that is a complying superannuation entity.

A Holder will make a capital loss to the extent that the total of the reduced cost base of the Holder's beneficial interest in the Underlying Shares exceeds the total of the sale price and the amount of the Holder's Loan that is repaid by the Transferee. If a Holder makes a capital loss, then the loss can only be used to reduce the Holder's other capital gains. If there are insufficient capital gains to absorb the capital losses, the Holder will have a net capital loss for the income year which can generally be carried forward to offset future capital gains.

The amount of the Holder's Loan is reduced by the amount of interest the Holder has prepaid for the period after the transfer of the I³ ("the refund amount"). Accordingly, the refund amount is required to be included in the Holder's assessable income in the tax year in which the sale occurs.

Transfer Costs may also arise on the sale of I³. These costs are payable either:

- by a Transferor to Citi – in which case, the Transferor's cost base (and reduced cost base) for their beneficial interest in the Underlying Shares will include the amount of the Transfer Costs; or
- by Citi to the Transferor – in which case, the Transferor's capital proceeds for the sale of their beneficial interest in the Underlying Shares will include the amount of the Transfer Costs.

5.4 Reset of the Loan

When I³ are reset, a Holder draws down a new Loan which is applied together with any Reset Payment (if applicable) to pay to Citi the New Interest Amount, the Current Loan Amount and any Reset Cashback (if applicable).

A reset gives rise to the following income tax consequences:

- a Holder's cost base in the Underlying Shares should not be affected by the reset;
- it is necessary to determine whether any amount will be treated as being incurred for a put option (see Section 5.1.1); and
- the discussion in Section 5.2.1 applies equally to determining the deductibility of the New Interest Amount.

(a) Reset Cashback amount

In cases where the New Loan Amount exceeds the sum of those payments, the Holder is entitled to the excess as a Reset Cashback amount. The Reset Cashback amount will be applied to subscribe for additional I³ or, if the Holder elects, paid in cash to the Holder.

A Reset Cashback amount is not, of itself, assessable to a Holder. Rather, if a Reset Cashback amount is applied to subscribe for additional I³, then the consequences discussed in Section 5.1.1 above relating to the issue of I³ will apply.

(b) Reset Payment

In other cases where the New Loan Amount is less than the sum of the payments to be made, the difference will be payable by the Holder as a Reset Payment.

A Reset Payment is not, of itself, deductible for a Holder. Rather, if any Underlying Parcels that are Mortgaged Property are sold to satisfy the obligation to make the Reset Payment, then the consequences discussed in Section 5.3 above dealing with the sale of I³ will apply.

5.5 Exercising your I³

A Holder can exercise an I³ by paying the Final Instalment or exercising the right to deliver a Request for Purchase Notice.

(a) Paying the Final Instalment

If a Holder pays the Final Instalment plus the Appreciation Cap Amount and estimated Exercise Costs (if any), the Trustee will procure the delivery of the Underlying Shares to the Holder and the right to deliver a Request for Purchase Notice will expire. In these circumstances:

- if the Holder is absolutely entitled to the Underlying Shares as against the Trustee, the delivery of the Underlying Shares will not give rise to any immediate tax consequences for the Holder;
- the Holder's cost base (and reduced cost base) for the Underlying Shares will equal the cost base for the Holder's beneficial interest in the Underlying Shares plus any Appreciation Cap Amount and Exercise Costs; and
- if a Holder is deemed under the capital protected borrowing provisions to have incurred an amount for a put option (see Sections 5.1.1 and 5.1.2), then the Holder should also realise a capital loss equal to the amount they are treated as having incurred for it.

(b) Exercising the right to deliver a Request for Purchase Notice

If the Holder exercises the right to deliver a Request for Purchase Notice (after paying any Appreciation Cap Amount), then Citi must purchase the Underlying Shares from the Holder for the greater of the Market Value and the Final Instalment. The sale price will first be used to pay any amounts due to the Trustee, any amounts outstanding under the Loan and any Exercise Costs. Any excess will be paid to the Holder.

The sale of the Underlying Shares on exercise of the right to deliver a Request for Purchase Notice will be a disposal for CGT purposes. The Holder's cost base (and reduced cost base) for the Underlying Shares will include the amount (if any) deemed under the capital protected borrowing provisions (see Sections 5.1.1 and 5.1.2) to be incurred for a put option. The capital proceeds will be the sale price of the Underlying Shares (regardless of whether the Holder actually receives all of this amount or, for example, part of it is used to repay the Holder's Loan). The Holder will realise a capital gain or a capital loss accordingly.

Cash Applicants, as well as Shareholder Applicants and Rollover Applicants who acquired the Underlying Shares less than 12 months before acquiring I³, should seek specific advice about whether any capital gain arising on sale pursuant to exercise of the right to deliver a Request for Purchase Notice is eligible for discount capital gains treatment.

5.6 Failure to exercise your I³ by the Maturity Date

If a Holder does not exercise their I³ by the Maturity Date or deliver a Request for Purchase Notice, then Citi may sell the Underlying Shares. The sale price will first be used to pay any amounts outstanding under the Loan, any Exercise Costs and any outstanding Appreciation Cap Amount, and any excess will be paid to the Holder. In these circumstances:

- The sale of the Underlying Shares will be a disposal for CGT purposes. The capital proceeds will be the sale price of the Underlying Shares (regardless of whether the Holder actually receives all of this amount). The Holder will realise a capital gain or loss accordingly, and a capital gain may be a discount capital gain in the circumstances described in Section 5.3 above.
- If a Holder is deemed under the capital protected borrowing provisions to have incurred an amount for a put option (see Sections 5.1.1 and 5.1.2), then the Holder should also realise a capital loss equal to the amount they are treated as having incurred for it.

If the sale price is less than the amount of the Holder's Loan, then Citi cannot recover the shortfall from the Holder. In these circumstances:

- consistent with existing product rulings for similar products, the ATO would be expected to maintain that the reduced cost base of the Holder's beneficial interest in the Underlying Shares is reduced by the amount of the shortfall, so reducing the Holder's capital loss;
- the shortfall should not generally be assessable income or give rise to a capital gain for the Holder; and

- there should be no adverse consequences for the Holder under the commercial debt forgiveness provisions.

5.7 GST

No GST is payable on the following supplies and acquisitions:

- the issue or creation of I³;
- the on-market transfer of an I³ as a consequence of an on-market sale or purchase of an I³;
- any transfer of an Underlying Share to the Trustee on acceptance of a Shareholder Application by Citi;
- the transfer of an Underlying Share to a Holder on payment of the Final Instalment; or
- the making of a loan or the granting of a security.

However, it is usual for GST to be payable on supplies in consideration for commissions or fees payable to intermediaries, such as financial advisers. In general, this GST may be passed on to you as part of the commission or fee, or as an additional amount.

5.8 Stamp Duty

The purchase, sale, expiry or termination of I³ should not be liable to stamp duty in any Australian jurisdiction.

No stamp duty should be payable by the Holder on giving an Exercise Notice or acquiring or disposing of the listed Securities comprising an Underlying Share.

That is on the basis that at the time of the relevant transaction:

- the I³ and the Security will be quoted on the ASX;
- there will be at least 300 holders of the Securities in any trust Entity (where associates are treated as a single holder); and
- no person (together with their associates) will hold 20% or more of the Securities of any trust Entity.

SECTION 6 - FEES AND OTHER COSTS

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your investment value rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask Citi or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.fido.asic.gov.au) has a calculator to help you check out different fee option

6.1 SUMMARY OF FEES AND OTHER COSTS

This Section 6 shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or added to your Final Instalment.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the fund		
<i>Establishment fee</i> ¹ The fee to open your investment	<p>The Loan Establishment Fee is payable by Cash Applicants and Shareholder Applicants per I³ and is 2.20% (including GST²) of the amount advanced under the Loan (i.e. the Final Instalment) as at the date your Application is accepted by Citi.</p> <p>The Loan Establishment Fee may be reduced if you and your financial adviser agree that the adviser will rebate a portion of the upfront Adviser Fee. Assuming equal investment amounts, those investors who have a portion of the upfront Adviser Fee rebated will be issued with more warrants than those investors who do not have a portion of the upfront Adviser Fee rebated.</p> <p>Note that interest is payable out of the Loan at the time the Loan is made – see “Additional Explanation of Fees and Costs” in Section 6.3</p>	<p>The Loan Establishment Fee is payable by Cash Applicants to Citi by cheque, Bpay or direct debit when submitting the Cash Application.</p> <p>Shareholder Applicants will pay the Loan Establishment Fee using their Loan proceeds.</p>
<i>Contribution fee</i> The fee on each amount contributed to your investment – either by you or your employer	n/a	Not applicable.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	n/a	Not applicable.
<i>Termination fee</i> The fee to close your investment	n/a	Not applicable

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Management costs		
The fees and costs for managing your investment	n/a	Not applicable
Service fees³		
<i>Investment switching fee</i> The fee for changing investment options	n/a	Not applicable

- The amounts of the fees in this table are GST inclusive amounts and have not been reduced by the amount of any reduced input tax credit (or RITC) because it is not expected that investors will be entitled to claim RITC in respect of these fees. Investors would only be entitled to claim the amount of the RITC applicable to the Loan Establishment Fee if the investor is registered for GST and holds a tax invoice from Citi in respect of the Loan Establishment Fee. Details in relation to the Loan Establishment Fees net of RITC are provided in section 6.3 below.
- See 'Additional Explanation of Fees and Costs' in Section 6.3 below.

6.2 EXAMPLE OF ANNUAL FEES AND COSTS

This table gives an example of how the fees and costs for this product can affect your investment over a 1 year period. You should use this table to compare this product with other products.

EXAMPLE		BALANCE OF \$50,000
Contribution Fees	n/a	n/a
PLUS Management Costs	n/a	And , for every \$50,000 you have invested in I ³ , you will be charged \$nil for the year.*
EQUALS Cost of fund		If you had an investment of \$50,000 at the beginning of the year, you would be charged fees of \$nil each year* What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.

* Additional fees may apply:

Establishment fee — Assuming a Loan of \$2,500 and that your financial adviser does not agree to a rebate of part of the Adviser Fee, for every additional \$5,000 you invest as a Cash Applicant or a Shareholder Applicant, you will be charged a Loan Establishment Fee of up to \$55.

For further information regarding additional fees, please see "Additional Explanation of Fees and Costs" in Section 6.3 below.

6.3 ADDITIONAL EXPLANATION OF FEES AND COSTS

Interest

Interest will be charged annually by Citi on the Loan, at a rate which reflects the cost of funds and the risks associated with the Underlying Shares. Interest rates will be fixed for the period from the Drawdown Date to the next Reset Date, and thereafter from each Reset Date to the next Reset Date (or, if none, the Maturity Date). Please contact Citi for more information on current interest rates.

Fees

(a) Loan Establishment Fee

The Loan Establishment Fee is 2.20% (including GST) of the amount advanced under the Loan (i.e. the Final Instalment) per I³ and is payable to Citi in respect of offering, creating and administering the Loan and providing and maintaining the provision of the Loan. This fee may be reduced if your financial adviser agrees to rebate a portion of the upfront Adviser Fee that the adviser receives, in which case Citi will reduce your Loan Establishment Fee by that rebated amount. Citi reserves the right to not charge the Loan Establishment Fee.

Cash Applicants must pay their Loan Establishment Fee by cheque, Bpay or direct debit when submitting their Cash Application, and Shareholder Applicants must pay their Loan Establishment Fee using their Loan proceeds. Rollover Applicants and Transferees are not required to pay the Loan Establishment Fee.

The Loan Establishment Fee will be calculated by Citi on the basis of the Final Instalment on the date your Application is accepted by Citi. Please contact Citi on 1300 30 70 70 when you complete your Application Form to obtain an indication of the Loan Establishment Fee at that time.

(b) Transfer Costs

Transfer Costs are payable:

- by Citi to the Transferor where the interest rate applying to the Transferor's Loan is less than the interest rate applying to the Transferee's Loan, with such Transfer Costs payable by applying the Transfer Costs against the Transferor's Loan; or
- by the Transferor to Citi where the interest rate applying to the Transferor's Loan is greater than the interest rate applying to the Transferee's Loan, with such Transfer Costs payable by adding that amount to the Transferor's Loan.

No action will be required to be taken by any party in respect of the payment of Transfer Costs. Transfer Costs will reflect the difference between the interest to be prepaid by the Transferee and the interest to be refunded to the Transferor.

(c) Exercise Costs

You will be required to pay Exercise Costs if you deliver a Request for Purchase Notice, exercise an I³ on a Reset Date or Maturity Date or if you fail to exercise or rollover your I³ prior to the Maturity Date. Exercise Costs means any stamp duty or equivalent government tax, impost or duty, any brokerage, commission or other transaction cost charged on the exercise of an I³.

(d) Appreciation Cap Amount

On each Reset Date and Maturity Date, if the Underlying Parcel Value as at that Reset Date or Maturity Date exceeds the Appreciation Cap Level, the Holder will become liable to pay an Appreciation Cap Amount to Citi. The Appreciation Cap Amount will be equal to the amount (if any) by which the Underlying Parcel Value as at that Reset Date or Maturity Date exceeds the Appreciation Cap Level.

At any time, the Appreciation Cap Level is equal to 110% x Underlying Parcel Value as at the previous Reset Date or if there has not been a previous Reset Date, as at the Quotation Date.

The Appreciation Cap Amount can be paid in three ways: these are described as Option 1, Option 2 and Option 3 and more information is provided in relation to these options and the Appreciation Cap Election in section 1.6 of the PDS.

(e) Worked example

Worked examples of the calculation of interest, Appreciation Cap Amounts and Transfer Costs are provided in Section 1.18.

(f) Adviser Fee

Citi may pay advisers, in respect of Cash Applications and Shareholder Applications, an upfront fee of 2.20% (including GST) of the amount advanced under the Loan (i.e. the Final Instalment). This fee is at no additional cost to investors. Depending on your arrangements with your adviser, your adviser may be required to rebate a portion of the Adviser Fee. If so, Citi will reduce your Loan Establishment Fee by that rebated amount. Any agreement in relation to the rebate of a portion of the Adviser Fee must be indicated in the Application Form. Assuming equal investment amounts, those investors who have a portion of the upfront Adviser Fee rebated will be issued with more warrants than those investors who do not have a portion of the upfront Adviser Fee rebated.

(g) Trailing Fees

Citi will pay trailing fees to the Distribution Manager and may pay trailing fees to advisers. Citi may pay advisers (including the Distribution Manager) a trailing fee of 0.55% (including GST if applicable) of the Final Instalment. Citi may also pay the Distribution Manager a trailing fee of 1.375% (including GST if applicable) of the Final Instalment. Any such trailing fees paid by Citi will be at no additional cost to investors.

SECTION 7 – ISSUER AND GUARANTOR DETAILS

The I³ issued under this PDS will be issued by Citigroup Global Markets Australia Pty Limited which is a wholly owned subsidiary of Citigroup Inc., and a member of the Citigroup Inc. group of companies (**Group**). Citigroup Inc. guarantees the performance of the Issuer's obligations under this PDS and the Terms of Issue, but does not guarantee the performance of the I³.

The Group has been in the Asia Pacific region for more than 100 years and today provides more services in more markets for more clients than any other financial institution. The Group counts as valued clients 10 million customers across 18 countries and territories.

7.1 CITI IN AUSTRALIA AND NEW ZEALAND

The Group established a presence in Australia in 1971 and in New Zealand in 1982. In 1984, the Group's securities and investment banking business commenced operations and in 1985 Citibank Pty Limited (now Citigroup Pty Limited) became the first foreign bank to be granted an Australian banking licence.

Today, the Group provides financial services to more than 1 million consumers and over 900 corporate clients in Australia and New Zealand.

Copies of financial statements of the Issuer can be found on: http://www.citifirst.com.au/about_us.html.

Hard copies of those financial statements can be obtained free of charge by calling Citi on 1300 30 70 70.

7.2 GENERAL INFORMATION ABOUT THE GUARANTOR

The obligations of Citi under this PDS in respect of the I³ are guaranteed by Citigroup Inc.

Citigroup Inc., a leading global financial services company, has more than 200 million customer accounts and does business in more than 100 countries, providing consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, and wealth management. Citigroup Inc.'s major brand names include Citibank, CitiFinancial, Primerica and

Banamex. Additional information may be found at www.citigroup.com or www.citi.com.

Citigroup Inc.'s activities and the activities of its subsidiaries are conducted through the Global Consumer Group and the Institutional Clients Group business segments and through Citi Holdings, which has a 49% stake in Morgan Stanley Smith Barney Pty Limited, one of Australia's leading private client groups. Citigroup Inc. was incorporated in 1988 under the laws of the State of Delaware and is a bank holding company within the meaning of the U.S. Bank Holding Company Act of 1956 registered with, and subject to examination by, the Board of Governors of the Federal Reserve System (FRB). At 31 December 2010, Citigroup Inc. and its subsidiaries had approximately 260,000 full-time employees.

The principal executive offices of Citigroup Inc. are located at 399 Park Avenue, New York, New York 10043, U.S.A.

