



PROSPECTUS

Offer of up to 300,000
Convertible Resettable
Preference Shares to raise up
to \$30,000,000

Whitefield Limited
ABN 50 000 012 895



EVANS & PARTNERS

Lead Manager



Legal advisers

IMPORTANT NOTICES

About this Prospectus

This Prospectus contains the offer of Convertible Resettable Preference Shares (CRPS) in the Company at a Face Value of \$100 each to raise up to \$30,000,000. This Prospectus is dated 4 July 2012 and a copy of this Prospectus was lodged with ASIC on that date. As Whitefield is a disclosing entity, this Prospectus has been prepared under section 713 of the Corporations Act in reliance on information previously disclosed by Whitefield to ASX. This Prospectus may not contain, by itself, all information relevant to a decision to invest in Whitefield.

Issue of this Prospectus and arrangements for the issue of CRPS

This Prospectus is issued by Whitefield Limited (ABN 50 000 012 895). White Funds Management Pty Ltd (Australian Financial Services License No. 229843) is offering to arrange for the issue of the CRPS by the Company pursuant to an arrangement in accordance with section 911A(2)(b) of the Corporations Act between the Company and White Funds Management Pty Ltd under which:

- White Funds Management Pty Ltd, or its authorised representatives, may make offers to investors to arrange for the issue of CRPS; and
- the Company is to issue the CRPS in accordance with such offers, if they are accepted.

White Funds Management Pty Ltd is not the issuer of this Prospectus and is not the offeror or issuer of the CRPS. No statement in this document is made, or is based on, a statement by White Funds Management Pty Ltd and, except as expressly set out in this document, it does not make any recommendation or provide any advice or service in relation to this Prospectus or the Offer.

Financial Services Guide

This Prospectus is accompanied by White Funds Management Pty Ltd's Financial Services Guide.

Defined terms

Capitalised terms used in this Prospectus are defined in the Glossary set out in Section 8 of this Prospectus.

ASX quotation

The Company will apply to ASX for quotation of the CRPS on ASX within seven days after the date of this Prospectus.

ASX and ASIC

None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates.

Expiry date

No CRPS will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

This Prospectus does not provide advice

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

This Prospectus is important and should be read in its entirety prior to deciding whether to invest in the Company's CRPS. There are risks associated with an investment in the CRPS. Some of the risks that should be considered are set out in Sections 1.6 and 5 of this Prospectus. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues).

There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional adviser before deciding whether to invest in the CRPS. No person named in this Prospectus warrants or guarantees the Company's performance or any return on investment made pursuant to this Prospectus.

Restrictions in foreign jurisdictions

This Offer is being made in Australia and New Zealand only. This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the CRPS in any jurisdiction outside Australia and New Zealand. The distribution of this Prospectus outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Prospectus (including an electronic copy) may not be distributed or released, in whole or in part, in the United States. Neither the CRPS nor the Ordinary Shares have been or will be registered under the US Securities Act or the securities laws of any state of the United States, and they may not be offered or sold in the United States. The CRPS are being offered and sold in the Offer solely outside the United States pursuant to Regulation S under the US Securities Act.

Notice to Shareholders resident in New Zealand

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* and the *Corporation Regulations 2001* (Cth). In New Zealand, this is Part 5 of the *Securities Act 1978* and the *Securities (Mutual Recognition of Securities Offerings-Australia) Regulations 2008*.

The Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* and the *Corporation Regulations 2001* (Cth) (Australia) set out how the Offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the CRPS is not New Zealand dollars. The value of the CRPS will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the CRPS to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the CRPS are able to be traded on a securities market and you wish to trade the CRPS through that market, you will have to make arrangements for a participant in that market to sell the CRPS on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the CRPS and trading may differ from securities markets that operate in New Zealand.

Disclaimer

Investors should not rely on any information which is not contained in this Prospectus in making a decision as to whether to acquire CRPS in the Company under the Offer. No person is authorised by the Company or the Lead Manager to give any information or make any representation in connection with the Offer that is not contained in the Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Offer. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

Forward looking statements

Certain statements in this Prospectus are about the future and are forward looking in nature. Generally, you can identify forward-looking statements by terms such as "may", "will", "should", "could", "would", "expects", "plans", "anticipates", "believes", "estimates", "projects", "predicts", "potential" and other similar expressions that are intended to identify forward-looking statements, which are generally not historical in nature.

These forward-looking statements are based on current expectations, estimates, forecasts and projections about the Company's business and the industry in which the Company operates and management's beliefs and assumptions. These forward looking statements are not guarantees of future performance. You should be aware that there are a number of risks (both known and unknown), uncertainties, assumptions and other important factors, some of which are beyond the control of the Company that could cause the actual conduct, results, performance or achievements of the Company to be materially different from those expressed or implied by such statements or that could cause future conduct or results to be materially different from the historical conduct or results. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in Sections 1.6 and 5.

Deviations as to future conduct, results, performance and achievements are both normal and to be expected.

None of the Company, its directors, officers and advisers, or any other person makes any representation, or gives any assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Prospectus will occur. Investors are cautioned about relying on forward looking statements included in this Prospectus.

The forward looking statements in this Prospectus reflect views held as at the date of this Prospectus, unless otherwise specified. Subject to the Corporations Act, the ASX Listing Rules and any other applicable laws or regulations, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks the Company describes in the reports filed from time to time with the ASX after the date of this Prospectus.

Exposure period

The Corporations Act prohibits the Company from processing Applications under the Offer in the seven day period after the date of lodgement of the Prospectus with ASIC (**Exposure Period**). This period may be extended by ASIC for a further period of up to seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by ASIC and market participants prior to the raising of funds under the Offer. This Prospectus will be made generally available to Australian residents during the Exposure Period, without the Application Form, by being posted on the following website: www.whitefieldcrpsoffer.com.au. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

Electronic prospectus

This Prospectus will be made available in electronic form on the following website: www.whitefieldcrpsoffer.com.au. The information on www.whitefieldcrpsoffer.com.au does not form part of this Prospectus.

The Offer constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus in electronic form within Australia or New Zealand. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus including the Application Form. If you are unsure about the

completeness of this Prospectus received electronically, or a print out of it, you should contact the Company. A paper copy of this Prospectus will be available for Australian and New Zealand residents free of charge by contacting:

Stuart Madeley, Whitefield
Tel: +61 2 8215 7722
(between 8.30am and 5pm, AEST)

Applications

Applications for CRPS under this Prospectus may only be made during the Offer Period on a printed copy of the Application Form attached to or accompanying this Prospectus or online at www.whitefieldcrpsoffer.com.au. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of the Prospectus. If this Prospectus is found to be deficient, any Applications may need to be dealt with in accordance with section 724 of the Corporations Act.

Privacy and personal information

By completing an Application Form, you are providing personal information to the Company and Computershare Investor Services Pty Limited as the Share Registry, which is contracted by the Company to manage Applications, and consent to the collection and use of that personal information in accordance with these terms. That personal information will be collected, held and used by the Company, and the Share Registry on its behalf, to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration of your investment. If you do not wish to provide this information, the Company may not be able to process your Application.

Once you become a Shareholder, the Corporations Act requires information about you (including your name, address and details of the CRPS you hold) to be included in the Company's public share register. This information must continue to be included in the Company's public share register even if you cease to be a Shareholder.

The Company and the Share Registry on its behalf, may disclose your personal information for purposes related to your investment to their agents and service providers (which may be located outside of Australia) including those listed below or as otherwise authorised under the Privacy Act 1988 (Cth):

- the Share Registry for ongoing administration of the Company's public share register;
- the Lead Manager in order to assess your Application;
- printers and other companies for the purposes of preparation and distribution of documents and for handling mail;
- market research companies for the purpose of analysing the Company's Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, management consultants and other advisers for the purpose of administering and advising on the CRPS and for associated actions.

Under the Privacy Act 1988 (Cth), you may request access to your personal information that is held by, or on behalf of, the Company. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Company or its Share Registry, details of which are set out elsewhere in this Prospectus. The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

In accordance with the requirements of the Corporations Act, information on the Shareholder register will be accessible by members of the public.

Enquiries

If you have any questions in relation to the Offer, please contact your legal, financial, tax or other professional adviser or contact Stuart Madeley from Whitefield on +61 2 8215 7722.

Table of Contents

IMPORTANT NOTICES	2
CHAIRMAN'S LETTER	5
IMPORTANT DATES FOR THE OFFER	6
IMPORTANT DATES FOR THE CRPS	6
1. INVESTMENT OVERVIEW	7
2. ANSWERS TO KEY QUESTIONS ABOUT WHITEFIELD CRPS	13
3. DETAILS OF THE OFFER AND HOW TO APPLY	23
4. INFORMATION ABOUT WHITEFIELD	28
5. INVESTMENT RISKS	38
6. TAXATION CONSEQUENCES FOR INVESTORS	45
7. ADDITIONAL INFORMATION	54
8. GLOSSARY	62
ANNEXURE A - CRPS TERMS	65
CORPORATE DIRECTORY	95

Chairman's Letter

On behalf of the Board of Directors of Whitefield, I am pleased to offer you the opportunity to subscribe for Convertible Resettable Preference Shares (**CRPS**). The Offer is subject to approval by Whitefield's Shareholders at the Annual General Meeting scheduled for 16 July 2012.

Whitefield was founded in 1923 and is one of Australia's oldest listed investment companies. As an investment company, our assets consist exclusively of shares and securities of companies and trusts listed on the Australian Securities Exchange (**ASX**) and associated working capital.

CRPS have the potential to provide you with a flow of dividend income (subject to Whitefield meeting the payment test described in Section 2.5) over multiple years at the initial rate of 7% per annum. The dividend is expected to be fully franked. Investors also obtain the ability to increase or decrease their CRPS holding by buying or selling CRPS via the ASX.

The security of each CRPS is supported by our balance sheet which currently carries no debt. At 31 March 2012, our ordinary share capital and reserves amounted to approximately \$247,000,000.

The CRPS have the following key attributes:

- an initial dividend rate of 7% per annum which is expected to be fully franked equating to a yield of 10% gross of franking credits (based on the current corporate tax rate of 30%);
- a dividend rate that is resettable at each Reset Date, the first being in 6 years;
- holders have the ability to request a Conversion of their CRPS to Ordinary Shares at each Reset Date and on the occurrence of certain trigger events;
- on receipt of a Conversion Request the Company may either Convert the CRPS as requested or Redeem the CRPS for their Face Value instead;
- we may elect to Convert the CRPS to Ordinary Shares or Redeem the CRPS for their Face Value at each Reset Date and on the occurrence of certain trigger events;
- CRPS have a preferential right to the payment of dividends and capital ahead of Ordinary Shares (but behind our 23,790 8% Preference Shares);
- we will apply for CRPS to be quoted on ASX.

The terms of the CRPS are summarised in Section 2 and set out in full in Annexure A to this Prospectus. Sections 1.6 and 5 explain some of the key risks involved with investing in CRPS, including the risks that the market price of CRPS may change or a dividend may not be paid in a given period.

We intend to use the proceeds of the Offer to expand our underlying investment portfolio in accordance with our established investment strategy (which is explained in Section 4.2) in order to generate further growth in net investment earnings over time. We have chosen to fund the increase in our investment assets through the issuance of CRPS as not only may the investment characteristics of CRPS be of interest to some investors over future years, but CRPS align Whitefield's net operating income which is predominantly franked with the franked dividend outgoings which Whitefield would pay under the terms of the CRPS.

I encourage you to read this Prospectus and consider the Offer carefully before deciding to invest. If you wish to invest, please submit your Application by the Closing Date in accordance with the instructions set out in Section 3.

Yours faithfully



David Iliffe
Chairman

Important Dates for the Offer

Key Event	Date
Record date for determining Existing Shareholders	14 June 2012
Announcement of Offer	15 June 2012
Lodgement of Prospectus with ASIC	4 July 2012
Opening Date for Offer	11 July 2012
Annual General Meeting	16 July 2012
Closing Date for Offer	5:00 pm on 1 August 2012
Issue Date	9 August 2012
Holding statements despatched by	13 August 2012
CRPS commence trading on normal T+3 settlement basis	16 August 2012

Note:

All dates in the above timetable are indicative only. Any changes to the above timetable will be announced through ASX and notified on the Company's website at www.whitefield.com.au. All references to time in this Prospectus are references to Australian Eastern Standard Time. The Company, in consultation with the Lead Manager, reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable laws. In particular, the Company reserves the right to close the Offer early, extend the Closing Date or accept late Applications without notifying any recipients of this Prospectus or any Applicants. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.

Important Dates for the CRPS

Key Event	Date
First Dividend Period	Issue Date until 30 November 2012
Record date for first dividend	7:00 pm on or around 26 November 2012
First Dividend Payment Date ¹	On or around 12 December 2012
First Reset Date	30 November 2018

¹ Dividends are expected to be paid on the CRPS semi-annually subject to certain payment conditions being satisfied (see Sections 2.4 and 2.5)

1. Investment Overview

The information set out in this Section is intended to be a summary of some of the information which is important to a decision whether to invest in CRPS and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. In deciding whether to apply for CRPS, you should read this Prospectus carefully and in its entirety. If you are in doubt as to the course you should follow, please consult your professional advisers.

1.1 The Offer

This Prospectus provides investors who are resident in Australia and New Zealand with the opportunity to subscribe for up to 300,000 Convertible Resettable Preference Shares (**CRPS**) in Whitefield at a price of \$100 each, to raise up to \$30,000,000.

The Offer is open to:

- **Existing Shareholders** - being registered Shareholders of Whitefield as at 7.00pm on 14 June 2012 whose registered address is in Australia or New Zealand who will be afforded priority allocation under the Offer as described below;
- **Broker Firm Applicants** - Australia or New Zealand resident investors who have received a firm allocation from their broker; and
- **General Offer Applicants** - investors resident in Australia or New Zealand.

We will give Existing Shareholders priority in allocation of CRPS under the Offer up to an aggregate maximum of 150,000 CRPS.

The minimum subscription to be raised under the Offer is \$10,000,000.

1.2 Whitefield Limited

Whitefield was founded in 1923 and is one of Australia's oldest listed investment companies. It trades on the ASX under the code WHF.

Whitefield currently has no debt and, as an investment company, our assets consist exclusively of shares and securities of companies and trusts listed on the ASX and associated working capital.

As at 31 March 2012, Whitefield had net assets of approximately \$247,000,000. Our underlying investment portfolio, which at 31 March 2012 had a market value of approximately \$228,000,000, consists primarily of securities in a selection of the largest 100 entities listed on the ASX.¹

1.3 What are CRPS?

CRPS are perpetual non-cumulative, convertible, redeemable, resettable preference shares in the capital of Whitefield. The key terms of the CRPS are summarised below. Further details of the terms are set out in Section 2 and the full Terms are attached as Annexure A.

CRPS Face Value	\$100 per CRPS
Dividend Rate	The CRPS will initially be entitled to a non-cumulative fixed dividend of 7% per annum which is expected to be fully franked. The Dividend Rate may be increased or decreased on Reset Dates. Dividends on the CRPS are expected to be fully franked but to the extent that this is not the case, no cash payment will be made to compensate for the unfranked amount of any dividend.
Dividend payment	Dividends on the CRPS are payable in respect of the periods: <ul style="list-style-type: none">• from the Issue Date until 30 November 2012; then• for each six month period ending on 31 May and 30 November; and• for the period from either 31 May or 30 November (as applicable) until the CRPS are Converted or Redeemed.

¹ Figures based on Whitefield's audited financial statements for the year ended 31 March 2012.

	<p>Dividends are only payable where the directors determine that a dividend is payable and only to the extent permitted by law.</p> <p>Dividends on the CRPS are non-cumulative which means that if a Dividend is not paid on the CRPS, Whitefield has no liability to make the payment and the CRPS Holder has no claim with respect to the unpaid Dividend (see section 2.7 for further details).</p>
Dividend ranking	The CRPS will rank in priority to the Company's Ordinary Shares in respect of the payment of the dividends on the CRPS but will rank behind the 8% Preference Shares, which have an aggregate face value of \$23,790.
Resetting	<p>On each Reset Date, the Company can reset, in its discretion, the Dividend Rate payable on the CRPS, the discount which applies on the Conversion of the CRPS into Ordinary Shares and determine when resets are to take place in the future.</p> <p>The first Reset Date will be 30 November 2018. In resetting the Dividend Rate, Conversion Discount and the timing of when the next reset will take place in future, Whitefield will consider relevant factors at that time which may include expected economic conditions and the market yields of securities with similar characteristics in terms of security, risk, term and franking.</p>
Conversion	<p>The Company can Convert CRPS into Ordinary Shares on any Reset Date and on the occurrence of certain events.</p> <p>CRPS Holders can request the Company to Convert the CRPS into Ordinary Shares on any Reset Date and on the occurrence of certain Holder Trigger Events. However, the Company can override a Conversion request received from a CRPS Holder and instead Redeem the CRPS.</p> <p>On Conversion each CRPS will Convert into a number of Ordinary Shares calculated generally by reference to the volume weighted average sale price of Ordinary Shares on ASX for the ten days prior to Conversion and applying the Conversion Discount, subject to certain adjustments.</p>
Redemption	<p>The Company can Redeem the CRPS on any Reset Date and on the occurrence of certain trigger events. CRPS Holders cannot seek to have the CRPS Redeemed. Redemption can be effected by redemption, buy-back, capital reduction or sale to a third party.</p> <p>Redemption is for the Face Value of the CRPS which will be \$100.</p>
Voting rights	CRPS Holders are only entitled to vote on certain limited matters such as a proposal that affects the rights attaching to CRPS or for the disposal of the whole of the property, business and undertaking of Whitefield. However, this restriction on voting does not apply when a dividend is not paid in full on the CRPS or during a winding up of the Company. CRPS Holders are entitled to receive all reports, notices of meeting and other documents sent to Ordinary Shareholders and to attend general meetings.
Return of capital	<p>The Face Value of the CRPS and due but unpaid dividends on them will rank upon a winding-up of the Company:</p> <ul style="list-style-type: none"> • after the 8% Preference Shares; and • in priority to Ordinary Shares. <p>The CRPS have no right to participate in surplus assets or profits of the Company on a winding-up other than as set out above.</p>

The Terms of the CRPS may be amended by a Special Resolution of CRPS Holders or without the authority or approval of CRPS Holders in certain circumstances such as where the amendments are minor or technical or where the amendment is not materially prejudicial to the interests of CRPS Holders as a whole (see Section 2.23 for further details).

1.4 Quotation of CRPS

No later than seven days after the date of this Prospectus, the Company will apply to ASX for quotation of the CRPS.

1.5 Reasons to invest

A CRPS provides an investor with:

- a regular dividend (subject to meeting the payment test described in Section 2.5) which is expected to be fully franked. The Directors currently anticipate that a dividend will be paid on the CRPS every six months in the absence of major unforeseen events;
- a Dividend Rate which is set for the period until the initial Reset Date on 30 November 2018 at 7% per annum (which is expected to be fully franked) and which equates to an effective yield of 10% gross of franking credits (based on the current corporate tax rate of 30%);
- a fixed Face Value of \$100 per CRPS;
- preferential rights over Ordinary Shares to the payment of capital and dividends;
- the ability to request Conversion of a CRPS to Ordinary Shares at each Reset Date (subject to Whitefield's option to Redeem rather than Convert CRPS on receipt of a Conversion request); and
- the ability to buy or sell CRPS via the ASX.

1.6 Key risks to consider

Investing in CRPS involves risk. Before applying for CRPS under the Offer, you should carefully consider all of the information in this Prospectus, including the detailed risks set out in Section 5. Some of the most significant risks associated with an investment in the CRPS are summarised below.

- The market price at which CRPS or Ordinary Shares may be sold is variable and in some circumstances may be lower than the price paid for CRPS or Ordinary Shares. The market price of CRPS and Ordinary Shares is dependent on various factors including the number of investors seeking to acquire and to sell CRPS and Ordinary Shares, fluctuations in Australian and overseas markets and economic conditions in Australia and overseas.
- Decreases in market value and earnings of our investment portfolio may reduce the value of assets available to Whitefield to Redeem CRPS and may reduce the value of assets and cash flow available to Whitefield for the payment of dividends to CRPS Holders.
- Insufficient liquidity may prevent CRPS Holders and holders of Ordinary Shares selling their securities at a price acceptable to them.
- Increases in the availability or relative attractiveness of alternative or competing investments may impact adversely on the price at which CRPS Holders can sell their CRPS.
- Whitefield can elect to Convert or Redeem the CRPS on any Reset Date and on the occurrence of certain trigger events. Conversion or Redemption at Whitefield's option may occur on a date which may be viewed as disadvantageous by a CRPS Holder in light of the market conditions or their individual circumstances.
- The ability of a CRPS Holder to Convert their CRPS to Ordinary Shares is subject to the discretion of the Company, which may choose to Redeem rather than Convert the CRPS on receipt of a Holder Conversion Request.
- There is no fixed maturity date for Redemption of the CRPS and CRPS Holders may not request Whitefield to Redeem their CRPS. If you seek to realise your investment by requesting Conversion (as described in Section 2.11) and selling your Ordinary Shares or by selling your CRPS on market, there is no guarantee that the aggregate proceeds of your sale of CRPS or Ordinary Shares will be equal to or higher than the Face Value of your CRPS.
- While the Directors currently anticipate that a dividend will be paid on the CRPS every six months in the absence of major unforeseen events, the Terms provide for the discretion of Directors in deciding whether to declare a dividend. Circumstances in which the Directors would exercise this discretion include where making a dividend payment would:
 - result, in the Directors' opinion, in Whitefield becoming, or being likely to become, insolvent; or
 - be prevented by legislation.
- The CRPS do not in any way restrict us from issuing further securities (including further CRPS or other preference shares, which rank equally with or ahead of the CRPS issued under this Prospectus) or from incurring further indebtedness.
- Our earnings and capital appreciation are dependent on the proper exercise of the management skills of its

directors and the Investment Manager and the cost structure involved in retaining skilled personnel. Should the decisions made by the Company in managing our investment portfolio or business result in adverse outcomes this may influence the price of CRPS or Ordinary Shares.

- If there is a return of capital on a winding-up of Whitefield, CRPS Holders rank after the 8% Preference Shares and after, and are conditional on the prior payment in full of, the claims of all creditors. If there is a shortfall of funds on a winding-up of the Company to pay all amounts ranking senior to and equally with CRPS, CRPS Holders will not receive all or some of the Face Value and unpaid Dividends on the CRPS.
- The future viability and profitability of the Company as well as the entities in our investment portfolio is also dependent on a number of other business risks which are applicable to all companies, including (but not limited to) financial failure, litigation and terrorist acts.
- Investment is by nature uncertain and unforeseen circumstances may eventuate which may materially affect the financial performance of the Company and the value of the CRPS or Ordinary Shares. The CRPS issued under the Offer carry no guarantee in respect of profitability, return of capital or the price at which they may trade on ASX.

See Section 5 for more detailed information about these and other risks associated with investing in CRPS.

1.7 Purpose of the Offer and use of funds

We intend to use the net proceeds of the Offer to expand our underlying investment portfolio in accordance with our established investment strategy set out in Section 4.2 in order to seek to generate further growth in our net investment earnings over time.

If the Offer is not fully subscribed and the Minimum Subscription amount is met, the amount which we will have to invest will be smaller. However this will not materially change the nature or composition of our new investments.

1.8 Effect of the Offer on financial position

The Offer would have the following effect, based on our financial position as at 31 March 2012 and assuming the CRPS were issued at that time and that the Application Monies were held in cash:

	Immediately prior to the issue of CRPS	Pro-forma immediately after the issue (minimum subscription \$10,000,000)	Pro-forma immediately after the issue (maximum subscription \$30,000,000)
Total assets	\$256,588,743	\$265,928,743	\$285,478,743
Net asset backing before deferred tax applicable to Ordinary Shares	\$233,373,845	\$232,713,845	\$232,263,845
Net asset backing after deferred tax applicable to Ordinary Shares	\$247,769,589	\$247,109,589	\$246,659,589
Net asset backing before deferred tax per Ordinary Share	\$3.09	\$3.08	\$3.07
Net asset backing after deferred tax per Ordinary Share	\$3.28	\$3.27	\$3.26

Net asset backing per Ordinary Share represents the net assets of the Company per Ordinary Share after deducting the Company's liabilities, and after deducting the Company's financial obligations to the holders of preference shares including CRPS and 8% Preference Shares. It represents the net assets the Company has available to generate an investment return for Ordinary Shareholders.

Net asset backing after deferred tax takes into account any future deferred tax liabilities or benefits including those that would arise if the Company's investment portfolio were to be sold. Net asset backing before deferred tax represents the asset backing after the deduction for current tax liabilities, but does not include future deferred tax liabilities or benefits.

Section 4.12 sets out the effect of the Offer on our financial position in more detail.

1.9 Shareholder approval

The issue of CRPS under the Offer is conditional on approval by Shareholders of the terms of the CRPS for the purposes of section 254A of the Corporations Act, at the Annual General Meeting scheduled for 16 July 2012, at Level 7, 20 Hunter Street, Sydney, NSW 2000.

We are also seeking approval by Shareholders of the issue of the CRPS for the purposes of Listing Rule 7.1, so that the CRPS issue will not affect our ability to issue further securities without shareholder approval under the 15% threshold in Listing Rule 7.1.

The Notice of Annual General Meeting was despatched to the Company's Shareholders on 15 June 2012 and is available on the Company's website, www.whitefield.com.au.

The Notice of Meeting, the copy of the Terms attached to the Notice and the announcement of the Offer which was released to ASX on 15 June 2012, refer to the CRPS as Resettable Rate Preference Shares, or RRPS. The Company has now decided that, if shareholders approve the Terms, it will change the name of the securities from RRPS to CRPS in order to provide greater clarity around the nature of the securities. Consequently, this Prospectus and the Terms in Annexure A refer to the securities as CRPS. If the Terms are approved by shareholders, the name change will be effected as a minor change to the Terms without CRPS Holder approval under clause 10.1 of the Terms. No other changes to the Terms are proposed at this time.

