



Trusted since 1888

Equity Trustees Limited
ABN 46 004 031 298
AFS Licence No 240975
RSE Licence No L0003094

Level 2, 575 Bourke Street
Melbourne Victoria 3000
GPO Box 2307
Melbourne Vic 3001
Telephone (61 3) 8623 5000
Facsimile (61 3) 8623 5200
Email equity@eqt.com.au
Website www.eqt.com.au

18 March 2013

Manager Companies
Company Announcements Office
ASX Limited
Level 4, Stock Exchange Centre
Sydney NSW 2000

Dear Sir / Madam

Proposed Takeover Bid by Equity Trustees Limited for The Trust Company Limited

I refer to the announcement made by Equity Trustees Limited (ASX: EQT) on 21 February 2013 in relation to an off-market takeover offer for all of the shares in The Trust Company Limited (ASX:TRU).

In accordance with item 5 of section 633(1) of the *Corporations Act 2001* (Cth), attached is a copy of the Bidder's Statement (and pro forma acceptance forms) in relation to the takeover offer.

Yours faithfully

Terry Ryan
Company Secretary



THIS IS AN IMPORTANT DOCUMENT AND CONTAINS AN OFFER TO ACQUIRE ALL OF YOUR TRUST COMPANY SHARES. THIS DOCUMENT REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO HOW TO ACT, YOU SHOULD CONSULT YOUR FINANCIAL OR LEGAL ADVISER AS SOON AS POSSIBLE.

Bidder's Statement

ACCEPT

The Offer

by

Equity Trustees Limited (ABN 46 004 031 298)

to acquire all of your shares in

The Trust Company Limited (ABN 59 004 027 749)

For each Trust Company Share you will receive 0.33 Equity Trustees Shares

Please call the Offer Information Line on 1300 357 574 (within Australia) or +61 3 9415 4075 (from outside Australia) if you require assistance.

Financial Adviser

LION CAPITAL

Legal Adviser

Allens

Allens > < Linklaters

Table of Contents

Chairman's Letter	1
Investment Overview	3
1. Why You Should Accept Equity Trustees' Offer	21
2. Profile of Equity Trustees and the Equity Trustees Group	40
3. Profile of the Trust Company Group	54
4. Intentions	57
5. Profile of the Combined Group	63
6. Australian Tax Considerations	72
7. Risk factors	77
8. Other Material Information	87
9. Offer Terms	101
10. Definitions and Interpretation	123
11. Approval of Bidder's Statement	129
Annexure	130
Corporate Directory	132

Important Information

This Bidder's Statement is given by Equity Trustees Limited (ABN 46 004 031 298) to The Trust Company Limited (ABN 59 004 027 749) under Part 6.5 of the Corporations Act and relates to the Offer.

You should read this Bidder's Statement in its entirety.

This Bidder's Statement is dated 18 March 2013 and includes an Offer dated 1 April 2013 in section 9.

A copy of this Bidder's Statement was lodged with ASIC on 18 March 2013. Neither ASIC nor any of its officers takes any responsibility for the contents of this Bidder's Statement.

Forward-looking statements

This Bidder's Statement may contain forward-looking statements, which include statements other than statements of historical fact. Such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of Equity Trustees. Actual results, values, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward-looking statement. The past performance of Equity Trustees is no guarantee of future performance.

None of Equity Trustees, any of its directors, officers or advisers, or any other person named in this Bidder's Statement with their consent or involved in preparation of this Bidder's Statement, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Bidder's Statement will actually occur. Accordingly, you are cautioned not to place undue reliance on any forward-looking statements.

The forward-looking statements in this Bidder's Statement only reflect views held as at the date of this Bidder's Statement.

Value of Equity Trustees Shares

The implied value of the Offer will vary with the market price of Equity Trustees Shares. Further information on the implied value of the Offer is contained in this Bidder's Statement.

This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. You may wish to seek independent financial and taxation advice before deciding whether or not to accept the Offer.

You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Bidder's Statement, you should obtain independent professional advice.

References in this Bidder's Statement to Equity Trustees' website (<http://www.eqt.com.au/>) and to Trust Company's website (<http://www.thetrustcompany.com.au/>) are for your reference only. Information contained in or otherwise accessible from those websites are not part of this Bidder's Statement.

A number of defined terms are used in this Bidder's Statement. These terms are explained in section 10 along with certain rules of interpretation which apply to this Bidder's Statement.