Details of the guarantee given by Citigroup Inc. in respect of the I³ appear in Section 8.10 of this PDS.

Due to changes to the regulatory environment, most credit rating agencies are no longer consenting to the inclusion of credit rating information in retail disclosure documents issued in Australia. As a consequence, the Issuer is not able to provide information in relation to the credit ratings of Citigroup Inc.

7.3 FINANCIAL INFORMATION ABOUT CITI AND THE GUARANTOR

Audited financial information about Citi and the Guarantor, as well as information about the directors of Citi and the Guarantor can be found online at www.citifirst.com.au. Other information about the Guarantor can be found on Citigroup Inc.'s website at www.citigroup.com.

7.4 DISCLAIMER

No circumstance has arisen and no information has become available except as disclosed in this PDS, to ASX or on the website referred to in the previous paragraph that would materially affect an investor's decision for the purpose of making an informed assessment of the capacity of Citi to fulfil its obligations under the Terms of Issue, the capacity of the Guarantor to fulfil its obligations under the deed of guarantee or the risks, rights or obligations associated with the I³ since 31 December 2006 (in the case of Citi) and 31 December 2007 (in the case of Citigroup Inc.).

SECTION 8 – ADDITIONAL INFORMATION

8.1 STATUS OF I³

The I³ establish general, immediate and unsecured contractual obligations of Citi, which have equivalent rank to each other and to the other existing, unsecured and non-subordinated obligations of Citi (except for any obligations which have precedence by force of law).

8.2 HOLDING STATEMENTS

Citi will comply with the Listing Rules in relation to the issue and despatch of holding statements for the I³ as if the I³ were shares in a company.

8.3 TRANSFER

An I³ may be transferred if and only if the transfer is in the manner prescribed by or under the Corporations Act, the Operating Rules and the ASX Settlement Operating Rules (as applicable).

Citi:

- must deal with, certify and register a transfer of an I³ in accordance with the Operating Rules and the ASX Settlement Operating Rules; and
- may refuse to register such a transfer in any circumstances where such refusal is permitted by, and in accordance with any procedures prescribed by the Operating Rules and the ASX Settlement Operating Rules.

8.4 JOINT HOLDERS

There must not be more than 3 joint Holders of an I³ except in the case of the legal representatives of a deceased Holder. All notices, payments and other correspondence to joint Holders may be directed, given or made to the first-named joint Holder on the Register. If there are joint Holders of any I³ and one of these joint Holders dies, the survivors shall be the only persons recognised by Citi as having any title or interest in the I³.

8.5 VARIATION OF THE TERMS OF ISSUE

Citi may from time to time by notice sent to the Holder make any Change to the Terms of Issue:

With the consent of ASX:

- if the Change is necessary in the opinion of Citi to comply with any statutory or other requirements of law or any requirement of ASX;
- if the Change is made for the purpose of rectifying any defect, manifest error or ambiguity in the Terms of Issue where the amendment does not materially prejudice the interests of Holders;
- in the case of an Adjustment or an Extraordinary Event;
- to accommodate transfers; or
- where, in the reasonable opinion of Citi, the amendment does not materially prejudice the interests of Holders.

Where the terms of that Change are authorised by a resolution of the Holders passed in accordance with the following:

- Citi dispatches by notice to every Holder a document setting out the terms of the proposed Change together with a ballot paper enabling the Holders (other than Citi or its associates) to vote either in favour of or against the Change;
- Holders return ballot papers to Citi no later than 20 Business Days after the date of the notice;
- each Holder is entitled to one vote for each Instalment Warrant held;
- a resolution is duly passed if 75% or more of the votes cast by Holders are in favour of the Change; and
- Citi or its associates must not vote unless they are voting as trustee or nominee for a person who is not an associate,

except that the Maturity Date is not to be amended except in the case of an Extraordinary Event or termination on a Reset Date.

8.6 ADMISSION TO TRADING STATUS

Application has been made and approval given for the I³ offered by this PDS to be admitted to trading status by ASX. The fact that ASX has admitted the I³ to trading status is not to be taken in any way as an indication of the merits of Citi or of the I³.

In admitting the I³ to trading status and not objecting to the Terms of Issue, ASX has not authorised or caused the issue of this PDS and is not in any way a party to or concerned in authorising or causing the issue of this PDS or the making of offers or invitations with respect to the I³. ASX takes no responsibility for the contents of this PDS. ASX makes no

representation as to whether this PDS and the Terms of Issue of the I³ comply with the Corporations Act or the Operating Rules.

To the extent permitted by the Competition and Consumer Act 2010 (Cth) or any other relevant law, ASX will be under no liability for any claim whatsoever, including a claim for any financial or consequential loss or damage suffered by Holders or any other person, whether or not that claim arises wholly or substantially out of reliance on any information contained in this PDS or any error in, or omission from, this PDS.

8.7 CHESS

The I³ issued under this PDS will be declared eligible to participate in CHESS pursuant to the ASX Settlement Operating Rules. In addition to a CHESS subregister, an issuer sponsored subregister will also be maintained. Under the CHESS system, instead of certificates, Holders will be provided with a holding statement which sets out the number of I³ held by a Holder.

The holding statements will include a Holder's Holder Identification Number (HIN) in the case of a holding on the CHESS subregister, and a Shareholder Registration Number (SRN) in the case of a holding on the issuer sponsored subregister.

8.8 REGISTRAR

Citi will arrange (at its cost) for a separate register of Holders of the I³ to be established and maintained at the offices of the Registrar. The Register may be inspected during normal business hours by any Holder or authorised representative.

8.9 NOTICES

Citi will give each Holder a notice in any circumstances provided for under this PDS in accordance with the Instalment Warrant Deed and the Operating Rules.

8.10 THE GUARANTEE

The obligations of Citi under this PDS in respect of the I³ are guaranteed by Citigroup Inc. The guarantee given to each Holder is a continuing, irrevocable and unconditional guarantee of the due and punctual payment of all monies which may become actually or contingently payable to a Holder by Citi under or in connection with the I³ and the due and punctual performance of Citi's obligations under the Terms of Issue. Each Holder is entitled to severally enforce the guarantee.

Any payments under the guarantee must be made to Holders in the same manner and currency as Citi would be required to make to satisfy its obligations under the I³. The Guarantor must also pay interest on any amount payable by it under the terms of the guarantee during any period when it remains

unpaid. All payments made by the Guarantor under the guarantee will be made free and clear and without any deduction for present or future taxes.

8.11 ASIC CLASS ORDERS

ASIC has issued the following Class Orders that will apply to I³ issued under this PDS:

- Class Order 02/926 which modifies the Corporations Act so that any relevant interest that a put warrant issuer may have merely because the warrant issuer has the power to control voting or disposal where the warrant expires or the holder defaults is disregarded;
- Class Order 02/926 which modifies the Corporations Act so that no associate relationship arises between a put warrant holder and a put warrant issuer merely because of the put warrant;
- Class Order 02/927 which modifies the Corporations Act so that the Trustee does not have a relevant interest in the Underlying Shares;
- Class Order 04/1430 which modifies the Corporations Act so that disclosure in dollar terms is not required where the dollar amount to be disclosed depends on a fact or circumstance that is not known, and could not have been found out;
- Class Order 04/1431 which modifies the Corporations Act so that disclosure in dollar terms is not required in relation to the costs associated with acquiring derivatives and amounts that will or may be payable following acquisition; and
- Class Order 04/1433 which modifies the Corporations Act so that disclosure in dollar terms is not required in relation to non-monetary benefits required to be disclosed in a PDS.

8.12 DISPUTE RESOLUTION SYSTEM

Citi has established procedures to ensure that any enquiries or complaints that you may have in relation to I³ will be dealt with in a proper and timely manner. Full details of these procedures appear in the FSG which appears as Appendix 1 to this PDS.

8.13 LABOUR STANDARDS, ENVIRONMENTAL, SOCIAL OR ETHICAL CONSIDERATIONS

Citi will not take into account labour standards or environmental, social or ethical considerations in selecting, retaining or realising the investment represented by I³. Investors should make their own enquiries as to whether labour standards or environmental, social or ethical

considerations are taken into account by the Entities whose Securities make up the Underlying Shares of the I³.

8.14 CONSENTS

Citigroup Inc. has given and has not withdrawn its consent to be named in this PDS in the form and context in which it is named. Citigroup Inc. has not authorised or caused the issue of this PDS, does not make, or purport to make, any statement in this PDS, and takes no responsibility for any part of this PDS other than references to its name (except to the extent required by the Corporations Act).

Freehills has given and has not withdrawn its consent to be named in this PDS as lawyers to the Issuer in the form and context in which it is named. Freehills has not provided any taxation advice in, or in relation to, this PDS and has not authorised or caused the issue of this PDS. Freehills does not make, or purport to make, any statement in this PDS or any statement on which a statement in the PDS is based except as stated in this paragraph. Freehills takes no responsibility for any part of this PDS to the maximum extent permitted by law other than references to its name to which it has consented.

Instreet Investment Limited has given and has not withdrawn its consent to be named in this PDS in the form and context in which it is named. Instreet Investment Limited has not authorised or caused the issue of this PDS, does not make, or purport to make, any statement in this PDS, and takes no responsibility for any part of this PDS other than references to its name (except to the extent required by the Corporations Act).

EA Financial, LP has given and has not withdrawn its consent to be named in this PDS in the form and context in which it is named. EA Financial, LP has not authorised or caused the issue of this PDS, does not make, or purport to make, any statement in this PDS, and takes no responsibility for any part of this PDS other than references to its name (except to the extent required by the Corporations Act).

Computershare Investor Services Pty Limited has given and has not withdrawn its consent to be named in this PDS in the form and context in which it is named. Computershare Investor Services Pty Limited has not authorised or caused the issue of this PDS, does not make, or purport to make, any statement in this PDS, and takes no responsibility for any part of this PDS other than references to its name (except to the extent required by the Corporations Act).

8.15 GOVERNING LAW

The I³ and this PDS are governed by and construed in accordance with the law of New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales and any court hearing appeals from those courts.

8.16 PRIVACY STATEMENT

We will only collect personal information necessary for the products or services you request. The information we collect from you on the Application Form and which we acquire from you or other people (such as distributors of I³ and your licensed broker or financial adviser) during the course of managing I³ is required to process your Application, manage your Investment and comply with relevant laws.

We may use this information to send you information about other investment products. You can tell us if you wish to receive this information from the outset on the Application Form. If, at any time, you receive information from us about our products and do not wish to receive further correspondence, please let us know. We may also disclose information about you to third party service providers who assist us in our business operations and service provision. These service providers may include distributors of I³ or your licensed broker or financial adviser.

We may also disclose information about you to process your Application, manage your Investment, comply with relevant laws or as otherwise permitted under the Privacy Act 1988 (Cth).

We store information about you in databases which may be maintained outside Australia by other Citigroup Inc. group companies. On request, we will provide you with a copy of any personal information which we hold about you. We will inform you beforehand if there is any charge associated with providing this information to you. If you do not provide us with the personal information which we request, we may not be able to provide a service, issue I³ or may be required by law to take particular actions such as deducting taxation at the top marginal rate, plus the Medicare Levy.

Further information about our privacy practices can be found by requesting a copy of our privacy policy.

If you have any queries, please contact the Citi Privacy Officer:

Citi Privacy Officer

GPO Box 204

Sydney NSW 2001

Telephone: +61 2 8225 1000

E-mail: privacy.officer@citi.com.au

8.17 National Credit Code

It is a term of your investment in I³ that you give the National Credit Code declaration in section I of the Application Form.

If you do not give this declaration (or if you give this declaration but it is not true) in respect of a holding of I³, Citi may arrange for those I³ to be sold on the ASX, in which case you will receive the net proceeds of sale, without interest, after the repayment of your Loan and the payment of Citi's costs in relation to the sale.

SECTION 9 – DEFINITIONS AND INTERPRETATION

9.1 Definitions

Accretion means all rights, accretions and entitlements attaching to a Security on or after the date of issue of the corresponding Instalment Warrant including all voting rights and securities, notes, options or other rights exercisable, declared, paid or issued in respect of the Security, other than Dividends and Special Dividends.

Adjustment means an adjustment to an Underlying Shares or the Final Instalment required as a result of:

- (a) a Corporate Action;
- (b) circumstances prescribed in Appendix 2230 to the Operating Rules Procedures; or
- (c) any other event which Citi considers, with the consent of ASX, should give rise to an adjustment.

Applicant means a Cash Applicant, Shareholder Applicant or Rollover Applicant as applicable.

Application means a Cash Application, Shareholder Application, or Rollover Application as applicable.

Application Form means a Cash Application Form, Shareholder Application Form or Rollover Application Form as applicable.

Appreciation Cap means the feature of I³ which may require Holders to pay an Appreciation Cap Amount to Citi on a Reset Date or the Maturity Date.

Appreciation Cap Amount means the amount payable to Citi (if any) on a Reset Date or the Maturity Date in accordance with this PDS, being the amount by which the Underlying Parcel Value as at the Reset Date or Maturity Date exceeds the Appreciation Cap Level.

Appreciation Cap Election means, the election made by a Holder in relation to the payment of Appreciation Cap Amounts (which may be an election for Option 1, Option 2 or Option 3) in:

- (a) in the case of Applicants, in their Application Form; or
- (b) in the case of Transferees, a Payment Method Election Form; or

- (c) otherwise in writing to Citi from time to time.

Appreciation Cap Level means, at any given time prior to or on the Maturity Date, an amount equal to 110% x Underlying Parcel Value as at the previous Reset Date or if there has not been a previous Reset Date, as at the Quotation Date.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the market conducted by ASX, as the context requires.

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

ASX Settlement Operating Rules means the operating rules of ASX Settlement as amended or varied from time to time.

ATO means the Australian Taxation Office.

Bonus Issue means any issue, grant or other distribution, without contribution by or liability of the recipient, of any shares, securities or any other property of any kind other than any cash dividend component of any such issue, grant or distribution.

Business Day has the meaning given to it in the Operating Rules.

Buy-Back Offer means an offer by an Entity to buy-back some or all the Securities comprising the Underlying Shares pursuant to the Corporations Act.

Cash Applicant means an applicant who makes a Cash Application.

Cash Application means an irrevocable application to Citi by a Cash Applicant for I³ pursuant to a Cash Application Form.

Cash Application Form means an application form attached to or accompanying this PDS that has been completed by an investor who wishes to apply for I³ where the consideration payable for the issue of the I³ is cash.

Cashback Amount means the cash amount payable to:

- (a) Shareholder Applicants, being the amount of the Loan less the Interest Amount; and
- (b) Rollover Applicants, being the difference by which the amount of the Loan less the Interest Amount, is greater than the Final Payment to be paid on the Rollover Instalments (if any).

Change means in respect of the Terms of Issue any modification, variation, alteration or deletion of or addition to the Terms of Issue.

CHES stands for the Clearing House Electronic Subregister System and has the meaning given to it in the ASX Settlement Operating Rules.

Citi means Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832).

Closing Time means 4:05pm Sydney time on an Exercise Date, a Trading Day, a Reset Date or the Maturity Date as applicable.

Corporate Action includes an Entitlements Offer, the subdivision or consolidation of an Underlying Shares, a reduction of capital, a Scheme, a Buy-Back Offer, a Bonus Issue, and a Takeover Bid.

Corporations Act means the Corporations Act 2001 (Cth) and includes a reference to the Corporations Regulations.

Corporations Regulations means the regulations issued under or for the purposes of the Corporations Act.

Current Loan Amount has the meaning given to that term in the Loan agreement.

Declaration of Trust means the declaration of trust made by the Trustee on or about 18 March 2011 in relation to instalment warrants.

Dividend means, in respect of an Instalment Warrant over shares, a dividend of the relevant company and, in respect of an Instalment Warrant over units, distribution of income or gains of the relevant trust, but does not include a Special Dividend.

Entitlements Offer means any offer made to all Holders in their capacity as registered holders of Securities (whether the offer is made by an Entity or by any other person) to subscribe for or otherwise acquire issued or unissued Securities, whether of an Entity or of any other body, and includes but is not limited to offers which the ASX determines should be treated for the purpose of the Listing Rules as though they were governed by Appendix 7A, paragraph 3 of the Listing Rules.

Entity means a corporation or trust, as applicable, but does not include Citi.

Exercise Costs means any stamp duty or equivalent government tax, impost or duty, any brokerage, commission or other transaction cost charged on the exercise of an I³.

Exercise Date means any Business Day prior to Closing Time on which the Holder has delivered an Exercise Notice to Citi.

Exercise Notice means a notice in the form attached to this PDS.

Extraordinary Event means an event in respect of the Underlying Shares declared to be an extraordinary event by Citi in accordance with the Instalment Warrant Deed, details of which appear in Section 4.6 of this PDS.

Final Instalment means the final instalment amount (excluding any Exercise Costs) payable by a Holder to Citi in respect of one I³ as specified in this PDS and or as otherwise determined or announced in accordance with this PDS (noting such amount may be reduced by the amount of any Special Dividends in respect of the Underlying Shares and is adjusted on each Reset Date to equal the sum of the New Loan Amount and the New Interest Amount that will be due on the following Interest Date).