1.10 Indicative capital structure

The table below sets out the indicative capital structure of the Company prior to the Offer, immediately after the Offer and, for illustrative purposes only, upon a full Conversion of CRPS, based on the assumption that the issue of CRPS under the Offer and Conversion both took place on 31 March 2012.

Assumes issue and Conversion took place on 31 Mar 2012					
	Immediately prior to the issue	Pro-forma immediately after the issue (minimum subscription \$10,000,000)	Pro-forma immediately after the issue (maximum subscription \$30,000,000)	Pro-forma immediately after Conversion (minimum subscription \$10,000,000)	Pro-forma immediately after Conversion (maximum subscription \$30,000,000)
Number of Ordinary Shares	75,596,171	75,596,171	75,596,171	79,424,838	87,082,172
Number of 8% Preference Shares	23,790	23,790	23,790	23,790	23,790
Number of Convertible Resettable Preference Shares	0	100,000	300,000	0	0
Net asset backing before deferred tax per Ordinary Share	\$3.09	\$3.08	\$3.07	\$3.06	\$3.01
Net asset backing after deferred tax per Ordinary Share	\$3.28	\$3.27	\$3.26	\$3.24	\$3.18

Note: The table assumes the CRPS were both issued and Converted on 31 March 2012. In accordance with the Terms of the CRPS, the adjusted VWAP would have been \$2.61, and no Conversion Discount would have been applied as the result of VWAP being below the higher of 90% of NABBT and NABAT (see Section 2.14 for further details).

1.11 Investor enquiries

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions as to whether the CRPS are a suitable investment for you or how to subscribe for CRPS under the Offer, please consult your broker or other professional adviser. Alternatively if you have questions as to how to subscribe for CRPS under the Offer you can call Stuart Madeley from Whitefield on +61 2 8215 7722.

The electronic version of the Prospectus is available to Australian and New Zealand investors at the following website: www.whitefieldcrpsoffer.com.au.

2. Answers to Key Questions About Whitefield CRPS

Question	Where can I find further information?
<p>2.1 What are Whitefield CRPS?</p> <p>The CRPS are perpetual non-cumulative, convertible, redeemable, resettable preference shares in the capital of Whitefield. Details of the non-cumulative, convertible and resettable features of the CRPS are explained further below. The CRPS rank ahead of Whitefield's Ordinary Shares for dividends and on a winding up but behind Whitefield's 8% Preference Shares.</p> <p>The CRPS will be issued on the Terms set out in Annexure A and are summarised in this Section 2.</p> <p>CRPS are the same securities as the RRPS referred to when the Company first announced the Offer and released the Notice of Annual General Meeting which contained a resolution to approve the Terms.</p>	<p>Clauses 1.1, 3.12 and 6.2 of the Terms</p> <p>Sections 2.7-2.18 below set out further details of the non-cumulative, convertible, redeemable and resettable features of the CRPS</p> <p>Section 1.9 of this Prospectus for details of the name change from RRPS to CRPS.</p>
<p>2.2 Can the CRPS be traded on ASX?</p> <p>Whitefield will apply within seven days of the date of this Prospectus for quotation of the CRPS on ASX.</p>	<p>Clause 2.1 of the Terms</p>
<p>2.3 What is the Dividend Rate on the CRPS?</p> <p>The initial Dividend Rate on the CRPS from the Issue Date until 30 November 2018 is 7% per annum. The Dividend Rate may be reset by Whitefield (to a higher or lower rate) on each Reset Date (see Section 2.8 below).</p> <p>The dividends on the CRPS are payable in respect of the periods:</p> <ul style="list-style-type: none">• from the Issue Date until 30 November 2012; then• for each six month period ending on 31 May and 30 November; and• for the period from either 31 May or 30 November, as applicable, until they are Converted or Redeemed.	<p>Clauses 3 and 4 and the definitions of Dividend Rate and Dividend Period in clause 12.1 of the Terms</p>
<p>2.4 When will dividends be paid?</p> <p>Dividends will be paid (subject to the payment test described in Section 2.5) half-yearly not later than 15 December for the period to 30 November and not later than 15 June for the period to 31 May each year.</p> <p>Where CRPS are Converted or Redeemed, the proportional dividend payable in respect of the period described in Section 2.3 above will be payable no later than 14 days after the Conversion Date or Redemption Date (as applicable) (subject to the payment test described in section 2.5).</p>	<p>Clause 3.7 of the Terms</p>
<p>2.5 Will dividends always be paid on the CRPS?</p> <p>Payment of dividends on the CRPS is at the discretion of the Directors and is subject to the Directors determining that a dividend is payable and will not exceed the amount permitted by law. The Directors will not determine a dividend to be payable if, in their opinion, making the payment would result in Whitefield becoming, or being likely to become, insolvent for the purposes of the Corporations Act. Dividends will be paid on the CRPS in priority to any dividends being paid on Ordinary Shares but behind dividends payable on the 8% Preference Shares.</p>	<p>Clauses 3.2, 3.3, 3.12 of the Terms</p>

Question	Where can I find further information?
<p>2.6 Will dividends be fully franked?</p> <p>We expect that dividends will be fully franked and accordingly CRPS Holders are expected to receive cash dividends and franking credits. However, we cannot guarantee that dividends will always be able to be fully franked in the future and CRPS Holders will not receive any compensation if a dividend is unfranked or only partly franked.</p>	<p>Section 5.14 of this Prospectus</p>
<p>2.7 What happens if a dividend is not paid in full?</p> <p>Dividends on the CRPS are non-cumulative. Accordingly, if a dividend on the CRPS is not paid or not paid in full for the reasons described in Section 2.5 or because of any applicable law, Whitefield has no liability to pay the Dividend and a CRPS Holder has no claim in respect of such non-payment.</p> <p>However, if a dividend has not been paid in full within 20 Business Days after the relevant Dividend Payment Date, Whitefield is restricted from paying any dividends or distributions on any share in the capital of Whitefield in relation to which the CRPS rank equally or in priority for the payment of dividends and from redeeming, buying back or reducing capital on any share in the capital of Whitefield. These restrictions will apply unless:</p> <ul style="list-style-type: none"> • all of the CRPS have been Converted or Redeemed; • a Special Resolution of the CRPS Holders has been passed approving such action; • Whitefield pays the CRPS Holders the full amount of their dividend for the next two Dividend Periods after the period that they were not paid in full; or • Whitefield pays a Shortfall Dividend to compensate CRPS Holders for any unpaid dividend amount for the last two Dividend Periods. 	<p>Clause 3.11 of the Terms</p>
<p>2.8 What happens on Reset Dates?</p> <p>On Reset Dates, the Company can, in its discretion, reset the Dividend Rate payable on the CRPS, the discount which applies on the Conversion of the CRPS into Ordinary Shares and determine when resets are to take place in the future. Whitefield may also, in its discretion, elect to Convert or Redeem the CRPS on Reset Dates.</p> <p>In considering whether to Convert or Redeem CRPS on a Reset Date or to reset the Dividend Rate, Conversion Discount and the timing of when the next reset date will take place in future, we will consider relevant factors at that time which may include expected economic conditions, the market yields of securities with similar characteristics in terms of security, risk, term and franking, the relativity of the Ordinary Share price to net asset backing after tax and before tax per Ordinary Share, the demand for such a security and relevant taxation and regulatory conditions at the applicable time.</p> <p>If we choose to change the terms of the CRPS, at least 50 Business Days prior to a Reset Date, we will give CRPS Holders a notice detailing the new terms which will apply from the Reset Date. Following receipt of the reset notice, CRPS Holders may apply to Convert their CRPS into Ordinary Shares (see Section 2.10 below).</p>	<p>Clauses 4.1, 4.2 and 5.5 of the Terms</p>
<p>2.9 When do Reset Dates occur?</p> <p>The first Reset Date will be 30 November 2018. The Company will specify the next Reset Date after 2018 in its notice to CRPS Holders resetting the terms. If there is not a resetting of terms on a Reset Date, the next Reset Date will occur three years after the last Reset Date.</p>	<p>Clauses 4.1 and 4.3 and the definition of Reset Date in clause 12.1 of the Terms</p>

Question	Where can I find further information?
<p>2.10 Can I Convert my CRPS into Ordinary Shares?</p>	
<p>CRPS Holders may request Conversion of their CRPS into Ordinary Shares on a Reset Date or following the occurrence of a Holder Trigger Event.</p>	<p>Clause 5.3 of the Terms</p>
<p>A Holder Trigger Event occurs:</p>	<p>Definitions in clause 12.1 of the Terms</p>
<ul style="list-style-type: none"> • on a change of control event such as a takeover or scheme of arrangement which results in someone obtaining a relevant interest in more than 50% of the Ordinary Shares or on a sale of all or substantially all of Whitefield’s business or assets (other than where Whitefield retains a beneficial interest in at least 50% of such business or assets); • if a dividend on the CRPS is declared but not paid in full within 20 Business Days after the relevant Dividend Payment Date; • if the Ordinary Shares or CRPS are suspended from trading on ASX for more than 20 consecutive Business Days; and • on a Holder Gearing Event occurring (ie. where Whitefield’s gearing exceeds 35%). Gearing is calculated by dividing Whitefield’s interest bearing liabilities and the Face Value of all preference shares on issue by the total equity (for accounting purposes) attributable to the Ordinary Shares. 	
<p>If a Holder Trigger Event occurs, we will send a Trigger Event Notice to each CRPS Holder describing the Holder Trigger Event as soon as practicable.</p>	<p>Clause 6.9 of the Terms</p>
<p>2.11 How do I request my CRPS to be Converted?</p>	
<p>If you wish to Convert your CRPS into Ordinary Shares, you will need to submit a Holder Conversion Request to Whitefield at least 35 Business Days prior to a Reset Date or within 10 Business Days after we publish a Trigger Event Notice. We will provide the form of Holder Conversion Request to CRPS Holders on request.</p>	<p>Clauses 5.3 and 6.10 of the Terms</p>
<p>When we receive the Holder Conversion Request, we may elect to either proceed with the Conversion on the relevant Conversion Date or Redeem the CRPS for which you have requested Conversion (see Sections 2.12 and 2.18 below).</p>	<p>Clauses 5.4 and 5.5.2 of the Terms</p>
<p>2.12 In what situations would Whitefield expect to override a Holder Conversion Request and Redeem CRPS instead?</p>	
<p>Whitefield has the discretion under the Terms to override a Holder Conversion Request and Redeem your CRPS instead of Convert them. An example of when we may exercise this discretion is in circumstances where the Conversion of CRPS into Ordinary Shares is considered by the Company to be materially detrimental to the holders of Ordinary Shares. In this case, Whitefield may consider Redeeming rather than Converting CRPS to the extent that it is both lawful and practical at the relevant time. Such a situation may arise if the Adjusted VWAP on Ordinary Shares for the purposes of Conversion (as described in Section 2.14) were sufficiently below the NABBT or NABAT per Ordinary Share such that Conversion would have a material detrimental impact on Ordinary Shares.</p>	<p>Clause 5.5 of the Terms</p>

2.13 Can Whitefield Convert my CRPS into Ordinary Shares?

We may elect to Convert some or all of your CRPS into Ordinary Shares:

- on a Reset Date;
- at any time following a Tax Event - A Tax Event is essentially a change or clarification of law or application which would result in there being a more than insubstantial risk that Whitefield or the CRPS Holder would be subject to an increase in costs, taxes, duties or Government charges or that the CRPS would not be treated as equity interests, that dividends would not be treated as frankable distributions or CRPS Holders would not be entitled to franking credits on dividends;
- at any time following a Regulatory Event - A Regulatory Event is essentially a change or clarification of law or application which would result in additional requirements being imposed on Whitefield in relation to the CRPS or which would have a negative impact on Whitefield or CRPS Holders which we determine to be unacceptable;
- within 180 Business Days following a Company Gearing Event - A Company Gearing Event means where Whitefield's gearing exceeds 25%. This is calculated by dividing Whitefield's interest bearing liabilities and the Face Value of all preference shares by the total equity (for accounting purposes) attributable to the Ordinary Shares; or
- not later than 30 Business Days after we publish a Trigger Event Notice detailing a takeover bid or sale of assets or not later than 2 Business Days after we publish a Trigger Event Notice detailing Court approval of a scheme of arrangement.

Clauses 5.5.1 and 5.6 of the Terms

Definitions in Clause 12.1 of the Terms

If any of the above events occurs, we will send CRPS Holders a Conversion/Redemption Notice detailing the number of CRPS Shares to be Converted and the date of Conversion.

2.14 What will I receive on Conversion?

On Conversion of your CRPS, you will receive New Ordinary Shares that have a market value (based on the price of Whitefield Ordinary Shares trading on ASX in the 10 days prior to Conversion) that is equal to or slightly greater than the Face Value of the CRPS you have Converted, calculated in accordance with clauses 5.11 to 5.14 of the Terms as summarised below.

Clauses 5.11 to 5.14 of the Terms

Each CRPS will be Converted into one New Ordinary Share and the CRPS Holder will receive an additional number of New Ordinary Shares which is one less than the number calculated by dividing the CRPS Face Value by the adjusted volume weighted average price of the Ordinary Shares in accordance with the following formula:

$$\frac{\text{CRPS Face Value}}{\text{Adjusted VWAP}}$$

Adjusted VWAP

Adjusted VWAP means:

- 2.14.1 if VWAP is less than 90% of the higher of net asset backing after deferred tax per Ordinary Share (**NABAT**) and net asset backing deferred before tax per Ordinary Share (**NABBT**), VWAP;
- 2.14.2 in all other cases the higher of:
 - (a) VWAP x (1-Conversion Discount);
 - (b) 90% of NABBT; and
 - (c) 90% of NABAT.

For the purposes of Conversion, VWAP (which is a calculation of the daily volume weighted average price of Ordinary Shares sold on ASX over 10 Business Days prior to Conversion) is used to ensure CRPS are converted at a rate that reflects market value of Ordinary Shares.

Applying a Conversion Discount in determining Adjusted VWAP provides an additional benefit to a CRPS holder by lowering the dollar value of the Adjusted VWAP, which, when using the Conversion formula above, increases the number of New Ordinary Shares to be issued to them on Conversion. However, where the VWAP falls below 90% of the higher of NABAT or NABBT, the Conversion Discount is not applied and Adjusted VWAP for the purposes of the Conversion formula, is VWAP. In such circumstances a holder of CRPS will receive the benefit of acquiring New Ordinary Shares at a discount of more than 10% to the higher of NABAT or NABBT per Ordinary Share. As this also results in a decrease in one or both of NABAT and NABBT for Ordinary Shareholders, it is not considered appropriate to offer a further Conversion Discount.

The VWAP used in calculating the number of New Ordinary Shares you will receive on Conversion may be subject to further adjustments to reflect dividend or other entitlements on the Ordinary Shares during the Reference Period for determining the VWAP as described in clause 5.14 of the Terms. The Conversion Discount, which is currently 0.035 (or 3.5%), may be reset by the Company in its discretion on a Reset Date.

Illustrative examples of how this may work in practice are shown below:

Example 1

A CRPS Holder elects to Convert 100 CRPS on the first Reset Date (30 November 2018). The number of New Ordinary Shares that the CRPS Holder will receive is calculated as follows:

- (a) CRPS Face Value = \$100
- (b) Assume the VWAP over the 10 trading days prior to the Reset Date = \$3.50
- (c) Assume the Conversion Discount = 0.035 (3.5%)
- (d) Assume NABBT = \$3.80, so 90% of NABBT = \$3.42
- (e) Assume NABAT = \$3.40, so 90% of NABAT = \$3.06

Accordingly, under the process outlined above, as VWAP is more than 90% of NABAT and NABBT, we fall within the second limb of the test (in 2.14.2 above) and Adjusted VWAP is the higher of:

- $\text{VWAP} \times (1 - \text{Conversion Discount}) = \$3.50 \times 0.965 = \$3.38$
- 90% of NABBT = \$3.42
- 90% of NABAT = \$3.06

Adjusted VWAP therefore amounts to \$3.42.

The number of New Ordinary Shares received on Conversion of 100 CRPS will therefore be 2,923 New Ordinary Shares (after rounding down fractional entitlements) calculated as shown below:

$$\begin{array}{l}
 \text{(i) the conversion of each CRPS into 1 New Ordinary Share; plus} \\
 \text{(ii) } \left\{ \begin{array}{l} \text{CRPS Face Value} = \$100 \\ \text{-----} \\ \text{Adjusted VWAP} = \$3.42 \end{array} \right\} - 1 \quad \times 100 \text{ CRPS} = 2,823 \\
 \text{Total} = \text{(i) + (ii)} = 2,923
 \end{array}$$

Example 2

The Company elects to Convert CRPS on the first Reset Date (30 November 2018). The number of New Ordinary Shares that a CRPS Holder of 100 CRPS will receive is calculated as follows:

- CRPS Face Value = \$100
- Assume the VWAP over the ten trading days prior to the Reset Date = \$3.70
- Assume the Conversion Discount = 0.035 (3.5%)
- Assume NABBT = \$3.80, so 90% of NABBT = \$3.42
- Assume NABAT = \$3.40, so 90% of NABAT = \$3.06

Accordingly, under the process outlined above as VWAP is more than 90% of NABAT and NABBT, we fall within the second limb of the test (in 2.14.2 above) and Adjusted VWAP is the higher of:

- $\text{VWAP} \times (1 - \text{Conversion Discount}) = \$3.70 \times 0.965 = \$3.57$
- 90% of NABBT = \$3.42
- 90% of NABAT = \$3.06

Adjusted VWAP therefore amounts to \$3.57.

The number of New Ordinary Shares received on Conversion of 100 CRPS will therefore be 2,801 New Ordinary Shares (after rounding down fractional entitlements) calculated as shown below:

$$\begin{array}{l}
 \text{(i) the conversion of each CRPS into 1 New Ordinary Share; plus} \\
 \text{(ii) } \left\{ \begin{array}{l} \text{CRPS Face Value} = \$100 \\ \text{-----} \\ \text{Adjusted VWAP} = \$3.57 \end{array} \right\} - 1 \quad \times 100 \text{ CRPS} = 2,701 \\
 \text{Total} = \text{(i) + (ii)} = 2,801
 \end{array}$$

Example 3

A CRPS Holder elects to Convert 100 CRPS on the first Reset Date (30 November 2018). The number of New Ordinary Shares that a CRPS Holder of 100 CRPS will receive is calculated as follows:

- (a) CRPS Face Value = \$100
- (b) Assume the VWAP over the ten trading days prior to the Reset Date = \$3.00
- (c) Assume the Conversion Discount = 0.035 (3.5%)
- (d) Assume NABBT = \$3.80, so 90% of NABBT = \$3.42
- (e) Assume NABAT = \$3.40, so 90% of NABAT = \$3.06

Accordingly, under the process outlined above as VWAP is less than 90% of NABBT, (being the higher of NABAT and NABBT), we fall within the first limb of the test (in 2.14.1 above) and Adjusted VWAP is VWAP.

Adjusted VWAP therefore amounts to \$3.00.

The number of New Ordinary Shares received on Conversion of 100 CRPS will therefore be 3,333 New Ordinary Shares (after rounding down fractional entitlements) calculated as shown below:

- (i) the conversion of each CRPS into 1 New Ordinary Share; plus = 100; plus
 - (ii) $\left\{ \begin{array}{l} \text{CRPS Face Value} = \$100 \\ \text{-----} - 1 \\ \text{Adjusted VWAP} = \$3.00 \end{array} \right\} \times 100 \text{ CRPS} = 3,233$
- Total = (i) + (ii) = 3,333

The examples set out above are for illustrative purposes only. The figures in the examples are not forward looking statements and do not indicate, guarantee or forecast the VWAP or other prices of Ordinary Shares or the net asset backing of Ordinary Shares.

2.15 Are there any differences between the New Ordinary Shares issued on Conversion and the other Ordinary Shares on issue?

The New Ordinary Shares issued on Conversion are identical to and rank equally with all Ordinary Shares on issue at the date of Conversion except with respect to the first dividend payment on the New Ordinary Shares after their date of issue as described below.

Clause 5.11 of the Terms

Where New Ordinary Shares are issued before the record date for a dividend on the Ordinary Shares, the New Ordinary Shares will not be entitled to receive the Ordinary Share dividend but will instead receive a proportionate dividend to reflect the proportion of the relevant dividend period for which they have held the New Ordinary Shares calculated as follows:

Clause 5.12 of the Terms

$$\text{Dividend per New Ordinary Share} = \text{DPS} \times \frac{\text{NC}}{\text{ND}}$$

where:

DPS is the dividend per share to which Ordinary Shareholders are entitled on the Ordinary Share Record Date for the dividend.

NC is the number of days from (but excluding) the Conversion Date until (and including) the Ordinary Share Record Date for the dividend.

ND is the total number of days from the Ordinary Share Record Date preceding the Conversion Date until the Ordinary Share Record Date for the dividend.

For example:

This example assumes:

- (a) CRPS Convert to Ordinary Shares on 31 August (the Conversion Date)
- (b) The next dividend to which Ordinary Shareholders are entitled is 10 cents per share (DPS)
- (c) The Ordinary Share Record Date for the upcoming dividend is 23 November
- (d) The Ordinary Share Record Date for the preceding dividend was 23 May

Accordingly:

NC = Days from 1 September until 23 November inclusive = 84

ND = Days from 24 May until 23 November inclusive = 184

The Dividend Per New Ordinary Share = $\$0.10 \times 84 / 184 = \0.04565

2.16 Can I request Whitefield to Redeem my CRPS?

Clause 5.1 of the Terms

No. CRPS Holders have no right to request Redemption of their CRPS.

2.17 Must Whitefield Redeem my CRPS at a particular time?

No, there is no obligation for Whitefield to Redeem CRPS and there is no fixed maturity date for Redemption of the CRPS. If you wish to realise your investment, you may either sell your CRPS on ASX or request the Company to Convert your CRPS (as described in section 2.11). If you request the Company to Convert your CRPS, the Company must either Convert your CRPS, based on the adjusted market value of Ordinary Shares (as described in Section 2.14), or Redeem your CRPS. There is no guarantee that the price you will receive on market for your CRPS or for your Ordinary Shares received on Conversion of your CRPS will be equal to or higher than the Face Value of the CRPS. The risks described in Sections 5.1 and 5.5 may apply in the event of your sale of CRPS or Ordinary Shares on market.

Section 5.11 of this Prospectus

2.18 Can Whitefield elect to Redeem my CRPS?

Whitefield can elect to Redeem some or all of the CRPS on a Reset Date or following the occurrence of a Tax Event, Regulatory Event, Company Gearing Event or Market Event as explained in Section 2.13 above. In addition, we can elect to override a Conversion request from a CRPS Holder and instead choose to Redeem the CRPS the subject of the Holder Conversion Request.

Clauses 5.5 and 5.6 of the Terms

Definitions in Clause 12.1 of the Terms

If any of the above events occurs and we elect to Redeem CRPS, we will send CRPS Holders a Conversion/Redemption Notice detailing the number of CRPS to be Redeemed, the method of Redemption (eg. by redemption, buy-back, capital reduction or sale to a third party) and the date of Redemption.

Clause 5.7 of the Terms

On Redemption, CRPS Holders will receive the CRPS Face Value together with any due but unpaid dividends.

Clause 5.17 of the Terms

Question	Where can I find further information?
<p>2.19 Where do the CRPS rank on a winding-up of Whitefield?</p>	
<p>The CRPS Face Value and due but unpaid dividends on them will rank upon a winding-up of the Company:</p> <ul style="list-style-type: none"> • after the 8% Preference Shares; • in priority to Ordinary Shares; • equally among themselves; • in priority to, equally with or behind any other preference shares or other securities that Company may issue, as may be designated in the terms of issue for such preference shares or other securities; and • after, and are conditional on the prior payment in full of, the claims of all creditors. 	<p>Clause 6.2 of the Terms</p>
<p>The CRPS have no right to participate in surplus assets or profits of the Company on a winding-up other than as set out above.</p>	<p>Clause 6.6 of the Terms</p>
<p>2.20 Do the CRPS have voting rights?</p>	
<p>CRPS Holders will not be entitled to vote at any general meeting of Whitefield except in the following circumstances:</p> <ul style="list-style-type: none"> • on a proposal: <ul style="list-style-type: none"> • that affects rights attached to CRPS; • to wind up Whitefield; or • for the disposal of the whole of the property, business and undertaking of Whitefield; • on a resolution to approve: <ul style="list-style-type: none"> • the terms of a share buy-back agreement; • a reduction of the share capital of Whitefield, <p>other than a resolution to approve a buy-back or reduction of capital in respect of the CRPS;</p> • during a period in which a dividend or part of a dividend is in arrears; or • during the winding-up of Whitefield. 	<p>Clause 7.1 of the Terms</p>
<p>At a general meeting of Whitefield at which CRPS Holders may vote they are entitled:</p> <ul style="list-style-type: none"> • to one vote on a show of hands; and • to one vote for each CRPS on a poll. 	<p>Clause 7.2 of the Terms</p>
<p>CRPS Holders will have the same rights as holders of Ordinary Shares to receive notices and reports from the Company and to attend general meetings.</p>	<p>Clause 8.1 of the Terms</p>
<p>2.21 Do the CRPS carry any right to participate in new issues by Whitefield?</p>	
<p>No, CRPS do not carry any right to participate in new issues.</p>	<p>Clause 6.8 of the Terms</p>
<p>2.22 Is Whitefield subject to any restrictions in relation to the issue of other securities?</p>	
<p>No. We reserve the right to issue further CRPS, or to issue other preference shares or permit the exchange of shares to preference shares, which rank in priority to, equally with or behind existing CRPS, whether in respect of dividends, return of capital on a winding-up or otherwise. Such an issue does not constitute a variation or cancellation of the rights attached to the then existing CRPS.</p>	<p>Clause 6.1 of the Terms</p>

Question	Where can I find further information?
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2.23 Can the CRPS Terms be amended?