Information regarding Trust Company and the Combined Group

Any information in this Bidder's Statement concerning Trust Company and Trust Company's assets and securities has been prepared from publicly available information. This information has not been independently verified and, accordingly, Equity Trustees makes no representations and warranties, express or implied, as to the accuracy or completeness of such information to the extent permitted by the Corporations Act.

The information on the Combined Group in this Bidder's Statement, to the extent that it incorporates or reflects information on Trust Company, has been prepared using publicly available information that may not be independently verified. Accordingly, Equity Trustees makes no representations and warranties, express or implied, as to the accuracy or completeness of such information to the extent permitted by the Corporations Act.

The information on Trust Company should not be considered comprehensive. Further information relating to Trust Company

may be included in Trust Company's Target's Statement which will be sent to you by Trust Company.

Foreign registered shareholders

Trust Company Shareholders should note that the consideration under the Offer is Equity Trustees Shares, which are shares in an Australian public company listed on ASX. The Offer is subject to disclosure requirements in Australia which are different from those applicable in other countries. Trust Company Shareholders whose address in Trust Company's register of members is not in Australia or its external territories or New Zealand will not be entitled to receive Equity Trustees Shares on acceptance of the Offer (unless Equity Trustees determines otherwise). Ineligible Foreign Shareholders who accept the Offer will be paid a cash amount calculated in accordance with section 9.10(e) of this Bidder's Statement. This Bidder's Statement does not constitute an offer to issue or sell, or the soliciting of an offer to buy, any securities referred to in this Bidder's Statement in any jurisdiction in which the offer or issue of such securities would be unlawful.

In particular, Equity Trustees Shares have not been, and will not be, registered under the *Securities Act 1933* of the United States of America (**Securities Act**) and may not be offered or sold in the United States or to, or for the account or benefit of, a US person (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act and applicable United States state securities laws.

Trust Company Shareholders who are resident outside of Australia or New Zealand should refer to section 9.10(e) for further details.

Notice to Trust Company Shareholders in New Zealand

In offering Equity Trustees Shares under the Offer to Trust Company Shareholders in New Zealand, Equity Trustees is relying on the Securities Act (Overseas Companies) Exemption Notice 2002. This document is not a prospectus or an investment statement under New Zealand law, and may not contain all the information that a prospectus or investment statement under New Zealand law is required to contain.

Privacy

Equity Trustees has collected your information from the register of members of Trust Company for the purposes of making the Offer and, if accepted, administering acceptances over your shareholding in Trust Company. Equity Trustees and its Share Registry may disclose your personal information to their related bodies corporate and external service providers and may be required to disclose such information to regulators, such as ASIC. If you would like details of information about you held by Equity Trustees, please contact Equity Trustees at the address set out in the Corporate Directory.

Offer Information Line

If you have any questions in relation to the Offer, please call the Equity Trustees Offer Information Line on the following numbers:

Within Australia: 1300 357 574 (normal charges apply)
Outside Australia: +61 3 9415 4075

How to accept the Offer

You may only accept this Offer for all of your Trust Company Shares. Acceptances must be received before the end of the Offer Period.

For Issuer Sponsored Holdings of Trust Company Shares (Securityholder Reference Number beginning with 'I')

To accept the Offer, complete the enclosed Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to an address on the Acceptance Form.

For CHESS Holdings of Trust Company Shares (Holder Identification Number beginning with 'X')

To accept the Offer, either instruct your Controlling Participant (usually your broker) to accept the Offer on your behalf, or complete the enclosed Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to the postal address on the Acceptance Form.

Mailing Address:

Equity Trustees Limited
C/- Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 3001

Full details of how to accept the Offer are set out in section 9.4.

Offer and acceptance enquiries

If you have any questions about how to accept the Offer please contact:

Equity Trustees Offer Information Line
In Australia: **1300 357 574**
Outside Australia: **+61 3 9415 4075**

Important Dates

Bidder's Statement lodged with ASIC	18 March 2013
Date of the Offer	 April 2013
Offer scheduled to close (unless extended)	7pm Melbourne time on  May 2013

Note: The closing date for the Offer may change as permitted by the Corporations Act.

18 March 2013



Trusted since 1888

Equity Trustees Limited
ABN 46 004 031 298
AFS Licence No 240975
RSE Licence No L0003094

Level 2, 575 Bourke Street
Melbourne Victoria 3000
GPO Box 2307
Melbourne Vic 3001
Telephone (61 3) 8623 5000
Facsimile (61 3) 8623 5200
Email equity@eqt.com.au
Website www.eqt.com.au

Chairman's Letter

Dear Trust Company Shareholder,

On 21 February 2013, Equity Trustees announced its intention to make an off-market takeover offer for all of the shares in Trust Company.