Final Payment means the amount of the final instalment payable on the relevant Rollover Instalment.

First Instalment means:

- (a) the amount payable by a Cash Applicant for an I³;
- (b) in the case of a Shareholder Applicant, the Securities to be transferred to the Trustee, being the Securities that will comprise the Underlying Shares of the relevant Series of I³;
- (c) in the case of a Rollover Applicant, the Securities that make up the underlying shares of the Rollover Instalment, being the Securities that will comprise the Underlying Shares of the relevant Series of I³; or
- (d) in the case of a Transferee, the purchase price paid by an investor who acquires an I³ as a result of a Transfer.

GST has the same meaning as in A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Guarantor means Citigroup Inc., a Delaware corporation.

HIN has the meaning given to it in the ASX Settlement Operating Rules.

Holder means the person recorded in the Register as the holder of an I³ from time to time.

Instalment Warrant has the same meaning as I³.

Instalment Warrant Deed means the Citi Instalment Warrant Deed entered into by Citi, Calx Nominees Pty Limited and the Trustee dated on or about 18 March 2011 as amended from time to time.

I³ means a warrant (which has the meaning given to it in the Corporations Act and the Operating Rules) issued pursuant to the Terms of Issue.

Interest Amount has the meaning given to it in the Loan Agreement.

Interest Component means the aggregate interest payable for the periods between:

- (a) the Drawdown Date and the day prior to the next Interest Date;
- (b) the next Interest Date and the day prior to the following Interest Date; or
- (c) where there are no further Interest Dates, the final Interest Date and the Maturity Date,

being the Interest Amount for the Interest Period corresponding to that period.

Interest Date has the meaning given to it in the Loan Agreement.

Interest Period has the meaning given to it in the Loan Agreement.

Intrinsic Value means the value of the I³ calculated in accordance with Procedure 10.11.7 in Schedule 10 to the Operating Rules Procedures.

Investment Overview means the investment overview table that appears in this PDS.

IRP means the I³ Reinvestment Plan, as more fully described in Section 1.4 of this PDS.

Issuer means Citi.

Listing Rules means the listing rules of ASX as amended or varied from time to time.

Loan has the meaning given to it in the Loan Agreement.

Loan Agreement means the agreement that appears in Section 10 of this PDS.

Market Value of an Underlying Share means the aggregate of the values of the items of property comprising an Underlying Share being:

- (a) where the item of property is traded on the ASX on the relevant date, the Weighted Average Sale Price of that item of property on ASX; and
- (b) otherwise, the value determined by Citi with the consent of ASX to be the fair market value of that item of property on the relevant date.

Maturity Date means the maturity date specified in the Investment Overview for each Series of I³ or, if a Series of I³ is

terminated on a Reset Date, the Reset Date nominated as the Maturity Date.

Mortgage Enforcement Costs means, in relation to Mortgaged Property, any fees, costs, charges, liabilities, Tax (including Exercise Costs) and expenses which the Trustee or Citi incurs under or in relation to the Security Interest in relation to that Underlying Shares (including any fees, costs, charges, liabilities, Tax and expenses incurred in enforcing the Security Interest or as a result of the exercise of any power under the Security Interest).

Mortgaged Property means the property mortgaged or charged by the Trustee in favour of Citi to secure repayment of the Loan and payment of certain other amounts specified in the Instalment Warrant Deed. Where a Holder is a Holder of more than one I³ in the same Series, the Mortgaged Property for each Loan relating to the I³ of the same Series held by the Holder will include the Underlying Shares (and any Accretions) for all such I³.

New Interest Amount has the meaning given to it in the Loan Agreement.

New Loan Amount has the meaning given to it in the Loan Agreement.

Nominated Account means the account nominated by a Holder from time to time for the payment of the Appreciation Cap Amount or the Exercise Amount by direct debit.

Option 1 means the option that, where an Appreciation Cap Amount becomes payable by a Holder on a Reset Date or the Maturity Date, that Appreciation Cap Amount will be paid by:

- (a) Citi disposing (or directing the disposal by the Trustee of) the Underlying Shares of such number of that Holder's I³ as is sufficient to generate net proceeds of sale (after the payment of costs and expenses in relation to the sale) to pay in full that Appreciation Cap Amount; and
- (b) Citi retaining the net proceeds of sale in payment of the Appreciation Cap Amount.

Option 2 means the option that, where an Appreciation Cap Amount becomes payable by a Holder on a Reset Date or the Maturity Date, that Appreciation Cap Amount will be paid by the Holder by direct debit.

Option 3 means the option that, where an Appreciation Cap Amount becomes payable by a Holder on a Reset Date or the Maturity Date, that Appreciation Cap Amount will be paid by:

- (a) Citi disposing (or directing the disposal by the Trustee of) all of the Underlying Shares in relation to all of that Holder's I³ in relation to which the Holder

elected (or is deemed to have elected) this option (as explained in section 1.6 of the PDS); and

- (b) Citi retaining an amount equal to the Appreciation Cap Amount from the net proceeds of sale of that Holder's I³ in accordance with the Order of Payment.

Order of Payment means the payment of the proceeds of a sale or disposal of an Underlying Shares or of a surplus or other amount, received by Citi or the Trustee under the Instalment Warrant Deed in the following order:

- (a) firstly, to the Trustee in respect of all costs, charges, liabilities and expenses of the Trustee which have been incurred in or are incidental to the exercise or performance or attempted exercise or performance of a power or duty under the Instalment Warrant Deed in respect of the relevant Underlying Shares, including Taxes, and any other amount payable to the Trustee from the relevant Separate Trust in accordance with the Instalment Warrant Deed;
- (b) secondly, to Citi in respect of the Secured Monies; and
- (c) thirdly, to the Holder with respect to any balance (without interest and in full discharge of all liability of Citi and the Trustee to the Holder).

Operating Rules means the operating rules of ASX as amended or varied from time to time.

Operating Rules Procedures means the procedures for the operating rules of ASX as amended or varied from time to time.

Payment Method Election Form means the form to be provided to a Holder by Citi after the Holder takes a transfer of I³ and which a Holder may complete and return to Citi in order to:

- (a) make the Appreciation Cap Election; and
- (b) to notify Citi of the account to which Citi is to pay the Holder's Periodic Payments and Dividends by direct credit.

Periodic Payment means an amount payable by Citi to a Holder on each Periodic Payment Date, as specified in the Summary Table in respect of the period to the first Reset Date and as determined by Citi on each subsequent Reset Date in respect of the period to the next Reset Date (or, if none, to the Maturity Date) and published on the ASX's website, www.instreet.com.au and www.citifirst.com.au.

Periodic Payment Date has the meaning given to it in the Investment Overview.

Periodic Payment Ex Date has the meaning given to it in the Investment Overview.

Periodic Payment Record Date has the meaning given to it in the Investment Overview.

Quotation Date means the date that the I³ are admitted to trading status on ASX.

Qualified Sale Agent has the meaning given to it in the Instalment Warrant Deed.

Reasonable Action has the meaning given to it in the Instalment Warrant Deed.

Register means the register of persons who hold I³ from time to time and includes the relevant CHESS subregister and issuer sponsored subregister.

Registrar means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other registrar appointed by Citi.

Relevant Date for the purposes of Weighted Average Sale Prices, means the Reset Date (if applicable) or the Maturity Date or, in the case of an Exercise Notice, on the date the Exercise Notice became effective.

Request for Purchase Notice means a notice in the form with that or a similar title approved by Citi (including in the form attached to this PDS).

Request for Purchase Price means the price at which Citi must purchase an I³ pursuant to a Request for Purchase Notice (being the greater of the Market Value and the Final Instalment less any Appreciation Cap Amount payable to Citi).

Reset Cashback has the meaning given to it in the Loan Agreement.

Reset Date means each of the dates specified in the Investment Overview.

Reset Mechanism has the meaning given to it in the Investment Overview.

Reset Payment has the meaning given to it in the Loan Agreement.

Revised Order of Payment means the payment of the proceeds of a sale or disposal of an Underlying Shares or of a surplus or other amount, received by Citi or the Trustee under the Instalment Warrant Deed in the following order:

- (a) firstly, to the Holder the amount determined in accordance with Rule 10.11.7 in Schedule 10 to the Operating Rules (without interest and in full discharge of all liabilities of Citi and the Trustee to the Holder);
- (b) secondly, to the Trustee with respect to any balance in respect of all costs, charges, liabilities and expenses of the Trustee which have been incurred in or are incidental to the exercise or performance or attempted exercise or performance of a power or duty under the Instalment Warrant Deed in respect of the relevant Underlying Shares, including Taxes, and any other amount payable to the Trustee from the relevant Separate Trust in accordance with the Instalment Warrant Deed; and
- (c) thirdly, to Citi with respect to any balance in respect of the Secured Monies.

Rollover Applicant means an existing holder of Rollover Instalments who makes a Rollover Application.

Rollover Application means an irrevocable application to Citi by a Rollover Applicant for I³ pursuant to a Rollover Application Form.

Rollover Application Form means an Application Form attached to or accompanying this PDS that has been completed by an investor who wishes to apply for I³ where the consideration for the issue of the I³ is the transfer of Securities that make up the underlying shares of a Rollover Instalment from a trust to the Trustee so that those Securities become the Underlying Shares for the relevant Series of I³.

Rollover Instalments means an existing series of instalment warrants held by a Holder that are the subject of a Rollover Application.

Scheme has the meaning given to it in the Instalment Warrant Deed.

Secured Monies means, in relation to an Underlying Parcel:

- (a) all monies which a Holder is, or at any time may become, or is stated in the Instalment Warrant Deed or this PDS to be, actually or contingently liable to pay to Citi under or in relation to the Instalment Warrant to which the Underlying Parcel relates (including without limitation the Final Instalment and any Equalisation Amount (as defined in the Instalment Warrant Deed)); and
- (b) the Mortgage Enforcement Costs and any other amounts due in connection with the Holder's holding.

Security has the meaning given to it in Section 92(1) of the Corporations Act.

Security Interest means any mortgage or charge granted on the terms of the Instalment Warrant Deed by the Trustee on behalf of each Holder and held by Citi to secure repayment of the Secured Monies.

Separate Trust means each trust established under the Instalment Warrant Deed and Declaration of Trust.

Series means a particular set of I³ issued under a PDS that:

- (a) relate to a particular Security of an Entity;
- (b) have the same Final Instalment;
- (c) have the same Maturity Date; and
- (d) have been issued under the same terms.

Shareholder Applicant means an investor who makes a Shareholder Application.

Shareholder Application means an irrevocable application to Citi by a Shareholder Applicant for I³ pursuant to a Shareholder Application Form.

Shareholder Application Form means an Application Form attached to or accompanying this PDS that has been completed by an investor who wishes to apply for I³ where the consideration payable for the issue of the I³ is the transfer of an existing holding of Securities to the Trustee, being Securities which are the same as the Securities that make up the Underlying Shares of the relevant Series of I³ being applied for.

Special Dividend means any dividend of the relevant company and in respect of an Instalment Warrant over units, or distribution of income or gains of the relevant trust described by the Entity declaring it as:

- (a) special, abnormal, extraordinary, additional or extra;
- (b) part of a scheme of arrangement or takeover consideration;
- (c) part of a special distribution involving a return of capital, or

are otherwise characterised by ASX as a special dividend.

Summary Table means the summary table that appears immediately before Section 1 of this PDS.

Takeover Bid means a takeover pursuant to Chapter 6 of the Corporations Act.

Tax includes without limitation any tax, levy, impost, deduction, charge, rate, duty, or withholding tax which is levied

or imposed by a government or government agency, and any related interest, penalty, charge, fee or other amount.

Tax Act means the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth), both as amended from time to time and any successor legislation.

Terms of Issue means the collective terms on which the I³ issued under this PDS are issued, as set out in the Instalment Warrant Deed, the Loan Agreement and this PDS.

Trading Day has the meaning given to it in the Listing Rules.

Transfer means the transfer of an I³ which complies with the Instalment Warrant Deed.

Transfer Costs has the same meaning that term has in the Instalment Warrant Deed.

Transferee means a person who acquires an Instalment Warrant.

Transferor means a person who disposes an Instalment Warrant.

Trust Property means in relation to a Holder:

- (a) the Underlying Shares held by the Trustee in respect of that Holder which corresponds to an Instalment Warrant; and
- (b) all undistributed Dividends, Special Dividends and Accretions arising from or attributable to the property referred to in paragraph (a) above (if any).

Trust Tax Change means a change to the Tax Act whereby trustees are taxed in a manner similar to companies or trust distributions are taxed in a manner similar to corporate distributions or any other change which has a material financial impact on the issue, holding, cancellation or expiry of I³.

Trustee means Citigroup Global Markets Australia Nominees No 2 Pty Limited (ABN 88 080 263 412) and includes any successor trustee appointed pursuant to the Instalment Warrant Deed.

Underlying Parcel Value means at any given time, the aggregate value of the Underlying Shares which comprise the underlying parcel for an I³, calculated on the basis of the Underlying Share price on ASX at Closing Time on the immediately preceding Trading Day.

Underlying Parcel has the same meaning as Underlying Shares.

Underlying Shares means the number of Securities of an Entity that constitute the underlying shares of a particular

Series of I³ from time to time and which represent some or all of the Trust Property, and which at the date of issue of this PDS, is one Security (as adjusted from time to time in accordance with the Terms of Issue).

US Person means any of the following:

- a natural person resident in the United States of America;
- a partnership or corporate organisation under the law of the United States of America;
- an estate of which the administrator is a US Person;
- a trust of which the trustee is a US Person;
- an agency or branch of a foreign entity located in the United States of America or operated under the laws of the United States of America; and
- a citizen of the United States of America or Green card holders residing outside the United States of America.

Weighted Average Sale Price means the weighted average sale price of an item of property on ASX determined by Citi, by calculating the daily volume weighted price:

- (a) in relation to the calculation of payments of liquidated damages, on the 5 Trading Days immediately following the Relevant Date; or
- (b) in relation to the calculation of the Request for Purchase Price, in 5 Trading Days immediately following the Maturity Date,

by dividing the total of the sale prices of identical items of property on the ASX on each of the 5 Trading Days (excluding special crossings, option exercises and overseas sales reported on those days) by the number of those items the subject of sales during each of such Trading Days, and then calculating the arithmetic average of such daily volume weighted prices.

9.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural and the plural includes the singular.
- (b) Words of any gender include all genders.
- (c) Other parts of speech and grammatical forms of a word or phrase defined herein have a corresponding meaning.
- (d) An expression importing a person includes any partnership, joint venture, association, corporation or other body corporate as well as an individual.

- (e) A reference to a clause or schedule is a reference to a clause of, or schedule to this PDS.
- (f) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (g) A reference to a document includes all amendments or supplements to, or replacements or novations of, that document.
- (h) A reference to a party to a document includes that party's successors and permitted assignees.
- (i) No provision of a document will be construed adversely to a party because that party was responsible for the preparation of the document or that provision.
- (j) Specifying anything in this PDS after the words 'include' or 'for example' or similar expressions does not limit what else is included.
- (k) Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.
- (l) A word or phrase defined in the Loan Agreement, the Corporations Act, the Listing Rules, the Operating Rules or the ASX Settlement Operating Rules as amended from time to time, has the same meaning when used in this PDS unless the context requires otherwise or unless otherwise defined in this PDS.
- (m) References to a date or time are to dates and times in Sydney Australia unless specified otherwise.
- (n) Where a provision of the Operating Rules or ASX Settlement Operating Rules as they apply (with waivers, notices, approvals and consents from ASX) to the I³ issued under this PDS is inconsistent with a provision of this PDS, then the provision of this PDS shall be interpreted, or shall be amended by supplemental deed, so as to be consistent and to permit compliance with the relevant provision of the Operating Rules, so far as is lawful.

SECTION 10 – LOAN AGREEMENT

Parties

1. **Citigroup Global Markets Australia Pty Limited** (ABN 64 003 114 832) incorporated in New South Wales of Citi Centre, 2 Park Street, Sydney, New South Wales (**Citi**); and
2. Each **Holder** of an I³ (the **Investor**).

1. Definitions and Interpretation

The definitions and interpretation provisions that appear in Section 9 of the PDS apply to this Loan Agreement. In addition, the following definitions apply,

BBSW Rate means the 30 day bank bill swap rate quoted on the page designated “BBSW” on the Reuters Monitor System or any other page on the Reuters Monitor System which from time to time displays bank bill swap rates.

Current Loan Amount means the amount of the Loan as at a Reset Date but prior to any new drawing or repayment required under clause 4 on that Reset Date.

Drawdown Date means:

- (a) in the case of Applicants, the date of issue of the I³; and
- (b) in the case of Transferees, the date of registration of a Transfer.

First Interest Amount means the Interest Amount for the Interest Period commencing on the Drawdown Date.