Subject to complying with all applicable laws Whitefield may, without the authority, assent or approval of CRPS Holders, amend the Terms:

Clause 10.1 of the Terms

- if we are of the opinion that the amendment is:
 - of a formal, minor or technical nature;
 - made to cure any ambiguity;
 - made to correct any manifest error;
 - expedient for the purpose of enabling the CRPS to be listed for quotation or to retain listing on any stock exchange or to be offered for, or subscription for, sale under the laws for the time being in force in any place and it is otherwise not considered by us to be materially prejudicial to the interests of CRPS Holders as a whole; or
 - necessary to comply with the provisions of any statute, the requirements of any statutory authority, the ASX Listing Rules or the listing or quotation requirements of any stock exchange on which the CRPS Shares are quoted; or
 - generally, in any case where such amendment is considered by us not to be materially prejudicial to the interests of CRPS Holders as a whole.

In any event, we may amend the Terms if the amendment has been approved by a Special Resolution of CRPS Holders.

Clause 10.2 of the Terms

2.24 What are the risks of investing in CRPS?

An investment in Whitefield through the CRPS will involve some risks. Please refer to Section 5 for a summary of some of the key risks you should consider prior to investing in CRPS.

Section 5 of this Prospectus

2.25 What are the taxation consequences of investing and holding CRPS?

The taxation implications of investing in CRPS will depend on your individual circumstances. You should obtain your own taxation advice. A summary of some of the relevant taxation implications for certain categories of investors is set out in Section 6 but this is not a substitute for you obtaining your own professional advice.

Section 6 of this Prospectus

2.26 Who can I ask if I have further questions about the CRPS terms?

If you have any questions about the Terms or as to whether the CRPS are a suitable investment for you, please consult your broker or other professional adviser. Alternatively, if you have any questions about the Terms you may contact Stuart Madeley from Whitefield on +61 2 8215 7722.

3. Details of the Offer and How to Apply

3.1 What is the Offer?

The Company is offering for subscription 300,000 CRPS under the Offer to raise up to \$30,000,000. The CRPS are being offered at an issue price of \$100 each.

The Offer comprises:

- The Shareholder Priority Offer, which is open to Existing Shareholders on the register at 7:00pm on 14 June 2012 whose registered addresses are in Australia or New Zealand, who will receive priority allocation of CRPS under the Offer up to an aggregate maximum of 150,000 CRPS (see Section 3.4 below);
- the Broker Firm Offer, which is open to Australian and New Zealand resident investors who have received a firm allocation from their broker; and
- the General Offer, which is open to investors resident in Australia and New Zealand.

The Company reserves the right not to proceed with the Offer at any time before the allotment of CRPS under the Offer. If the Offer does not proceed, Application Monies received by the Company will be refunded in full (without interest). The Company takes no responsibility for Application Monies paid to the Lead Manager or to brokers until these are received by the Company.

The Company, in consultation with the Lead Manager, also reserves the right to close the Offer early, to accept late Applications or extend the Offer without notifying any recipient of this Prospectus or any Applicant.

3.2 How much is the Company seeking to raise under the Offer?

3.2.1 Minimum subscription

The minimum subscription sought under the Offer is \$10,000,000 representing 100,000 CRPS at \$100 per CRPS.

If the minimum subscription under the Offer is not met within 4 months after the date of this Prospectus, the Company will repay all Application Monies in full without interest as soon as practicable or issue a supplementary or replacement prospectus and allow applicants one month in which to withdraw their Applications and be repaid their Application Monies in full without interest.

3.3 Is the Offer underwritten?

No, the Offer is not underwritten.

The Company and the Lead Manager have entered into an Offer Management Agreement in respect of the management of the Offer.

Under the agreement, the Lead Manager has agreed to use its reasonable endeavours to procure Applications for the CRPS under the Offer at the Offer Price. The Offer Management Agreement sets out a number of circumstances under which the Lead Manager may terminate the agreement. A summary of the key terms of the agreement including the termination provisions is set out in Section 7.4.

3.4 Allocation policy and priority to Existing Shareholders

The basis of allocation of CRPS under the Offer will be determined by the Company, in consultation with the Lead Manager.

To the extent that Existing Shareholders submit Applications, CRPS will be allocated to those Existing Shareholders in priority to other Applicants up to an aggregate maximum of 150,000 CRPS. In the event that Existing Shareholders apply for more than 150,000 CRPS in aggregate, they may be scaled back at the sole discretion of Whitefield.

However, the Company will limit the number of CRPS it issues to any Eligible Shareholder under the Shareholder Priority Offer to the higher of 5% of all CRPS being offered under the Shareholder Priority Offer and the number the holder would be entitled to under a pro-rata issue of the CRPS being offered under the Shareholder Priority Offer.

To the extent that Broker Firm Applications are submitted to the Lead Manager, up to 150,000 CRPS will be allocated to those Broker Firm Applicants. In the event that Broker Firm Applicants apply for more than 150,000 CRPS in aggregate, they may be scaled back at the discretion of Whitefield, in consultation with the Lead Manager. If Applications are received under the Shareholder Priority Offer for less than 150,000 CRPS, the balance will be allocated, at the discretion of Whitefield in consultation with the Lead Manager, between the General Offer and to satisfy any excess demand under the Broker Firm Offer.

The Company, in consultation with the Lead Manager, reserves the right in its absolute discretion to allocate a lesser amount of CRPS than those applied for or reject any Application.

3.5 How do I apply for CRPS under the Offer?

If you wish to apply for CRPS under the Offer, you should take the following steps:

- Step 1: Carefully **read this Prospectus** in full, including the Terms set out in Annexure A.
- Step 2: If you have any queries concerning the Offer, please consult your legal, financial, tax or other professional advisor or contact Stuart Madeley from Whitefield on +61 2 8215 7722.
- Step 3: If you are eligible, complete and return your Application Form and Application Monies as described below:

Who is eligible to participate in the Offer?

Who can apply for CRPS under the Shareholder Priority Offer? The Shareholder Priority Offer is only open to Shareholders on the register of Whitefield at 7:00pm on 14 June 2012 whose registered addresses are in Australia or New Zealand.

Who can apply for CRPS under the General Offer? The General Offer (which does not include the Broker Firm Offer) is only open to investors resident in Australia and New Zealand. The Company, in consultation with the Lead Manager, reserves the right in its absolute discretion to issue no CRPS to Applicants under the General Offer. All Applicants under the General Offer must have an residential address in Australia or New Zealand.

Who can apply under the Broker Firm Offer? The Broker Firm Offer is only open to Australian and New Zealand resident investors who have received a firm allocation from their Broker.

Completing and returning your Application under the Offer

What is the minimum and maximum application under the Offer? Applications must be for a minimum of 50 CRPS which equates to \$5,000. The Company will not accept Applications for any amount below this minimum. Applications in excess of the minimum number of CRPS must be in multiples of 10 CRPS.

There is no maximum amount that may be applied for under the Offer. The Company, in consultation with the Lead Manager, reserves the right to aggregate any Applications which it believes may be multiple Applications from the same person or entity.

The Company, in consultation with the Lead Manager, reserves the right to reject any Application or to allocate a lesser number of CRPS than that which is applied for, subject to the priority allocation for Existing Shareholders described in Section 3.4.

How do I apply for CRPS under the Shareholder Priority Offer or General Offer?

Paper Application Form and payment by cheque or bank draft

In order to apply for CRPS under the Shareholder Priority Offer or General Offer and make payment by cheque or bank draft, please complete and return the relevant Application Form along with your payment to one of the addresses detailed below.

- Existing Shareholders applying under the Shareholder Priority Offer should use the personalised Shareholder Priority Application Form accompanying their Prospectus. If you are an Existing Shareholder and require a new Shareholder Priority Application Form, please contact the Company's Share Registry;
- Applicants under the General Offer should use the Application Form that forms part of, or accompanies, this Prospectus or a printed copy of the Application Form attached to the electronic version of this Prospectus.

Your Application Form must be completed in accordance with the accompanying instructions and must be received at the Company's Share Registry by 5:00pm (AEST) on the Closing Date. Please note that paper Application Forms and payments cannot be accepted at any other address or office.

Cheques and bank drafts must be drawn as described below.

By Mail To: Whitefield Limited – Offer Computershare Investor Services Pty Limited GPO Box 2115 Melbourne VIC 3001 Australia	By Hand To: Whitefield Limited – Offer Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford VIC 3067 Australia
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Online Application and payment via BPAY®

In order to apply for CRPS under the Shareholder Priority Offer or General Offer and make payment by BPAY® (registered to BPAY Pty Ltd ABN 69 079 137 518), please complete your online Application Form at www.whitefieldcrpsoffer.com.au.

Instructions on how to complete your Application are provided online.

Important points to understand when paying by BPAY® and completing an online application:

- If you are applying online and you do not make a BPAY® payment, your Application will be incomplete and will not be accepted by the Company.
- If you are making your payment by BPAY® you must follow the instructions for completing your Application online, even if you have received a personalised Shareholder Priority Application Form.
- If you are making your payment by BPAY® you will not be required to submit a paper Application Form.
- BPAY® payments must be made from an account held at an Australian branch of a financial institution and in Australian Dollars.
- It is your responsibility to ensure your payment and Application are received by 5.00pm (AEST) on the Closing Date.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and you should therefore be aware of the cut off time relevant to your financial institution to ensure your payment is received on time.

Your financial institution may also have limits on the amount that can be paid via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® does not exceed your limit.

How do I apply under the Broker Firm Offer?	<p>Broker Firm Applicants must lodge their Application Forms and Application Monies in accordance with their broker's directions and by 5:00pm on the Closing Date in order to receive their firm allocation.</p> <p>Please contact your broker or the Lead Manager if you have any questions.</p>
How to complete and attach your cheque for the Application Monies	<p>Application Monies provided by cheque(s) or bank draft(s) must be:</p> <ul style="list-style-type: none"> • in Australian currency; • drawn on an Australian branch of a financial institution; • crossed "Not Negotiable"; and • made payable: <ul style="list-style-type: none"> • for Applicants in the Shareholder Priority Offer or the General Offer: to "Whitefield Limited - Offer"; or • for Applicants in the Broker Firm Offer: in accordance with the directions of the broker from whom you received a firm allocation. <p>You should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s). If the amount of your cheque(s) for Application Monies (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.</p> <p>Existing Shareholders and Applicants under the General Offer wishing to pay their Application Monies by BPAY® should complete their Application Form online and follow the accompanying instructions for BPAY® payments as described above.</p>

Fees, costs and timing for Applications

When does the Offer open?	<p>The Offer is expected to open for Applications on 11 July 2012. However, this may be delayed if ASIC extend the Exposure Period for the Prospectus.</p>
What is the deadline to submit an Application under the Offer?	<p>It is your responsibility to ensure that your Application Form and Application Monies are submitted before 5.00pm (AEST) on the Closing Date for the Offer which is currently expected to be 1 August 2012.</p> <p>The Company, the Lead Manager and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.</p>
Do I have to pay any brokerage, commission or stamp duty?	<p>No. No brokerage, commission or stamp duty is payable by Applicants on the acquisition of CRPS under the Offer.</p> <p>Brokerage and/or handling fees on applications for CRPS will be payable to member firms of the ASX or licensed investment advisers on such Application Forms bearing their codes and accepted by the Company. Any such brokerage or handling fees will be paid by the Lead Manager out of its Offer Management Fee. Please see Section 7.4.1 for details of the fees and commission payable to the Lead Manager.</p>

Confirmation of your Application and trading on the ASX

When will I receive confirmation whether my Application has been successful?	<p>Applicants will be able to call Computershare Investor Services Pty Limited on 1300 850 505, between 8.30am and 5.30pm, to confirm their allocation from 8 August 2012.</p> <p>Holding statements confirming Applicants' allocations under the Offer are expected to be sent to successful Applicants on or around 13 August 2012.</p>
Is DvP settlement available under the Offer?	<p>Delivery versus payment (DvP) settlement is available for Applicants under the Broker Firm Offer. Please contact your broker or the Lead Manager for further details.</p>

When will I receive my CRPS and when can I trade my CRPS?

Subject to ASX granting approval for the quotation of the CRPS, the Company will issue CRPS to successful Applicants as soon as practicable after the Closing Date. Allotment is expected to occur on 9 August 2012.

Trading of CRPS on ASX is expected to commence on 16 August 2012 on a normal T + 3 settlement basis.

If you sell CRPS before receiving an initial holding statement, you do so at your own risk, even if you have obtained details of your holding from your broker, the Share Registry or the Company.

3.6 Application Monies

All Application Monies will be held by Computershare Investor Services Pty Limited on trust in a separate account until CRPS are issued to successful applicants.

Application Monies will be refunded to the extent that an Application is rejected or scaled back, or the Offer is withdrawn. No interest will be paid on refunded amounts. Computershare Investor Services Pty Limited will retain the balance of any interest earned on Application Monies.

The fact that ASX may grant quotation of the CRPS is not to be taken in any way as an indication of the merits of the Company or the CRPS offered for subscription under the Offer. ASX takes no responsibility for the contents of this Prospectus. Normal settlement trading in CRPS, if quotation is granted, will commence as soon as practicable after the issue of holding statements to successful applicants.

If permission for quotation of the CRPS is not granted within three months after the date of this Prospectus, all Application Monies will be refunded without interest as soon as practicable.

3.7 Taxation consequences

The taxation consequences of an investment in CRPS will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company. If you are in doubt as to the course you should follow, you should seek your own professional advice. See Section 6 for further information.

3.8 Costs of the Offer and their payment

The costs of the Offer include the offer management fee and the legal, accounting, advisory and other costs associated with the production of the offering documentation. At the time of production of this Prospectus these costs were estimated to be \$1,110,000 assuming that the Offer is fully subscribed. The Company is paying these costs from the proceeds of the Offer.

3.9 Overseas distribution

No action has been taken to register or qualify the offer of CRPS under this Prospectus, or to otherwise permit an offering of CRPS, in any jurisdiction outside Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law. This Prospectus does not constitute an offer in any place in which, or to whom, it would not be lawful to make such an offer. Persons into whose possession this document comes should inform themselves about and observe any restrictions on acquisition or distribution of the Prospectus. Any failure to comply with these restrictions may constitute a violation of securities laws.

In particular, this Prospectus (including an electronic copy) may not be distributed or released, in whole or in part, in the United States. Neither the CRPS nor the Ordinary Shares have been or will be registered under the US Securities Act or the securities laws of any state of the United States, and they may not be offered or sold in the United States. The CRPS are being offered and sold in the Offer solely outside the United States pursuant to Regulation S under the US Securities Act. More information and questions.

If you have any questions about the Proposed Transaction please consult your legal, financial, tax or other professional adviser. Additionally, you can call Stuart Madeley of Whitefield on +61 2 8215 7722.

For additional copies of this Prospectus, please visit the Offer website at www.whitefieldcrpsoffer.com.au

4. Information About Whitefield

4.1 Background and corporate structure of Whitefield

Whitefield is incorporated in Australia and is one of Australia's oldest listed investment companies. Founded in 1923, Whitefield provides Shareholders with a diversified exposure to the industrial (non-resource) segment of the Australian share market.

Whitefield is listed on ASX under the ticker "WHF". Whitefield's Australian Company Number is ACN 000 012 895. Our registered office is located at Level 7, 20 Hunter Street, Sydney, NSW 2000.

Whitefield currently has no debt and as an investment company our assets consist exclusively of shares and securities of companies and trusts listed on the ASX and associated working capital such as cash, investment receivables and future deferred tax benefits.

As at 31 March 2012, we had net assets amounting to approximately \$247,000,000. Our underlying investment portfolio which at 31 March 2012 had a market value of approximately \$228,000,000 consists primarily of securities in a selection of the largest 100 entities listed on the ASX.²

4.2 Whitefield's investment objectives and strategy

Our investment objective is to generate an investment return which is in excess of the return of the All Industrials Accumulation Index over the long term from investment in a portfolio of industrial shares (ie. all industries in the Australian market excluding resource shares) listed on the ASX.

We seek to hold investments which are capable of delivering a robust rate of investment return through the generation and growth of their underlying earnings over multiple future years.

While share prices will fluctuate over short periods of time based on temporary influences such as the number of buyers relative to sellers, transient fears, sentiment or greed, the ultimate determinants of long term return for an investor are the future achievable earnings generated by a company relative to the cost that must be paid for that investment.

Consequently we seek to research, monitor and analyse the achievable future earnings which may be generated by investments, the risk or certainty of delivering those earnings, and to assess the potential return which may progressively accrue to investors.

We structure our investment portfolio to give emphasis to those investments offering a favourable balance of potential return and certainty.

4.3 Investment returns and their influence on earnings and asset backing

The returns generated on Whitefield's investment portfolio may be positive or negative and will vary over time. The returns generated on Whitefield's investment portfolio consist of dividends, interest and distributions as well as fluctuations in the valuations of investments. Investment returns influence the Company's earnings and asset backing as follows:

- (a) dividends, interest and distribution income on Whitefield's investment portfolio are the primary source of Whitefield's revenue which contributes to the Company's Net Operating Profit, and represent an increment to the Company's asset backing;
- (b) fluctuations in the market value of Whitefield's investment portfolio (whether increases or decreases) do not form part of the Company's Net Operating Profit. Instead such fluctuations are recorded as Other Comprehensive Income and represent an increase or decrease in the Company's asset backing.

4.4 Whitefield's costs of operation

Our ongoing costs of operation over the last five years have been approximately 0.35% of the value of average assets. Our ongoing costs of operation for the financial year ended 31 March 2012 amounted to 0.35% of the value of average assets. Ongoing costs of operation represent all operating expenses of the Company with the exception of costs associated with the merger of Sylvastate into Whitefield which occurred in May 2011.

² Figures based on Whitefield's audited financial statements for the year ended 31 March 2012.

4.5 Whitefield's senior investment and administration personnel

Our Chief Executive Officer and senior Investment Manager is Angus Gluskie (B.Ec, Graduate Diploma in Applied Finance & Investment, CA, FFin) who has over 25 years experience in the investment management and financial services fields.

Our Company Secretary and senior Administration Manager is Peter Roberts (B.Bus, CA) who has over 20 years experience in the fields of chartered accountancy and specialised back office services to the funds management community.

Angus Gluskie and other executive investment personnel are employed by White Funds Management Pty Ltd (**Investment Manager**). Peter Roberts and other administration personnel are employed by White Outsourcing Pty Ltd (**Administrator**).

4.6 Whitefield's management structure

White Funds Management Pty Ltd is appointed as the portfolio manager for Whitefield under an Investment Management Agreement. The Investment Manager employs all of the executives involved in managing our investments.

The Investment Manager is entitled to receive a monthly investment management fee of 0.02083% of the average market value of the portfolio over the month. In addition, it has currently agreed to reduce the investment management fee where the total monthly ongoing costs of operation (excluding the investment management fee) would exceed 0.00833% of the average market value of the portfolio over the month. The reduction in fee that applies is equivalent to the amount by which the total monthly ongoing costs of operation (excluding the investment management fee) exceed 0.00833% of the average market value of the portfolio over the month.

The Investment Manager is also entitled to be reimbursed by Whitefield for all expenses that it incurs directly or indirectly on our behalf, including costs, charges and expenses associated with the acquisition, disposal or maintenance of any assets of the portfolio but excluding the Investment Manager's own costs of staff, premises or overheads.

Mr Gluskie is a director of Whitefield and of the Investment Manager and holds a relevant interest in 71% of the Investment Manager's issued share capital.

We have appointed White Outsourcing Pty Ltd to act as the administrator of our portfolio, pursuant to an Administration Agreement. Under the agreement, the Administrator is entitled to fees payable monthly for the provision of back office services calculated at a percentage per annum of the market value of our investments using the closing monthly portfolio market value in accordance with the basis point scale set out below.

Market value	Percentage payable
\$1 - \$400,000,000	0.0250%
\$400,000,001 - \$1,000,000,000	0.0150%
\$1,000,000,001 and over	0.0075%

The Administrator is entitled to further fees for the provision of accounting services. The Administrator is also entitled to be reimbursed by Whitefield for all sundry expenses it incurs on our behalf.

Mr Gluskie holds an indirect interest in the Administrator. Mr Peter Roberts, Whitefield's Company Secretary, is a 21% shareholder and officer of the Administrator.

This management structure was adopted as it allows the Company to access a level of staff depth, experience and operating resources at a much lower cost than it otherwise could.

Further detail on the interests of directors and officers is set out at Section 7.5.

4.7 Whitefield's Board of Directors

Our Directors and key personnel are set out below along with their relevant experience and qualifications.

Mr David J Iliffe Non Executive Chairman, Independent Director
Member of Audit, Nomination and Remuneration Committees

David has been a Director of Whitefield since March 1990, and was appointed Chairman in 2003. David has over 35 years experience as a Chartered Accountant and is a Fellow of the Institute of Chartered Accountants. David is a Director of Employers Mutual Ltd.

Mr Angus J Gluskie Chief Executive Officer, Executive Director
Member of Nomination Committee

Angus has been Chief Executive Officer of Whitefield since 1996 and was appointed as a Director in 2003. Angus has over 25 years experience in the fields of funds management and financial services. Angus is a member of the Institute of Chartered Accountants and a Fellow of the Financial Services Institute of Australasia, and holds a Bachelor of Economics and a Graduate Diploma in Applied Finance & Investment. Angus is Managing Director of White Funds Management Pty Ltd.

Mr Martin J Fowler Non Executive Director, Independent Director
Member of Audit, Nomination and Remuneration Committees

Martin has over 20 years experience in the field of financial analysis and specialises in personal investment advice. Martin is a Member of the Institute of Chartered Accountants and Fellow of Finsia. Martin holds a Bachelor of Business, a Graduate Diploma in Applied Finance & Investment and a Graduate Diploma in Financial Planning. Martin is a Partner and Director of Moore Stephens Sydney.

Mr G John Gillmore Non Executive Director, Independent Director
Chairman of Audit Committee, Member of Nomination and Remuneration Committees

John has practiced as a Chartered Accountant and Solicitor for over 25 years and has been a Director of Whitefield since November 1995. John holds a Bachelor of Commerce and a Bachelor of Laws.

Mr Peter A Roberts Company Secretary

Peter was appointed Company Secretary in 2003 and has over 20 years experience in the fields of chartered accountancy and specialised back office services to the funds management community. Peter is a Director of White Outsourcing Pty Ltd and Company Secretary of Ironbark Capital Ltd. Peter holds a Bachelor of Business and is a Member of the Institute of Chartered Accountants.

Notwithstanding their other commitments, the Directors have each confirmed that they will continue to be available to spend the required amount of time on the Company's affairs including attending Board meetings and meetings of the relevant Board committees.

4.8 Franking credits

As at 31 March 2012, we had a franking credit balance of \$21,188,298. This provides us with the ability to frank additional dividends of \$49,439,362. Total dividends paid on Ordinary Shares which related to the financial year ended 31 March 2012 amounted to \$12,831,843. If the Offer is fully subscribed and 300,000 CRPS are issued, dividends amounting to \$2,100,000 per annum would be paid to CRPS holders until the first Reset Date (subject to the payment test described in clauses 3.2 and 3.3 of the Terms being met).

The Prime Minister has recently stated that reducing the corporate tax rate (currently 30%) is a top priority for the Australian Government. Adjustments to the corporate tax rate and their implications are uncertain. If there were an initiative to reduce the corporate tax rate and reduce the imputation credit rate, the franking credits attaching to a franked dividend paid to CRPS Holders may represent credits for a lower corporate tax rate than the current 30% rate and hence your effective yield of 10% gross of franking credits on the CRPS (described in Section 1.5) may be correspondingly reduced.

4.9 Dividend policy

We aim to pay dividends each year on Ordinary Shares which are approximately equal to net operating profit after tax, excluding realised gains on investments, and after deducting dividends payable on the 8% Preference Shares and in the future on the CRPS.

When we realise LIC Discount Capital Gains we will seek to pass the tax status of those gains to the holders of Ordinary Shares to the extent possible at appropriate points in time.

At the present time the Company's ordinary dividend per share is slightly higher than its net operating profit after tax per share. This stems from our decision to continue to pay a dividend in line with the Company's pre-financial crisis dividend level notwithstanding the reduction in dividend payments from many Australian listed companies as the result of the 2008/9 global financial crisis. This policy has provided our Shareholders with consistency of income over this period of time. We would expect to increase the ordinary dividend rate once the Company's net operating profit after tax and preference share dividends per Ordinary Share exceeds the current dividend rate.

We have a history of paying fully franked dividends to Shareholders twice yearly. Whitefield's dividend payout rate compared to net operating profit after tax (before realised gains and losses on investments) has amounted to between 92% and 138% (an average of 113%) over the last five years.

4.10 Whitefield's issued securities

As at 3 July 2012, being the latest practicable date before this Prospectus was lodged with ASIC, Whitefield had on issue 75,777,739 Ordinary Shares and 23,790 8% Preference Shares.

4.10.1 Effect of Offer on Whitefield's capital structure

Our capital structure immediately before and after the Offer and issue would be as follows:

	Issued capital		
	Immediately prior to the issue of CRPS	Immediately after the issue of CRPS (minimum subscription \$10,000,000)	Immediately after the issue of CRPS (maximum subscription \$30,000,000)
Number of Ordinary Shares	75,777,739	75,777,739	75,777,739
Number of 8% Preference Shares	23,790	23,790	23,790
Number of Convertible Resettable Preference Shares	0	100,000	300,000

4.10.2 Substantial Shareholders

As at 3 July 2012, the latest practicable date before lodgement of this Prospectus with ASIC, the Company was aware of the following substantial shareholders, being Shareholders having voting power of 5% or more in Whitefield.

Shareholder	Number of Ordinary Shares	Number of 8% Preference Shares	Voting power
L.J.Gluskie & S.C.Gluskie ¹	14,832,579	200	19.57%
A.J. Gluskie, D.M.Gluskie, Fiducio Pty Ltd & Caithness Nominees Pty Ltd ¹	7,908,522	-	10.4%
1607 Capital Partners	3,889,493	-	5.15%

¹ The 7.6% interest in shares in Whitefield held by Caithness Nominees Pty Ltd is included in the interests of both indicated substantial shareholders.