On behalf of the Equity Trustees Directors, I am pleased to provide you with this Bidder's Statement detailing what I believe is an Offer to crystallise a compelling opportunity to create improved value and dividends for you.

Equity Trustees' Offer is to acquire all of your Trust Company Shares on the basis that Trust Company Shareholders will receive 33 shares in Equity Trustees for every 100 shares held in Trust Company.¹ This equates to \$5.28 per share based on the closing price of Equity Trustees Shares of \$16.00 on 20 February 2013, the day prior to the Announcement Date; and \$5.81 per share based on the closing price of Equity Trustees Shares of \$17.60 on 15 March 2013, the day prior to the lodgement of this Offer. The Trust Company share price on 20 February 2013, the day before the Offer was announced, was \$4.75.

Since the Offer was announced, both Equity Trustees and Trust Company share prices have increased and have converged on the ratio represented in the Offer. The Equity Trustees Board considers that this reflects the market's positive view of the Offer and reinforces the merits of the transaction. Evidence of the market's positive reaction can be seen in the diagram and comments in section 1.1 of this Bidder's Statement.

I believe this Offer should be embraced by Trust Company Shareholders because:

- It provides you a significant premium to the closing price of Trust Company before the announcement of Equity Trustees' intention to make the Offer;
- It provides you an opportunity to own shares in a larger company with increased scale, more diversified earnings and an enhanced market position;
- Equity Trustees has a strong track record of paying fully franked dividends and growing shareholder value over the long term;
- Equity Trustees Shareholders have enjoyed a total shareholder return over the last 10

¹ The consideration offered under the Offer for each of your Trust Company Shares is 0.33 Equity Trustee Shares, subject to rounding. See section 9.2 for further information.

years of 16.5% p.a. This is more than double Trust Company's total shareholder return over the same period.

- CGT roll-over relief should be available to eligible shareholders if Equity Trustees acquires 80% or more of Trust Company Shares through the Offer²;
- The Combined Group will be better placed than Trust Company on its own to address significant operational issues currently faced by Trust Company; and
- Collectively, former Trust Company Shareholders will own approximately 59% of the Combined Group and will receive this proportion of benefits, which might be expected to flow through to dividends, that result from combining the two companies.

Further details and information regarding these and other relevant points can be found in the body of this Bidder's Statement.

If Equity Trustees' Offer for Trust Company is successful, the Combined Group will emerge as a stronger entity with greater capacity to attract interest from the wider investment community. I am confident the Combined Group, with its diversified operations, greater resources and broader range of products and services will be better positioned to grow, pursue development opportunities and meet any challenges to the industry and in the broader financial markets. For clients of both Trust Company and Equity Trustees I am confident that the Combined Group will provide greater depth of resourcing and expertise, improved operational efficiency and access to a broader range of services and products.

I encourage you to carefully read this Bidder's Statement and consider the merits of this Offer as we have presented them. The Offer is subject to a number of conditions, including Equity Trustees acquiring a relevant interest in at least 90% of Trust Company Shares on issue. The full terms and conditions of the Offer are set out in section 9 of this Bidder's Statement.

I strongly encourage you to accept the Offer as soon as possible. The Offer is open until 7pm Melbourne time on 1st May 2013, unless extended. To accept the Offer, you must follow the instructions in the accompanying Acceptance Form.

I look forward to receiving your acceptance and welcoming you as an Equity Trustees Shareholder.