Interest Amount means the amount of interest payable in advance on the Loan for an Interest Period on the Drawdown Date and thereafter on each Interest Date as determined by Citi and which includes the First Interest Amount.

Interest Date means each date after the Drawdown Date on which an Interest Amount is required to be drawn down and paid to Citi pursuant to this Loan Agreement, being each Reset Date.

Interest Period means the period (being a number of days) for which an Interest Amount has been or is to be drawn down and prepaid to Citi pursuant to this Loan Agreement, being a period (as applicable):

- (a) from the Drawdown Date to the day prior to the next Interest Date; or
- (b) from an Interest Date to the day prior to the next Interest Date; or
- (c) where there are no further Interest Dates, from the Interest Date to the Maturity Date.

Loan means the loan granted to the Investor by Citi pursuant to this Loan Agreement including any new loan under clause 4.

Loan Agreement means this agreement.

Loan Establishment Fee is the loan establishment fee payable by a Cash Applicant or Shareholder Applicant to Citi, in respect of offering, creating and administering the Loan and providing and maintaining the provision of the Loan, and explained in Section 6 of the PDS.

Maturity Date means the maturity date for the I³ as specified in the PDS or otherwise determined by Citi in accordance with the Terms of Issue.

New Interest Amount means an Interest Amount payable on the Loan for an Interest Period commencing on an Interest Date as determined by Citi for that Interest Date pursuant to this Loan Agreement.

New Loan Amount means the amount of the Loan that Citi determines is to be outstanding immediately following a Reset Date, after the New Interest Amount and any further drawing or repayment required under clause 4 on that Reset Date.

Nominated Account means the bank account that an Investor specifies for the purposes of making or receiving a payment in relation to I³ in :

- (a) in section G (Banking Details) of their Application Form; or
- (b) their Payment Method Election Form; or
- (c) their Exercise Notice; or
- (d) otherwise in writing to Citi.

PDS means the product disclosure statement issued by Citi in respect of Instalment Warrants dated 7 November 2011.

Reset Cashback means, for any Reset Date, the difference, if a positive number, between the New Loan Amount and the sum of the Current Loan Amount and New Interest Amount as determined by Citi in accordance with clause 4 of this Loan Agreement.

Reset Date means the dates nominated by Citi for the reset of the terms of this Loan Agreement as set out in the Investment Overview.

Reset Payment means, for any Reset Date, the difference, if a negative number, between the New Loan Amount and the sum of the Current Loan Amount and New Interest Amount.

Transfer Costs has the same meaning as in the Instalment Warrant Deed.

2. Loan

2.1 Loan

A separate Loan will be granted in respect of each I³ issued to or purchased by the Investor. A separate Loan Agreement will be constituted in respect of the Loan in respect of each I³ and references to the Loan Agreement, the Loan, the I³ and other expressions will be construed accordingly. Where an I³ is held jointly the Loan is made to the joint holders jointly and each joint holder is jointly and severally liable under this agreement.

2.2 Drawdown

Citi will make the Loan available to the Investor on the Drawdown Date or an amount equal to the First Instalment on that date.

2.3 Directions to Citi

The Investor irrevocably authorises and directs Citi to apply the Loan on the Drawdown Date as follows:

- (a) in the case of a Shareholder Applicant, in paying or causing to be paid:
 - (i) the First Interest Amount and the Loan Establishment Fee to Citi; and
 - (ii) the Cashback Amount to the Shareholder Applicant (or as the Shareholder Applicant directs) to be used by that Shareholder Applicant wholly for the purpose of producing assessable income;
- (b) in the case of Cash Applicants, in paying or causing to be paid, together with the First Instalment:
 - (i) the First Interest Amount; and
 - (ii) the purchase price for the Underlying Parcel to be vested in the Trustee in respect of the I³;

- (c) in the case of Rollover Applicants, in paying or causing to be paid:
 - (i) the Final Payment on the Rollover Instalment identified in the Rollover Application;
 - (ii) (to the extent of any excess after the payment in paragraph (i)) the First Interest Amount; and
 - (iii) the Cashback Amount (if any) to the Rollover Applicant (or as the Rollover Applicant directs) to be used by that Rollover Applicant wholly for the purpose of producing assessable income;
- (d) in the case of a Transferee, in accordance with clause 3 of this Loan Agreement.

Any part of the Loan to be paid to the Investor will be paid by cheque sent to the Investor within 10 Business Days of the Drawdown Date.

2.4 Interest on Loan

- (a) The First Interest Amount is due and payable by the Investor on the Drawdown Date. The Investor must pay the First Interest Amount from the Loan (or, in the case of a Cash Applicant, from the sum of the First Instalment and the Loan) by direction to Citi in accordance with clause 2.3.
- (b) If the Loan has not been repaid prior to an Interest Date, the Interest Amount for the Interest Period commencing on that date is due and payable by the Investor on that date.
- (c) If the Loan is repaid prior to the end of an Interest Period, a portion of interest prepaid for that Interest Period may be refunded by Citi in its absolute discretion or as otherwise provided in this Loan Agreement.
- (d) Any refund of interest prepaid under this agreement will be by way of set-off against and reduction of the outstanding amount of the Loan.

3. Transfer and transfer costs

- (a) On the transfer of an I³ to a Transferee, the proceeds of the Transferee's Loan will be applied as follows:
 - (i) to prepay the First Interest Amount in respect of the Transferee's Loan;
 - (ii) to pay the outstanding amount of the Transferor's Loan, after:

(A) that part of the Interest Amount of the Transferor's Loan that relates to the remainder of the relevant Interest Period is refunded by way of set-off against the Transferor's Loan; and

(B) the Transfer Costs (if any) have been added to, or deducted from, the Transferor's Loan (as applicable).

(b) If the Investor ceases to be a holder of an I³ due to a Transfer, Transfer Costs will be payable:

(i) by Citi to the Transferor in respect of the transfer of the I³ where the interest rate applying to the Transferor's Loan is less than the interest rate applying to the Transferee's Loan, by applying the Transfer Costs to reduce the outstanding amount of the Transferor's Loan; or

(ii) by the Transferor to Citi as an additional cost of transferring the I³ where the interest rate applying to the Transferor's Loan is greater than the interest rate applying to the Transferee's Loan, by adding that amount to the outstanding amount of the Transferor's Loan,

provided always that no Transfer Costs shall be payable by either Citi or the Transferor if the interest rates applicable to the Transferor's Loan and the Transferee's Loan are the same at the time of Transfer.

4. RESET OF THE LOAN

The Current Loan Amount is repayable in full on the Business Day prior to each Reset Date, but Citi will not take any action to recover that amount until that Reset Date.

4.1 Reset Process

Not earlier than 30 Business Days and not later than 20 Business Days prior to a Reset Date, Citi may:

- (a) nominate a New Loan Amount and advise the indicative New Interest Amount for that Reset Date; or
- (b) determine that the Reset Date will be the Maturity Date pursuant to the Terms of Issue.

Unless agreed between Citi and the Investor prior to that date, Citi may determine the New Interest Amount on each Reset Date.

Citi must exercise its discretion under clause 4.1(a) and in setting the New Interest Amount in the same manner that it exercises its discretion under the corresponding provision of each other Loan Agreement relating to I³ of the same Series.

However, Citi may agree a different New Interest Amount for different holders where those holders agree those amounts with Citi on different days prior to the relevant Reset Date.

4.2 Reset Cashback

In circumstances where the Loan has not been repaid prior to a Reset Date and the New Loan Amount is equal to or greater than the sum of the Current Loan Amount and New Interest Amount, the Investor irrevocably authorises and directs Citi to draw down on its behalf on the Reset Date a new Loan pursuant to this agreement equal to the New Loan Amount and apply that new Loan on its behalf as follows:

- (a) to pay to Citi the New Interest Amount;
- (b) to pay to Citi the Current Loan Amount; and
- (c) subject to clause 4.3, to pay to Citi the Reset Cashback to be used for the account of the Holder pursuant to the IRP,

with the effect so that as of the relevant Reset Date, the amount of the Loan will then be increased to the New Loan Amount.

4.3 Election to receive Reset Cashback

- (a) A Holder may elect to receive and be paid in cash the Reset Cashback referred to in clause 4.2(c) by giving written notice to Citi prior to the Reset Date in the form then available from Citi (which may include a declaration for National Credit Code purposes that the Reset Cashback will be used wholly or predominantly for business or investment purposes).
- (b) If a Holder makes the election referred to in clause 4.3(a), the Reset Cashback is payable by Citi within 10 Business Days after the Reset Date and must be used by that Holder wholly for the purpose of producing assessable income.

4.4 Reset Payment

Subject to clause 4.8, in circumstances where the Loan has not been repaid prior to a Reset Date and the New Loan Amount is less than the sum of the Current Loan Amount and New Interest Amount:

- (a) the Investor irrevocably authorises and directs Citi to draw down on its behalf on the Reset Date a new Loan pursuant to this agreement equal to the New Loan Amount and apply that amount on its behalf, first towards payment of the Current Loan Amount and then towards payment of the New Interest Amount; and
- (b) the Reset Payment is payable by the Investor to Citi, to be applied by Citi:
 - (i) in satisfaction of the New Interest Amount (to the extent not paid under clause 4.4(a)); and
 - (ii) towards repayment of the existing Loan (to the extent the New Loan Amount is less than the Current Loan Amount).

4.5 Failure to make Reset Payment

Subject to the Instalment Warrant Deed, if a Holder has not paid the amount required to pay the Reset Payment to Citi in cleared funds prior to the relevant Reset Date, then, without limiting its power under the Security Interest or clause 8, Citi is authorised by the Holder in its discretion to sell, or on behalf of the Investor direct the Trustee to sell, all or any of the Mortgaged Property in respect of all or any of the Instalment Warrants held by the Investor in the relevant Series, and apply the proceeds in payment of:

- (i) first, any costs or taxes incurred by Citi or the Trustee in connection with such action; and
- (ii) second, the unpaid Reset Payment and any other Secured Monies then due and payable in respect of all or any of the Instalment Warrants held by the Investor in that Series.

If the number of Instalment Warrants in respect of which the Mortgaged Property is to be sold shall be that number that Citi determines in its discretion should be sold in order to ensure that the full amounts referred to in paragraphs (i) and (ii) can be paid with the proceeds of such sale.

If any Underlying Shares or Accretion in respect of the I³ to which the Loan relates are sold as a result of the exercise by Citi of its powers under this clause, the full amount of the Loan (after deduction of any New Interest Amount which has been paid under clause 4.4(a) for that Reset Date, which will be refunded) is immediately repayable and forms part of the Secured Monies to be discharged out of the proceeds referred to above.

In exercising its powers under this clause (or otherwise), Citi has no duty to the Investor and Citi is only obliged to account to the Investor for the proceeds of sale of such Underlying Shares or Accretions as Citi determines in its discretion to correspond to the I³ of which the Investor is the Holder.

4.6 Holdings of less than \$500

If, following the exercise by Citi of its powers under clause 4.5 and the recovery by Citi of the full amount then due and payable, the total market value of the Underlying Shares that correspond to all I³ of which Investor is the Holder and which form part of the same Series as the I³ to which the Loan relates is less than \$500 (as determined by Citi in its absolute discretion), Citi may require the Loan to be repaid in full, in which case the Loan is immediately repayable and Citi may exercise its power of sale, or direct the Trustee to sell, the Mortgaged Property and apply the proceeds in payment of the Secured Monies.

4.7 Provision of Information

Citi will provide the Investor with details of the New Loan Amount, including the New Interest Amount following a Reset Date.

4.8 Termination of Instalment Warrants

Where Citi has determined that the Underlying Shares in respect of an Instalment Warrant are to be sold pursuant to clause 4.5 or clause 6 then that Instalment Warrant and the related Loan shall not be reset under this clause 4.

5. Special Dividends and Extraordinary Events

- (a) If a Special Dividend is declared on the Underlying Parcel and Citi exercises its discretion to require all or part of the Special Dividend (or proceeds of sale of the securities or assets comprising the Special Dividend) be paid to Citi to be used by Citi to reduce the Final Instalment, or if Citi requires any cash proceeds of any corporate or other action to be paid to and used by Citi to reduce the Final Instalment as described in clause 11 of the Instalment Warrant Deed, then:
 - (i) a portion of the Loan equal to the amount to be paid to Citi is immediately due and will be satisfied out of the amount paid to Citi; and
 - (ii) upon such payment Citi will refund a portion of the Interest Amount paid for the current Interest Period by way of set-off against and further reduction of the Loan.
- (b) If an Extraordinary Event or a Trust Tax Change is declared by Citi pursuant to the Instalment Warrant Deed, or if interest is to be refunded under paragraph (a)(ii), the amount of interest that will be refundable to the Holder will be calculated on a pro rata basis at the prevailing BBSW Rate (and in the case of a refund under paragraph (a)(ii), on the amount of the Loan repaid under paragraph (a)(i))

less an amount representing the cost to Citi of breaking its funding in respect of the I³.

6. Adjustment payments

6.1 Periodic Payments

On each Periodic Payment Date Citi must pay the applicable Periodic Payment to the Investor in the manner set out in Section 1.5 of the PDS.

6.2 Appreciation Cap Amounts

- (a) On each Reset Date and on the Maturity Date the Investor must pay any applicable Appreciation Cap Amount, which amount is determined by Citi in the manner described in Section 1.6 of the PDS.
- (b) The Investor must make the payment described in paragraph 6.2(a) to Citi by a payment method in accordance with the Investors' Appreciation Cap Election.
- (c) The Investor authorises Citi to take the action required to effect payment under their Appreciation Cap Election in the manner described in Section 1.6 of the PDS.
- (d) If the Investor fails to make a valid Appreciation Cap Election or Citi does not receive the Appreciation Cap Amount, Citi may exercise its Security Interest on or at any time after the relevant Reset Date.

7. Limited Recourse

- (a) On the Maturity Date or a Reset Date, subject to repayment by the Investor of the Loan and/or payment by the Investor of any applicable Appreciation Cap Amount (as applicable), the Loan and any outstanding applicable Appreciation Cap Amount will be satisfied by Citi exercising its rights under the Security Interest.
- (b) The liability of an Investor to Citi for repayment of the Loan and payment of an applicable Appreciation Cap Amount is limited to the Mortgaged Property.
- (c) Citi undertakes to not take any action against the Investor to recover any cash amount in relation to the Loan or any applicable Appreciation Cap Amount other than enforcing the Security Interest over or otherwise exercising its rights in respect of the Mortgaged Property.

8. Mortgage

8.1 Mortgage provision

The Investor irrevocably directs the Trustee to give Citi the benefit of a Security Interest on the terms and conditions set out in the Instalment Warrant Deed:

- (a) to secure the due and punctual payment of the Secured Monies owing by the Investor to Citi; and
- (b) in return for Citi agreeing to provide the Loan to the Investor.

8.2 Exercise of Powers

If the Investor fails to:

- (a) repay the Loan by the Maturity Date (or on any Reset Date in connection with the payment of any applicable Appreciation Cap Amount);
- (b) pay any applicable Appreciation Cap Amount on a Reset Date or on the Maturity Date; or
- (c) to pay any other Secured Monies when expressed to be due,

Citi may:

- (d) enforce the Security Interest and sell the Mortgaged Property;
- (e) exercise any other power granted by law to mortgagees in accordance with the terms of the Instalment Warrant Deed; and
- (f) apply the proceeds in repayment of the Loan or any applicable Appreciation Cap Amount or other Secured Monies,

or may on behalf of the Investor direct the Trustee to sell or otherwise deal with the Mortgaged Property and apply the proceeds in the manner specified in paragraph (c).

To the extent permitted by law, Citi is not required to give any notice to the Investor before the enforcement or exercise of its rights as mortgagee.

9. Miscellaneous

9.1 Notices

The notice provisions of the Instalment Warrant Deed apply to any notice given or other document required to be given under the terms of this Loan Agreement.

9.2 Set Off

Citi may set off or withhold any amount payable to it by or on behalf of a Holder against or from any amount payable by Citi to the Holder.

9.3 Further Assurances

Each party shall take all steps, execute all documents and do everything reasonably required by the other party to give effect to any of the transactions contemplated by this Loan Agreement.

9.4 Severability

If a provision of this Loan Agreement is or becomes invalid and/or unenforceable, the provision is to be read down if possible so as to be valid and enforceable. If it cannot, this Loan Agreement takes effect as if it did not include that provision.

9.5 Waiver

No failure to exercise and no delay in exercising any right, power or remedy under this agreement will operate as a waiver. Nor will any single or partial exercise of any right, power or remedy preclude any other or further exercise of that or any other right, power or remedy.

9.6 Assignment

Subject to the Instalment Warrant Deed, the Investor may not assign or otherwise deal with its rights under this Loan Agreement. Citi may assign or otherwise deal with all or any of its rights and benefits under this Loan Agreement without obtaining the consent of the Investor.

9.7 Governing Law

This Loan Agreement is governed by the laws of New South Wales. The parties submit to the non-exclusive jurisdiction of the courts exercising jurisdiction there.