4.10.3 Market price of Whitefield's issued securities

During the three months prior to 3 July 2012, being the latest practicable date prior to the date that the Prospectus was lodged with ASIC, the maximum price of Ordinary Shares was \$2.85 as recorded on 4, 7 and 8 May and the lowest price was \$2.47 as recorded on 21 June 2012.

The most recent price of Ordinary Shares traded on the ASX may be obtained directly from ASX at www.asx.com.au.

4.10.4 Asset backing of Whitefield's issued securities

The net asset backing after tax per Ordinary Share as at 31 May 2012, the last reported month end prior to the date that the Prospectus was lodged with ASIC, was \$3.11. Net asset backing after tax takes account of any deferred future tax liabilities or deferred future tax benefits, including those that would arise if our investment portfolio was realised in its entirety.

The net asset backing before tax per Ordinary Share as at 31 May 2012, the last reported month end prior to the date that the Prospectus was lodged with ASIC, was \$2.88. Net asset backing before tax excludes any deferred future tax liabilities or deferred future tax benefits.

4.10.5 Comparison of market price and net asset backing of Whitefield's issued securities

The price of Ordinary Shares as quoted on ASX at the close of each calendar month over the last five years has been between \$2.00 and \$4.83.

The ratio between the market price of Ordinary Shares and net asset backing after tax at the close of each calendar month for the last five years has been between 72% and 103%. This ratio provides an indication of the relationship between Ordinary Share price and net asset backing after tax over time. The ratio is calculated as $P / NABAT$ where P is the share price of Ordinary Shares at a month end and NABAT is the net asset backing after deferred tax at the same month end.

The ratio between the market price of Whitefield's Ordinary Shares and net asset backing before tax at the close of each calendar month for the last five years has been between 80% and 98%. This ratio provides an indication of the relationship between Ordinary Share price and net asset backing before tax over time. The ratio is calculated as $P / NABBT$ where P is the share price of Ordinary Shares at a month end and NABBT is the net asset backing before deferred tax at the same month end.

4.11 Current financial information

The historical financial information set out in this Section 4.11 is derived from our audited accounts for the year ended 31 March 2012 as disclosed in our 2012 Annual Report released to ASX on 15 June 2012.

WHITEFIELD LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH, 2012

	31 March 2012	31 March 2011
	\$	\$
Investment revenue from ordinary activities	12,398,671	9,804,272
Administrative expenses	(698,183)	(617,923)
Legal and advisory fees	(138,089)	(183,401)
Directors' fees	(31,500)	(31,500)
Listing fees	(38,766)	(45,626)
Audit fees	(26,950)	(17,710)
Operating Profit before income tax expense (and before Gain on Acquisition of Sylvastate Ltd)	11,465,183	8,908,112
Income tax expense	(565,694)	(389,942)
Operating Profit after Tax (and before Gain on Acquisition of Sylvastate Ltd)	10,899,489	8,518,170
Gain on acquisition of Sylvastate Limited	7,837,739	-
Net Operating Profit	18,737,228	8,518,170
Other Comprehensive Income		
Net unrealised losses on investment portfolio	(12,964,186)	(15,883,939)
Tax on unrealised losses on investment portfolio	875,611	4,736,232
Net realised losses on Investment Portfolio	(6,580,160)	(12,422,541)
Income Tax benefit on Investment Portfolio	4,342,420	5,364,417
Other Comprehensive Income/(Loss) for the period, net of tax	(14,326,315)	(18,205,831)
Total Comprehensive Income for the period	4,410,913	(9,687,661)

WHITEFIELD LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2012

	31 March 2012	31 March 2011
	\$	\$
Cash flows from operating activities		
Dividends and trust distributions received	11,866,816	9,416,346
Interest received	425,370	159,207
Other income received	12,608	-
Payments for administrative and general expenses	(911,806)	(974,893)
Income tax received	-	34,465
Net cash provided by operating activities	11,392,988	8,635,125
Cash flows from investing activities		
Proceeds from sale of investments	78,113,126	26,116,516
Payments for purchase of investments	(80,398,583)	(9,294,902)
Transfer of cash at bank upon acquisition of Sylvastate Limited	924,624	-
Net cash (used in)/provided by investing activities	(1,360,833)	16,821,614
Cash flows from financing activities		
Proceeds from issue of shares	-	5,501,000
Payments for share buyback	-	(19,326,366)
Transaction costs from the issue of shares	(57,244)	(66,430)
Dividends paid	(11,052,700)	(9,274,045)
Net cash used in financing activities	(11,109,944)	(23,165,841)
Net (decrease)/increase in cash and cash equivalents held	(1,077,789)	2,290,898
Cash and cash equivalents at beginning of the financial year	4,247,768	1,956,870
Cash and cash equivalents at end of the financial year	3,169,979	4,247,768

NOTES TO STATEMENT OF CASH FLOWS

Reconciliation of profit from ordinary activities after income tax and realised (losses)/gains on investments to net cash provided by operating activities

Net Operating Profit	18,737,228	8,518,170
Less: Gain on acquisition of Sylvastate Limited outside of ordinary operating activities	(7,837,739)	-
Adjustments:		
Increase in Income Taxes Payable	565,694	424,407
Increase/(Decrease) in Payables	16,802	(78,182)
Increase in Receivables and Prepayments	(88,997)	(229,270)
Net Cash Provided by Operating Activities	11,392,988	8,635,125

Note: Past performance is not a guide to future performance.

WHITEFIELD LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

	31 March 12	31 March 11
	\$	\$
Current Assets		
Cash and cash equivalents	3,169,979	4,247,768
Trade and other receivables	1,804,429	1,710,553
Current tax asset	-	-
Other	47,477	54,573
	5,021,885	6,012,894
Non-Current Assets		
Deferred tax assets	23,092,235	15,469,866
Investment portfolio	228,474,623	199,869,133
	251,566,858	215,338,999
Total Assets	256,588,743	221,351,893
Current Liabilities		
Trade and other payables	98,873	5,285,239
	98,873	5,285,239
Non-Current Liabilities		
Deferred tax liabilities	8,696,491	9,614,103
	8,696,491	9,614,103
Total Liabilities	8,795,364	14,899,342
Net Assets	247,793,379	206,452,551
Equity		
Share capital	174,793,706	133,694,411
Investment portfolio revaluation reserve	(33,696,054)	(23,845,218)
Realised capital profits reserve	83,046,559	85,284,299
Retained profits	23,649,168	11,319,059
Total Equity	247,793,379	206,452,551

4.11.1 Management discussion of past and current financial information

Our operating profit after tax for the year to 31 March 2012, excluding the gain on the acquisition of Sylvastate, amounted to \$10,899,489. This represents an increase of 28% compared to the result in the prior financial year. The increase is attributable both to growth in underlying income from the Company's investment portfolio as well as the larger investment portfolio resulting from the merger of investment company Sylvastate into Whitefield in May 2011. The scheme booklet in connection with the merger was released on the ASX announcements platform on 16 March 2011.

After allowing for movements in shares on issue, operating profit after tax (excluding the gain on the acquisition of Sylvastate) per Ordinary Share rose 5.7% to 14.55 cents.

Operating profit after tax in both the 2012 and 2011 years includes expenses associated with the Sylvastate merger. Excluding these one-off expenses, underlying operating profit after tax per Ordinary Share increased by 5.5% to 14.7 cents.

During the year approximately two thirds of our investments delivered an increase to their dividend payout. However with domestic economic conditions adversely impacted by a high Australian dollar, a cautious consumer and soft markets activity, dividend decreases were seen from the remaining one third of the portfolio.

Larger increases in dividends were generated from the Company's holdings in Asciano Limited, HFA Holdings Limited, David Jones Limited, Incitec Pivot Limited, Fairfax Media Limited, Wesfarmers Limited, Cochlear Limited, News Corporation and the major banks.

4.11.2 Investment portfolio

Our investment portfolio, which represented 89% of our total assets as at 31 March 2012, included investments in 63 listed entities. The top 20 portfolio holdings at that date are shown in the table below:

Rank	Stock	Holding \$000	%
1	Commonwealth Bank of Australia	22,785	9.85%
2	Westpac Banking Corporation	19,236	8.32%
3	ANZ Banking Group Limited	17,927	7.75%
4	National Australia Bank Limited	15,840	6.85%
5	Telstra Corporation Limited	9,749	4.22%
6	Woolworths Limited	9,032	3.91%
7	Wesfarmers Limited	8,968	3.88%
8	QBE Insurance Group	8,422	3.64%
9	Macquarie Group Limited	8,020	3.47%
10	CSL Limited	7,775	3.36%
11	AMP Limited	7,500	3.24%
12	Seven Group Holdings Limited	6,957	3.01%
13	Crown Limited	5,231	2.26%
14	Asciano Limited	4,849	2.10%
15	Brambles Limited	3,309	1.43%
16	Toll Holdings Limited	3,190	1.38%
17	News Corporation Inc. Class A NV	3,167	1.37%
18	Westfield Group	3,128	1.35%
19	UGL Limited	2,981	1.29%
20	InvoCare Limited	2,950	1.28%

4.12 Effect of the Offer on Whitefield's financial position

The pro forma balance sheet set out below has been prepared to illustrate the effects of the Offer and other related adjustments on our financial position, as if they had occurred on or before 31 March 2012.

WHITEFIELD LIMITED

PRO FORMA STATEMENT OF FINANCIAL POSITION

PREPARED ON THE BASIS THAT THE OFFER AND ISSUE OF CRPS OCCURRED ON
31 MARCH 2012

	Note	Immediately prior to the issue \$	Pro-forma immediately after the issue (minimum subscription \$10,000,000) \$	Pro-forma immediately after the issue (maximum subscription \$30,000,000) \$
Current Assets				
Cash and cash equivalents		3,169,979	12,509,979	32,059,979
Trade and other receivables		1,804,429	1,804,429	1,804,429
Other		47,477	47,477	47,477
		5,021,885	14,361,885	33,911,885
Non-Current Assets				
Deferred tax assets		23,092,235	23,092,235	23,092,235
Investment portfolio		228,474,623	228,474,623	228,474,623
		251,566,858	251,566,858	251,566,858
Total Assets		256,588,743	265,928,743	285,478,743
Current Liabilities				
Trade and other payables		98,873	98,873	98,873
		98,873	98,873	98,873
Non-Current Liabilities				
Deferred tax liabilities		8,696,491	8,696,491	8,696,491
Financial liability on Convertible Resettable Preference Shares		-	6,457,335	19,973,490
		8,696,491	15,153,826	28,669,981
Total Liabilities		8,795,364	15,252,699	28,768,854
Net Assets		247,793,379	250,676,044	256,709,889
Equity				
Share capital	1	174,793,706	177,676,371	183,710,216
Investment portfolio revaluation reserve		(33,696,054)	(33,696,054)	(33,696,054)
Realised capital profits reserve		83,046,559	83,046,559	83,046,559
Retained profits		23,649,168	23,649,168	23,649,168
Total Equity		247,793,379	250,676,044	256,709,889
Note (1) Share Capital				
Convertible Resettable Preference Shares		-	2,882,665	8,916,510
8% Preference Shares		23,790	23,790	23,790
Ordinary Shares		174,769,916	174,769,916	174,769,916
		174,793,706	177,676,371	183,710,216

4.13 Basis of preparation

The information set out in this Prospectus was prepared on a going concern basis that contemplates the realisation of assets and discharge of liabilities in their normal course of business.

All financial information is prepared in accordance with the measurement and recognition requirements (but not all the disclosure requirements) of Australian Accounting Standards incorporating Australian Equivalents to International Financial Reporting Standards.

The historical financial information for the years to 31 March 2011 and 2012 set out in Section 4.11 has been derived from our audited accounts for the year ended 31 March 2012. The pro-forma statement of financial position set out in Section 4.12 has not been audited or reviewed.

4.14 ASIC and ASX lodgements & disclosures

The Company is a “disclosing entity” for the purposes of the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. We are required to notify the ASX (subject to certain exceptions) immediately if we become aware of any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of its securities.

Copies of announcements made by the Company to the ASX are available on the ASX website at www.asx.com.au.

Further announcements concerning developments relating to the Company will continue to be made available on ASX’s website after the date of this Prospectus pursuant to the Company’s continuous disclosure obligations. Certain disclosure documents and reports lodged in relation to the Company can also be obtained from ASIC.

In addition, copies of Whitefield’s most recent annual financial report for the year ended 31 March 2012 and continuous disclosure documents lodged with ASX or ASIC after the lodgement of the annual financial report but before lodgement of this Prospectus with ASIC are available to any Shareholder or potential investor on ASX’s website (www.asx.com.au), Whitefield’s website (www.whitefield.com.au) or free of charge by contacting:

Stuart Madeley
Whitefield Limited
GPO Box 473
Sydney 2001 NSW, Australia
Fax: +61 2 8215 7901
Email: info@whitefield.com.au

Continuous disclosure documents lodged with ASX or ASIC after lodgement of the annual financial report but before lodgement of this Prospectus with ASIC are as follows:

Date released to ASX	Announcement
25 June 2012	Presentation - June 2012 Update Amended
22 June 2012	Presentation - June 2012 Update
22 June 2012	Becoming a Substantial holder
15 June 2012	Proposed Offer of Resettable Preference Shares ³
15 June 2012	Proxy Form
15 June 2012	Notice of Annual General Meeting

³ The CRPS were originally referred to as Resettable Rate Preference Shares when the Offer was announced to ASX. The Directors subsequently decided to change the name of the securities of CRPS for greater clarity about their attributes. See Section 1.9 for further detail.

5. Investment Risks

This section describes some of the risks associated with an investment in CRPS and in the Company. The selection of risks set out below has been based on an assessment of a combination of the probability of the risk occurring and impact of the risk if it did. There is no guarantee or assurance that the importance of different risks will not change or other risks will not emerge.

You should carefully consider the risks described below and all of the other information set out in this Prospectus before deciding to apply for CRPS. If any of the events or developments described below occurs, Whitefield's business, financial condition or results of operations could be negatively affected. In that case, the market price of CRPS could decline and you could lose all or part of your investment.

5.1 The market price at which CRPS or Ordinary Shares may be sold is variable and in some circumstances may be lower than the price paid for CRPS or Ordinary Shares

CRPS will be listed (subject to ASX granting approval for quotation) and may be bought or sold on ASX. Further, where CRPS are Converted into Ordinary Shares, those Ordinary Shares may be sold on ASX. Being listed shares, the price at which CRPS or Ordinary Shares may be bought or sold in the market will fluctuate over time. Fluctuations in prices have the potential to be large or small and such fluctuations may occur either slowly or with rapidity.

There is no certainty that the price of CRPS or Ordinary Shares will be higher than the price paid to acquire such shares, and accordingly in some circumstances the price at which CRPS or Ordinary Shares may be sold may be lower than the price paid.

The market price at which CRPS or Ordinary Shares may be bought or sold depends on a broad range and combination of influences including, but not limited to:

- supply and demand for CRPS and Ordinary Shares;
- the availability of alternative investments and the investment yields, security of and comparative valuation of those alternative investments;
- factors influencing the expected earnings and value of our investment portfolio including economic conditions in Australia or overseas, access to funding either in Australia or overseas, investor perceptions of the security or risk of CRPS including the expected future value of Whitefield's underlying investments and net assets and other factors referred to in section 5.2.3 below.

5.2 Decreases in the market value and earnings of the Company's investment portfolio

The Company's assets primarily consist of a diversified portfolio of industrial (non-resource) shares and units in companies and trusts listed on ASX. Our operating profit primarily consists of the dividends and trust distributions earned on this investment portfolio. Our future earnings and net asset value is dependent on the performance and outlook of the Australian share market in general, and more specifically the performance and outlook for the ASX-listed companies and trusts held in our investment portfolio from time to time. Share markets are by their nature volatile, and the prices of shares and units listed on the stock exchange may rise and fall materially over time.

In recent years markets have become more volatile. Volatility risk is the potential for fluctuations in the price of securities, sometimes markedly and over a short period. Investing in volatile conditions implies a greater level of volatility risk for investors than an investment in a more stable market.

5.2.1 Impact on asset backing

Decreases in the market value of our investment portfolio (and assets) reduce the value of assets available to Company in the event it sought to Redeem CRPS, and accordingly increase the risk that the Company may be unable to Redeem the CRPS at their full Face Value in future. The market price at which CRPS trade on ASX may fall when this risk rises to a level sufficient to be of concern to CRPS Holders.

Such a decrease would also reduce the asset backing per share available for Ordinary Shareholders and the

market price of Ordinary Shares on ASX may also fall.

5.2.2 Impact on dividends

Decreases in the earnings generated by our investment portfolio and decreases in the market value of our investment portfolio (and assets) reduce the value of assets and cash flow available to the Company for the payment of dividends to CRPS Holders and to Ordinary Shareholders. Accordingly decreases in both the earnings and market value of our investment portfolio may be considered to increase the risk that the Company will either decrease the dividend to Ordinary Shareholders or be unable to meet the requirements of the Corporations Act with regard to the payment of dividends on CRPS or on Ordinary Shares or both. The market price at which CRPS or Ordinary Shares trade on ASX may fall when this risk is rising.

5.2.3 Circumstances which may cause the market value or earnings of the Company's investment portfolio to fall

The market value or earnings of our investment portfolio may fall as the result of a very broad range and combination of circumstances. Some of the more common circumstances which would generally be considered to cause a fall in the market value or earnings of either listed shares generally or the specific investments in our investment portfolio include, but are not limited to, the following:

- the prices of investments listed on ASX may periodically fall even in the normal course of business;
- adverse fluctuations in overseas investment markets;
- adverse expectations for or developments in economic conditions in Australia or overseas;
- adverse expectations for or developments in operating conditions, financial structure, management, risk or other business factors which specifically relate to the entities in our investment portfolio;
- adverse expectations for or changes in interest rates and/or inflation and/or exchange rates which adversely affect either the market for listed shares generally or the entities in our investment portfolio;
- adverse expectations for or developments in capital markets and the access to funding either in Australia or overseas;
- adverse expectations for or developments in the financial stability or solvency of financial institutions or governments in Australia or overseas;
- adverse expectations for or changes in taxes, duties or regulation applicable to listed shares generally or to the entities in our investment portfolio;
- perceptions of rising risk due to political, terrorist, military, geographical, weather or other potential disruptions to economic activity;
- increases in the investment yields from, increases in the security of, or increases in the comparative valuation upside of (being the extent to which perceptions of value may exceed the market price of a security), other investments available to investors in Australia or overseas;
- increases in the supply of investments available to, or decreases in the demand for ASX listed shares and trusts from, investors from Australia or overseas;
- adverse outcomes from the selection, acquisition, holding or sale of specific investments within our investment portfolio; and
- reports, publications and other information made available or discussed in Australia or overseas which adversely influences the opinions of investors in listed shares generally or in the entities in our investment portfolio.

5.3 Insufficient liquidity of CRPS or Ordinary Shares

5.3.1 How liquidity may affect CRPS or Ordinary Shares

The market price of CRPS or Ordinary Shares is dependent on the relative volume of CRPS or Ordinary Shares sought by buyers and made available by sellers at a particular price at a particular time.

If CRPS Holders wish to sell or otherwise transfer their CRPS prior to Conversion or Redemption, or seek to sell or otherwise transfer Ordinary Shares issued to them as the result of a Conversion of CRPS they may be unable to do so at a price acceptable to them, or at all, if insufficient liquidity exists in the market for CRPS or Ordinary Shares. Insufficient liquidity would exist if the volume of shares to be sold exceeds the volume of shares to be bought at a desired price.

5.3.2 Factors that may adversely affect liquidity of CRPS or Ordinary Shares

A very broad range and combination of circumstances may affect the liquidity of CRPS and Ordinary Shares. Some of the more common circumstances which would generally be considered to adversely affect liquidity include, but are not limited to, the following:

- a low or declining volume of investors and advisers familiar with and interested in acquiring CRPS or Ordinary Shares;
- investors seeking to sell a high volume of CRPS or Ordinary Shares particularly over a short time frame;
- increases in the supply, or relative attractiveness, of alternative investments as detailed in Section 5.4 below;
- decreases in the earnings and asset values of our investment portfolio as detailed in Section 5.2 above;
- reports, publications and other information made available or discussed in Australia or overseas which adversely influence the opinions of investors in listed shares generally, or in CRPS or Ordinary Shares;
- sales of a substantial number of CRPS following the Offer, or the perception that these sales may occur; or
- further issuance of CRPS or Ordinary Shares to the extent that there is insufficient demand for such further issues.

5.4 Increases in availability or attractiveness of competing investments

Increases in the availability or relative attractiveness of competing investments have the potential to reduce the demand for, and/or the price at which buyers are prepared to buy, CRPS or Ordinary Shares.

Factors which could generally be considered to increase the availability of or relative attractiveness of competing investments include, but are not limited to:

- increases in the issuance of investments which may be considered alternatives to CRPS or Ordinary Shares;
- increases in interest rates or the market yields of other investments relative to the yields on CRPS or Ordinary Shares;
- increases in the perceived security of alternative investments relative to CRPS or Ordinary Shares; or
- investments which may be considered alternatives to CRPS or Ordinary Shares being perceived to have a greater valuation upside (being the extent to which perceptions of value may exceed the market price of a security) relative to CRPS or Ordinary Shares;
- the Dividend Rate on CRPS being reset, following a Reset Date, at a level which is less attractive relative to alternative investments at that time.

5.5 Selling of Ordinary Shares after a Conversion of CRPS

Should CRPS be Converted to Ordinary Shares the aggregate volume of Ordinary Shares made available for sale by vendors shortly after the Conversion could exceed the demand for Ordinary Shares at that time, which may result in a fall in the market price of Ordinary Shares.

5.6 Further issue or Redemption of securities by Whitefield

The CRPS do not in any way restrict us from issuing further securities (including further CRPS or other preference shares, which rank equally with or ahead of the CRPS issued under this Prospectus) or from incurring further indebtedness. Our obligations under the CRPS rank subordinate on a winding-up to our obligations to the holders of the 8% Preference Shares and all claims of creditors. Accordingly, our obligations under the CRPS will not be satisfied unless we can satisfy in full all of our other obligations ranking senior to the CRPS.

Whitefield may in the future issue securities that:

- rank for dividends and/or payments of capital (including on the winding-up of Whitefield), equally with, behind or ahead of CRPS;
- have the same or different dividend or distribution rates as those for the CRPS;

- have payment tests and distribution restrictions or other covenants which affect the CRPS (including by restricting the circumstances in which dividends can be paid on the CRPS or the CRPS can be Redeemed); or
- have the same or different terms and conditions as CRPS.

We may incur indebtedness and may issue further securities before, during or after the issue of CRPS. If further securities are issued, the interest of CRPS Holders in Whitefield will be diluted.

An investment in CRPS carries no right to participate in any future issue of securities by Whitefield. Accordingly, no prediction can be made as to the effect, if any, that a further issue of Whitefield securities may have on the market price or liquidity of CRPS and on the ability of Whitefield to pay dividends on the CRPS or the adequacy of funds on a winding-up.

Similarly, the CRPS Terms do not restrict Whitefield from Redeeming or otherwise repaying its other existing securities, including other existing securities which rank equally with or junior to CRPS (although CRPS Holders have a right to vote in respect of a buy-back or reduction of capital in these circumstances) except where dividends on the CRPS have not been paid in full. An investment in CRPS carries no right to be Redeemed or otherwise repaid at the same time as Whitefield Redeems or otherwise repays other securities .

No prediction can be made as to the effect, if any, which the future redemption or repayment by Whitefield of existing securities may have on the market price or liquidity of CRPS or on Whitefield's financial position or performance.

5.7 Dividends may not be paid

While the Directors currently anticipate that a dividend will be paid on the CRPS every six months in the absence of major unforeseen events, the Terms provide for the discretion of Directors in deciding whether to declare a dividend. Circumstances in which the Directors may exercise this discretion include where making a dividend payment would:

- result, in the Directors' opinion, in Whitefield becoming, or being likely to become, insolvent; or
- be prevented by legislation.

In the event that Whitefield does not pay a dividend to the CRPS Holder when scheduled, the CRPS Holder:

- has no right to apply for Whitefield to be wound up or placed in administration, or to cause a receiver or a receiver and manager to be appointed in respect of Whitefield merely on the grounds that Whitefield does not pay a dividend when scheduled; and
- will have no right of set-off or claim against Whitefield.

Dividends are non-cumulative and therefore if a dividend is not paid, CRPS Holders will have no recourse whatsoever to payment from Whitefield. The Company is not required to make up any unpaid dividend in subsequent periods although it will be subject to certain restrictions from paying dividends on Ordinary Shares or buying back any shares if dividends on the CRPS have not been paid in full. See clause 3.11 of the CRPS Terms in Annexure A for further details.

5.8 Uncertainties associated with investment generally

This list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. Investment is by nature uncertain, and unforeseen circumstances may eventuate which may materially affect the financial performance of the Company and the value of the CRPS or Ordinary Shares. Even where the likelihood of certain risks disclosed in this Section 5 occurring is considered to be low, the potential impact of their occurrence on the Company and its securities could be significant. The CRPS issued under the Offer carry no guarantee in respect of profitability, return of capital or the price at which they may trade on ASX.

5.9 Increases in gearing

Gearing refers to the level of debt and other financial obligations (including the value of any issued preference shares) owed by the Company relative to our ordinary equity. Increases in our gearing may be considered to increase the risk associated with both Ordinary Shares and CRPS, and where this is considered significant by investors may result in a fall in the market price of CRPS or Ordinary Shares.

Gearing may increase as the result of factors including but not limited to:

- decreases in the value of our investment portfolio;

- increases in the number of CRPS or preference shares on issue; and
- our borrowings by way of loan, lease or issuance of a security.

5.10 Redemption or Conversion at Whitefield's option

Whitefield can elect to Convert or Redeem the CRPS on any Reset Date and on the occurrence of certain trigger events (see clause 5.5 and 5.6 of the CRPS Terms in Annexure A).

