

# Rules relating to disposal of Stapled Securities to cure or prevent breach of Airports Act Ownership Restrictions

## A Introduction

1 These Rules are made pursuant to clause 29.17 of the Sydney Airport Trust 1 (**SAT1**) constitution and clause 10 of Schedule 2 to the Sydney Airport Limited (SAL) constitution (**Constitutions**) and are effective on and from the date on which both of the following have occurred:

- SAL becomes the registered owner of all of the fully-paid ordinary shares in Southern Cross Airports Corporation Holdings Limited; and
- SAL ceases to be the registered owner of any units in Sydney Airport Trust 2.

2 Capitalised terms which are used in these Rules and defined in the Constitutions have their defined meaning in these Rules.

3 The purpose of these Rules is to give guidance as to the manner in which The Trust Company (Sydney Airport) Limited as responsible entity of SAT1 and SAL (each a **Manager**) propose to exercise certain discretions given to them under clause 29 of the SAT1 constitution and Schedule 2 to the SAL constitution. The purpose of the relevant clause of each Constitution is to assist in ensuring that, for the purposes of the Airports Act 1996 (Cth) and the Airports (Ownership – Interests in Shares) Regulations 1996 (Cth), which apply in respect of an investment in Sydney Airport, an Unacceptable Ownership Situation does not arise in relation to SAL or any Airport Investment.

Accordingly, these Rules address the following matters:

- the issue of Warning Notices;
- the issue of Disposal Notices; and
- the divestment of Stapled Securities by a Manager, if the recipient of a Disposal Notice fails to comply with its terms.

## B Warning Notices

4 The Managers do not propose to issue any Warning Notices.

## C Disposal Notices

5 The Managers specify **48.5%** as the Foreign Ownership Trigger in relation to SAT1 or SAL as the maximum beneficial interest in the capital or the income of SAT1 or SAL which may be held in aggregate by persons who are Foreign Persons.

6 If a Manager reasonably believes that an Unacceptable Ownership Situation (whether it is an Unacceptable Foreign Ownership Situation, Unacceptable Cross Ownership Situation or an Unacceptable Airline Ownership Situation (each, as defined in the *Airports Act 1996* (Cth))) has occurred, or is likely to occur, the Manager will promptly issue a Disposal Notice to the Member or Members, each of whom the Manager reasonably believes is a Foreign Person, Cross Stakeholder or Airline (as applicable), or an associate of such a person, whose Stapled Securities became last registered on the day the relevant Unacceptable Ownership Situation has occurred (the **Trigger Day**), and on each succeeding day the relevant Unacceptable Ownership Situation subsists (a **Subsequent Trigger Day**).

7 For the purposes of paragraph 6, all Foreign Persons, Cross Stakeholders and Airlines (as applicable) or their respective associates registered as a Member on the Trigger Day or a Subsequent Trigger Day will be deemed to be the last registered regardless of the time at which those persons traded their Stapled Securities on the Trigger Day or Subsequent Trigger Day.

8 All Stapled Securities registered in the name of a Foreign Person, Cross Stakeholder or Airline (or an associate of such a person) will be treated as such unless the Member notifies otherwise and either:

- divides its holdings into separate Holder Identification Numbers or Security Holder Reference Numbers under the ASX CHESS System, one for Stapled Securities owned beneficially by Foreign Persons, Cross Stakeholders or Airlines (as applicable), or their respective associates, and one for Stapled Securities owned non-beneficially; or
- provides monthly notices (or more frequently if requested by the registry) indicating the breakdown between beneficial owners who are, and are not, Foreign Persons, Cross Stakeholders or Airlines (as applicable), or their respective associates.

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A Member should maintain two separate Holder Identification Numbers or Security Holder Reference Numbers under the ASX CHESS System with all Stapled Securities owned by a Foreign Person, Cross Stakeholders or Airlines (as applicable), or their respective associates, held in one of the Holder Identification Numbers or Security Holder Reference Numbers.

9 Where possible, Disposal Notices will be given electronically by email or by fax. Where no electronic address is recorded for a Member, the Disposal Notice will be given by post.

10 Unless a Disposal Notice is withdrawn by a Manager, the recipient of a Disposal Notice must dispose of the Stapled Securities specified in the Disposal Notice by no later than 5pm Sydney time on the date which is 28 days after the date of the Disposal Notice (**Divestment Date**). Between the date of the Disposal Notice and the Divestment Date the Member will be prohibited from voting at any meeting of Members.

11 A Manager may, at any time before the Divestment Date specified in a Disposal Notice, withdraw a Disposal Notice by notice to a Member if the Manager reasonably believes that the relevant Unacceptable Ownership Situation has ceased to occur.

12 If a Manager withdraws a Disposal Notice, the Manager will notify the relevant Member using the same method by which the Disposal Notice was given.

13 If:

- a Disposal Notice has been given to a Member and has not been withdrawn; and
- the Relevant Member has not complied with the Disposal Notice by the Divestment Date,

immediately after the Divestment Date the Member shall cease to be entitled to deal with the relevant Stapled Securities and the Managers shall dispose of the Stapled Securities by instructing a broker to sell the Stapled Securities on the ASX at the best price reasonably obtainable. The Managers shall cause the name of the buyer or buyers of the Stapled Securities subject to the Disposal Notice to be entered in the Register. Brokerage and other costs incurred by the Managers shall be deducted as provided in the Constitutions.