10. Direct Debit Agreement

By signing the Application Form the Investor authorises and requests Citi, or its nominated administrator or custodian, to debit the Investor's Nominated Account until further notice from the Investor in writing, with any amount the Investor has requested in connection with I³. Any such debit will be subject to the provisions of this agreement.

The Investor understands and acknowledges that:

- (a) The Investor's nominated financial institution may in its absolute discretion, decide the order of priority of payment by it of any monies pursuant to this request or any authority or mandate;
- (b) The financial institution may, in its absolute discretion, at any time by notice in writing to the Investor, terminate this request as to future debits;
- (c) Citi (or its nominated administrator) may, by providing at least 14 days prior notice in writing to the Investor, vary the timing of future debits or any terms within this section;
- (d) The Investor can cancel a given direct debit service instruction at any time by giving Citi (or its nominated administrator) at least 14 days prior notice in writing;
- (e) Where the debit obligation does not fall on a Business Day, the Investor will be responsible for contacting the Investor's financial institution directly to determine the date the debit will be processed and to ensure that sufficient cleared funds are available;
- (f) It is the Investor's responsibility to ensure that there are sufficient cleared funds in the Investor's Nominated Account to honour any direct debit instruction;
- (g) This direct debit agreement will be automatically cancelled if three direct debit payments are dishonoured because of insufficient funds within a 12-month period. Citi (or its nominated administrator) will give the Investor at least 14 days notice in writing if it intends to cancel the Investor's direct debit request. Citi (or its nominated administrator) will also charge the cost of any dishonoured direct debits against the Investor's account;
- (h) If at any time the Investor feels that a direct debit against the Investor's Nominated Account is inappropriate or wrong, it is the Investor's responsibility to notify Citi (or its nominated administrator); and
- (i) Citi (or its nominated administrator) may need to pass on details of the Investor's direct debit request to its sponsor bank to assist with the checking of any incorrect or wrongful debits to the Investor's Nominated Account. In all other circumstances, Citi will keep all information relating to the Investor private and confidential unless otherwise required by law.

SECTION 11 – APPLICATION FORMS

HOW TO APPLY

Read the Product Disclosure Statement

It is important to read the entire PDS before completing the relevant Application Form. The PDS details the type of investment and some of the risks associated with investing in I³. A hard copy of this PDS will be provided to Applicants free of charge during the offer period on request by contacting Citi. For advice on the appropriateness of investing consult Instreet, your stockbroker or financial adviser.

Citi will not accept the lodgement of any Application Forms before the date of this PDS. Citi reserves the right to reject any Application, and subject to notification to ASX, to increase the issue size in its absolute discretion.

Applications through advisers or directly with Citi

You may apply for I³:

- (a) through a broker or investment adviser who is a Citi approved distributor (please ask your broker or investment adviser for confirmation that they are approved, or contact Citi on 1300 30 70 70); or
- (b) apply directly to Citi. If you apply directly to Citi you must supply the client verification information listed below with your Application Form. Citi will be unable to process your Application if you apply directly to Citi and do not supply the client verification information as requested.

Please note that the following client verification information is not required if you apply through a Citi approved distributor, or if you purchase I³ on the secondary market. Investors should be aware that there is no firm indication as to whether the secondary market will be liquid or illiquid.

For more information about how to apply for I³ call Citi on 1300 30 70 70.

Complete the relevant Application Form

There are three types of Application Forms.

Cash Application Forms for investors wishing to purchase I³ for cash and pay by cheque or BPAY or direct debit.

Shareholder Application Forms for investors wishing to convert existing holdings of Securities into I³ and receive a Cashback Amount.

Rollover Application Forms for investors wishing to convert a prior series of I³ into this Series.

Applications can only be accepted on the Application Forms, and must be completed in accordance with the instructions for the relevant Application Form and in accordance with the table below.

Shareholder Applications by trustees of superannuation funds are not permitted and will not be accepted.

NATIONAL CREDIT CODE

Each Application Form contains a National Credit Code declaration. It is a term of your investment in I³ that you give the National Credit Code declaration in the Application Form. If you do not give this declaration (or if you give this declaration but it is not true) in respect of a holding of I³, Citi may arrange for those I³ to be sold on the ASX, in which case you will receive the net proceeds of sale, without interest, after the repayment of your Loan and the payment of Citi's costs in relation to the sale.

CLIENT VERIFICATION INFORMATION

Citi requires the following information for each investor category to satisfy its client verification requirements. Please refer to the appropriate investor category when submitting your Application Form.

(a) Private Individual Applicants

The following information is required with your Application Form if you are applying for I³ as a private individual:

- Certified copy of your current passport or driver's licence;
- Original or certified copy of a utility bill or bank statement dated within the last 3 months, evidencing the residential address provided in the Application Form; and

A statement from you stating:

- your nationality, country of birth and occupation; and
- your source of wealth (brief sentence advising how you generated your wealth, e.g. savings from employment, line of business if self-employed).

(b) Company Applications or Corporate Trustee Applicants

The following information is required with your Application Form if you are applying for I³ as a company or a corporate trustee:

- for at least two directors (or one director if sole director company), all of the information requested for private individuals above; and
- in the event of a company acting in the capacity of trustee (e.g. for a superannuation fund), an original or certified copy of the trust deed.

(c) Individual Trustee or Partnership Applicants

The following information is required with your Application Form if you are applying for I³ as an individual trustee or partnership:

- Certified copy of trust deed, partnership agreement, or deed of formation.
- The names of all trustees, partners, or equivalent officers.
- For at least two trustees, partners or equivalent officers, all of the information requested for private individuals above.

In all cases, documents must either be an original, or a certified copy of an original. Copies can be certified by any of the categories of acceptable referees provided below. Faxed copies will not be accepted.

In all cases, Citi reserves the right to request additional information for the purposes of determining the identity, beneficial ownership, or source of funds of an Applicant.

Categories of acceptable referees

1. A member of:
 - (a) the Institute of Chartered Accountants in Australia; or
 - (b) the Australian Society of Certified Practising Accountants; or
 - (c) the National Institute of Accountants.
2. A member of a municipal, city, town, district or shire council of a State or Territory.
3. An employee of a financial institution who is authorised by the financial institution to open accounts with the institution.
4. An agent of a financial institution who is authorised by the financial institution to open accounts with the institution.
5. A full-time employee of:
 - (a) a financial institution (other than an employee mentioned in item 3); or
 - (b) a corporation that is a registered corporation within the meaning of the *Financial Corporations Act 1974*, who has been employed continuously for at least 5 years by one or more financial bodies.
6. An employee of a bank carrying on business outside Australia:
 - (a) that does not have an authority under Section 9 of the Banking Act 1959; and
 - (b) that is engaged in a transaction with a cash dealer,
 who is authorised by the bank to open accounts with the bank.
7. A full-time employee of a company carrying on insurance business who has been employed continuously for at least 5 years by one or more companies of that type.
8. A legal practitioner (however described) of a Federal, State or Territory court.
9. A registrar, clerk, sheriff or bailiff of a Federal, State or Territory court.
10. An officer within the meaning of the Defence Act 1903.
11. An individual registered or licensed as;
 - (a) a dentist; or
 - (b) a medical practitioner; or
 - (c) a pharmacist; or
 - (d) a veterinary surgeon,
 under a law of a State or Territory providing for that registration or licensing.

12. An individual who holds the position of nursing sister and is registered as a nurse under a law of a State or Territory providing for that registration.
13. A diplomatic or consular officer of an Australian Embassy, High Commission or Consulate, in Australia or overseas.
14. A holder of an office established by a law of the Commonwealth, a State or Territory in respect of which annual salary is payable, other than an office mentioned in item 15.
15. A judge or master of a Federal, State or Territory court.
16. A stipendiary magistrate of the Commonwealth or of a State or Territory.
17. A justice of the peace of a State or Territory.
18. A member of the Parliament of a State or Territory.
19. A member of the Legislative Assembly of the Australian Capital Territory, the Northern Territory or Norfolk Island.
20. A minister of a religion within the meaning of the Marriage Act 1961 who is registered under Division 1 of Part IV of that Act.
21. A notary public.
22. A member of the Australian Federal Police, or of the police force of a State or Territory, who, in the normal course of his or her duties, is in charge of a police station.
23. A member of the Australian Federal Police, or of the police force of a State or Territory, of or above the rank of sergeant.
24. A manager of a post office.
25. An individual employed as an officer or employee by one or more of the following:
 - (a) The Commonwealth, a State or Territory; or
 - (b) an authority of the Commonwealth, a State or Territory; or
 - (c) a local government body of a State or Territory,

who has been so employed continuously for a period of at least 5 years, whether or not the individual was employed for part of that period as an officer and for part as an employee.
26. An individual employed as a full-time teacher or as a principal at one or more of the following educational institutions:
 - (a) a primary or secondary school forming part of the education system in a State or Territory; or
 - (b) an institution listed in Section 4 or paragraphs 34(4)(b)-(j) (inclusive) of the Higher Education Funding Act 1988,
27. who had been so employed continuously for a period of at least 5 years.
28. An individual who, in relation to an Aboriginal community:
 - (a) is recognised by the members of the community to be a community elder; or
 - (b) if there is an elected Aboriginal council that represents the community – is an elected member of the council.
29. An individual who is an agent of a totalisator agency board if:
 - (a) the individual conducts an agency of the totalisator agency board at particular premises; and
 - (b) that agency is not ancillary to any other business conducted at those premises.
30. A commissioner for oaths of a State or Territory.
31. An individual who is registered as a tax agent under part VIIA of the Income Tax Assessment Act 1936.
32. A member of the Chartered Institute of Company Secretaries in Australia Limited.
33. A member or fellow of the Association of Taxation and Management Accountants.
34. A member of the Institution of Engineers, Australia, other than a member with the grade of student.
35. A fellow member of the National Tax and Accountant's Association Limited.
36. The holder, or an authorised representative of, a licence under section 913B of the *Corporations Act 2001* who has known another person for at least 12 months is an acceptable referee in respect of the other person for the purposes of the definition of 'acceptable referee' in subsection 3(1) of the *Financial Transaction Reports Act 1988*.

37. The holder of, or an authorised representative of, a licence under section 913B of the *Corporations Act 2001*, who has complied with the requirements of Section 912A of that Act and Australian Securities and Investments Commission Policy Statement 122 in relation to another person is an acceptable referee in respect of that other person for the purposes of the definition of 'acceptable referee' in subsection 3(1) of the *Financial Transaction Reports Act 1988*. (In this situation there is no requirement for an existing 12 month relationship).

CORRECT FORM OF REGISTRABLE NAMES WHEN COMPLETING THE APPLICATION FORM

Type of Investor	Correct Form	Incorrect Form
Individual: <i>Use given names in full, not initials</i>	Mr John Alfred Smith	J A Smith
Joint Holdings: <i>Use full and complete names</i>	Mr Peter Paul Tranche & Mrs Mary Orlando Tranche	Peter Paul and Mary Tranche
Company: <i>Use company title, not abbreviations</i>	ABC Pty Ltd	ABC P/L or ABC Co
Superannuation Funds <i>Use the name of the trustee of the fund</i>	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Super Fund
Trust: <i>Use the trustee(s) names not the name of the trust</i>	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust

LODGING YOUR APPLICATION

Completed Applications may be lodged with your stockbroker or approved financial adviser, or sent to:

Structured Products Support
I³ Offer
Citigroup Global Markets Australia Pty Limited
GPO Box 557
Sydney NSW 2001

Detailed instructions for completing each type of Application Form can be found on the following pages of this PDS.

Notification

When your Application Form has been received and processed, you will receive notification from the Registrar (Computershare Investor Services Pty Limited). This notification will contain details of your Issuer Sponsored Number (SRN) or Holder Identification Number (HIN), and all related purchase details. In the case of Cash Applicants, this notification will include information regarding the number of I³ you were issued with for the investment amount nominated on your Application Form and the amount of your Loan Establishment Fee (if you were a Cash Applicant or a Shareholder Applicant). Please see the example below, which explains how these amounts will be calculated by Citi.

If you have not received your notification within 3 weeks, please contact CitiWarrants Operations on 1300 368 301

CASH APPLICATION PROCESS EXAMPLE

The following hypothetical examples are provided to give investors assistance in understanding the process Citi adopts to calculate the number of I³ which will be issued to an investor following submission of a Cash Application Form. The figures used in the following examples are illustrative only and do not represent in any way the figures that may apply to the actual issue of I³.

For the purposes of these examples, assume that you submit a Cash Application Form to invest a Total Investment Amount per Series of AUD 50,000 in XXXIO2 I³ (as specified in Section E of your Cash Application Form). The Final Instalment per I³ you apply for is AUD 25. At the time of issue of the I³, the price on ASX of the Underlying Shares is AUD 50. Assume that the First Instalment is AUD 26.00.

Example 1 – 0% of upfront Adviser Fee is rebated

You agree with your financial adviser that no upfront Adviser Fee rebate applies and therefore your Loan Establishment Fee is AUD 0.55 per I³ (2.20% of the Final Instalment). The total investment amount for one of the I³ you applied for is therefore AUD 26.55 (First Instalment plus Loan Establishment Fee).

The total number of I³ to be issued to you (**N**) by Citi is calculated by dividing your Total Investment Amount per Series (**T**) by the total cost of one I³ in that Series (consisting of the relevant First Instalment and Loan Establishment Fee) (**C**), which can be expressed in the following formula:

$$N = T / C$$

In example 1 above, N is equal to approximately 1,883.24 (to 2 decimal places).

However, Citi will not issue to you and you will not be entitled to receive any fraction of a I³. Citi will either:

- round N up to the nearest whole number (where the decimal component of N is greater than or equal to 0.5); or
- round N down to the nearest whole number (where the decimal component of N is less than 0.5),

and you will then be issued with the relevant rounded whole number of I³.

In circumstances where N is rounded down, you agree that Citi is under no obligation to make any payment or provide any refund to you in respect of any fraction of a I³ you have not received.

In example 1 above where N is equal to approximately 1,883.24, the decimal component of N is approximately 0.24, which is less than 0.5. Therefore, Citi will round down N (or the number of I³ which you are entitled to receive) and you would be issued with a total of 1,883 XXXIO2 I³. You would not be entitled to receive any refund in respect of the 0.24 of a I³ you have not received.

Example 2 – 100% of upfront Adviser Fee is rebated

You agree with your financial adviser that 100% of the upfront Adviser Fee is rebated and therefore your Loan Establishment Fee is reduced to AUD 0.00 per I³. The total investment amount for one of the I³ you applied for is therefore AUD 26.00 (First Instalment plus Loan Establishment Fee).

The total number of I³ to be issued to you (**N**) by Citi is calculated by dividing your Total Investment Amount per Series (**T**) by the total cost of one I³ in that Series (consisting of the relevant First Instalment and Loan Establishment Fee) (**C**), which can be expressed in the following formula:

$$N = T / C$$

In example 2 above, N is equal to approximately 1,923.08 (to 2 decimal places).

However, Citi will not issue to you and you will not be entitled to receive any fraction of a I³. Citi will either:

- round N up to the nearest whole number (where the decimal component of N is greater than or equal to 0.5); or
- round N down to the nearest whole number (where the decimal component of N is less than 0.5),

and you will then be issued with the relevant rounded whole number of I³.

In circumstances where N is rounded down, you agree that Citi is under no obligation to make any payment or provide any refund to you in respect of any fraction of a I³ you have not received.

In example 1 above where N is equal to approximately 1,923.08, the decimal component of N is approximately 0.08, which is less than 0.5. Therefore, Citi will round down N (or the number of I³ which you are entitled to receive) and you would be issued with a total of 1,923 XXXIO2 I³. You would not be entitled to receive any refund in respect of the 0.08 of a I³ you have not received.

Cash Application Form Instructions

This guide is for investors wishing to purchase I³ for cash and pay by cheque, BPAY or direct debit.

Please ensure that your adviser or broker completes their details in the section entitled "Adviser/Broker Details".

Please complete the following section, in relation to the amount of the rebate of the Adviser Fee with your financial adviser. Your Loan Establishment Fee will be reduced by the amount of this rebate.

A Applicant(s) Details

Please tick the relevant box to advise whether you are a resident or non-resident for tax purposes (see Section B below in relation to provision of your Tax File Number (TFN), Exemption Category or Australian Business Number (ABN)).

Write the full name of each Applicant that you wish to appear on your holding statement. This must be the correct name of the Individual, Joint Name(s), Company Name(s) or Trustee and Trust Name.

You should enter all other information required by this section in relation to each Applicant, including date of birth, address or registered office (please note that PO Box is not accepted) and Account Name (if applicable).

B Tax File Number, Exemption Category or ABN (if applicable)

You may provide each Applicant's TFN, Exemption Category or ABN in Section B. While it is not compulsory to provide your TFN, failure to do so may result in withholding tax being deducted from any distribution payments.

By not providing your TFN, you accept that part or all of your holding may be sold sufficient to pay the withholding tax.

Alternatively, Applicants may enter their ABN if applicable.

Non residents or an exempt entity for Australian taxation purposes must declare their status and provide an exemption number, if applicable.