Redemption or Conversion at Whitefield's option may occur on a date which may be viewed as disadvantageous by a CRPS Holder in the light of market conditions or their individual circumstances and may not coincide with their individual preference in terms of timing. This may also mean that the period for which the CRPS Holder will be entitled to the benefits of the rights attaching to CRPS (such as dividends) is unknown.

Certain events and conditions may also affect the ability of CRPS Holders to trade or dispose of the Ordinary Shares issued on Conversion e.g. the willingness or ability of ASX to accept the Ordinary Shares issued on Conversion for quotation or any practical issues which affect that quotation, any disruption to the market for the Ordinary Shares or to capital markets generally, the availability of purchasers for Ordinary Shares and any costs or practicalities associated with trading or disposing of Ordinary Shares at that time.

Finally, where CRPS Holders will receive cash on Redemption of their CRPS, the rate of return at which they could reinvest their funds may be lower than the Dividend Rate at the time.

5.11 No fixed maturity date for Redemption

There is no fixed maturity date for Redemption of the CRPS and CRPS Holders may not request Whitefield to Redeem their CRPS. If you wish to realise your investment, you may either sell your CRPS on ASX or request the Company to Convert your CRPS on a Reset Date or following the occurrence of a Holder Trigger Event. If you request the Company to Convert your CRPS, the Company must either Convert your CRPS, based on the adjusted market value of Ordinary Shares (as described in Section 2.14), or Redeem your CRPS. In the event that you seek to sell your CRPS or the Ordinary Shares received on Conversion of CRPS, there is no guarantee that the price you will receive on market will be equal to or higher than the Face Value of the CRPS. The risks described in Sections 5.1 and 5.5 above may apply in the event of your sale of CRPS or Ordinary Shares on market.

5.12 Management risk

Our earnings and capital appreciation are dependent on the proper exercise of the management skills of its directors and the Investment Manager and the cost structure involved in retaining skilled personnel. Should the decisions made by the Company in managing our investment portfolio or business result in adverse outcomes this may influence the price of CRPS or Ordinary Shares.

There can be no guarantee that we will be able to retain our Investment Manager or our key directors and executives or, if those persons cease to be employed by Whitefield or the Investment Manager (as the case may be), that we will be able to attract and retain personnel of sufficient experience and expertise to manage our investments. There can be no guarantee that we will be able to retain our Investment Manager or our key directors and executives at the same levels of cost as under the existing arrangements. As a result, no guarantee can be given in respect of our future earnings or the earnings and capital appreciation of our investments.

5.13 Adverse tax or regulatory change

Changes in laws, regulations and government policy may affect Whitefield and the attractiveness of any investment in Whitefield positively or negatively. The regulatory regimes governing the business activities of Whitefield are complex and subject to change. The impact of future regulatory and legislative changes on the business of the Whitefield cannot be predicted. In addition, if the amount and complexity of new regulation increases, so too may the cost of compliance and the risk of non-compliance. It is possible that adverse changes to taxation or regulation applicable to Whitefield or investors in CRPS or Ordinary Shares may make investment in CRPS or Ordinary Shares less attractive than expected and accordingly influence the market price of CRPS or Ordinary Shares.

5.14 Dividends may not be fully franked and some holders may not be able to utilise franking credits

At the present time, we expect dividends on the CRPS in the foreseeable future to be fully franked. However, in circumstances such as a very severe downturn in the earnings and value of Whitefield's investment portfolio extending over many years or in the event of changes in legislation which adversely influence the Company's ability to frank dividends Whitefield may have insufficient franking credits to fully frank CRPS dividends, and one or more dividends on CRPS may be partly franked or unfranked.

The value and availability of franking credits to a CRPS Holder may differ depending on the CRPS Holder's particular tax circumstances. CRPS Holders should be aware that the potential value of any franking credits does not accrue at the same time as the receipt of any cash dividend. CRPS Holders should also be aware that the ability to use the franking credits, either as an offset to a tax liability or by claiming a refund after the end of the income year, will depend on the individual tax position of each CRPS Holder. CRPS Holders should also refer to the Australian taxation summary in Section 6 and seek independent professional advice in relation to their tax position.

5.15 Restrictions on rights and ranking on a winding-up of Whitefield

A CRPS Holder has no right to claim against Whitefield in respect of the CRPS except as set out in the CRPS Terms.

CRPS Holders are only entitled to vote on certain limited matters except when a dividend is not paid in full on the CRPS and during a winding up of the Company, when full voting rights are restored.

If there is a return of capital on a winding-up of Whitefield, CRPS Holders will be entitled to receive out of the assets of Whitefield available for distribution to holders of shares and securities of Whitefield, in respect of each CRPS held, an amount of cash (**Liquidation Sum**) equal to the sum of:

- the amount of any dividends resolved by the Directors to be paid on CRPS but unpaid at the commencement of the winding-up of Whitefield; and
- the CRPS Face Value.

The claim for the Liquidation Sum will rank upon a winding-up of Whitefield:

- after the 8% Preference Shares;
- in priority to the Ordinary Shares;
- equally among themselves;
- in priority to, equally with or behind any other preference shares or other securities that Company may issue, as may be designated in the terms of issue for such preference shares or other securities; and
- after, and are conditional on the prior payment in full of, the claims of all creditors.

If there is a shortfall of funds on a winding-up of the Company to pay all amounts ranking senior to and equally with CRPS, CRPS Holders will not receive all or some of the Liquidation Sum. Further, in the event of a winding-up of Whitefield a CRPS Holder may not receive the full CRPS Face Value if Whitefield's net tangible assets are less than the CRPS Face Value and 8% Preference Shares on issue.

Although the CRPS may pay a higher rate of dividend than comparable instruments which are not subordinated, there is a significant risk that a CRPS Holder will lose all or some of their investment should Whitefield become insolvent.

5.16 Taxation consequences

A general description of the Australian taxation consequences for CRPS Holders has been set out in Section 6. This includes a discussion of the Full Federal Court decision in *Mills v Commissioner of Taxation* [2011] FCAFC 158, which is currently on appeal before the High Court of Australia, and may potentially impact on the availability of franking credits for certain securities.

We are in the process of seeking a Class Ruling from the Commissioner of Taxation to confirm its views on the Australian tax implications in respect of the CRPS, including the franking credit treatment of Dividends. As at the date of the Prospectus, the Class Ruling has not yet been issued. It is expected (but not guaranteed) that a favourable ruling will be issued.

The CRPS can be Converted or Redeemed by the Company following the occurrence of a Tax Event. A Tax

Event will occur if there is any amendment to, clarification of, or change in the tax laws or their application (including as a result of a court decision) and Whitefield receives an opinion from a reputable legal counsel or other tax adviser that there is a more than insubstantial risk that:

- the Company or any CRPS Holder will incur more than a de minimis increase in costs or taxes in relation to the CRPS; or
- any Dividends will not be frankable; or
- the CRPS will not be treated as equity interests for Australian taxation purposes.

Potential investors should obtain their own independent professional advice in relation to their tax position based on their own specific circumstances. You should be aware that future changes in Australian taxation law, including changes in the interpretation or application of the law, by the courts or taxation authorities in Australia, may impact on the taxation treatment of investing in the CRPS.

5.17 Changes to company tax rate and imputation credit rate

It is possible that the tax rate applicable to companies may be changed from the current 30% rate and that the imputation credit rate may also change. Adjustments to the corporate tax rate and their implications are uncertain. If there was an initiative to reduce the corporate tax rate and reduce the imputation credit rate, the franking credits attaching to a franked dividend paid to CRPS Holders may represent credits for a lower corporate tax rate than the current 30% rate and hence your effective yield of 10% gross of franking credits on the CRPS (as described in Section 1.5), may be correspondingly reduced.

5.18 The Company may override your decision to Convert your CRPS

The ability of a CRPS Holder to Convert their CRPS to Ordinary Shares is subject to the discretion of the Company, which may choose to Redeem rather than Convert the CRPS on receipt of a Holder Conversion Request (see clause 5.5 of the CRPS Terms in Annexure A for further details). In the event that your CRPS are Redeemed, you will receive the CRPS Face Value, which may be less than the value of the Ordinary Shares that you could have received on Conversion at that time.

The Ordinary Shares held as a result of any Conversion will, following Conversion, rank equally with existing Ordinary Shares except with respect to the first dividend payment after the Conversion Date (see Section 2.4). Accordingly, the ongoing value of your investment will depend upon the market price of Ordinary Shares after the Conversion Date. That market is also subject to the factors outlined above and may also be volatile.

5.19 General business risk

The future viability and profitability of the Company as well as the entities in our investment portfolio is dependent on a number of other business risks which are applicable to all companies, including (but not limited to) the following:

- financial failure or default by a party to any contract to which the company is, or may become, a party;
- insolvency or other managerial failure by any of the contractors used by the company in its activities;
- litigation;
- natural and man-made disasters;
- acts of terrorism or an outbreak of international hostilities;
- other abnormal expenses incurred in running the operations of the company.

6. Taxation Consequences for Investors



DLA Piper Australia
201 Elizabeth Street
Sydney NSW 2000
Australia
DX 107 Sydney
T +61 2 9286 8000
F +61 2 9283 4144
W www.dlapiper.com

Our ref: 030889628-520288

4 July 2012

The Directors
Whitefield Limited
Level 7, 20 Hunter Street
SYDNEY NSW 2000

Dear Sirs

WHITEFIELD CONVERTIBLE RESETTABLE PREFERENCE SHARES 2012 - AUSTRALIAN TAXATION CONSEQUENCES

This advice is a summary of the potential Australian tax consequences for holders (**investors**) of Whitefield Convertible Resettable Preference Shares (**CRPS**) to be issued by Whitefield Limited (**Company**), for inclusion in the Prospectus.

This advice is a general guide to the Australian tax implications based on the laws of the Commonwealth of Australia in force as at the date of this letter and we express no opinion as to the impact or relevance of the laws of any other jurisdiction. These laws and practices are subject to reform/change periodically as is their interpretation by the courts.

Information provided in this advice is of a general nature and potential investors should obtain their own independent professional advice on the tax implications of holding and disposing of CRPS based on their own specific circumstances.

This summary generally outlines the Australian taxation position of investors of the Company who hold their CRPS on capital account and are Australian residents, including individuals, companies, complying superannuation funds and trusts (not taxed as a company).

The terms used in this advice have the same meaning as those defined in the Prospectus, unless otherwise stated. References to the Tax Act mean the *Income Tax Assessment Act 1997 (Cth)* or *Income Tax Assessment Act 1936 (Cth)*, as applicable.

The Company is in the process of seeking a Class Ruling from the Commissioner of Taxation to confirm its views on the Australian tax implications in respect of the CRPS which we have outlined below. As at the date of this letter, the Class Ruling has not yet been issued.

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EXECUTIVE SUMMARY

1 The CRPS should constitute equity interests for income tax purposes.

Dividends and franking credits

2 Dividends paid in respect of the CRPS will be included in the assessable income of investors. Any franking credits attached to the dividend will also be included in their assessable income.

3 Investors should generally be entitled to a tax offset equal to the franking credits received on the dividends, provided they are 'qualified persons' in relation to the dividend.

4 In our view, the Commissioner should not make a determination under section 177EA or Subdivision 204-D to deny imputation benefits (i.e. franking credits) received by investors in respect of the CRPS.

Conversion

5 The Conversion of the CRPS into Ordinary Shares and the issue of additional Ordinary Shares should not trigger a CGT event for investors.

6 The first element of the cost base of the Ordinary Shares received on a Conversion should generally be a pro rata allocation of the cost base of the CRPS held by the investor at the time of Conversion.

7 For capital gains tax purposes, investors should be taken to have acquired the Ordinary Shares resulting from a Conversion at the time the CRPS were originally acquired.

Disposal

8 A disposal (e.g. sale) of the CRPS will generally trigger a CGT event for an investor.

Redemption

9 A Redemption will generally trigger a CGT event for investors. The particular type of CGT event triggered will depend on the method of redemption adopted. In addition, in certain circumstances a redemption can trigger a deemed dividend for investors, but will depend on the method of redemption adopted and other prevailing circumstances at the time of the Redemption.



DIVIDENDS

Equity interest characterisation

- 10 We consider the CRPS should constitute 'equity interests' for Australian income tax purposes and some of the key features of the CRPS that support 'equity' treatment and not debt treatment for income tax purposes include:
- 10.1 The CRPS are 'shares' in the Company;
 - 10.2 Distributions on the CRPS are subject to the economic performance of the Company and at the discretion of the Board of Directors;
 - 10.3 The CRPS are convertible to Ordinary Shares in the Company;
 - 10.4 The Redemption of the CRPS is solely at the option of the Company and not the investors.

Franking credits

- 11 As outlined above, the CRPS should constitute 'equity interests' for Australian income tax purposes, such that the payments of dividends under the CRPS will be 'frankable distributions'. Accordingly, the Company may frank dividends paid to investors, subject to the availability of sufficient franking credits, the application of franking benchmarking requirements and the application of certain integrity measures, which are outlined in further detail below.
- 12 The dividends, together with any franking credits attached to those dividends, will generally be included in the assessable income of investors. In addition, investors should generally be entitled to a tax offset equal to the amount of any franking credits attached to their dividends.
- 13 For investors that are individuals or complying superannuation funds, any excess tax offsets may be refundable (to the extent that the tax offsets exceed the tax otherwise payable by the investor).

Benchmarking

- 14 The franking of dividends paid on the CRPS will be subject to the benchmarking rule in Division 203, which requires all frankable distributions paid with the same franking period to be franked to the same extent. Since the Company is listed on the ASX, it will have 6-month franking periods, being:
- 14.1 The first 6-month period starting from the first day of its income year; and
 - 14.2 The subsequent 6-month period for the remainder of the income year.
- 15 Thus, all dividends for all types of shares (ordinary and preference) paid within the same 6 month period must have the same franking percentage. Generally, it is the first



dividend paid during each 6-month period that determines the applicable franking percentage for that period.

- 16 The dividends on the CRPS are proposed to be paid twice a year, thus these dividends will need to be franked to the same extent as all other dividends paid by the Company during the relevant 6 month period.

Holding period and Qualified Person

- 17 To be entitled to a tax offset in respect of a franked dividend, an investor must be a 'qualified person' in relation to the dividend.
- 18 As preference shares, to be a qualified person, an investor will need to hold the CRPS "at risk" for a continuous period of at least 90 days during the period starting from the day after the investor acquires the CRPS and ending on the 90th day after the CRPS became ex-dividend.
- 19 Where the investor, or its associate, is required to make 'related payments' in respect of a dividend (which have the effect of passing the benefit of the dividend to another person), the investor must also hold the CRPS "at risk" for a continuous period of at least 90 days during the period starting on the 90th day before, and ending on the 90th day after, the CRPS became ex-dividend.
- 20 An investor will generally hold the CRPS "at risk" where it retains at least 30% of the total risks and opportunities in respect of the CRPS. Whether the investors hold the CRPS "at risk" will ultimately depend on the financial position and any risk management strategies (e.g. hedges) utilised by the investor in respect of their CRPS.
- 21 Individual investors whose total tax offsets for an income year do not exceed \$5,000 will automatically be 'qualified persons'.

Integrity measures

- 22 In addition to the holding period rule there are a number of other integrity measures that can potentially apply to the provision of franking credits and associated tax offsets, such as anti-streaming and general anti-avoidance measures, which are outlined below.

Streaming of imputation benefits

- 23 Subdivision 204-D of the Tax Act enables the Commissioner to make a determination to adjust franking credits and associated tax offsets where distributions with attached imputation benefits are streamed to a member of a corporate tax entity in preference to another member.
- 24 It is our view that the Company should not be considered to be streaming imputation benefits in respect of the CRPS since all investors are eligible for franked dividends regardless of their tax attributes or their individual tax position. In addition, the dividend payout ratios or franking credits, in relation to the Ordinary Shares or other preference shares, are not expected to be materially affected by the issue of CRPS.



Section 177EA -anti-avoidance provision

- 25 Section 177EA of the Tax Act is an anti-avoidance provision that applies where one of the purposes (but not including an incidental purpose) of a scheme is to obtain an imputation benefit, when taking into account the relevant circumstances of the scheme (which are outlined in s177EA(17)). In these circumstances, the Commissioner has the power to make a determination with the effect of either:
- 25.1 imposing franking debits or exempting debits on the distributing entity's franking account; or
 - 25.2 denying the imputation benefit on the distribution that flowed directly or indirectly to the relevant taxpayer.
- 26 At this time, having regard to the relevant circumstances in respect of the issue and potential conversion of the CRPS, we consider there are a number of factors supporting the view that the obtaining of imputation benefits is no more than an incidental purpose of the arrangements, including:
- 26.1 The principal purpose of the issue of CRPS is the raising of new capital to expand and diversify the Company's investment portfolio;
 - 26.2 All investors will be entitled to distributions and franking credits, regardless of their tax position or attributes;
 - 26.3 There is no obligation for the Company to pay franked dividends in respect of the CRPS (although there is every expectation that dividends will be franked where possible). In addition, there is no requirement to increase or gross-up unfranked dividends to reflect the same after tax return as franked dividends for investors;
 - 26.4 The CRPS will be listed and will thus be available to the public generally and not only to investors with specific tax attributes;
 - 26.5 There are no collateral tax benefits (e.g. tax deductions) sought by the Company in connection with the payment of the dividends; and
 - 26.6 Limited (if any) non-resident shareholders currently hold Ordinary Shares or are expected in the short term to hold Ordinary Shares or CRPS.
- 27 Currently, a decision of the Full Federal Court regarding section 177EA, *Mills v Federal Commissioner of Taxation [2011] FCAFC 158*, is on appeal before the High Court of Australia. The outcome of this decision may potentially impact on the interpretation of, and Commissioner's practice regarding, the potential application of section 177EA.
- 28 The Mills case concerned the application of section 177EA to certain stapled securities that were issued to a taxpayer. The majority of the Full Federal Court upheld the Commissioner's determination to apply section 177EA to deny the franking credits on distributions paid on those securities. It is our view that the CRPS to be issued by the Company can be distinguished from the securities subject of the Mills case since:

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5



- 28.1 Franking of distributions on the Mills securities were guaranteed by the issuer and distributions were to be grossed up where distributions were not fully franked;
- 28.2 The characteristics of the Mills securities were considered to be more like those of debt than of equity, even though they technically constituted 'equity interests' for Australian income tax purposes;
- 28.3 The issuer obtained a tax deduction in New Zealand for the distributions on the securities.

Listed investment company deduction

- 29 The Company is a listed investment company for Australian taxation purposes. As such, in addition to franking credit tax offsets, investors that are individuals, trusts or complying superannuation funds may be entitled to a deduction for certain dividends paid by the Company. Broadly speaking, this deduction is available where all or some part of the dividend paid to eligible investors is reasonably attributable to capital gains made by the Company that would have been discount capital gains if made directly by the investor; in order to reflect the CGT discount the investor would have secured if each had made the capital gain.
- 30 It is expected that the Company will notify eligible investors of any deductions available in respect of such dividends at the time of payment.

CONVERSION

- 31 A Conversion will result in each CRPS held by an investor being converted into one Ordinary Share in the Company. In addition, the investor will be issued with an additional number of Ordinary Shares calculated in accordance with the formula outlined in Section 2.14 of the Prospectus.
- 32 The Conversion, of itself, will not trigger a taxable CGT event for the investor since a Conversion should not constitute the cancellation or disposal of the CRPS. Thus, investors should not recognise assessable income or allowable deductions from a Conversion.
- 33 The first element of the cost base of each Ordinary Share received on a Conversion should generally be a pro rata allocation of the cost base of the CRPS held by the investor at the time of conversion.
- 34 For capital gains tax purposes, investors should be taken to have acquired the Ordinary Shares resulting from a Conversion at the time the CRPS were originally acquired by the investor.

DISPOSALS

- 35 A disposal (e.g. sale) of the CRPS on-market will constitute a CGT event for the investor. A capital gain will arise where the capital proceeds (generally, the market value of the consideration) received pursuant to the disposal of CRPS exceeds the cost

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6



base of the CRPS. A capital loss will arise where the capital proceeds are less than the reduced cost base of the CRPS.

- 36 The cost base of the CRPS in an arm's length transaction is generally the value of the consideration paid to acquire the CRPS (plus transaction costs). For investors that acquire the CRPS under the Prospectus, the first element of the cost base will include an amount equal to the Issue Price of the CRPS.
- 37 In preparing their Australian income tax return, investors will need to total their individual capital gains and capital losses in a year of income to ascertain whether they have a net capital gain or loss for the year of income. Any net capital gain is included in their assessable income.
- 38 Investors that are individuals, trusts or complying superannuation funds may be eligible for the capital gains discount concession where they have held their CRPS for at least 12 months prior to disposal. If the capital gains discount concession applies, any capital gain arising from the disposal of the CRPS is reduced by 50% (for individuals and trusts) or 33⅓% (for complying superannuation funds).
- 39 A net capital loss may be carried forward to offset against capital gains derived in future income years (provided the relevant loss utilisation tests are satisfied). However, a capital loss may not be offset against other income for income tax purposes.

REDEMPTION

- 40 Upon Redemption, the CRPS will either be redeemed, bought back (other than by an on-market buy-back), cancelled pursuant to a reduction of capital or sold to a third party (or any combination of these) for an amount of cash equal to the CRPS Face Value, plus the payment of any unpaid Dividends.
- 41 Generally, a Redemption will trigger a CGT event for investors. The particular type of CGT event triggered will depend on the method of redemption adopted. In addition, in certain circumstances a redemption can trigger a deemed dividend for investors, but will depend on the method of redemption adopted and other prevailing circumstances at the time of the Redemption. It is expected that the Company will provide further information to investors prior to any such Redemption.

OTHER INCOME TAX ISSUES

Other integrity measures and value shifting

- 42 At this time, having regard to the relevant circumstances in respect of the issue and Conversion of the CRPS, it is our view that the Commissioner should not make an adverse determination under the integrity measures in sections 45, 45A or 45B of the Tax Act in respect of the CRPS.
- 43 In addition, on the basis that the CRPS will be issued for a market value price, the value shifting rules should not apply to the issue of the CRPS.



No ABN/TFN Withholding Tax

- 44 Investors are not required to quote their Australian Business Number (**ABN**) or Tax File Number (**TFN**) to WHF. However, if investors do not quote their ABN or TFN, WHF may be required to withhold tax at the top marginal rate (currently 46.5%, including the Medicare Levy) from distributions paid to investors (except for fully franked dividends or where another exemption applies).

Taxation of Financial Arrangements (TOFA)

- 45 The TOFA provisions in Division 230 set out the methods under which gains and losses from 'financial arrangements' held by taxpayers will be brought to account for income tax purposes. These provisions can also apply to certain 'equity interests'.
- 46 However, the TOFA rules generally only apply to investors that are:
- 46.1 authorised deposit taking institutions, securitisation vehicles and financial sector entities with an aggregated annual turnover of \$20 million or more;
 - 46.2 superannuation entities if the value of their assets is \$100 million or more;
 - 46.3 other entities with an aggregated annual turnover of \$100 million or more, financial assets of \$100 million or more, or assets of \$300 million or more; and
 - 46.4 other entities that hold 'qualifying securities' in certain circumstances.
- 47 Investors should seek independent taxation advice on the potential application of the TOFA provisions to their CRPS investment, based on their individual circumstances.

GOODS AND SERVICES TAX

- 48 No Australian GST should be payable on the issue of CRPS or on the sale, Conversion or Redemption of CRPS on the basis that these transactions are financial supplies for GST purposes. However, investors may be charged GST on their costs associated with these events (e.g. brokerage on the sale of CRPS). Investors that are registered for GST may be entitled to claim GST input tax credits on these costs, depending on their particular circumstances and should seek independent taxation advice.

STAMP DUTY

- 49 Investors will not be required to pay any stamp duty on the issue, disposal, Conversion or Redemption of CRPS, provided that the CRPS are quoted on the ASX and the investor does not hold 90% or more of the total shares or other interests (as defined for Australian landholder or land-rich duty purposes) in the Company.



NOT FINANCIAL PRODUCT ADVICE

- 50 The information contained in this letter does not constitute 'financial product advice' for the purposes of the Corporations Act. The DLA Piper partnership providing this advice is not licensed to provide financial product advice under the Corporations Act.
- 51 To the extent this letter contains information regarding a 'financial product' within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision in respect of the relevant financial product.
- 52 Thus, investors or prospective investors should, before making any decision to invest in the CRPS outlined above, consider taking financial advice from a person who holds an Australian Financial Services Licence under the Corporations Act.

Yours faithfully

A handwritten signature in blue ink that reads 'DLA Piper Australia'.

DLA Piper Australia

7. Additional Information

7.1 Rights and liabilities attaching to CRPS

The rights and liabilities attaching to the CRPS are contained in the CRPS Terms at Annexure A of this Prospectus. Rights and liabilities attaching to the CRPS may also arise under the Corporations Act, ASX Listing Rules, the Constitution and other laws.

7.2 Rights and liabilities attaching to Ordinary Shares

CRPS Holders may receive Ordinary Shares on Conversion. The rights and liabilities attaching to the Ordinary Shares are set out in the Constitution and are also regulated by the Corporations Act, the ASX Listing Rules and other laws.

The following is a summary of the key rights attaching to Ordinary Shares. It is not intended to be an exhaustive summary of the rights and obligations of Shareholders. Investors who wish to inspect the Constitution may do so at the registered office of Whitefield during normal office hours or may obtain a copy as set out in Section 4.14.

7.2.1 Voting rights

Subject to the Constitution, the ASX Listing Rules and any rights or restrictions for the time being attached to any class or classes of shares, at a meeting of shareholders or classes of shareholders, each Ordinary Shareholder entitled to attend and vote may attend and vote in person or by proxy or attorney or, being a corporation, by a representative duly authorised under the Corporations Act, and has one vote on a show of hands and one vote per Ordinary Share on a poll.