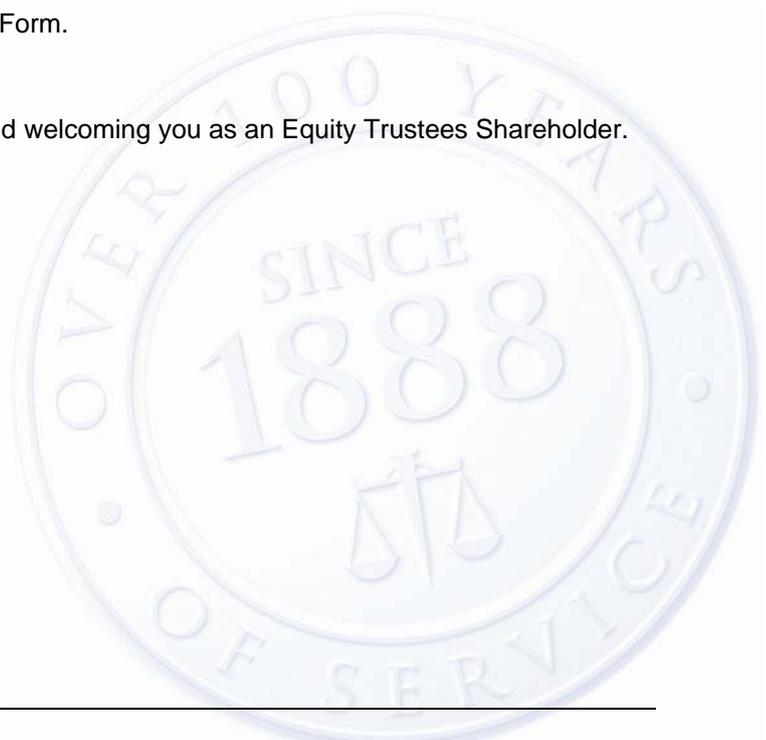
Yours sincerely



Tony Killen OAM

Chairman

Equity Trustees



² The availability of CGT roll-over relief depends on various matters set out in section 6.

Investment Overview

The information set out in this section is intended to provide you with an overview of Equity Trustees, its Offer to acquire your Trust Company Shares and the risks that you should consider.

The information in this section is not intended to be comprehensive and should be read in conjunction with the detailed information contained in the other sections of this Bidder's Statement.

The full terms and conditions of the Offer are contained in section 9.

Part A – Summary of the Offer

No.	Question	Answer	Section
1.	What is the Offer?	<p>This Bidder's Statement relates to the Offer by Equity Trustees to acquire all of your Trust Company Shares.</p> <p>The Offer relates to all Trust Company Shares that exist, or will exist, on the Register Date and to all Trust Company Shares issued before the end of the Offer Period as a result of the vesting of Trust Company Performance Rights that are on issue at the Register Date.</p> <p>Subject to obtaining relief from ASIC in a form acceptable to Equity Trustees, the Offer will also extend to any Trust Company Shares that are issued before the end of the Offer Period pursuant to the Trust Company Dividend Reinvestment Plan.</p>	Section 9 contains the full terms and conditions of the Offer.
2.	Who is making the Offer?	Equity Trustees is offering to acquire all of your Trust Company Shares.	Section 2 provides further information about Equity Trustees.

No.	Question	Answer	Section
3.	What will I receive if I accept the Offer?	<p>If you accept the Offer and the Offer becomes unconditional, you will receive 0.33 Equity Trustees Shares for each of your Trust Company Shares.</p> <p>In addition, if you are a Trust Company Shareholder on the record date for the Trust Company FY13 Final Dividend you will also be entitled to receive this dividend. Under the terms of the Offer, you will be entitled to the Trust Company FY13 Final Dividend even if you accept the Offer prior to the record date for this dividend.</p> <p>If you are an Ineligible Foreign Shareholder and accept the Offer, you will not receive any Equity Trustees Shares. Instead, you will be paid the net proceeds of sale by the Sale Nominee of the Equity Trustees Shares you would have been entitled to.</p>	<p>Section 9.2 contains further information on the Offer Consideration.</p> <p>Sections 2 and 7 contain more information regarding Equity Trustees, its business and the risks that apply to the Combined Group.</p> <p>Section 9.10(e) contains more information regarding Ineligible Foreign Shareholders.</p>

No.	Question	Answer	Section
4.	Why should I accept the Offer?	<ol style="list-style-type: none"> 1. Equity Trustees is offering a significant premium for Trust Company Shares. 2. Trust Company Shareholders will own shares in a company with increased scale, more diversified earnings and an enhanced market position. 3. Equity Trustees has a strong track record of paying fully franked dividends and of growing value for shareholders. 4. Equity Trustees has generated a total shareholder return over 10 years of 16.5% p.a., more than double Trust Company's 7.8% p.a. over the same period. 5. CGT roll-over relief should be available to eligible shareholders if Equity Trustees acquires 80% or more of Trust Company Shares through the Offer.³ 6. Collectively, Trust Company Shareholders will hold approximately 59% of the shares in the Combined Group and be entitled to this share of any benefits achieved through combining the two companies. 7. The Combined Group will be better positioned to address significant operational issues currently faced by Trust Company. 8. Equity Trustees has an experienced board and management team. 9. If the Offer does not succeed, Trust Company's share price may fall. 10. As a larger company, with an expected higher profile in the investment community, trading liquidity on the ASX could be expected to improve compared to the historic liquidity levels of Trust Company and Equity Trustees. 	Refer to section 1 for further details.

³ The availability of CGT roll-over relief depends on various matters set out in section 6.