Collection of TFNs is authorised by Australian taxation laws.

C Postal Address for Correspondence

Enter a mailing address (if different) for all correspondence. Joint Applicants' correspondence will only be sent to the address specified in this section.

D Contact Details

Enter a contact name, daytime telephone number and email address for the person to be contacted in relation to this application.

E Application Details

Please complete Section E with the following information in relation to each Series you are applying for.

- Enter the **ASX Code** for the Series you are applying for in the first column.
- Enter the **amount of money you would like to invest (including the Loan Establishment Fee) in each Series** in column E1. This is the **Total Investment Amount per Series**.

- Add the amounts in column E1 to obtain your **Total Investment Amount** and enter it in the space provided at the bottom of the table.

Investors will be issued with a number of I³ in each Series applied for (N), which is determined by Citi by dividing the Total Investment Amount per Series (T) by the total cost of one I³ in that Series (consisting of the relevant First Instalment and Loan Establishment Fee) (C) and can be expressed in the following formula:

$$N = T / C$$

However, Citi will not issue to you and you will not be entitled to receive any fraction of a I³. Citi will either:

- round N *up* to the nearest whole number (where the decimal component of N is greater than or equal to 0.5); or
- round N *down* to the nearest whole number (where the decimal component of N is less than 0.5),

and you will then be issued with the relevant rounded whole number of I³.

In circumstances where N is rounded down, you agree that Citi is under no obligation to make any payment or provide any refund to you in respect of any fraction of a I³ you have not received.

An example is provided in Section 11 to further demonstrate how these calculations will be determined by Citi.

Applicants whose Application is accepted will receive the following from Citi as soon as reasonably practicable after the issue of their I³:

- a notice identifying the number of I³ in each Series issued to them; and
- the amounts of their First Instalment, Final Instalment and Loan Establishment Fee for each Series issued to them.

F CHESS Details

If you are already CHESS sponsored, you may complete this section by providing the PID of your sponsoring broker and your HIN. If you are unsure of these details contact your sponsoring broker. If no details are provided, you will become Issuer Sponsored and be allocated a Shareholder Reference Number (SRN) which will appear on your holding statement.

G Payment Method (Cheque, BPAY or Direct Debit)

Select your preferred payment method by ticking the appropriate box.

Cheque: All cheques are to be made out to 'CitiWarrants Instalments Trust Account' and crossed 'Not Negotiable'. The drawer of the cheque and the Applicant name must be the same.

BPAY: If you are paying by BPAY, the BPAY Reference Number will be the Application Number specified in the Cash Application Form. You MUST also mail in the original Cash Application Form. If no Application Number appears in the Application Form you will need to call CitiWarrants Operations on 1300 368 301 to obtain one.

Direct Debit: If you are paying by direct debit you agree to be bound by the terms for direct debit, as set out in item 10 of section 10 of this PDS. Enter your bank account details here for all I³ payments you wish to be directly debited from your bank account. Only accounts held with banks, building societies and credit unions within Australia may be entered. If no details are provided, you may pay via BPAY or remit a cheque at the time of your application.

H Appreciation Cap Amount

You are invited to make an election for the payment of any Appreciation Cap Amount in relation to a holding of I³. For more information in relation to Option 1, Option 2 and Option 3, see section 1.6 of the PDS.

I Applicant's Declaration

Please read the entire Applicant's Declaration set out in Section I.

J National Credit Code Declaration

Please read and sign the National Credit Code Declaration in Section J. It is a term of your investment in I³ that you give the National Credit Code Declaration in Section J. If you do not give this declaration (or if you give this declaration but it is not true) in respect of a holding of I³, Citi may arrange for those I³ to be sold on the ASX, in which case you will receive the net proceeds of sale, without interest, after the repayment of your Loan and the payment of Citi's costs in relation to the sale.

K Applicant's Signature (To Be Completed By All Applicants)

Once you have completed the entire Application Form, read the Applicant's Declaration in Section I, and signed the National Credit Code Declaration in Section J, please sign in the space provided in Section K.

Each individual Applicant must sign in Section K personally or have his or her attorney sign.

Joint Applicants must all sign or have their attorney(s) sign in Section K.

For Corporate Applications, Section K must be signed by two directors or one director and one secretary, or their attorney(s) and must include the relevant ABN/ACN of the company.

For Applications on behalf of superannuation funds, trusts, partnerships and deceased estates, Section K must be signed by the individual trustees, executors or principals.

Where Section K is signed by an attorney, the original or a certified copy of the Power of Attorney must accompany the Application Form.

Lodgement Instructions

Completed Applications may be lodged with your stockbroker or approved financial adviser or sent to:

Structured Products Support

I³ Offer

Citigroup Global Markets Australia Pty Limited

GPO Box 557 Sydney NSW 2001

Shareholder Application Form Instructions

This guide is for investors wishing to convert existing securityholdings into I³. Shareholder Applications by trustees of superannuation funds are not permitted and will not be accepted.

Please ensure that your adviser or broker completes their details in the section entitled "Adviser/Broker Details".

Please complete the following section, in relation to the amount of the rebate of the Adviser Fee with your financial adviser. Your Loan Establishment Fee will be reduced by the amount of this rebate.

A Applicant(s) Details

Please tick the relevant box to advise whether you are a resident or non-resident for tax purposes (see Section B below in relation to provision of your Tax File Number (TFN), Exemption Category or Australian Business Number (ABN)).

Write the full name(s) exactly as it appears on the current holding statement for your existing shareholding.

You should enter all other information required by this section in relation to each Applicant, including date of birth, address or registered office (please note that PO Box is not accepted) and Account Name (if applicable).

B Tax File Number, Exemption Category or ABN (if applicable)

You may provide each Applicant's TFN, Exemption Category or ABN in Section B. While it is not compulsory to provide your TFN, failure to do so may result in withholding tax being deducted from any distribution payments.

By not providing your TFN, you accept that part or all of your holding may be sold sufficient to pay the withholding tax.

Alternatively, Applicants may enter their ABN if applicable.

Non residents or an exempt entity for Australian taxation purposes must declare their status and provide an exemption number, if applicable.

Collection of TFNs is authorised by Australian taxation laws.

C Postal Address for Correspondence

Enter the mailing address (if different) **exactly** as it appears on the current holding statement for your existing shareholding.

Joint Applicants' correspondence will only be sent to the address specified in this section.

D Contact Details

Enter a contact name, daytime telephone number and email address for the person to be contacted in relation to this application.

E Application Details

Please complete the table in Section E with the following information in relation to each Series you are applying for.

- Enter the **ASX Code** for the Series you are applying for in the first column.
- Enter the **Number** of I³ being applied for in the Series in column E2.
- Enter the HINs & PIDs or SRNs of the existing securityholdings you are using to pay your First Instalment in the third column (column E3). These numbers must be exactly as they appear on your holding statements for the securityholdings you wish to convert to I³. **Attach copies of all relevant Issuer Sponsored and/or CHESS Holding Statements to your Application.**

In relation to each Series applied for, Citi will determine any Cashback Amount by deducting the First Interest Amount from the amount of the Final Instalment for that Series (as at the time the Application is accepted by Citi).

Shareholder Applicants will receive a notice from Citi as soon as reasonably practicable after the issue of their I³ identifying the number of I³ in each Series issued to them and the amounts of their First Instalment, Final Instalment, Loan Establishment Fee and Cashback Amount.

F CHESS Details

If you are already CHESS sponsored, you may complete this section by providing the PID of your sponsoring broker and your HIN. If you are unsure of these details contact your sponsoring broker. If no details are provided, you will become Issuer Sponsored and be allocated a Shareholder Reference Number (SRN) which will appear on your holding statement.

G Reinvestment or settlement of Cashback Amount

If you elect to reinvest any Cashback Amount in additional I³ you must complete a Cash Application Form together with this Shareholder Application Form. Your Cashback Amount will be invested at the issue price or the prevailing price on the day your Application is accepted.

If you elect to receive any Cashback Amount, please enter your bank account details here for all payments and Cashback Amounts you wish to be directly credited into your bank account. Only accounts held with banks, building societies and credit unions within Australia may be entered. If no details are provided, a cheque will be mailed to the address provided.

H Appreciation Cap Amount

You are invited to make an election for the payment of any Appreciation Cap Amount in relation to a holding of I³. For more information in relation to Option 1, Option 2 and Option 3, see section 1.6 of the PDS.

I Applicant's Declaration

Please read the entire Applicant's Declaration set out in Section I.

J National Credit Code Declaration

Please read and sign the National Credit Code Declaration in Section J. It is a term of your investment in I³ that you give the National Credit Code Declaration in section J. If you do not give this declaration (or if you give this declaration but it is not true) in respect of a holding of I³, Citi may arrange for those I³ to be sold on the ASX, in which case you will receive the net proceeds of sale, without interest, after the repayment of your Loan and the payment of Citi's costs in relation to the sale.

K Applicant's Signature (To Be Completed By All Applicants)

Having completed the entire Application Form, read the Applicant's Declaration in Section I, and signed the National Credit Code Declaration in Section J, please sign in the space provided in Section K.

Each individual Applicant must sign in Section K personally or have his or her attorney sign.

Joint Applicants must all sign or have their attorney(s) sign in Section K.

For Corporate Applications, Section K must be signed by two directors or one director and one secretary, or their attorney(s) and must include the relevant ABN/ACN of the company.

For Applications on behalf of trusts, partnerships and deceased estates, Section K must be signed by the individual trustees, executors or principals.

Where Section K is signed by an attorney, the original or a certified copy of the Power of Attorney must accompany the Application Form.

Lodgement Instructions

Completed Applications may be lodged with your stockbroker or approved financial adviser or sent to:

Structured Products Support

I³ Offer

Citigroup Global Markets Australia Pty Limited

GPO Box 557 Sydney NSW 2001

Rollover Application Form Instructions

This guide is for investors wishing to convert a prior series of instalment warrants (Rollover Instalments) into this Series of I³. Before completing this Application Form, investors should contact Citi or Instreet to confirm whether the particular new series of I³ they wish to apply for is available for rollover.

Please ensure that your adviser or broker completes their details in the section entitled "Adviser/Broker Details".

A Applicant(s) Details

Please tick the relevant box to advise whether you are a resident or non-resident for tax purposes (see Section B below in relation to provision of your Tax File Number (TFN), Exemption Category or Australian Business Number (ABN)).

Write the full name(s) **exactly** as it appears on your current holding statement for the Rollover Instalments that you wish to rollover.

You should enter all other information required by this section in relation to each Applicant, including date of birth, address or registered office (please note that PO Box is not accepted) and Account Name (if applicable).

B Tax File Number, Exemption Category or ABN (if applicable)

You may provide each Applicant's TFN, Exemption Category or ABN in Section B. While it is not compulsory to provide your TFN, failure to do so may result in withholding tax being deducted from any distribution payments.

By not providing your TFN, you accept that part or all of your holding may be sold sufficient to pay the withholding tax.

Alternatively, Applicants may enter their ABN if applicable.

Non residents or an exempt entity for Australian taxation purposes must declare their status and provide an exemption number, if applicable.

Collection of TFNs is authorised by Australian taxation laws.

C Postal Address for Correspondence

Enter the residential address and mailing address (if different) **exactly** as it appears on the current holding statement for your prior series of instalment warrants.

Joint Applicants' correspondence will only be sent to the address specified in this section.

D Contact Details

Enter a contact name, daytime telephone number and email address for the person to be contacted in relation to this application.

E Application Details

Please complete the table in Section E with the following information in relation to each Series you are applying for.

- Enter the **ASX Code** for the Series you are applying for in column E1.
- Enter the **ASX Code** for the relevant existing series of I³ (Rollover Instalments) you wish to rollover into this Series in column E2.
- Enter the **Number** of I³ currently held in the existing series in column E3.
- If Citi has provided you with an indication of any Rollover Payment payable or any Cashback Amount receivable (as applicable) in respect of your Rollover Application, please enter the indicative amount of the indicative **Rollover Payment** (if applicable) in column E4 or the indicative **Cashback Amount** (if applicable) in column E5 in respect of the I³ you wish to apply for. You may obtain these indicative amounts by contacting Citi on 1300 30 70 70 or Instreet on 1300 98 88 78 when you are completing your Application Form. Inserting these indicative amounts is optional.
- If you have entered any indicative amounts in column E4 or column E5, add the amounts in column E4 to obtain your indicative **Total Rollover Payment** and the amounts in column E5 to obtain your indicative **Total Cashback Amount** and enter these total amounts in the spaces provided at the bottom of the table.

For each Series applied for, Citi will determine the actual amount of any Rollover Amount or any Cashback Amount in relation to a Rollover Application in accordance with Section 1.4 of this PDS and having regard to the Purchase Price of the Underlying Shares on ASX as at the date that Citi accepts the Rollover Application.

The **Total Rollover Payment** is the aggregate of all the actual Rollover Payments payable under the Application. The **Total Cashback Amount** is the aggregate of all the actual Cashback Amounts receivable under the Application. If you have elected to make a payment by cheque in Section H, please use the indicative amounts obtained from Citi to determine the amount of the cheque. Citi will refund any excess payment to you (without interest) once the actual amount payable is determined.

Rollover Applicants will receive a notice from Citi as soon as reasonably practicable after the issue of their I³ identifying the number of I³ in each Series issued to them and the amounts of their First Instalment, Final Instalment and any Rollover Payment or Cashback Amount.

A copy of the holding statement for the prior series I³ you wish to rollover must be attached to your Application Form.

F CHESS Details

If you are already CHESS sponsored, you may complete this section by providing the PID of your sponsoring broker and your HIN. If you are unsure of these details contact your sponsoring broker. If no details are provided, you will become Issuer Sponsored and be allocated a Shareholder Reference Number (SRN) which will appear on your holding statement.

G Reinvestment or settlement of Cashback Amount

If you elect to reinvest any Cashback Amount in additional I³, you must complete a Cash Application Form together with the Rollover Application Form.

Your Cashback Amount will be invested at the issue price or the price prevailing on the day your application is accepted.

If you elect to receive any Cashback Amount, please enter your bank account details here for all payments and Cashback Amounts you wish to be directly credited into your bank account. Only accounts held with banks, building societies and credit unions within Australia may be entered. If no details are provided, a cheque will be mailed to the address provided.

H Payment Method (Cheque, BPAY or Direct Debit)

You will have to make a payment equal to the amount (if any) of the Total Rollover Payment by cheque, BPAY or direct debit. Select your preferred payment method by ticking the appropriate box.

Cheque: All cheques are to be made out to 'CitiWarrants Instalments Trust Account' and crossed 'Not Negotiable'. The drawer of the cheque and the applicant name must be the same. Please use the indicative amounts obtained from Citi to determine the amount of the cheque. Citi will refund any excess payment to you (without interest) once the actual amount payable is determined.

BPAY: If you are paying by BPAY, the BPAY Reference Number will be the Application Number specified in the Rollover Application Form. You MUST also mail in the original Rollover Application Form. If no Application Number appears in the Application Form you will need to call CitiWarrants Operations on 1300 368 301 to obtain one.

Direct Debit: If you are paying by direct debit you agree to be bound by the terms for direct debit, as set out in item 10 of the Loan Agreement in section 10 of this PDS.

Enter your bank account details here for all payments you wish to be directly debited from your bank account. Only accounts held with banks, building societies and credit unions within Australia may be entered. If no details are provided, you may pay via BPAY or remit a cheque at the time of your application.

I Appreciation Cap Amount

You are invited to make an election for the payment of any Appreciation Cap Amount in relation to a holding of I³. For more information in relation to Option 1, Option 2 and Option 3, see section 1.6 of the PDS.

J Application Declaration

Please read the entire Applicant's Declaration set out in Section J.

K National Credit Code Declaration

Please read and sign the National Credit Code Declaration in Section K. It is a term of your investment in I³ that you give the National Credit

Code Declaration in section K. If you do not give this declaration (or if you give this declaration but it is not true) in respect of a holding of I³, Citi may arrange for those I³ to be sold on the ASX, in which case you will receive the net proceeds of sale, without interest, after the repayment of your Loan and the payment of Citi's costs in relation to the sale.

L Applicant's Signature (To Be Completed By All Applicants)

Once you have completed the entire Application Form, read the Applicant's Declaration in Section J, and signed the National Credit Code Declaration in Section K, please sign in the space provided in Section L.

Each individual Applicant must sign in Section L personally or have his or her attorney sign.

Joint Applicants must all sign or have their attorney(s) sign in Section L.

For Corporate Applications, Section L must be signed by two directors or one director and one secretary, or their attorney(s) and must include the relevant ABN/ACN of the company.

For Applications on behalf of superannuation funds, trusts, partnerships and deceased estates, Section L must be signed by the individual trustees, executors or principals.

Where Section L is signed by an attorney, the original or a certified copy of the Power of Attorney must accompany the Application Form.

Lodgement Instructions

Completed Applications may be lodged with your stockbroker or approved financial adviser or sent to:

Structured Products Support

I³ Offer

Citigroup Global Markets Australia Pty Limited

GPO Box 557 Sydney NSW 2001

CASH APPLICATION FORM – I³

This Application Form relates to the PDS for I³ dated 7 November 2011 issued by Citigroup Global Markets Australia Pty Limited, and is to be used to purchase I³ via cheque, direct debit or BPAY.