7.2.2 Dividend rights

Subject to Shareholders approving the proposed amendments to the Company's Constitution at the Company's annual general meeting to be held on 16 July 2012, payment of dividends on Ordinary Shares is subject to the Directors determining that a dividend is payable. Subject to any preferential, special, deferred or other rights attached to any shares of the Company, the Constitution, the Corporations Act and the ASX Listing Rules, we may distribute dividends to Whitefield shareholders from time to time, provided that no dividend exceeds the amount recommended by the Directors.

7.2.3 Transferability of Ordinary Shares

While the Ordinary Shares are quoted on ASX, Shareholders will generally be able to sell or transfer their Ordinary Shares without restriction. This is subject to the limitations set out in the Constitution, Corporations Act, ASX Listing Rules and the Directors' ability to decline to register a transfer in certain limited circumstances as set out in the Constitution.

7.2.4 Rights on winding up

If Whitefield is wound up, subject to the rights of holders of shares issued on special terms and conditions, the Constitution, the Corporations Act and the ASX Listing Rules, the liquidator may, with the authority of a special resolution, divide among the shareholders of Whitefield in kind the whole or any part of the property of Whitefield and may, for that purpose, set such value as the liquidator considers fair upon the property to be so divided and may determine how the division is to be carried out between the shareholders of Whitefield.

The liquidator may, with the authority of a special resolution, vest all or part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder in Whitefield is compelled to accept any shares or other securities in respect of which there is a liability.

7.3 Rights attaching to 8% Preference Shares

The 8% Preference Shares carry the right to a fixed cumulative preferential dividend of 8% per annum on the capital paid up on the 8% Preference Shares (\$23,790) and rank in priority to the Ordinary Shares and the proposed CRPS on a winding up as regards the return of capital and any arrears of dividend. The 8% Preference Shares are listed on ASX's official list.

7.4 Summary of Offer Management Agreement

The Company entered into an Offer Management Agreement with Evans and Partners Pty Ltd (**Lead Manager**) on 4 July 2012 with respect to the management of the Offer. Under the Offer Management Agreement, the Lead Manager has agreed to use its reasonable endeavours to procure Applications for the CRPS under the Offer. A summary of the key terms of the Offer Management Agreement is set out below.

7.4.1 Commission, fees and expenses

The Company must pay the Lead Manager:

- a Lead Manager fee of 1.25% of the Offer Proceeds (exclusive of GST);
- a distribution fee of 1.0% of the aggregate amount raised under the Broker Firm Offer; and
- a distribution fee of 1.0% of the amount raised under the Shareholder Priority Offer and General Offer to the extent that Applications under such Offers which bears a broker's or financial planner's stamp, including the Lead Manager's Stamp.

The Company has also agreed to reimburse the Lead Manager for certain agreed costs and expenses incurred by the Lead Manager in relation to the Offer. The Lead Manager is responsible for all fees and costs payable to any co-managers and/or brokers appointed by the Lead Manager with respect to the Offer.

7.4.2 Warranties

The Offer Management Agreement contains certain standard representations, warranties and undertakings provided by the Company to the Lead Manager. The warranties relate to matters such as the conduct of the parties and information provided by the parties in relation to the Prospectus and the Offer. The Company's undertakings include that it will not, during the six month period following the date of issue of the CRPS under the Offer, issue or agree to issue any publicly tradeable debentures or debt securities of the Company that rank equally with the CRPS (except as disclosed in this Prospectus) or any tradeable debentures or debt securities of the Company that are proposed to be (or are likely to be with the lapse of time) listed for quotation on ASX as one class with the CRPS issued under the Offer without the consent of the Lead Manager.

7.4.3 Indemnity

Subject to certain exclusions relating to, amongst other things, fraud, recklessness, wilful misconduct, gross negligence or a material breach of the Offer Management Agreement by an indemnified party, the Company agrees to keep the Lead Manager and certain affiliated parties indemnified against losses suffered in connection with the Offer.

7.4.4 Termination events

If any of the following events occur at any time before the Allotment Date or such other time as specified below, then the Lead Manager may at any time by notice to the Company, immediately without any cost or liability to the Lead Manager, terminate the Offer Management Agreement:

- **(ASX/S&P 200 Index)** The ASX/S&P 200 Index falls by 12.5% or more from its level at the date of the Offer Management Agreement and is at or below that level at the close of trading on two consecutive business days.
- **(Fails to comply with the timetable for the Offer)** Any event set out in the timetable for the Offer is delayed for more than two business days, unless the Lead Manager consents to the variation.
- **(Prospectus):**
 - there is a material omission from the Prospectus of material required to be included by the Corporations Act;
 - the Prospectus contains a material statement that is misleading or deceptive;
 - a material statement in the Prospectus becomes misleading or deceptive;
 - the Prospectus does not comply with sections 711, 713 or 716 of the Corporations Act, the ASX Listing Rules or any other applicable law or regulation;
 - a matter referred to in section 719 of the Corporations Act occurs in respect of the Prospectus.
- **(Supplementary Prospectus)** The Lead Manager reasonably forms the view that a supplementary or

replacement prospectus must be lodged with ASIC under section 719 of the Corporations Act and the Company does not lodge a supplementary or replacement prospectus in the form, with the content and within the time reasonably required by the Lead Manager (acting reasonably).

- **(Notifications):**
 - ASIC applies for an order under section 1324B of the Corporations Act in relation to the Prospectus and the application is not dismissed or withdrawn before the Allotment Date;
 - a person (other than the Lead Manager) gives a notice under section 730 of the Corporations Act in relation to the Prospectus and the Company does not lodge a supplementary or replacement prospectus in the form, with the content and within the time reasonably required by the Lead Manager;
 - ASIC gives notice of intention to hold a hearing in relation to the Prospectus, or makes an interim order, under section 739 of the Corporations Act;
 - any person (other than the Lead Manager) gives a notice under section 733(3) of the Corporations Act;
 - any person (other than the Lead Manager) who has previously consented to the inclusion of a statement in, or to being named in, the Prospectus (or any supplementary or replacement prospectus) withdraws that consent; or
 - an application is made by ASIC for an order under Part 9.5 in relation to the Prospectus or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Prospectus.
- **(Withdrawal)** The Company withdraws the Prospectus or any supplementary or replacement prospectus required to be lodged with ASIC in connection with the Offer.
- **(Delisting)** ASX announces that the Company's shares will be delisted or removed from quotation.
- **(Listing and quotation)** ASX makes an official statement to any person, or indicates to the Company or the Lead Manager that quotation of the CRPS will not be given.
- **(Insolvency event)** The Company is insolvent, or there is an act or omission made which is likely to result in the Company becoming insolvent.
- **(Certificate)** A statement in the confirmation certificate which the Company is required to provide to the Lead Manager under the Offer Management Agreement is either not provided to the Lead Manager or contains a statement which is untrue or incorrect in any material respect.
- **(Lodgement of Prospectus)** The Company fails to lodge the Prospectus with ASIC on or before 4 July 2012 in a form approved by the Lead Manager (such approval not to be unreasonably withheld or delayed).
- **(Business)** The Company:
 - disposes or agrees to dispose of the whole or a substantial part of its business or property other than as contemplated in the Prospectus; or
 - ceases or threatens to cease to carry on business.
- **(Charge)** Other than as disclosed in the Prospectus, the Company or a Related Body Corporate charges or agrees to charge the whole, or a substantial part of its business or property.

7.4.5 Termination events subject to materiality

If any of the following events occur at any time before the Allotment Date or such other time as specified below, and such event (a) would have a material adverse effect on the Offer or the issue of the CRPS under the Offer or (b) could create a material liability for the Lead Manager under the Corporations Act or any applicable law, then the Lead Manager may at any time, by notice to the Company, immediately without any cost or liability to the Lead Manager terminate the Offer Management Agreement:

- **(Material adverse change)** Any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company, including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company from those disclosed in the Prospectus.
- **(Misleading and deceptive conduct)** The Company engages in conduct that is misleading or deceptive, or likely to be misleading or deceptive, in connection with the Offer.
- **(Default)** The Company is in default of any of the material terms and conditions of the Offer Management

Agreement or breaches any warranty, undertaking or covenant given or made by it under the Offer Management Agreement and that default or breach is either incapable of remedy or is not remedied within ten business days after being given notice to do so by the Lead Manager.

- **(Hostilities)** There is an outbreak of hostilities (whether or not war or a national emergency has been declared) not presently existing, or a major escalation in existing hostilities occurs, or a major act of terrorism occurs in or involving any one or more of the following: Australia; New Zealand; the United Kingdom; the United States; Japan; the Peoples Republic of China; any member country of the European Union; or involving any diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world.
- **(Due Diligence Report)** The due diligence report prepared by the due diligence committee established in connection with the Offer or any other information supplied by or on behalf of the Company to the Lead Manager in relation to the CRPS, the Company, or the Offer, is untrue, incorrect, misleading or deceptive.
- **(Prosecution)** Any of the following occur:
 - a director, Chief Executive Officer or the Chief Financial Officer of the Company (as listed in the Prospectus) is charged with an indictable offence relating to a financial or corporate matter;
 - any governmental agency commences any public action against the Company or any of its directors in their capacity as a director of the Company;
 - any director of the Company is disqualified from managing a corporation under Part 2D.6 of the Corporations Act; or
 - the Company or a director of the Company engages in any fraudulent conduct or activity.
- **(Capital structure)** The Company alters its capital structure without the prior written consent of the Lead Manager, other than as contemplated in this Prospectus.
- **(Constitution or Terms altered)** The Constitution or any other constituent document of the Company or the Terms are amended other than with respect to the amendments which are proposed to be made to the Company's Constitution as contemplated in the Company's 2012 Notice of Annual General Meeting.
- **(Change in management)** A change to the Board or the Chief Executive Officer of the Company occurs.
- **(Change in law)** Any of the following occurs which does or is likely to prohibit, restrict or regulate the Offer or materially reduces the level of likely level of valid Applications under the Offer:
 - the introduction of legislation into the parliament of the Commonwealth of Australia or of any State or Territory of Australia (other than legislation announced before the date of the Offer Management Agreement);
 - the public announcement of prospective legislation or policy by the Federal Government of Australia or the Government of any State or Territory of Australia (other than legislation or policy announced before the date of the Offer Management Agreement); or
 - the adoption by ASIC or its delegates or the Reserve Bank of Australia of any regulations or policy (other than where the adoption of such regulations or policy is announced before the date of the Offer Management Agreement).
- **(Fails to comply)** The Company or any Related Body Corporate (as that term is defined in the Corporations Act) fails to comply in any material way with any of the following:
 - a provision of the Constitution of the Company;
 - the Terms;
 - the Corporations Act or any other statute;
 - the ASX Listing Rules; or
 - any legally binding policy or guideline of ASIC or any other requirement, order or request made by or on behalf of ASIC, ASX or any other governmental body,

which does or is likely to prohibit, restrict or regulate the Offer in a material adverse manner.

- **(Force Majeure)** A Force Majeure affecting the Company's business or its obligations under the Offer Management Agreement lasting in excess of seven days occurs.
- **(Other Events)** There is:

- a suspension or limitation in trading in all securities quoted or listed on ASX, the New York Exchange, the London Stock Exchange, the Tokyo Stock Exchange, the Shanghai Stock Exchange or the Hong Kong Stock Exchange for at least one day on which that exchange is open for trading;
- a general moratorium on commercial banking activities in Australia, the United States, the United Kingdom or in member states of the European Union, Japan, Hong Kong or the Republic of China is declared by the relevant authorities, or there is a disruption in commercial banking or securities settlement or clearance services in those places;
- any adverse change or disruption to the existing financial markets, political or economic conditions of, or currency exchange rates or controls in Australia, the United States, the United Kingdom, Japan, Hong Kong, the Republic of China or the European Union, or the international financial markets or any adverse change in national or international political, financial or economic conditions.
- after the date of the Offer Management Agreement, a change or development (which was not publicly known prior to the date of the Offer Management Agreement) involving a prospective adverse change in taxation affecting the Company, its shares or the CRPS occurs.

7.5 Interests of Directors

Other than as set out below or elsewhere in the Prospectus, no Director or proposed director:

- has or had at any time during the two years preceding the date of this Prospectus an interest in the formation or promotion of the Company, in any property acquired or proposed to be acquired by the Company in connection with the formation or promotion of the Company or the Offer, or in the Offer; and
- has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him in connection with the formation or promotion of the Company or the Offer.

7.5.1 Directors' interests in the shares of the Company

Each of the Directors' relevant interests in shares of the Company, as at the date of this Prospectus, is set out in the table below.

Name of Director	Number of shares
David J Iliffe	2,191,703 Ordinary Shares 1,300 8% Preference Shares
G John Gillmore	277,229 Ordinary Shares
Martin J Fowler	0
Angus J Gluskie	7,908,522 Ordinary Shares

As at the date of this Prospectus and except as stated above, no Director holds a beneficial interest in any other securities of the Company.

7.5.2 Directors' fees and executive remuneration

Details of the nature and amount of each Director's and senior executive's emoluments from the Company in respect of the Company's last financial year to 31 March 2012 set out below:

	Base Emoluments	Superannuation	Other	Total
Martin J Fowler	\$9,633	\$867		\$10,500
G John Gillmore	\$9,633	\$867		\$10,500
David J Iliffe	\$9,633	\$867		\$10,500
Angus J Gluskie ^{1,2}			\$489,765	
Peter A Roberts ³			\$118,260	

¹ The fee of \$118,260 paid to White Outsourcing Services Pty Ltd for the provision of administration services is included under both Peter Roberts and Angus Gluskie.

² Mr A.J. Gluskie is a 71% shareholder and officer of White Funds Management Pty Ltd (the Company's Investment Manager) and holds an indirect interest of 8% in White Outsourcing Pty Ltd. During the year, White Funds Management Pty Ltd received fees of \$371,505 inclusive of 10% GST for the management of the Company and White Outsourcing Pty Ltd received fees of \$118,260 inclusive of 10% GST for the administration of the Company. Angus Gluskie received no fees as an individual.

³ Peter Roberts is a 21% shareholder and officer of White Outsourcing Pty Ltd (which provides administrative services to the Company). During the year, White Outsourcing Pty Ltd received fees of \$118,260 inclusive of 10% GST for the administration of the Company. Peter Roberts received no fees as an individual.

7.5.3 Termination payments or other benefits to Directors, secretaries or executive officers

Other than as set out in this Prospectus, no payment or other benefit is proposed to be made or given to any Director, secretary or executive officer of the Company or of its Related Bodies Corporate as compensation for loss of, or as consideration for or in connection with their retirement from, office with the Company or any Related Body Corporate.

7.5.4 Other payments and benefits

The Company provides no bonuses or performance linked remuneration to Directors or Executives. The Company pays insurance premiums in respect of a Directors' and officers' liability policy which covers the Directors and officers of Whitefield Limited. The terms of the policy prohibit disclosure of details of the amount of insurance cover and the nature of the liability insured against.

7.5.5 Agreements or arrangements with Directors

No Director, as at the date of this Prospectus, has entered into an agreement or arrangement with another person in connection with or conditional on the outcome of the Offer.

7.6 Regulatory relief

7.6.1 ASX Approvals, Confirmations and Waivers

The ASX has granted the Company the following confirmations and waivers:

- confirmation that the terms of the CRPS are appropriate and equitable for the purposes of Listing Rule 6.1;
- waivers from ASX Listing Rules 6.3.2 and 6.3.2A to the extent necessary to permit the terms of the CRPS not to confer on the CRPS Holder the right to cast votes at a Shareholders' meeting on a resolution to approve a reduction of the Company's share capital or on a resolution to approve the terms of a buy-back agreement, where such resolutions concern the Redemption of CRPS;
- confirmation that the terms of the CRPS meet the requirements of Listing Rule 6.5 which requires preference shares to carry an entitlement to a dividend at a commercial rate in preference to holders of ordinary shares;
- confirmation that, for the purpose of Listing Rule 7.1.4(c) ASX does not object to the Company, for the purposes of calculating the number of securities that the Company may issue in accordance with Listing Rule 7.1, notionally Converting the CRPS into Shares based on the market price of the Company's Shares on the trading day prior to the Allotment Date; and
- a waiver from Listing Rule 10.11 to the extent necessary to permit the Directors and their associates (**Related Entities**) to participate in the Offer and to be issued CRPS without Shareholder approval on the following conditions:

- the number of CRPS which may be issued to the Related Entities collectively is no more than 0.2% of the total number of CRPS issued under the Offer;
- participation of the Related Entities in the Offer is on the same terms and conditions which apply to unrelated subscribers for CRPS;
- the Company releases the terms of this waiver to the market; and
- the Company announces to ASX the total number of CRPS which were issued to the Related Entities under the Offer.

7.7 Foreign regulatory matters

Neither this Prospectus nor the Offer constitute, or are intended to constitute, an offer of securities in any place in which, or to any person to whom, the making of such an offer would not be lawful under the laws of the jurisdiction outside Australia and New Zealand and its external territories, and shall not form the basis of any contract with such persons.

The Prospectus (including an electronic copy) may not be distributed or released, in whole or in part, in the United States. Neither the CRPS nor the Ordinary Shares have been or will be registered under the US Securities Act or the securities laws of any state of the United States, and they may not be offered or sold in the United States. The CRPS are being offered and sold in the Offer solely outside the United States pursuant to Regulation S under the US Securities Act.

7.8 Interests of experts and advisers

Other than as set out below, no person named in this Prospectus as providing professional or advisory services in connection with the preparation of this Prospectus or any firm in which any such person is a partner:

- has or had at any time during the two years preceding the date of the Prospectus, any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or the Offer; or
- has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Evans and Partners Pty Ltd has acted as Lead Manager to the Offer and will receive a offer management and distribution fees and reimbursement of its costs and expenses, as detailed in the summary of the Offer Management Agreement set out in Section 7.4.

DLA Piper Australia has acted as the Australian tax and legal adviser to the Company in connection with the Offer. The Company has paid, or agreed to pay, an amount of approximately \$300,000 including GST (plus disbursements) in respect of these services. Further amounts may be paid to DLA Piper Australia in accordance with time-based charges.

7.9 Offer expenses

The Company will pay all of the costs associated with the Offer. If the Offer proceeds, the total estimated expenses in connection with the Offer (including advisory, legal, accounting, tax, listing and administrative fees as well as printing, advertising and other expenses) are estimated to be approximately \$1,110,000 including GST.

7.10 Consents

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in the Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent.

Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described below:

- Evans and Partners Pty Ltd has consented to being named as the Lead Manager to the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Evans and Partners Pty Limited;
- MNSA Pty Ltd has consented to being named in the Corporate Directory as the Company's independent auditor, but it does not make or purport to make any statement in this Prospectus;

- DLA Piper Australia has consented to being named in the Corporate Directory of this Prospectus as the Australian legal and tax adviser to the Company, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by DLA Piper Australia other than the summary of the Australian taxation implications in Section 6 of this Prospectus; and
- Computershare Investor Services Pty Limited has consented to being named in the Corporate Directory and elsewhere in this Prospectus as the share registry for the Company. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the content of the Prospectus other than being named as share registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

7.11 Legal proceedings

To the knowledge of the Directors, there is no current, pending or threatened litigation with which the Company is directly or indirectly involved.

7.12 Governing Law

This Prospectus and the contracts that arise from the acceptance of Applications under the Offer are governed by the law applicable in New South Wales, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

7.13 Lodgement of this Prospectus

This Prospectus was given to ASIC on 4 July 2012.

7.14 Consent to lodgement

Each Director of the Company has given, and not withdrawn, his consent to the lodgement of this Prospectus with ASIC.

8. Glossary

8% Preference Shares means the 23,790 cumulative preference shares in the capital of Whitefield on issue which carry the entitlement to a fixed cumulative preferential dividend of 8% per annum.

A\$ or \$ means Australian currency.

Adjusted VWAP has the meaning given in clauses 5.13 to 5.15 of the Terms.

Administrator means White Outsourcing Pty Ltd (ABN 44 114 914 215).

AEST means Australian Eastern Standard Time.

Allotment Date means the date on which the CRPS are allotted under the Offer.

Applicant means a person who submits a valid Application Form and Application Monies pursuant to this Prospectus.

Application means a valid application to subscribe for CRPS under the Offer pursuant to this Prospectus.

Application Form means the application form attached to or accompanying this Prospectus or the online application form accompanying the electronic version of the Prospectus for residents of Australia or New Zealand to apply for CRPS under the Offer.

Application Monies means money submitted by applicants in respect of their Application.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the securities market it operates, as the context requires.

ASX Listing Rules means the listing rules of ASX from time to time with any modifications or waivers in their application to Whitefield, which ASX may grant.

ATO means the Australian Taxation Office.

Board means the board of directors of the Company.

Broker Firm Applicant means a person who receives a firm allocation from their broker under the Broker Firm Offer.

Broker Firm Offer means the invitation under this Prospectus to Australian and New Zealand retail investors who have received a firm allocation of CRPS from those market participants of ASX selected by the Lead Manager to participate in the Offer from their broker to acquire CRPS under the Offer.

Business Day means a business day as defined in the ASX Listing Rules from time to time, being at the date of this Prospectus, Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Chairman means the Chairman of the Board.

Closing Date means the date that the Offer closes.

Company or **Whitefield** or **we** means Whitefield Limited (ABN 50 000 012 895).

Company Gearing Event has the meaning given to that term in clause 12.1 of the Terms.

Control Event has meaning given in clause 12.1 of the Terms.

Constitution means the Memorandum and Articles of Association of the Company as amended from time to time including as a result of the amendments to be proposed to Shareholders at the Company's Annual General Meeting to be held on 16 July 2012.

Conversion means the conversion of each CRPS into New Ordinary Shares in accordance with the Terms, and **Convert** and **Converted** have corresponding meanings.

Conversion Date means, if the CRPS are to be Converted, the relevant Reset Date or the date specified for Conversion in a Conversion/Redemption Notice as the case may be.

Conversion Discount means 0.035 or such other amount expressed as a fraction reset in accordance with the Terms.

Conversion/Redemption Notice means a notice served by Whitefield on a CRPS Holder specifying that some

or all of the CRPS Holder's CRPS will be Redeemed or Converted, or a combination of both, as the case may be.

Corporations Act means the Corporations Act 2001 (Cth).

CRPS or Convertible Resettable Preference Shares means the non-cumulative, convertible, redeemable preference shares in the capital of Whitefield, which are issued under this Prospectus on the terms and conditions set out in the Terms.

CRPS Face Value means the Face Value of the CRPS issued under this Prospectus, which, subject to adjustment on a reconstruction in accordance with the Terms, is \$100.

CRPS Holder means a person entered on the register of shareholders as the holder of CRPS.

Directors means the directors of the Company as at the date of this Prospectus.

Dividend Payment Date means the following dates whether or not a dividend is paid on that date:

- (a) a date determined by the Directors that is not later than 15 December for a Dividend Period ending on 30 November and not later than 15 June for a Dividend Period ending on 31 May until the CRPS are Converted or Redeemed; and
- (b) no later than 14 days after the date on which such CRPS are Converted or Redeemed as the case may be.

Dividend Period has the meaning given in clause 12.1 of the Terms.

Dividend Rate and **DR** means 7% per annum or such other rate (expressed as a percentage per annum) reset in accordance with the Terms.

Existing Shareholders means those persons or entities who were holders of Ordinary Shares as at 14 June 2012, with a registered address in Australia or New Zealand.

Face Value means, subject to adjustment on a reconstruction in accordance with the Terms, the amount specified by Whitefield as the face value of each preference share that it issues at the time of issue.

Force Majeure means any act of God, war, revolution or any other unlawful act against public order or authority, an industrial dispute, a government restraint or any other event which is not within the control of the Company and the Lead Manager.

General Offer means the offer to investors resident in Australia and New Zealand under this Prospectus which does not include the Broker Firm Offer.

Holder Conversion Request means a written notice given by a CRPS Holder to Whitefield to Convert CRPS in accordance with the Terms.

Holder Gearing Event has the meaning given to that term in clause 12.1 of the Terms.

Holder Trigger Event means:

- (a) a Control Event;
- (b) a dividend for a Dividend Period is declared but not paid in full within 20 Business Days after the Dividend Payment Date for that Dividend Period;
- (c) Ordinary Shares or CRPS are suspended from trading on ASX for more than 20 consecutive Business Days;
- (d) a Holder Gearing Event.

Investment Manager means White Funds Management Pty Ltd (ABN 76 074 709 210).

Issue Date means the date on which the CRPS are issued.

Lead Manager means Evans and Partners Pty Ltd.

Liquidation Sum has the meaning given in clause 6.3 of the Terms.

Market Event has the meaning given in clause 12.1 of the Terms.

NABAT means, for the purpose of calculating the number of Ordinary Shares to be issued on Conversion, the net asset backing per Ordinary Share after deferred tax on the Conversion Date.

NABBT means, for the purpose of calculating the number of Ordinary Shares to be issued on Conversion, the net asset backing per Ordinary Share before deferred tax on the Conversion Date.

New Ordinary Shares has the meaning set out in clause 5.11 of the Terms.

Offer means the Offer for subscription of up to 300,000 CRPS under this Prospectus.

Offer Management Agreement means the offer management agreement between the Company and the Lead Manager dated 4 July 2012 with respect to the management of the Offer.

Offer Period means the period during which investors may subscribe for CRPS under the Offer.

Offer Price means \$100 per CRPS.

Opening Date means the date that the Offer opens.

Ordinary Share means a fully paid ordinary share in the capital of Whitefield.

Ordinary Share Record Date means the time set by Whitefield for the purposes of ascertaining the dividend entitlement of Ordinary Shareholders to a dividend.

Ordinary Shareholder means a person whose name is registered as the holder of an Ordinary Share.

Prospectus means this prospectus dated 4 July 2012 for the issue of 300,000 CRPS by the Company.

Redemption means the redemption, buy-back (other than by an on-market buy-back), cancellation pursuant to a reduction of capital or sale to a third party (or any combination of these) of the CRPS in accordance with the Terms and **Redeem** and **Redeemed** have corresponding meanings.

