

SCENTRE GROUP

22 June 2018

Scentre Group Trust 3 (ARSN 146 934 652) (“Trust”)

Amendment to the Trust Constitution to allow for adoption of the Attribution Managed Investment Trust (“AMIT”) regime for the Trust

Notice under section 601GCA(3) of the *Corporations Act 2001* (Cth)

This notice is published by RE2 Limited (ACN 145 744 065) (“**Responsible Entity**”) under section 601GCA(3) of the *Corporations Act 2001* (Cth) as modified by ASIC Instrument 2016/489 to inform members of the Trust that the Responsible Entity proposes to amend the constitution for the Trust (“**Constitution**”). The amendments are in connection with the new tax regime applying to managed investment trusts which satisfy the requirements to be AMITs, which was introduced by the *Tax Laws Amendment (A New Tax System for Managed Investment Trusts) Act 2016* (Cth) (“**AMIT Regime**”).

Details of the AMIT Regime and the proposed amendments to the Constitution are set out below.

The Trust is not currently eligible to adopt the AMIT Regime as it is currently a public trading trust. However, should the Trust’s status change it may be eligible in future years.

AMIT Regime

The AMIT Regime is a new set of rules for the taxation of managed investment trusts and their members. One of the aims of the AMIT Regime is to provide greater certainty than the current rules in relation to the taxation position for managed investment trusts and their members.

One key aspect under the AMIT Regime is that the Responsible Entity must allocate or “attribute” the taxable income of the Trust to members on a fair and reasonable basis. Currently, members are subject to tax on their proportionate share of the taxable income of the Trust based on the share of the income of the Trust according to trust law principles that they are presently entitled to.

The AMIT Regime may provide the following potential benefits for members of an AMIT:

- Greater clarity and certainty associated with the tax treatment of distributions and the character of income and capital of the AMIT, in contrast to the current “present entitlement” regime. In particular, a removal of the potential for double taxation that may arise for members where there are mismatches between the amount distributed and the taxable income of the AMIT;
- If a variance is discovered between the amounts actually attributed to members for an income year, and the amounts that should have been attributed, the variance can be attributed in the income year in which it is discovered by the responsible entity, rather than amending previous years’ tax returns and notifying members of those amendments.
- An AMIT will be deemed to be a “fixed trust” and members will be treated as having vested and indefeasible interests in the income and capital of the AMIT throughout the income year, which can be relevant for:
 - utilising trust losses; and
 - applying the franking credit provisions.

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- Where a member receives a distribution of cash that is less than their allocated share of the taxable trust components, members will be entitled to make upward adjustments to the cost base of their units in the AMIT.

The proposed amendments to the Constitution

The proposed Constitution amendments will enable the Responsible Entity to operate the Trust under the AMIT Regime. Details of these proposed amendments are summarised in the table below.

A copy of the Constitution including the proposed changes can be found at <https://scentregroup.com/investors/Securityholder-Information/taxation-information>.

Until an election is made to adopt the AMIT Regime the proposed changes to the Constitution will not operate.

Constitution clause	Description of the amendment
Clause 11.18	<p>Liability</p> <p>Clause 11.18 has been amended to specifically provide that the Responsible Entity does not incur any liability as a result of an exercise of any power or discretion under the AMIT Regime.</p>
Clause 11A	<p>AMIT Regime</p> <p>A new clause 11A has been inserted which contains the provisions for the operation of the Trust as an AMIT under the AMIT Regime, including to:</p> <ul style="list-style-type: none"> • provide for the Responsible Entity to elect into the AMIT regime (<i>clause 11A.1</i>); • facilitate the exercise of Responsible Entity’s powers in relation to “unders and overs” of the Trust, in the manner permitted by the AMIT Regime (<i>clause 11A.2</i>); • provide for the attribution of taxable income in a fair and reasonable manner among unit holders in accordance with the AMIT Regime. The methodology adopted follows unit holders’ proportional entitlements to distributions, subject to any Attribution Principles established by the Manager (<i>clauses 11A.3, 11A.4 and 11A.5</i>); • provide the machinery for the exercise of the rights afforded to unit holders under the AMIT regime to object to the attribution. It also requires members to indemnify the Responsible Entity against costs and liabilities incurred in that process and to acknowledge that their rights may be impacted by the exercise of other unit holder’s objection rights (<i>clauses 11A.6, 11A.7 and 11A.8</i>); and • provide for each unit holder to indemnify the Responsible Entity in relation to any tax and any other costs, expenses or liabilities incurred as a result of being liable to such tax, that may become payable by the Responsible Entity under the AMIT Regime, which the Responsible Entity reasonably determines relates to the unit holder or units held by the unit holder (<i>clauses 11A.9 and 11A.10</i>).
Incidental changes	<p>Additional incidental changes have been made to the Constitution to facilitate the proposed amendments, for example, to include specific definitions referable to the AMIT Regime in clause 31.1 (“<i>Definitions</i>”) of the Constitution.</p>

How to contact us if you wish to respond to this notice

You are not required to respond to this notice.

Pursuant to the terms of ASIC Instrument 2016/489, the Responsible Entity will proceed to amend the Constitution as proposed on or after **2 July 2018**, unless it receives requests to call and arrange a meeting of members of the Trust to consider and vote on a special resolution to modify the Constitution as proposed, from members with at least 5% of the votes that may be cast on the resolution.

You are not required to respond to this notice, but if you wish to request a meeting of members to vote on the amendments, this request must be made in writing, and sent to The Company Secretary at CSecretary@scentregroup.com by **29 June 2018**.

If you would like further information in relation to this notice please contact the Company Secretary on +61 2 9358 7439.