Capitalised terms in the Application Form will have the same meaning as given to them in the PDS (unless otherwise defined in this Application Form). If this PDS is distributed electronically, then those receiving it electronically should note that Applications can only be accepted by the Issuer if the Issuer receives a completed, current Application Form which accompanied the electronic or paper copy of this PDS dated [insert]. Paper copies of this PDS (with attached Application Form) are available from the Issuer free on request. Investors should read the whole of the PDS before making any decision to invest.

PLEASE RETURN THIS APPLICATION FORM TOGETHER WITH YOUR PAYMENT TO YOUR STOCKBROKER, FINANCIAL ADVISER OR ALTERNATIVELY SEND TO:

**Structured Products Support
I³ Offer
Citigroup Global Markets Australia Pty Limited
GPO Box 557 Sydney NSW 2001**

Broker Stamp

Please note: by stamping your broker stamp you are hereby representing and warranting to Citigroup Global Markets Australia Pty Limited ("Citi") (AFSL 240992) that you have complied with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and any other applicable law or regulation, in your collection and verification of required information and permit Citi to rely on this customer identification and verification (including granting Citi reasonable access to records) for the purposes of Citi fulfilling its legal obligations.

ADVISER/BROKER DETAILS (TO BE COMPLETED BY YOUR ADVISER/BROKER)

Licensee										Adviser company name														
Adviser Code					Adviser email address																			
Adviser postal address																								
PO Box or Street No. & Name																								
Suburb					State										Postcode									
Country																								
Adviser work number										Adviser fax number										Adviser mobile number				
()										()														

ADVISER FEE REBATE (TO BE COMPLETED TOGETHER WITH YOUR ADVISER/BROKER)

Adviser is to rebate upfront the following portion of the Adviser Fee (and the Loan Establishment Fee will be reduced by the same amount):

- Rebate 100%
- Rebate 50%
- Rebate 0%

A APPLICANT DETAILS (TO BE COMPLETED BY ALL APPLICANTS)

I/We apply for I³ as indicated in this Application Form on the terms set out in the PDS, Terms of Issue and this Application Form.

Applicant 1 Details (Individual, Joint, Trust, Company and Superannuation Applicants)

- I am an Australian resident for income tax purposes and I have provided my TFN or exemption details below. If not, I understand that tax may be withheld on dividends and distributions at the maximum rate, and I accept that part or all of my holding may be sold sufficient to pay the withholding tax.
- I am not an Australian resident for income tax purposes. I understand that tax may be withheld on dividends and distributions at the maximum rate, and I accept that part or all of my holding may be sold sufficient to pay the withholding tax.

Name																		Date of Birth						
																		D D M M Y Y						

I | APPLICANT'S DECLARATION

By completing this Cash Application Form, I/we acknowledge, represent and undertake as follows:

I/we have read and understood the PDS to which this Cash Application Form is attached and that the I³ are warrants and subject to the risks identified in section 4 of the PDS.

I/we hereby apply for the number of I³ per Series determined by Citi under the PDS having regard to the Total Investment Amount per Series specified in Section E, to be issued in accordance with the Terms of Issue.

I/we agree to accept the issue of the I³ on those terms.

I/we irrevocably appoint Citi as my/our attorney to:

- complete and execute the Loan Agreement on my/our behalf;
- complete any blanks in this Cash Application Form;
- do anything that I am/we are obliged to do under the Loan Agreement or this Cash Application Form; and
- complete any documents necessary or incidental to any of the above.

I/we instruct Citi or its nominee to use my Total Investment Amount per Series together with my Loan to acquire the requisite number of Underlying Shares to be held on trust by the Trustee pursuant to the Terms of Issue.

I/we release Citi and the Trustee and any of their employees, officers or agents from any claim, liability or loss whatsoever arising from, or in relation to the processes described in this Cash Application Form.

I am/we are not bankrupt or insolvent and I am/we are able to pay my/our debts as and when they become due and confirm that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors.

I am/we are 18 years of age or over or have full legal capacity to make the Application and have taken all actions that are necessary to authorise the Application and be bound by the Terms of Issue.

If I am/we are acting as a trustee in relation to this application for I³ then I/we represent and warrant that I/we have all the power, authority and discretion vested as trustee to make this application.

Privacy Declaration

I/We have read and understood the "Privacy Statement" in Section 8.16 of the PDS and agree that information about me/us written on this form will not be collected, used or disclosed for any purpose other than for the purposes stated in the PDS or as otherwise permitted under the Privacy Act 1998 (Cth). Where I/we have provided information about any other individual, I/we will make that individual aware of the provisions of the privacy statement.

J | NATIONAL CREDIT CODE DECLARATION

National Credit Code Declaration (*Please complete this declaration*)

I/We declare that the credit to be provided to me/us by the credit provider is to be applied wholly or predominantly for:

- business purposes; or
- investment purposes other than investment in residential property.

IMPORTANT

You should **only** sign this declaration if this loan is wholly or predominantly for:

- business purposes; or
- investment purposes other than investment in residential property.

By signing this declaration you may **lose** your protection under the National Credit Code

Signature Applicant 1 (or Director)	Date

Signature Applicant 2 (or Director/Secretary)	Date

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SHAREHOLDER APPLICATION FORM – I³

This Application Form relates to the PDS for I³ dated 7 November 2011 issued by Citigroup Global Markets Australia Pty Limited, and is to be used to convert existing securityholdings into I³, in accordance with the Shareholder Application requirements set out in the PDS.

Capitalised terms in the Application Form will have the same meaning as given to them in the PDS (unless otherwise defined in this Application Form). If this PDS is distributed electronically, then those receiving it electronically should note that Applications can only be accepted by the Issuer if the Issuer receives a completed, current Application Form which accompanied the electronic or paper copy of this PDS dated 7 November 2011. Paper copies of this PDS (with attached Application Form) are available from the Issuer free on request. Investors should read the whole of the PDS before making any decision to invest.

NOTE CITI WILL NOT ACCEPT SHAREHOLDER APPLICATIONS FROM TRUSTEES OF SUPERANNUATION FUNDS.

A copy of your issuer sponsored or CHESS holding statements for existing securityholdings must be attached to this Application Form.

PLEASE RETURN THIS APPLICATION FORM TOGETHER WITH YOUR PAYMENT TO YOUR STOCKBROKER, FINANCIAL ADVISER OR ALTERNATIVELY SEND TO:

**Structured Products Support
I³ Offer
Citigroup Global Markets Australia Pty Limited
GPO Box 557 Sydney NSW 2001**

Broker Stamp

Please note: by stamping your broker stamp you are hereby representing and warranting to Citigroup Global Markets Australia Pty Limited ("Citi") (AFSL 240992) that you have complied with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and any other applicable law or regulation, in your collection and verification of required information and permit Citi to rely on this customer identification and verification (including granting Citi reasonable access to records) for the purposes of Citi fulfilling its legal obligations.

ADVISER/BROKER DETAILS (TO BE COMPLETED BY YOUR ADVISER/BROKER)

Licensee										Adviser company name									
Adviser Name										Adviser email address									
Adviser postal address																			
PO Box or Street No. & Name																			
Suburb										State					Postcode				
Country																			
Adviser work number						Adviser fax number						Adviser mobile number							
()						()						()							

ADVISER FEE REBATE (TO BE COMPLETED TOGETHER WITH YOUR ADVISER/BROKER)

Adviser is to rebate upfront the following portion of the Adviser Fee (and the Loan Establishment Fee will be reduced by the same amount):

- Rebate 100%
- Rebate 50%
- Rebate 0%

A APPLICANT DETAILS (TO BE COMPLETED BY ALL APPLICANTS)

I/We apply for I³ as indicated in this Application Form on the terms set out in the PDS, Terms of Issue and this Application Form.

Applicant 1 Details (Individual, Joint, Trust, Company and Superannuation Applicants)

- I am an Australian resident for income tax purposes and I have provided my TFN or exemption details below. If not, I understand that tax may be withheld on dividends / distributions at the maximum rate, and I accept that part or all of my holding may be sold sufficient to pay the withholding tax.
- I am not an Australian resident for income tax purposes. I understand that tax may be withheld on dividends and distributions at the maximum rate, and I accept that part or all of my holding may be sold sufficient to pay the withholding tax.

F CHESS DETAILS

Sponsoring Broker																								
PID					HIN										or SRN									
Street No. & Name																								
Suburb																								
Country															State					Postcode				

G REINVESTMENT OR SETTLEMENT OF CASHBACK AMOUNT

- Option A** - I/We agree to direct any Cashback Amount which may be due to me/us towards applying for additional I³ and enclose a Cash Application Form in relation to that application for additional I³. **Please note that if you agree to direct the Cashback Amount towards applying for additional I³ you must complete a Cash Application Form and attach it to this Shareholder Application Form.**
- Option B** - I/We request Citi to credit any Cashback Amount which may be due to the account nominated below.

Name of Bank or Financial Institution												Account Title or Name												
Branch Address																								
BSB						Account Number																		

For the purposes of the instructions given above, you should specify your bank account details here. The bank account must be in the same name as the Holder of the I³. Third party payments will not be accepted. Only accounts held with banks, building societies and credit unions within Australia may be entered. If no details are provided, a cheque will be mailed to the address provided.

H APPRECIATION CAP AMOUNT

Please read section 1.6 of the PDS for further details of the options available to you on Reset Dates and the Maturity Date in relation to the method of payment of any Appreciation Cap Amount.

- Please tick one of the three boxes below to make your Appreciation Cap Election in this Application Form:
- Option 1** – I/We elect to authorise Citi to sell the necessary Underlying Shares in order to pay any Appreciation Cap Amount.
- Option 2** – I/We elect to pay the Appreciation Cap Amount in cash via the following direct debit instructions and from the nominated account specified in section G of this Application Form. I/We understand and acknowledge that in providing the direct debit instructions to Citigroup Global Markets Australia Ltd (“Citi”) that:
- I/we authorise and request Citi, until further notice in writing, to debit my/our account with any amounts which I/we may instruct Citi to debit in connection with I³.
 - I/we understand that this direct debit request is made in favour of Citi.
 - I/we understand and acknowledge that I /we have read and understood the terms and conditions of the direct debit agreement in item 10 of the Loan Agreement in section 10 of the PDS.
- Option 3** – I/We elect for Citi to exercise its security interest to arrange for all Underlying Shares to be sold where an Appreciation Cap Amount is payable.

I APPLICANT'S DECLARATION

By completing this Shareholder Application Form, I/we acknowledge, represent and undertake as follows:

I/we are the sole legal and beneficial owner (delete the words "and beneficial" if you are acting as a trustee) of the securities that are being transferred pursuant to this Shareholder Application Form ("My Shares"), which are free and clear of any encumbrance or security interest.

I/we have read and understood the PDS to which this Shareholder Application Form is attached and that the I³ are warrants and subject to the risks identified in section 4 of the PDS.

I/we hereby apply for the number of I³ set out in this Shareholder Application Form to be issued in accordance with the Terms of Issue.

I/we agree to accept the issue of the I³ on those terms.

I/we irrevocably appoint Citi as my/our attorney to:

- (a) complete and execute the Loan Agreement on my/our behalf;
- (b) complete any blanks in this Shareholder Application Form;
- (c) do anything that I am/we are obliged to do under the Loan Agreement or this Shareholder Application Form;
- (d) do any and all things necessary to transfer the legal title to My Shares to the Trustee;
- (e) complete any documents necessary or incidental to any of the above; and
- (f) direct my/our sponsoring broker or the relevant registrar of an issuer sponsored sub-register to deliver to Citi (PID 2032) My Shares as an off market transaction.

I/we release Citi and the Trustee and any of their employees, officers or agents from any claim, liability or loss whatsoever arising from, or in relation to the processes described in this Shareholder Application Form.

I am/we are not bankrupt or insolvent and I am/we are able to pay my/our debts as and when they become due and confirm that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors.

I am/we are 18 years of age or over or have full legal capacity to make the Application and have taken all actions that are necessary to authorise the Application and be bound by the Terms of Issue.

If I am/we are acting as a trustee in relation to the holding of My Shares then I/we represent and warrant that I/we have all the power, authority and discretion vested as trustee to apply in relation to the securities which are the subject of the trust.

Privacy Declaration

I/We have read and understood the "Privacy Statement" in Section 8.16 of the PDS and agree that information about me/us written on this form will not be collected, used or disclosed for any purpose other than for the purposes stated in the PDS or as otherwise permitted under the Privacy Act 1998 (Cth). Where I/we have provided information about any other individual, I/we will make that individual aware of the provisions of the privacy statement.

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ROLLOVER APPLICATION FORM – I³

This Application Form relates to the PDS for I³ dated 7 November 2011 issued by Citigroup Global Markets Australia Pty Limited, and is to be used to roll an existing series of I³ into a new series of I³. Before completing this Application Form, investors should contact Citi to confirm whether the particular new series of I³ they wish to apply for is available for rollover.

Capitalised terms in the Application Form will have the same meaning as given to them in the PDS (unless otherwise defined in this Application Form). If this PDS is distributed electronically, then those receiving it electronically should note that Applications can only be accepted by the Issuer if the Issuer receives a completed, current Application Form which accompanied the electronic or paper copy of this PDS dated [insert]. Paper copies of this PDS (with attached Application Form) are available from the Issuer free on request. Investors should read the whole of the PDS before making any decision to invest.

A copy of your holding statement(s) for your prior series of I³ must be attached to this Application Form.

PLEASE RETURN THIS APPLICATION FORM TOGETHER WITH YOUR PAYMENT TO YOUR STOCKBROKER, FINANCIAL ADVISER OR ALTERNATIVELY SEND TO:

Structured Products Support

I³ Offer

**Citigroup Global Markets Australia Pty Limited
GPO Box 557 Sydney NSW 2001**

Broker Stamp	Please note: by stamping your broker stamp you are hereby representing and warranting to Citigroup Global Markets Australia Pty Limited ("Citi") (AFSL 240992) that you have complied with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and any other applicable law or regulation, in your collection and verification of required information and permit Citi to rely on this customer identification and verification (including granting Citi reasonable access to records) for the purposes of Citi fulfilling its legal obligations.
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ADVISER/BROKER DETAILS (TO BE COMPLETED BY YOUR ADVISER/BROKER)

Licensee										Adviser company name									
Adviser Name										Adviser email address									
Adviser postal address																			
PO Box or Street No. & Name																			
Suburb										State					Postcode				
Adviser work number							Adviser fax number							Adviser mobile number					
()							()												

A APPLICANT DETAILS (TO BE COMPLETED BY ALL APPLICANTS)

I/We apply for I³ as indicated in this Application Form on the terms set out in the PDS, Terms of Issue and this Application Form.

Applicant 1 Details (Individual, Joint, Trust, Company and Superannuation Applicants)

I am an Australian resident for income tax purposes and I have provided my TFN or exemption details below, and I understand that tax may be withheld on dividends and distributions at the maximum rate and I accept that part or all of my holding may be sold sufficient to pay the withholding tax.

I am not an Australian resident for income tax purposes. I understand that tax may be withheld on dividends and distributions at the maximum rate, and I accept that part or all of my holding may be sold sufficient to pay the withholding tax.

Name (MUST be exactly as it appears on the current holding statement for your prior series of I³) Date of Birth

															D	D	M	M	Y	Y
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---	---	---	---

Address or registered office (Please note that PO Box is not accepted and that your address MUST be exactly as it appears on the current holding statement for your prior series of I³)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Account name (if applicable)

<																			>
---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---

I APPRECIATION CAP AMOUNT

Please read section 1.6 of the PDS for further details of the options available to you on Reset Dates and the Maturity Date in relation to the method of payment of any Appreciation Cap Amount.

Please tick one of the three boxes below to make your Appreciation Cap Election in this Application Form:

- Option 1** – I/We elect to authorise Citi to sell the necessary Underlying Shares in order to pay any Appreciation Cap Amount.
- Option 2** - I/We elect to pay the Appreciation Cap Amount in cash via the direct debit instructions and from the direct debit account specified in section H of this Application Form.
- Option 3** – I/We elect for Citi to exercise its security interest to arrange for all Underlying Shares to be sold where an Appreciation Cap Amount is payable.

J APPLICANT'S DECLARATION

By completing this Rollover Application Form, I/we acknowledge, represent and undertake as follows:

I/we have read and understood the PDS to which this Rollover Application Form is attached and that the I³ are warrants and subject to the risks identified in section 4 of the PDS.

I/we hereby apply for I³ as determined pursuant to the Terms of Issue and this Rollover Application and to be issued in accordance with the Terms of Issue.

I/we agree to accept the issue of the I³ on those terms.

I/we are the sole legal and beneficial owner (delete the words "and beneficial" if you are acting as a trustee) of the Rollover Instalments identified in this Rollover Application Form, which are free and clear of any encumbrance or security interest.