Redemption Date means, if the CRPS are to be Redeemed, the date in clause 5.5 or 5.6 of the Terms, as the case may be.

Regulatory Event has the meaning given in clause 12.1 of the Terms.

Related Bodies Corporate has the meaning given to that term in the Corporations Act.

Reset Date means 30 November 2018 and thereafter the date determined in accordance with clause 4 of the Terms.

Share Register means the register of shareholders maintained in accordance with the Corporations Act.

Shareholder means each person who is registered in the Share Register as a holder of shares in the Company.

Shareholder Priority Offer means the offer of CRPS to Existing Shareholders whose Applications will be afforded priority over other Applicants as described in Section 3.4.

Shortfall Dividend means a dividend equal to the difference, if any, between the Dividend that a CRPS Holder is entitled for a Dividend Period and the amount of the Dividend paid for that Dividend Period.

Special Resolution means:

- (a) a resolution passed at a meeting of CRPS Holders by a majority of at least 75% of the votes validly cast by CRPS Holders in person or by proxy and entitled to vote on the resolution; or
- (b) the written approval of CRPS Holders holding at least 75% of the CRPS.

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

T+3 settlement basis means the basis of settling securities trades three business days after the trade date.

Tax Event has the meaning given in clause 12.1 of the Terms.

Terms means the terms on which the CRPS will be issued under the Offer in the form attached to this Prospectus as Annexure A*.

Trigger Event Notice means a notice given in clause 6.9 of the Terms.

US Securities Act means the Securities Act of 1933 in the US, as amended from time to time.

VWAP has the meaning given in clause 12.1 of the Terms.

Whitefield Group means Whitefield and its controlled entities.

* subject to approval by Shareholders at the Company's Annual General Meeting to be held on 16 July 2012 and to the change of name of the securities to CRPS as described in Section 1.9.

Annexure A - CRPS Terms



DLA Piper Australia
201 Elizabeth Street
Sydney NSW 2000
Australia
DX 107 Sydney
T +61 2 9286 8000
F +61 2 9283 4144
W www.dlapiper.com

WHITEFIELD CRPS TERMS

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DLA Piper Australia is part of
DLA Piper, a global law firm,
operating through various
separate and distinct
legal entities.

A list of offices and regulatory
information can be found at
www.dlapiper.com



TABLE OF CONTENTS

1	FORM AND CRPS FACE VALUE	1
2	QUOTATION.....	1
3	DIVIDENDS	1
	Dividends	1
	Conditions to Dividends	1
	Dividends are non-cumulative	2
	Dividend Payment Dates	2
	Record Dates	2
	Deductions	2
	Restrictions in the case of non-payment	3
	Dividends on CRPS are preferred	3
4	RESET OF TERMS.....	3
	Resetting of Terms	3
	No reset	4
5	CONVERSION OR REDEMPTION	4
	Redemption of CRPS	4
	CRPS Holder Conversion Request	4
	Whitefield may Convert or Redeem	4
	Revocation of Conversion/Redemption Notices and Holder Conversion Requests	5
	Meaning of Conversion	5
	Meaning of Redemption	8
	On-market buy-backs	9
	Power of attorney	9
6	CRPS GENERAL RIGHTS.....	10
	Further issues	10
	Ranking on winding-up.....	10
	Return of capital.....	10
	Shortfall on winding-up	10
	No set-off.....	10
	No participation in surplus assets.....	11
	No other rights	11
	Holder Trigger Event notice	11
	Holder Conversion Request form	11
	Adjustment of Face Value for reconstructions.....	11
	Adjustment for reconstructions	11
	Ordinary Share Record Date	11
7	VOTING RIGHTS.....	11
	Voting	11
	General meeting	12
8	NOTICE AND REPORTS	12
9	PAYMENTS	12

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10	AMENDMENT OF THESE TERMS	13
	Amendment without consent	13
	Amendment with consent	14
	Meanings	14
11	GOVERNING LAW	14
12	DEFINITIONS AND INTERPRETATION	14
	Definitions	14
	Interpretation	19

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1 FORM AND CRPS FACE VALUE

- 1.1 'Convertible Resettable Preference Shares' (**CRPS**) are non-cumulative, convertible, redeemable preference shares in the capital of Whitefield. They are issued, and may be Converted or Redeemed, on the terms and conditions set out in these Terms.
- 1.2 Each CRPS will be issued by Whitefield as fully paid for such issue price as is determined by Whitefield prior to their date of issue.
- 1.3 Each CRPS has a face value of \$100 (**CRPS Face Value**).
- 1.4 The CRPS comprise a separate class of shares in the capital of Whitefield.

2 QUOTATION

- 2.1 Whitefield must use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure quotation of CRPS on the financial market operated by ASX.

3 DIVIDENDS

Dividends

- 3.1 Subject to these Terms, each CRPS entitles the CRPS Holder on a Record Date to receive on a Dividend Payment Date a dividend (**Dividend**) :

- 3.1.1 for the Dividend Period in paragraph (a) and (d) of the definition of 'Dividend Period' calculated using the following formula:

$$\text{Dividend} = \frac{\text{DR x CRPS Face Value x N}}{365}$$

where:

DR is expressed as a fraction; and

N means the number of days in the Dividend Period.

- 3.1.2 for the Dividend Periods in paragraphs (b) and (c) of the definition of 'Dividend Period' calculated using the following formula:

$$\text{Dividend} = \frac{\text{DR x CRPS Face Value}}{2}$$

where: **DR** is expressed as a fraction.

Conditions to Dividends

- 3.2 A Dividend must not be paid to CRPS Holders if:

- 3.2.1 the Directors, in their absolute discretion, have not determined that the Dividend is payable; or
- 3.2.2 the amount of the Dividend will exceed the Distributable Amount.
- 3.3 Without limiting clause 3.2.1, the Directors will not determine a Dividend to be payable if, in their opinion, making the payment would result in Whitefield becoming, or being likely to become, insolvent for the purposes of the Corporations Act.
- 3.4 Dividends shall be paid in accordance with clause 9. For the purposes of making any Dividend payment in respect of a CRPS Holder's total holding of CRPS, any fraction of a cent will be disregarded.

Dividends are non-cumulative

- 3.5 Dividends are non-cumulative. If all or any part of a Dividend is not paid because of the provisions of clauses 3.2 and 3.3 or because of any applicable law, Whitefield has no liability to pay the Dividend to the CRPS Holder and the CRPS Holder has no:
- 3.5.1 claim, including on the winding-up of Whitefield; or
- 3.5.2 right to apply for the winding-up or administration of Whitefield, or right to cause a receiver or manager to be appointed in respect of Whitefield,
- in respect of such non-payment.
- 3.6 No interest accrues on any unpaid Dividends, and the CRPS Holder has no claim or entitlement in respect of interest on any unpaid Dividends.

Dividend Payment Dates

- 3.7 Subject to this clause 3, Dividends are to be paid on the following dates (each a **Dividend Payment Date**):
- 3.7.1 on a date determined by the Directors that is not later than 15 December for a Dividend Period ending on 30 November and not later than 15 June for a Dividend Period ending on 31 May until the CRPS are Converted or Redeemed; and
- 3.7.2 no later than 14 days after the date on which such CRPS are Converted or Redeemed as the case may be.

Record Dates

- 3.8 A Dividend is only payable on a Dividend Payment Date to those persons registered as CRPS Holders on the Record Date for that Dividend.

Deductions

- 3.9 Whitefield may deduct or withhold any tax, duty, assessment, levy, governmental charge or other amount from any Dividend or amount payable upon Redemption of any CRPS as required by any applicable law or any agreement with a governmental authority. If any such deduction or withholding has been made and paid over to the relevant governmental authority and the balance of the Dividend or other amount payable has been paid to the relevant CRPS Holder, then the full amount payable to such CRPS Holder shall be deemed to have been duly paid and satisfied by Whitefield.

- 3.10 Whitefield shall pay the full amount required to be deducted or withheld to the relevant governmental authority within the time allowed for such payment without incurring any penalty under applicable law and shall, if requested by any CRPS Holder, deliver to such CRPS Holder confirmation of such payment without delay after it is received by Whitefield.
- Restrictions in the case of non-payment**
- 3.11 If for any reason a Dividend has not been paid in full for a Dividend Period within 20 Business Days after the relevant Dividend Payment Date for that Dividend, Whitefield must not:
- 3.11.1 declare or pay any dividends or distributions on any share in the capital of Whitefield (other than the CRPS) over which the CRPS rank equally or in priority for the payment of dividends; or
 - 3.11.2 redeem, buy back or reduce capital on any share in the capital of Whitefield, unless:
 - 3.11.3 all of the CRPS have been Converted or Redeemed;
 - 3.11.4 a Special Resolution of the CRPS Holders has been passed approving such action;
 - 3.11.5 Whitefield pays the CRPS Holders a Dividend for the full amount to which they are entitled in respect of two consecutive Dividend Periods after the Dividend Period first referred to in this clause; or
 - 3.11.6 Whitefield has paid the Shortfall Dividend, if any, for the two completed Dividend Periods immediately preceding the date on which Whitefield pays any dividend or distribution on any share in the capital of Whitefield (other than the CRPS) over which the CRPS rank equally or in priority for the payment of dividends or redeems, buys back or reduces capital on any share in the capital of Whitefield.
- Dividends on CRPS are preferred**
- 3.12 CRPS Holders are entitled (subject to these Terms) to receive Dividends in priority to holders of Ordinary Shares but not in priority to holders of the 8% Preference Shares.
- 4 **RESET OF TERMS**
- Resetting of Terms**
- 4.1 Whitefield may at least 50 Business Days before a Reset Date give notice to the CRPS Holders of:
- 4.1.1 the Dividend Rate applying to the CRPS from but not including the Reset Date until (and including) the next Reset Date (**Reset Period**);
 - 4.1.2 the Reset Date for the next Reset Period; and
 - 4.1.3 the Conversion Discount during the next Reset Period.

- 4.2 Where a notice is given in accordance with clause 4.1, the Dividend Rate, the Reset Date for the next Reset Period and the Conversion Discount shall apply to the CRPS during the next Reset Period.

No reset

- 4.3 Where a notice is not given in accordance with clause 4.1, the Dividend Rate and the Conversion Discount for the next Reset Period will not change and the next Reset Date will be three years from the previous Reset Date.

5 CONVERSION OR REDEMPTION

Redemption of CRPS

- 5.1 CRPS Holders have no right to seek or initiate Redemption.

- 5.2 Only Whitefield has the right to Redeem the CRPS.

CRPS Holder Conversion Request

- 5.3 A CRPS Holder may, by written notice, in the form specified by Whitefield, served on Whitefield:

5.3.1 at least 35 Business Days (and not more than three months) before a Reset Date;
or

5.3.2 up to 10 Business Days after the publication of a Trigger Event Notice,
request Whitefield to Convert the number of CRPS held by the CRPS Holder specified in the notice, being not less than 20 CRPS (**Holder Conversion Request**).

- 5.4 Subject to clause 5.5, Whitefield must Convert the number of CRPS specified in a Holder Conversion Request:

5.4.1 on the Reset Date specified in the Holder Conversion Request; or

5.4.2 subject to clause 5.4.3, where the Holder Conversion Request is given following the publication of a Trigger Event Notice not later than 30 Business Days after publication of the notice;

5.4.3 where the Holder Conversion Request is given following the publication of a Trigger Event Notice in relation to a Holder Gearing Event, on the next 31 May or 30 November (whichever is the earlier).

Whitefield may Convert or Redeem

- 5.5 Subject to clause 5.6, Whitefield may:

5.5.1 either Convert or Redeem all or some of the CRPS on a Reset Date by serving a Conversion/Redemption Notice on the CRPS Holders not less than five Business Days before the relevant Reset Date; and

5.5.2 may Redeem some or all of the CRPS for which a Holder Conversion Request has been served in accordance with clause 5.3 on the date that Whitefield would be required to Convert the CRPS in accordance with clause 5.4 by serving a Conversion/Redemption Notice on the CRPS Holders not less than five Business

Days before the date that Whitefield would otherwise have been required to Convert the CRPS.

- 5.6 Whitefield may Convert or Redeem some or all of the CRPS:
- 5.6.1 at any time following the occurrence of a Tax Event or Regulatory Event;
 - 5.6.2 not later than 180 Business Days after a Company Gearing Event has occurred;
 - 5.6.3 not later than 30 Business Days after publication of a Trigger Event Notice that specifies a Control Event in paragraphs (a) or (c) of the definition of Control Event and not later than 2 Business Days after a Control Event in paragraph (b) of the definition of Control Event,
- by serving a Conversion/Redemption Notice on the CRPS Holders.
- 5.7 A Conversion/Redemption Notice served under clauses 5.5 or 5.6 must specify:
- 5.7.1 in case of a Conversion/Redemption Notice served under clauses 5.6, the date on which Conversion or Redemption is to occur which must be a Business Day that is no earlier than 10 Business Days and no later than 30 Business Days after the date of the notice;
 - 5.7.2 in the case of Redemption, the method of Redemption, or which combination of methods, Whitefield intends to use in respect of CRPS the subject of the notice;
 - 5.7.3 the number of CRPS to be Converted or Redeemed,
- and may include any other information that Whitefield considers necessary or appropriate to effect the Conversion or Redemption in an orderly manner.
- 5.8 Where a combination is specified under clause 5.7.2 all CRPS Holders given a Conversion/Redemption Notice must be treated proportionally as to the combination of methods.
- Revocation of Conversion/Redemption Notices and Holder Conversion Requests**
- 5.9 A Conversion/Redemption Notice served under clauses 5.5 or 5.6 may be revoked.
- 5.10 A Holder Conversion Request is irrevocable.
- Meaning of Conversion**
- 5.11 Subject to clause 5.12, Conversion means the conversion of each CRPS into one Ordinary Share and the issue of an additional number of Ordinary Shares calculated in accordance with clause 5.13 (together **New Ordinary Shares**) ranking equally with all other Ordinary Shares then on issue with effect from 5pm on the Conversion Date and from that time the rights and restrictions conferred on the CRPS will cease except for any rights relating to a Dividend with a Record Date on or before the Conversion Date. Conversion does not constitute redemption, cancellation or the buy-back of CRPS or the issue, allotment or creation of a new share other than the additional Ordinary Shares to be issued in accordance with clause 5.13 .
- 5.12 Where the Conversion Date is before the Ordinary Share Record Date for the next dividend to be paid on Ordinary Shares, New Ordinary Shares are not entitled to the dividend but are entitled to a dividend calculated in accordance with the following formula to four decimal places:

$$\text{Dividend per New Ordinary Share} = \text{DPS} \times \frac{\text{NC}}{\text{ND}}$$

where:

DPS is the dividend per share to which Ordinary Shareholders are entitled on the Ordinary Share Record Date for the dividend.

NC is the number of days from (but excluding) the Conversion Date until (and including) the Ordinary Share Record Date for the dividend.

ND is the total number of days from the Ordinary Share Record Date preceding the Conversion Date until the Ordinary Share Record Date for the dividend.

- 5.13 For each CRPS that is Converted Whitefield will allot to the CRPS Holder no later than the seven Business Days after the Conversion Date an additional number of fully paid Ordinary Shares being one less than the number calculated using the following formula subject to any adjustments provided for in clauses 5.14 and 5.15:

$$\frac{\text{CRPS Face Value}}{\text{Adjusted VWAP}}$$

where **Adjusted VWAP** is:

- 5.13.1 if VWAP is less than 90% of the higher of NABAT and NABBT, VWAP;
- 5.13.2 in all other cases the higher of:
- (a) VWAP x (1-Conversion Discount);
 - (b) 90% of NABBT; and
 - (c) 90% of NABAT.
- 5.14 For the purpose of calculating VWAP in clause 5.13:
- 5.14.1 where the Conversion Date is before the Ordinary Share Record Date for a dividend the Directors have determined is payable and which has not been paid the VWAP on the Business Days during the relevant Reference Period:
- (a) shall be reduced by the amount per share of the dividend except on those days where the Ordinary Shares have been quoted on ASX as ex dividend; and
 - (b) shall be increased by the amount of the dividend per share payable on the New Ordinary Shares calculated in accordance with clause 5.11.
- 5.14.2 where on a Conversion Date the Directors have not determined that a dividend is payable on Ordinary Shares and a dividend has been paid on the Ordinary Shares in the six months prior to the Conversion Date the VWAP on the Business Days during the relevant Reference Period:
- (a) shall be reduced by the amount per share of the last dividend per Ordinary Share, if any, paid in the six months before the Conversion Date and if such dividend was paid in respect of a period of more

than six months the amount which the Directors determine is a reasonable estimate of what that dividend would have been for a six month period; and

- (b) shall be increased by the amount of the dividend per share calculated in accordance with the following formula:

$$DP \times \frac{NC}{182}$$

Where:

DP is:

- (i) if a dividend has been paid on Ordinary Shares in the six months before the Conversion Date, equal to the amount of the last dividend per Ordinary Share paid in the six months prior to the Conversion Date (or if such dividend represented a payment for a period other than a half year, a reasonable estimate of what that dividend would have been for a half year period); and
- (ii) if no dividend has been paid on Ordinary Shares in the six months before the Conversion Date, zero; and

NC is 182 less the number of days from the record date of the last dividend paid on Ordinary Shares in the six months prior to the Conversion date until the Conversion Date.

5.14.3 where, on some or all of the Business Days in a relevant Reference Period, Ordinary Shares have been quoted on ASX as cum any distribution or entitlement other than a dividend and CRPS will Convert into Ordinary Shares after the date those Ordinary Shares no longer carry that distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted cum distribution or cum entitlement shall be reduced by an amount (**Cum Value**) equal to in the case of:

- (a) a distribution, the amount of that distribution;
- (b) an entitlement that is not a distribution under clause 5.14.1(a) and which is traded on ASX on any of those Business days, the volume weighted average price of all such entitlements sold on ASX during the relevant Reference Period on the business days on which those entitlements were traded; or
- (c) an entitlement that is not a distribution under clause 5.14.1(a) and which is not traded on ASX during the Reference Period, the value of the entitlement as reasonably determined by the Directors;

5.14.4 where, on some or all of the Business Days in a relevant Reference Period, Ordinary Shares have been quoted ex distribution or ex entitlement which is not a dividend, and CRPS will Convert into Ordinary Shares which would be entitled to receive the relevant distribution or entitlement, the VWAP on the Business Days

on which those Ordinary Shares have been quoted ex distribution or ex entitlement shall be increased by the Cum Value; and

- 5.14.5 where during a relevant Reference Period the Ordinary Shares are reconstructed, consolidated, divided or reclassified into a lesser or greater number of securities (not involving any form of cash consideration to, or from, Ordinary Shareholders) (each a **Reconstruction**), in calculating the VWAP for that Reference Period, the daily volume weighted average share price for each Business Day in the relevant Reference Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reconstruction basis will be adjusted under the following formula:

$$\text{Daily VWAP(R)} = \text{Daily VWAP} \quad \times \quad \frac{\text{RD}}{\text{RN}}$$

where:

Daily VWAP(R) means the daily volume weighted average share price applying immediately after the application of this formula;

Daily VWAP means the daily volume weighted average share price applying immediately prior to the application of this formula;

RD means the number of Ordinary Shares on issue immediately before the Reconstruction;

RN means the number of Ordinary Shares on the issue immediately after the Reconstruction.

- 5.15 Where the total number of Ordinary Shares to which a CRPS Holder is entitled by reason of the Conversion includes a fraction, that fraction will be disregarded.

Meaning of Redemption

- 5.16 Redemption, in respect of a CRPS, means at the option of Whitefield, the CRPS is redeemed, bought back (other than by an on-market buy-back), cancelled pursuant to a reduction of capital or sold to a third party (or any combination of these) for an amount of cash equal to the CRPS Face Value.
- 5.17 If Whitefield elects to Redeem the CRPS by redemption, buy-back or cancellation:
- 5.17.1 Whitefield will Redeem the CRPS on the relevant Redemption Date;
- 5.17.2 Whitefield will pay the CRPS Face Value and any due but Unpaid Dividends per CRPS to the CRPS Holder no later than 14 days after the relevant Redemption Date;
- 5.17.3 upon payment of the CRPS Face Value and any due but Unpaid Dividends per CRPS, all other rights conferred, or restrictions imposed, by those CRPS held by that CRPS Holder under these Terms will no longer have effect;
- 5.17.4 if the Redemption is to be by way of a buy-back of CRPS:

- (a) Whitefield will make an offer prior to the Redemption Date to buy-back the CRPS for the CRPS Face Value on the Redemption Date by announcing the offer on ASX's announcement platform;
 - (b) if Whitefield makes a buy-back offer referred to paragraph 5.17.4(a) subject to any approval of the buy-back offer required in accordance with the Corporations Act each CRPS Holder agrees to accept and will be deemed to have accepted that buy-back offer for their CRPS and will be deemed to have sold those CRPS to Whitefield on the Redemption Date; and
 - (c) if under applicable law CRPS Holders are entitled to vote on a resolution to approve that buy-back, each Holder agrees to vote in favour of that resolution;
- 5.17.5 if the Redemption involves a reduction of capital with respect to CRPS and under applicable law CRPS Holders are entitled to vote on a resolution to approve that reduction of capital, each CRPS Holder agrees to vote in favour of that resolution.
- 5.18 If Whitefield elects to Redeem CRPS by sale to a third party:
- 5.18.1 Each CRPS Holder agrees to sell the number of CRPS nominated by Whitefield on the Redemption Date to the third party nominated by Whitefield for any price determined by Whitefield that is not less than the CRPS Face Value;
 - 5.18.2 Whitefield must cause to be paid to the CRPS Holders on the relevant Redemption Date:
 - (a) the CRPS Face Value for their CRPS sold; and
 - (b) the Dividend to which the CRPS Holder would have been entitled if the Dividend Period ended on the relevant Redemption Date unless the provisions of clauses 3.2 or 3.3 apply;
 - 5.18.3 Whitefield is absolutely entitled to retain for its own benefit any difference between the price for which the CRPS are sold and the CRPS Face Value and the CRPS Holders have not entitlement to the difference.
- On-market buy-backs**
- 5.19 Whitefield may buy back CRPS at any time and at any price by an on-market buy-back.
- Power of attorney**
- 5.20 Each CRPS Holder irrevocably appoints each of Whitefield, its officers and any liquidator or administrator of Whitefield (each an **Attorney**) severally to be the attorney of the CRPS Holder with power in the name and on behalf of the CRPS Holder to sign all documents and transfers and do any other thing as may in the Attorney's opinion be necessary or desirable to be done in order for the CRPS Holder to observe or perform the CRPS Holder's obligations under these Terms including, but not limited to:
- 5.20.1 accepting any buy-back offer or exercising voting power in relation to any consent or approval required for Redemption
 - 5.20.2 executing any agreement for the sale of CRPS pursuant to a Redemption including the transfer of CRPS; or

5.20.3 as otherwise contemplated under these Terms.

- 5.21 The power of attorney given in clauses 5.20 to 5.21 is given for valuable consideration and to secure the performance by the CRPS Holder of the CRPS Holder's obligations under these Terms and is irrevocable.

6 CRPS GENERAL RIGHTS

Further issues

- 6.1 Whitefield reserves the right to issue further CRPS, or to issue other preference shares or permit the exchange of shares to preference shares, which rank in priority to, equally with or behind existing CRPS, whether in respect of dividends, return of capital on a winding-up or otherwise. Such an issue does not constitute a variation or cancellation of the rights attached to the then existing CRPS.

Ranking on winding-up

- 6.2 CRPS and due but Unpaid Dividends on them will rank upon a winding-up of Whitefield:
- 6.2.1 after the 8% Preference Shares;
 - 6.2.2 in priority to Ordinary Shares;
 - 6.2.3 equally among themselves;
 - 6.2.4 in priority to, equally with or behind any other preference shares or other securities that Whitefield may issue, as may be designated in the terms of issue for such preference shares or other securities; and
 - 6.2.5 after, and are conditional on the prior payment in full of, the claims of all Creditors.

Return of capital

- 6.3 If there is a return of capital on a winding-up of Whitefield, CRPS Holders will be entitled to receive out of the assets of Whitefield available for distribution to holders of shares and securities of Whitefield, in respect of each CRPS held, an amount of cash (**Liquidation Sum**) equal to the sum of:
- 6.3.1 the amount of any Unpaid Dividends; and
 - 6.3.2 the CRPS Face Value.

Shortfall on winding-up

- 6.4 If, upon a return of capital on a winding-up of Whitefield, there are insufficient funds to pay in full the Liquidation Sum and the amounts payable in respect of any other shares or securities in Whitefield ranking equally with CRPS on a winding-up of Whitefield, CRPS Holders and the holders of any such other shares and securities will share in any distribution of assets of Whitefield in proportion to the amounts to which they are entitled respectively.

No set-off

- 6.5 Neither Whitefield nor any CRPS Holder is entitled to set off any amounts due in respect of the CRPS against any amount of any nature owed by the CRPS Holder to Whitefield.

No participation in surplus assets

- 6.6 CRPS do not confer on their CRPS Holders any further right to participate in the surplus assets of Whitefield on a winding-up of Whitefield beyond payment of the Liquidation Sum.

No other rights

- 6.7 CRPS do not confer on CRPS Holders any right to participate in profits or property of Whitefield except as set out in these Terms.
- 6.8 CRPS do not confer on CRPS Holders any right to subscribe for new securities in Whitefield or to participate in any bonus issues of shares in Whitefield's capital.

Holder Trigger Event notice

- 6.9 Whitefield must as soon as practicable following a Holder Trigger Event send a notice to each CRPS Holder which specifies the particular Trigger Event.

Holder Conversion Request form

- 6.10 Whitefield must make available on the request of a CRPS Holder the form which may be used for a Holder Conversion Request.

Adjustment of Face Value for reconstructions

- 6.11 Where any class of preference share is reconstructed, consolidated, divided or reclassified into a lesser or greater number of securities the Face Value or in the case of CRPS the CRPS Face Value of each preference share will be its Face Value or in the case of CRPS the CRPS Face Value immediately before the reconstruction, consolidation, division or reclassification divided by the number of preference shares into which the preference share has been reconstructed, consolidated, divided or reclassified.