I/we have not exercised the Rollover Instalments identified in this Rollover Application Form.

For the purposes of the rollover of my/our Rollover Instalments into the I³, I/we irrevocably appoint:

- (a) the Trustee to:
- hold on trust pursuant to the terms of the Declaration of Trust and the Instalment Warrant Deed the Underlying Shares that make up the Underlying Parcel of the Rollover Instalment that are "rolled" into and will become all or part of the Underlying Shares in respect of the new I³ from the time at which the final instalment on the Rollover Instalments is paid; and
 - do all other things as required by the Terms of Issue in order to effect this Rollover Application.

- (b) Citi as my/our attorney to complete and take all actions required under the Loan Agreement for the I³ on my/our behalf.

I/we irrevocably instruct and direct that the Trustee and Citi may do any and all things (including the completion of any documents in any form on my/our behalf) necessary, incidental or in relation to their appointment as set out above.

I/we irrevocably instruct and direct that proceeds of the Loan be used to pay the final instalment payable on the Rollover Instalments.

I/we irrevocably instruct and direct the Trustee to:

- hold on trust pursuant to the terms of the Declaration of Trust and the Instalment Warrant Deed, the securities that make up the underlying parcel of the Rollover Instalment from the time at which the final instalment on the Rollover Instalments is paid; and
- do all other things as required by the Terms of Issue in order to effect this Rollover Application.

I/we release Citi, the Trustee and any of their employees, officers or agents from any claim, liability or loss whatsoever arising from, or in relation to the rollover process described in this Rollover Application Form or in relation to the Rollover Instalments.

I/we represent and warrant that until the Trustee becomes the registered Holder of the Underlying Shares pursuant to the terms of this Rollover Application Form both the Rollover Instalments and the Underlying Shares are free from any encumbrances, including but not limited to, a mortgage, charge, lien, pledge, hypothecation, power of title retention or any other form of security currently existing or likely to arise (other than the Rollover Instalment security interest over the Underlying Shares).

I am/we are not bankrupt or insolvent and I am/we are able to pay my/our debts as and when they become due and confirm that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors.

I am/we are 18 years of age or over or have full legal capacity to make the Application and have taken all actions that are necessary to authorise the Application and be bound by the Terms of Issue.

If I am/we are acting as a trustee in relation to the holding of Rollover Instalments then I/we represent and warrant that I/we have all the power, authority and discretion vested as trustee to apply in relation to the securities which are the subject of the trust. I/we acknowledge that I/we will remain liable for any payment obligations under the Rollover Instalments not fulfilled by Citi or the Trustee on my/our behalf, including interest and other charges, costs and expenses.

Privacy Declaration

I/We have read and understood the "Privacy Statement" in Section 8.16 of the PDS and agree that information about me/us written on this form will not be collected, used or disclosed for any purpose other than for the purposes stated in the PDS or as otherwise permitted under the Privacy Act 1998 (Cth). Where I/we have provided information about any other individual, I/we will make that individual aware of the provisions of the privacy statement.

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APPENDIX 1 – FINANCIAL SERVICES GUIDE

**CITIGROUP GLOBAL MARKETS AUSTRALIA PTY
LIMITED (ABN 64 003 114 832 / AFSL 240992)**

Dated: 7 November 2011

This FSG is an important document and a regulatory requirement under the Corporations Act. It provides you with information about:

- the products and services we are authorised to provide you;
- who we are and how we can be contacted;
- how we (and any other relevant parties) are remunerated;
- any potential conflicts of interest we may have;
- our internal and external complaints handling procedures and how you can access them; and
- how we keep the information you provide to us private.

This FSG should assist you in determining whether to use any of our financial services or products. Should you choose to use any of our financial services or products, you may also receive other documents relevant to the services or products which you should also read carefully.

WHO IS RESPONSIBLE FOR FINANCIAL SERVICES PROVIDED TO YOU?

Citi is responsible for the financial services described in this FSG. Any financial services offered will be provided by representatives of Citi.

Details of Citi and its relationship with other members of the Citigroup Inc. group of companies appear in the PDS to which this FSG is annexed.

In Australia, Citi is a Participant of the ASX. Citi is able to provide a range of investment, advisory, and stockbroking services to individuals, superannuation funds and trusts, companies and other entities.

You can contact Citi by:

- speaking to your nominated representative;
- if you do not have a nominated representative, calling us on + 61 2 8225 4000;
- visiting our website at www.citigroup.com.au; or
- writing to us at:

Citigroup Global Markets Australia Pty Limited
Citigroup Centre
2 Park Street
Sydney NSW 2000

WHAT KIND OF FINANCIAL SERVICES IS CITI AUTHORISED TO PROVIDE?

Citi is authorised by its Australian Financial Services Licence to provide, or arrange to provide, the financial products and services set out in this FSG.

We are authorised to provide both general and personal advice to, and to deal on behalf of retail and wholesale clients in relation to:

- derivatives;
- foreign exchange contracts;
- debentures, stocks or bonds issued or proposed to be issued by a government;
- interests in managed investment schemes excluding investor directed portfolio services;
- securities; and
- financial products limited to miscellaneous financial investment products limited to managed investment warrants:

(A) to which the definition of derivative in subsection 761D(1) of the Corporations Act applies; that is a financial product of the kind referred to in subparagraph 764A(1)(b)(ii) or 764A(1)(ba)(ii) of the Corporations Act; and

(B) that is transferable; and

(C) that is a warrant as defined in the Operating Rules that has been admitted by the ASX to trading status on a financial market of the ASX.

We are authorised to make a market in:

- derivatives;
- government bonds and debentures; and
- financial products other than foreign exchange.

We also provide a custodial or depository service in relation to our nominee company services.

OUR PRODUCTS AND SERVICES

In Australia, Citi provides investors with access to a comprehensive range of financial products and services, including:

- domestic and international equities;
- domestic and international futures;
- IPOs and secondary market offerings;
- bank bills and fixed income investments;
- listed property trusts;
- managed funds;
- listed options and warrants;
- cash management accounts and trusts;
- stock lending;
- portfolio reporting and administration services; and
- online access for both Australian and international trading accounts.

Products and services are not limited to products offered by Citi and/or its subsidiaries and/or associates.

Furthermore, your representative is not required to place any portion of investments placed with Citi and/or its subsidiaries and/or associates.

YOUR RIGHTS AS AN INVESTOR

Your representative will be acting on behalf of Citi. Citi is therefore responsible to you for any advice your representative provides to you.

HOW YOU CAN TRANSACT WITH US

You have the right to specify how you would like to give us instructions to transact. For example, by telephone, fax, email, mail or other means.

POTENTIAL CONFLICTS OF INTEREST WE MAY HAVE

You have the right to be advised of any material interest that your representative, Citi or any of their associates may have in financial products. Material interests are those that could be reasonably expected to be capable of influencing the recommendation of a financial product to you.

Accordingly, you should be aware that:

- if you have been referred to Citi by a third party, that person may receive a share of brokerage charged to you. Your representative will provide you with more details and will disclose any other material interest when he or she makes specific recommendations;
- members of the Citigroup Inc. group of companies may from time to time issue financial products that are recommended and/or distributed by Citi and may benefit from that;
- members of the Citigroup Inc. group of companies may from time to time provide investment banking and other financial services to issuers of financial products;
- representatives are paid an annual salary and your representative may also receive a bonus. However, bonus objectives are not related to any particular product, service or specific business that your representative may arrange on your behalf; and
- Citi will also trade financial products on its own account.

WHAT YOU SHOULD DO IF YOU HAVE A COMPLAINT

Citi has formal internal complaint handling procedures which are consistent with the Australian Standard ISO 10002-2006. As a client, you have the right for any complaints in relation to your dealings with Citi to be considered in a timely manner. Our management is committed to a high level of client service, and as such regard all complaints as serious and entitled to be handled promptly, fairly, consistently and in a professional manner. Clients may either complain verbally or in written form.

If you have any complaint about the service provided to you, you should take the following steps.

Verbal Complaints

If you wish to make a verbal complaint, you can call Citi on 1300 30 70 70 or + 61 2 8225 4000 and provide details of your complaint to the Compliance Manager.

Written Complaints

If you wish to make a written complaint, you should write to the Compliance Manager, Citigroup Global Markets Australia Pty Limited, Level 22, 2 Park Street, Sydney NSW 2000, and provide all relevant details of your complaint.

External Complaint Services and Regulatory Bodies

Citi is a member of the Financial Ombudsman Service (FOS). FOS assists with the resolution of disputes between consumers and participating financial services providers.

If you have made a complaint to Citi and have not received a response within 45 days, or if the complaint has not been resolved to your satisfaction, you have the right to take your complaint to FOS. FOS' details are:

Financial Ombudsman Service
GPO Box 3, Melbourne VIC 3001
Toll-free: 1300 78 08 08
Fax: + 61 3 9613 6399
Email: info@fos.org.au

The complaint must be lodged within 6 years of the date you knew or reasonably ought to have known of the loss.

Further information is available from Citi or FOS. For a complaint that exceeds \$500,000, alternative dispute resolution mechanisms may be utilised.

ASIC also has an information line that you may use to make a complaint and obtain information about your rights on 1300 30 06 30.

THE NATIONAL GUARANTEE FUND

The National Guarantee Fund is an external fund set up to provide compensation for valid claims arising from dealings with stockbrokers. The circumstances of when this fund may be available to you are set out in Part 7.5 Division 4 of the Corporations Regulations.

To make a claim under the National Guarantee Fund, you need to refer to the National Guarantee Fund booklet available on the ASX website.

Investors should note that the National Guarantee Fund does not cover all financial products to which this FSG relates. For example, it excludes monies held in a cash management account that may be associated with any affiliate of Citi or your broker.

COMPENSATION ARRANGEMENTS

Citigroup Inc. has provided a guarantee in respect of Citi's liabilities to customers due to breaches by Citi or

its current representatives of their relevant obligations under Chapter 7 of the Corporations Act. The guarantee is approved by ASIC as an alternate compensation arrangement put in place instead of professional indemnity insurance. The guarantee satisfies the requirements under section 912B of the Corporations Act. The guarantee reduces the risk that Citi cannot pay customer claims because of insufficient financial resources.

HOW WE ARE REMUNERATED FOR THE SERVICES WE PROVIDE

Citi will charge you a fee for the services provided to you.

Transaction Based Fee Arrangement

Under a transaction based fee arrangement, Citi will charge you a commission on transactions undertaken based on the value of the securities bought or sold. You will be advised of the rate of commission when you open an account with us and of any changes to our commission rates from time to time. A minimum charge, of which you will be advised before you make a transaction, may apply to some transactions. Details of these commissions and fees are set out in the confirmation or PDS for that particular financial product.

Other

Fees may also be payable for the provision of services such as the provision of custody arrangements. Your representative will inform you of these in advance. GST is levied on fees charged to Australian residents.

Citi may also receive commissions, volume bonuses and other incentives from fund managers and product issuers (including Citi and/or its associates) whose products we recommend to you. Your representative will explain to you the level of commissions at the time of making the recommendation.

The commissions we receive are usually a percentage of the fund manager's initial and/or ongoing fees. Commissions received by Citi are described in the PDS for those products that we recommend. Your representative will explain to you how those commissions are calculated at the time of making the recommendation.

WILL ANYONE BE PAID FOR REFERRALS?

Where you have been referred to us by a third party such as a financial planning group or accountant, we may pay an introductory fee or commission rebate in relation to the referral. Please refer to the financial services guide or statement of advice provided by the relevant third party for more detailed information on payments (if any) that may be payable.

HOW ARE OUR REPRESENTATIVES REMUNERATED?

Representatives are remunerated on a salary and bonus basis. The bonus is entirely at the discretion of management. Citi employees and directors receive salaries, bonuses based on performance criteria and other benefits from us.

The PDS for the particular product may disclose further details of remuneration received by Citi employees or paid to Citi representatives.

PARTICULARS OF REMUNERATION

You may request particulars of the remuneration (including commission) or other benefits received by Citi, its related bodies corporate, and/or a director or employee of Citi or its related bodies corporate that relate to the provision to you of a financial service. However, that request must be made within a reasonable time after you are provided with a copy of this FSG and before any financial services identified in this FSG are provided to you.

PRIVACY PROTECTION AT CITI

We will attempt to keep your customer files complete, up to date and accurate. We will tell you how and where to conveniently access your account information (except when we're prohibited by law) and how to notify us about errors which we will promptly correct.

The privacy of your personal information is important to us at Citi. Any personal information collected will be handled in accordance with our Privacy Protection Policy. Our Privacy Protection Policy details how we comply with the requirements of the Privacy Act in the handling of your personal information. A copy of that policy can be obtained by visiting the Citi website at www.citigroup.com.au.

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APPENDIX 2 – EXERCISE NOTICE

This Exercise Notice is to be used to either pay the Final Instalment or serve a Request for Purchase Notice. You cannot do both.

PLEASE RETURN THIS COMPLETION NOTICE TOGETHER WITH YOUR PAYMENT TO:

Structured Products Support
I³ Offer
Citigroup Global Markets Australia Pty Limited
GPO Box 557 Sydney NSW 2001

I/We being the Holder of the I³ specified below, hereby exercise those I³ pursuant to the Instalment Warrant Deed. This Exercise Notice is irrevocable. By completing this Exercise Notice, you represent that the I³ are neither directly nor indirectly held in favour of a US Person and have been acquired in accordance with the sales restrictions set forth in the PDS.

I/we exercise our I³ by:

- **Option A** – paying the Final Instalment (and any applicable Appreciation Cap Amount); or
- **Option B** – delivering a Request for Purchase Notice.

A INVESTOR DETAILS

Name															Date of Birth					
															D	D	M	M	Y	Y
Account name (if applicable)																				
< >																				
Name															Date of Birth					
															D	D	M	M	Y	Y
Account name (if applicable)																				
< >																				

B RESIDENTIAL ADDRESS

PO Box or Street No. & Name																		
Suburb											State			Postcode				
Country																		

C CONTACT DETAILS

Contact Name																		
Daytime Telephone						After Hours Phone						Mobile number						
()						()												
Email address																		

D PAYING THE FINAL INSTALMENT / DELIVERING A REQUEST FOR PURCHASE NOTICE

Option A – By ticking this box I/We elect to pay the Final Instalment (and any applicable Exercise Costs and Appreciation Cap Amount) in relation to the following I³:

HIN / SRN	I ³ ASX Code	Final Instalment (D1)	Number of I ³ being exercised (D2)	Final Instalment amount payable on exercise (D1 x D2)

TOTAL FINAL INSTALMENT AMOUNTS

Note: Please also complete the payment details in Section F below

Option B – By ticking this box I/We elect to deliver a Request for Purchase Notice for the following I³:

I ³ ASX Code	Final Instalment	Number of I ³ held by you

E | CHESS DETAILS

Sponsoring Broker																											
PID							HIN														or SRN						
Street No. & Name																											
Suburb																											
Country														State							Post Code						

F | PAYMENT METHOD FOR OPTION A (DIRECT DEBIT)

Direct Debit – For applicants wishing to pay their Final Instalment via direct debit, please provide banking details below.

If you have not already made a payment method election in relation to the payment of any Appreciation Cap Amount or if you wish to change or update the direct debit details that you have previously given Citi in relation to in relation to an election for the payment of any Appreciation Cap Amount by direct debit, tick the box below.

If you have previously made an Appreciation Cap Election for Option 2 and your direct debit details have not changed since that election, do not tick the box below.

By ticking this box I elect to pay any Appreciation Cap Amount in relation to my I³ identified in this Exercise Notice by direct debit from the account identified below.

- I/We understand and acknowledge that in providing the direct debit instructions to Citigroup Global Markets Australia Ltd (“Citi”) that:
- I/we authorise and request Citi, until further notice in writing, to debit my/our account with any amounts which I/we may instruct Citi to debit in connection with I³.
 - I/we understand that this direct debit request is made in favour of Citi.
 - I/we understand and acknowledge that I /we have read and understood the terms and conditions of the direct debit agreement in item 10 of the Loan Agreement in Section 10 of the PDS.

Name of Bank or Financial Institution														Account Title or Name													
Branch Address																											
BSB														Account Number													

For the purposes of the instructions given above, you should specify your bank account details here. The bank account must be in the same name as the holder of the I³. Third party payments will not be accepted.

Please note that if you do not ensure that sufficient funds are in this nominated account on the date that the payments are due, the Exercise Notice will be invalid and your Appreciation Cap Election will be deemed to be for Option 3.

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Directory

Distribution Manager

Instreet Investment Limited
Level 11
2 Bulletin Place
Sydney NSW 2000
Australia

Issuer

Citigroup Global Markets Australia Pty Limited
Level 40
Citigroup Centre
2 Park Street
Sydney NSW 2000

Broker

Citigroup Global Markets Australia Pty Limited
Level 40
Citigroup Centre
2 Park Street
Sydney NSW 2000

Registrar

Computershare Investor Services Pty Limited
60 Carrington Street
Sydney NSW 2000

Legal Adviser

Freehills
MLC Centre
Martin Place
Sydney NSW 2000