Adjustment for reconstructions

- 6.12 If at any time the Ordinary Shares are reconstructed, consolidated, divided or reclassified (other than by way of a bonus issue, which is dealt with under clause 6.8) into a lesser or greater number of securities, the CRPS may, in accordance with the ASX Listing Rules (as they apply to Whitefield), be reconstructed, consolidated, divided or reclassified by the Directors and the number of New Ordinary Shares to be issued on Conversion may be adjusted by the Directors as appropriate.

Ordinary Share Record Date

- 6.13 Whitefield must not set an Ordinary Share Record Date during the period from and including any Conversion Date until and including the date on which New Ordinary Shares are allotted in accordance with clause 5.13.

7 VOTING RIGHTS**Voting**

- 7.1 CRPS Holders will not be entitled to vote at any general meeting of Whitefield except in the following circumstances;
- 7.1.1 on a proposal:

- (a) that affects rights attached to CRPS;
- (b) to wind up Whitefield; or
- (c) for the disposal of the whole of the property, business and undertaking of Whitefield;

7.1.2 on a resolution to approve:

- (a) the terms of a share buy-back agreement;
- (b) a reduction of the share capital of Whitefield, other than a resolution to approve a Redemption;

7.1.3 during a period in which a Dividend or part of a Dividend is in arrears; or

7.1.4 during the winding-up of Whitefield.

General meeting

7.2 At a general meeting of Whitefield at which CRPS Holders may vote they are entitled:

- 7.2.1 on a show of hands, to exercise one vote; and
- 7.2.2 on a poll, to one vote for each CRPS.

8 NOTICE AND REPORTS

8.1 Each CRPS Holder is entitled to receive notice of any general meeting of Whitefield, a copy of the audited accounts of Whitefield and every report, circular and like document sent out by Whitefield to Ordinary Shareholders and to attend general meetings of Whitefield.

9 PAYMENTS

9.1 Any Dividend or other money payable on or in respect of the CRPS must be paid:

- 9.1.1 in Australian dollars only; and
- 9.1.2 free of any set off, deduction or counter claim except as required by law.

9.2 All calculations of payments will be rounded to four decimal places. For the purposes of making any payment in respect of a CRPS Holder's aggregate holding of CRPS, any fraction of a cent will be disregarded.

9.3 If the date scheduled for any payment under these Terms is not a Business Day, then the payment will be made on the next Business Day (and without any interest or other payment in respect of such delay).

9.4 Whitefield may pay a person entitled to any Dividend or other amount payable in respect of a CRPS by:

- 9.4.1 crediting an account nominated in writing by that person;
- 9.4.2 cheque made payable to the person, sent to the address of that person as notified to Whitefield by that person; or
- 9.4.3 any other manner as Whitefield determines.

- 9.5 Whitefield may send a cheque referred to in clause 9.4.2, if relevant, to:
- 9.5.1 the address in the Register of Shareholders;
 - 9.5.2 if that CRPS is jointly held, the address in the Register of Shareholders of the CRPS Holder named first in the register in respect of the CRPS; or
 - 9.5.3 any other address which that person directs in writing.
- 9.6 If Whitefield decides to make a payment by electronic or other means determined under clause 9.4.3 and an account is not nominated by the CRPS Holder or joint CRPS Holder, Whitefield may hold the amount payable in a separate account of Whitefield until the CRPS Holder or joint CRPS Holder nominates an account, without any obligation to pay interest, and the amount so held is to be treated as having been paid to the CRPS Holder or joint CRPS Holder at the time it is credited to that separate account of Whitefield.
- 9.7 All amounts payable but unclaimed may be invested by Whitefield as it thinks fit for the benefit of Whitefield until claimed or until required to be dealt with in accordance with any law relating to unclaimed monies.
- 9.8 Whitefield, in its absolute discretion, may withhold payment to a CRPS Holder where it is required to do so under any applicable law, including any law prohibiting dealings with terrorist organisations or money laundering, or any other type of sanction, or where it has reasonable grounds to suspect that the CRPS Holder may be subject to any such law or sanction or involved in acts of terrorism or money laundering, and may deal with such payment and the CRPS Holder's CRPS in accordance with such applicable law or the requirements of any relevant government or regulatory authority. Whitefield shall not be liable for any costs or loss suffered by a CRPS Holder in exercising its discretion under this clause, even where a CRPS Holder later demonstrates that they were not subject to such law or sanction.

10 AMENDMENT OF THESE TERMS

Amendment without consent

- 10.1 Subject to complying with all applicable laws Whitefield may, without the authority, assent or approval of CRPS Holders, amend these Terms:
- 10.1.1 if Whitefield is of the opinion that the amendment is:
 - (a) of a formal, minor or technical nature;
 - (b) made to cure any ambiguity;
 - (c) made to correct any manifest error;
 - (d) expedient for the purpose of enabling the CRPS to be listed for quotation or to retain listing on any stock exchange or to be offered for, or subscription for, sale under the laws for the time being in force in any place and it is otherwise not considered by Whitefield to be materially prejudicial to the interests of CRPS Holders as a whole; or
 - (e) necessary to comply with the provisions of any statute, the requirements of any statutory authority, the ASX Listing Rules or the

listing or quotation requirements of any stock exchange on which the CRPS Shares are quoted; or

10.1.2 generally, in any case where such amendment is considered by Whitefield not to be materially prejudicial to the interests of CRPS Holders as a whole.

Amendment with consent

10.2 Without limiting clause 10.1, Whitefield may amend these Terms if the amendment has been approved by a Special Resolution.

Meanings

10.3 In this clause amend includes modify, cancel, alter or add to and amendment has a corresponding meaning.

11 GOVERNING LAW

11.1 These Terms are governed by the laws of New South Wales, Australia. Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales, and agrees that it will not object to the venue or claim that the relevant action or proceedings have been brought in an inconvenient forum.

12 DEFINITIONS AND INTERPRETATION

Definitions

12.1 The following words and expressions in bold have these meanings in these Terms unless the contrary intention appears or the context otherwise requires.

8% Preference Shares means 23,790 preference shares on issue on the date of approval of these Terms by Ordinary Shareholders, which carry the entitlement to a fixed cumulative preference dividend of 8% per annum.

Administrative Action means any judicial decision, official administrative pronouncement or action, published or private ruling, interpretative decision, regulatory procedure or policy, application of a regulatory procedure or policy and any notice or announcement (including any notice or announcement of intent to adopt or make any of those things).

ASX means ASX Limited (ABN 98 008 624 691) or the securities market it operates, as the context requires.

ASX Listing Rules means the listing rules of ASX from time to time with any modifications or waivers in their application to Whitefield, which ASX may grant.

ASX Settlement Operating Rules means the operating rules of ASX from time to time.

Business Day means a business day as defined in the ASX Listing Rules.

Company Gearing Event means where CG in the following formula, expressed as percentage, exceeds 25%, but not where CG has risen above 25% as the primary result of increase in IBL or TFV:

$$CG = \frac{IBL + TFV}{OE}$$

where:

IBL is the amount of interest bearing liabilities of Whitefield;

TFV is the total Face Value of all preference shares in the capital of Whitefield on issue;

OE is the total equity (as that term is used for the purposes of the accounting standards) of Whitefield attributable to Ordinary Shares.

Control Event means:

- (a) a takeover bid is made to acquire all or some of the Ordinary Shares and the bid is, or becomes unconditional and the bidder has a relevant interest in more than 50% of the Ordinary Shares;
- (b) the Court approves a scheme of arrangement under Part 5.1 of the Corporations Act, which, when implemented, will result in a person having a relevant interest in more than 50% of the Ordinary Shares; or
- (c) an agreement by Whitefield to sell all or substantially all of its business, undertaking or assets other than to effect a solvent reconstruction or where, after the sale, Whitefield will retain a beneficial or economic interest in at least 50% of the business, undertaking or assets sold.

Conversion has the meaning given in clause 5.11 and **Convert** and **Conversion** have corresponding meanings.

Conversion Date means, if the CRPS are to be Converted, the relevant Reset Date or the date in clause 5.7 as the case may be.

Conversion Discount means 0.035 or such other amount expressed as a fraction reset in accordance with clause 4.

Conversion Number means the number of Ordinary Shares calculated in accordance with clause 5.13.

Conversion/Redemption Notice means a notice served by Whitefield on a CRPS Holder specifying that some or all of the CRPS Holder's CRPS will be Redeemed or Converted, or a combination of both, as the case may be.

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

Creditors mean all creditors of Whitefield (present and future).

CRPS has the meaning given to that term in clause 1.1.

CRPS Face Value has, subject to clause 6.11, the meaning given to that term in clause 1.3.

CRPS Holder means a person entered on the register of Shareholders as the holder of a CRPS.

CRPS Issue Date means the date on which CRPS are issued.

Directors mean some or all of the directors of Whitefield acting as a board.

Distributable Amount means the amount available to Whitefield for the payment of dividends from time to time in accordance with the Corporations Act.

Dividend in respect of the CRPS has the meaning given to that term in clause 3.1.

Dividend Payment Date has the meaning given to that term in clause 3.7 whether or not a Dividend is paid on that date.

Dividend Period means:

- (a) from and including the day after the CRPS Issue Date until (and including) the earliest of 31 May and 30 November after the relevant CRPS Issue Date; and thereafter
- (b) from but excluding 30 November in each year until (and including) 31 May in the next year;
- (c) from but excluding 31 May until (and including) 30 November in each year; and
- (d) where the CRPS is Converted or Redeemed on a date other than 30 November or 31 May, from and including the first day of the period until the Conversion Date or Redemption Date as the case may be. Where Redemption of CRPS is by sale to a third party the CRPS will be deemed not to have been Redeemed for this definition.

Dividend Rate and **DR** means 7% per annum or such other rate (expressed as a percentage per annum) reset in accordance with clause 4 .

Face Value means, subject to clause 6.11, the amount specified by Whitefield as the face value of each preference share that it issues at the time of issue. The face value of the CRPS is specified in clause 1.3.

Holder Conversion Request means a notice given by a CRPS Holder in accordance with clause 5.3.

Holder Gearing Event means where CG in the following formula, expressed as percentage, exceeds 35% :

$$CG = \frac{IBL + TFV}{OE}$$

where:

IBL is the amount of interest bearing liabilities of Whitefield;

TFV is the total Face Value of all preference shares in the capital of Whitefield on issue;

OE is the total equity (as that term is used for the purposes of the accounting standards) of Whitefield attributable to Ordinary Shares.

Holder Trigger Event means:

- (a) a Control Event;
- (b) a Dividend for a Dividend Period is declared but not paid in full within 20 Business Days after the Dividend Payment Date for that Dividend Period;
- (c) Ordinary Shares or CRPS are suspended from trading on ASX for more than 20 consecutive Business Days;
- (d) a Holder Gearing Event

Liquidation Sum has the meaning given in clause 6.3.

NABAT means, for the purpose of calculating a Conversion Number, the net asset backing per Ordinary Share after deferred tax on the Conversion Date.

NABBT means, for the purpose of calculating a Conversion Number, the net asset backing per Ordinary Share before deferred tax on the Conversion Date.

New Ordinary Shares has the meaning in clause 5.11.

Ordinary Share means a fully paid ordinary share in the capital of Whitefield.

Ordinary Share Record Date means the time set by for the purposes of ascertaining the dividend entitlement of Ordinary Shareholders to a dividend.

Ordinary Shareholder means a person whose name is registered as the holder of an Ordinary Share.

Record Date means for payment of a Dividend:

- (a) 5pm on the date which is 8 calendar days before the Dividend Payment Date for that Dividend or such other date as may be required by ASX and adopted by Whitefield;
- (b) or on Conversion or Redemption the Conversion Date or Redemption Date as the case may be.

Redemption has the meaning given in clause 5.16 and **Redeem** and **Redeemed** have corresponding meanings.

Redemption Date means, if the CRPS are to be Redeemed, the date in clause 5.5 or 5.6, as the case may be.

Reference Period means for the purpose of calculating a Conversion Number, the period of 10 Business Days on which trading in Ordinary Shares took place immediately preceding, but not including, the relevant Conversion Date.

Regulatory Event means the receipt by Whitefield of advice from a reputable legal counsel to the effect that, as a result of:

- (a) any amendment to, clarification of, or change (including any announcement of a prospective change) in, the laws or regulations of Australia; or
- (b) any Administrative Action or any amendment to, clarification of, or change in an Administrative Action,

in each case, by any legislative body, court, governmental authority or regulatory body (irrespective of the manner in which such amendment, clarification, change or Administrative Action is made known), which amendment, clarification, change or Administrative Action is effective or Administrative Action is announced on or after the initial CRPS Issue Date (whether or not the subject of a notice or announcement prior to that date) (including clarification that does not change the law but differs from Whitefield's understanding of the law at the initial CRPS Issue Date):

- (a) additional requirements would be imposed on Whitefield in relation to the CRPS; or

- (b) there would be a negative impact on Whitefield or holders of CRPS, which Whitefield determines, at its sole discretion, to be unacceptable.

Reset Date means 30 November 2018 and thereafter the date determined in accordance with clause 4.

Reset Period has the meaning given to that term in clause 4.1.

Shortfall Dividend means a dividend equal to the difference, if any, between the Dividend that a CRPS Holder is entitled for a Dividend Period and the amount of the Dividend paid for that Dividend Period.

Special Resolution means:

- (a) a resolution passed at a meeting of CRPS Holders by a majority of at least 75% of the votes validly cast by CRPS Holders in person or by proxy and entitled to vote on the resolution; or
- (b) the written approval of CRPS Holders holding at least 75% of the CRPS.

Tax Act means:

- (a) the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth) as the case may be and a reference to any section of the *Income Tax Assessment Act 1936* (Cth) includes a reference to that section as rewritten in the *Income Tax Assessment Act 1997* (Cth); and
- (b) any other law setting the rate of income tax payable; and
- (c) any regulation made under such laws.

Tax Event means:

- (a) any amendment to, clarification of, or change (including any announced prospective change), in the laws or treaties (or any regulations made under such laws or treaties) of any jurisdiction or any political subdivision or taxing authority of the jurisdiction;
- (b) any Administrative Action or any amendment to, clarification of, or change in, an Administrative Action, (other than a determination made pursuant to subsection 177EA(5) of the Tax Act which is authorised under the Tax Act as in effect on the CRPS Issue Date),

in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification, change or Administrative Action is made known, which amendment, clarification, change or Administrative Action is effective, or which Administrative Action is announced, on or after the CRPS Issue Date (whether or not the subject of a notice or announcement prior to that date), where Whitefield has received an opinion from a reputable legal counsel or other tax adviser experienced in such matters to the effect that, as a result of such amendment, clarification, change or Administrative Action (or amendment, clarification or change in respect of an Administrative Action), there is more than an Insubstantial risk (and that risk is materially greater than it was at the CRPS Issue Date) that:

- (c) the Whitefield Group would be exposed to a more than a de minimis increase in its costs in relation to the CRPS or any CRPS Holder would be exposed to such an increase in relation to the CRPS; or
- (d) there would be more than a de minimis increase in the taxes, duties or government charges imposed on the Whitefield Group in respect of or resulting from the CRPS or imposed on any CRPS Holder; or
- (e) CRPS would not be treated as equity interests for Australian taxation purposes or any Dividend would not be a frankable distribution within the meaning of Division 202 of the Tax Act or CRPS Holders would be denied or otherwise not be entitled to franking credits in respect of Dividends (other than where the CRPS Holder's lack of entitlement to franking credits in respect of Dividends is a result of any act by or circumstance affecting the CRPS) or franking debits would be posted to Whitefield's franking account.

Tax Rate has the meaning given to that term in clause 3.1.

Terms means these terms of issue of CRPS.

Trigger Event Notice means a notice given in accordance with clause 6.9.

Unpaid Dividends means any unpaid Dividends in respect of the CRPS.

VWAP means, for the purpose of calculating a Conversion Number, subject to any adjustments under clauses 5.13 to 5.15, the average daily volume weighted average price (rounded to the nearest full cent) of Ordinary Shares sold on ASX during a relevant Reference Period but does not include any 'crossing' transacted outside the 'Open Session State' or any 'special crossing' transacted at any time, each as defined in the ASX Settlement Operating Rules or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares.

Whitefield means Whitefield Limited (ABN 50 000 012 895).

Whitefield Group means Whitefield and its controlled entities.

Interpretation

- 12.2 The following rules of interpretation apply in these Terms unless the contrary intention appears or the context otherwise requires.
 - 12.2.1 Definitions and interpretation under this constitution will also apply to these Terms unless the contrary intention is expressed.
 - 12.2.2 Unless the context otherwise requires, if there is any inconsistency between the provisions of these Terms and this constitution then, to the maximum extent permitted by law, the provisions of these Terms will prevail.
 - 12.2.3 Unless otherwise specified, the Directors may exercise all powers of Whitefield under these Terms as are not, by the Corporations Act, ASX Listing Rules or by this constitution, required to be exercised by Whitefield in general meeting.
 - 12.2.4 Notices may be given by Whitefield to a CRPS Holder in the manner prescribed by this constitution for the giving of notices to members of Whitefield and the relevant provisions of this constitution apply with all necessary modification to notices to CRPS Holders.

- 12.2.5 Unless otherwise specified, a reference to a clause is a reference to a clause of these Terms.
- 12.2.6 If a calculation is required under these Terms, unless the contrary intention is expressed, the calculation will be rounded to four decimal places.
- 12.2.7 If a payment is required to be made under these Terms, unless the contrary intention is expressed, the payment will be made in Australian dollars only.
- 12.2.8 The terms capital reduction, buy-back and on-market buy-back when used in these Terms have the meaning given in the Corporations Act.
- 12.2.9 Headings and holdings are for convenience only and do not affect the interpretation of these Terms.
- 12.2.10 Where a word or phrase is given a defined meaning another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.
- 12.2.11 The singular includes the plural and vice versa.
- 12.2.12 A reference to the word 'include' or 'including' is to be interpreted without limitation.
- 12.2.13 A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re enactments or replacements of any of them.
- 12.2.14 If an event under these Terms must occur on a stipulated day which is not a Business Day, then the event will be done on the next Business Day.
- 12.2.15 A reference to \$, dollars or cents is a reference to the lawful currency of Australia.
- 12.2.16 A reference to time in these Terms is a reference to Sydney, New South Wales, Australia time.
- 12.2.17 'Accounting standards', 'Court', 'externally-administered body corporate', 'relevant interest' and 'takeover bid' have the same meaning as given to those terms in the Corporations Act.
- 12.2.18 Calculations, elections and determinations made by Whitefield under these Terms are binding on CRPS Holders in the absence of manifest error.
- 12.2.19 If any provision of these Terms is prohibited or unenforceable in its terms but would not be prohibited or unenforceable if it were read down, and is capable of being read down, that provision must be read down accordingly. If, despite this clause, a provision is still prohibited or unenforceable, if the provision would not be prohibited or unenforceable if a word or words were omitted, the relevant words must be severed and, in any other case, the whole provision must be severed. However, the remaining provisions of the Terms are of full force and effect.

How to complete this form

A CRPS Applied for

Enter the number of CRPS you wish to apply for. The Application must be for a minimum of 50 CRPS (A\$5,000) and thereafter in multiples of 10 CRPS (A\$1,000). There are no guaranteed allocations of CRPS under the Offer.

B Application Monies

Enter the amount of Application Monies. To calculate the amount, multiply the number of CRPS applied for by A\$100 per CRPS).

C Applicant Name(s)

Enter the full name you wish to appear on the statement of CRPS holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.

D Postal Address

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F CHES

The Company participates in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters will make up the Company's principal register of securities.

If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold CRPS allotted to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G Payment

Make your cheque or bank draft payable to 'Whitefield Limited - Offer' in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B. **Please note that funds are unable to be directly debited from your bank account.**

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

By returning this Application Form with my/our Application Monies, I/we declare that I/we:

- have read the Prospectus in full;
- have received a copy of the Prospectus or the electronic prospectus (as applicable) or a print out of it;
- have completed the Application Form accurately and completely;
- acknowledge that once the Company accepts my/our Application, I/we may not withdraw it;
- apply for the number of CRPS that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- acknowledge that my/our Application may be rejected by the Company in consultation with the Lead Manager in their absolute discretion;
- authorise the Lead Manager and the Company and their respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) for the CRPS to be allocated to me/us;
- am/are over 18 years of age;
- agree to be bound by the Memorandum and Articles of Association of the Company;
- acknowledge that neither the Company nor any person or entity guarantees any particular rate of return on the CRPS, nor do they guarantee repayment of capital; and
- represent, warrant and agree that I/we have not received the Prospectus outside Australia or New Zealand and am/are not acting on behalf of a person resident outside Australia or New Zealand unless the CRPS may be offered in my/our jurisdiction without contravention of the security laws of the jurisdiction or any need to register the Prospectus, the CRPS or the Offer.

Lodgement Instructions

This Application Form and your Application Monies must be mailed or delivered so that it is received before 5.00pm (AEST) on 1 August 2012. You should allow sufficient time for this to occur. Return your Application Form with your Application Monies to:

By mail to: Whitefield Limited - Offer, Computershare Investor Services Pty Limited, GPO Box 2115, Melbourne, Victoria 3001, Australia; or

By hand delivery at: Whitefield Limited - Offer, Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067, Australia.

Neither Computershare Investor Services Pty Limited (CIS) nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for the securities issuer ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments, completing the transactions contemplated in this Application Form and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Act, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning your application, please contact the Computershare Investor Services Pty Limited on 1300 850 505.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	J A Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

White Funds Management Pty Limited Financial Services Guide

The issue of Shares by Whitefield Limited

Whitefield Limited (**Whitefield**) has arranged with its investment manager, White Funds Management Pty Ltd, the holder of an Australian Financial Services License, to make offers to potential investors to arrange for the issue of Convertible Resettable Preference Shares (**CRPS**) in Whitefield by Whitefield in accordance with the requirements of the Corporations Act 2001 (Cth).

This Financial Services Guide

This Financial Services Guide (**FSG**) is an important document which we are required to give you as an Australian Financial Services Licensee. This FSG is intended to inform you of certain basic matters relating to our relationship, prior to providing you with a financial service. The matters covered by the FSG include:

- who we are and how we can be contacted;
- what services and types of products we are authorised to provide to you;
- how we (and any other relevant parties) are remunerated;
- details of any potential conflicts of interest; and
- details of our internal and external dispute resolution procedures and how you can access them.

Information about White Funds Management Pty Ltd

White Funds Management Pty Ltd is the investment manager of Whitefield, and is the holder of an Australian Financial Services License (AFSL). Under an arrangement with Whitefield, White Funds Management Pty Ltd is offering to arrange for the issue of securities in Whitefield to persons who participate in Whitefield's Offer of Convertible Resettable Preference Shares.

The contact details for White Funds Management Pty Ltd are:

GPO Box 473
Sydney NSW 2001
Tel: +61 2 8215 7900
Fax: +61 2 8215 7901

Our financial services and financial products

White Funds Management Pty Ltd is authorised to:

- (a) provide advice for:
- basic and non basic deposit products
 - derivatives
 - government debentures, stocks or bonds
 - life products
 - certain managed investment schemes
 - retirement savings accounts
 - securities
 - superannuation
- (b) issue, apply for, acquire, vary or dispose of:
- derivatives
 - certain managed investment schemes

- securities
 - superannuation
- (c) apply for, acquire, vary or dispose of a financial product on behalf of another person in respect of:
- basic and non basic deposit products
 - derivatives
 - government debentures, stocks or bonds
 - life products
 - managed investment schemes
 - retirement savings accounts
 - securities
 - superannuation
- (d) provide certain custodial or depository services, to retail and wholesale clients

Remuneration for services provided

White Funds Management Pty Ltd receives no direct remuneration for the issue of shares by Whitefield pursuant to the Convertible Resettable Preference Share Offer. In its normal capacity as Whitefield's Investment Manager, White Funds Management Pty Ltd is entitled to receive a fee of up to 0.25% of assets per annum for the management of the Company, out of which it meets the costs of management.

Personal information

If you apply for CRPS under the Offer you will be provide personal information to Whitefield and its Share Registry, who will collect, hold and use your personal information to process your application and service your needs as an investor. Details on Whitefield and the Share Registry's privacy policies can be found at www.whitefield.com.au, and www.computershare.com.au. White Funds Management's Privacy 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 our website at www.whitefunds.com.au.

Complaints handling

White Funds Management Pty Ltd has a formal process for the handling of complaints. If you have a complaint you should take the following steps:

- contact the Complaints Officer, White Funds Management Pty Ltd, GPO Box 473, Sydney NSW 2001, Phone +61 02 8215 7700
- if you are not satisfied with our handling of your complaint you may lodge a written complaint with the:

Financial Ombudsmans Service
PO Box 579
Collins St West
Melbourne VIC 8007
www.fics.asn.au
Phone: 1300 780 808
Fax: (03) 9621 229?

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Corporate Directory

Whitefield Limited (ABN 50 000 012 895)

Level 7, 20 Hunter Street
Sydney NSW 2000
Australia

Tel: +61 2 8215 7900
Fax: +61 2 8215 7901

Tax and Legal adviser

DLA Piper Australia
Level 38, 201 Elizabeth Street
Sydney NSW 2000
Australia

Tel: + 61 2 9286 8000

Auditor

MNSA Pty Limited
Level 2, 333 George Street
Sydney NSW 2000

Tel: +61 2 9299 0901

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls 452 Johnston Street
Abbotsford VIC 3067
Australia

GPO Box 2115
Melbourne VIC 3001
Australia

Tel: + 61 2 8324 5000

Lead Manager

Evans and Partners Pty Limited
32 Jolimont Terrace
East Melbourne VIC 3002
Tel: +61 3 9631 9888

ABN 50 000 012 895

LEVEL 7, 20 HUNTER STREET | SYDNEY NSW 2000
PHONE 61 2 8215 7900 | FAX 61 2 8215 7901