No.	Question	Answer	Section
5.	What is the value of the Offer Consideration?	<p>If you accept the Offer, the value you will receive under the Offer will depend on the price of Equity Trustees Shares at the time the Equity Trustees Shares that you are entitled to are issued to you after the end of the Offer Period.</p> <p>By way of example, using the closing price of \$17.60 for Equity Trustees Shares traded on ASX on 15 March 2013, being the last trading day before the date of this Bidder's Statement results in an implied value of the Offer of \$5.81 for each Trust Company Share.</p> <p>If you are an Ineligible Foreign Shareholder and accept the Offer, because the Equity Trustees Shares that you would have received will be sold, the amount of cash that you will be paid will depend on the price received for Equity Trustees Shares when they are sold less selling expenses.</p>	<p>Sections 2 and 7 contain more information regarding Equity Trustees, its business and the risks that apply to Combined Group.</p> <p>Section 9.10(e) contains more information regarding Ineligible Foreign Shareholders.</p>
6.	Can I accept the Offer for a portion but not all of my Trust Shares?	No. You may only accept the Offer in respect of 100% (and not a lesser proportion) of the Trust Company Shares you hold.	Refer to section 9.4(a) for further details.
7.	When does the Offer open and close?	The Offer opens on [1] April 2013 and is scheduled to close at 7pm Melbourne time on [2] May 2013. You should note that the Offer Period can be extended as permitted by the Corporations Act.	Refer to section 9.3 for further details.
8.	How do I accept the Offer?	See the section on the inside front cover of this Bidder's Statement and the instructions on the accompanying Acceptance Form.	Section 9.4 also contains detailed information regarding how to accept the Offer.

No.	Question	Answer	Section
9.	If I accept the Offer, when will I receive the Offer Consideration?	<p>If you validly accept the Offer and the Offer becomes unconditional then you will be provided with the Offer Consideration on or before the earlier of:</p> <ul style="list-style-type: none"> • 1 month after the date of your acceptance, or if at the time of your acceptance the Offer is subject to a Defeating Condition, 1 month after the Offer becomes, or is declared, unconditional; and • 21 days after the end of the Offer Period. <p>Ineligible Foreign Shareholders will be provided with the cash proceeds of sale to which they are entitled under the Offer at a different time.</p>	<p>Section 9.10 contains further information as to when your Equity Trustees Shares will be issued.</p> <p>Section 9.10(e) contains more information regarding Ineligible Foreign Shareholders.</p>
10.	Will I receive fractional Equity Trustees Shares	<p>No. If you accept the Offer and a fractional entitlement to Equity Trustees Shares arises from the calculation of your entitlement under the Offer, any such fractional entitlements will be rounded to the nearest whole number of Equity Trustees Shares.</p>	<p>Refer to section 9.2(c) for further information.</p>

No.	Question	Answer	Section
11.	What are the conditions of the Offer?	<p>The Offer is subject to a number of conditions which are set out in full in section 9.8. In summary, the key conditions to the Offer require that:</p> <ul style="list-style-type: none"> • the Offer results in Equity Trustees having relevant interests in more than 90% of the Trust Company Shares; • Ministerial approval for Equity Trustees and each other member of the Equity Trustees Group to have up to 100% voting power in Trust Company is obtained; • all other regulatory approvals necessary in relation to the Offer are obtained and there are no materially adverse regulatory actions taken to restrain, prohibit or impede the Offer; • Trust Company does not appoint a new Chief Executive Officer or Managing Director; • Trust Company does not incur or commit to any expenditure, or enter into any agreement which requires any expenditure, in connection with the Systems Upgrade or any other material upgrading of, investment in or outsourcing of information technology or business information systems beyond the expenditure already announced; and • Trust Company provides confirmation of its earnings for the six months ended 28 February 2013, current or contingent liabilities and cash position. <p>If any of the conditions, known as "Defeating Conditions", are not satisfied or waived by the end of the Offer Period then the Offer will lapse and will not proceed (ie you will retain your Trust Company Shares).</p>	<p>For a full list of conditions, please refer to section 9.8.</p> <p>Section 8.17 provides further information regarding the status of the Defeating Conditions to the Offer.</p> <p>Section 9.9 contains further information regarding the nature of the Defeating Conditions and the consequences of non-fulfillment.</p>

No.	Question	Answer	Section
12.	What are the tax implications of acceptance?	<p>You should consult your financial, tax or other professional adviser on the tax implications of acceptance.</p> <p>However, section 6 contains a general summary of the major likely Australian tax consequences for Trust Company Shareholders who accept the Offer.</p>	Refer to section 6 for further details.
13.	Do I pay brokerage or stamp duty if I accept?	<p>You will not pay any stamp duty on the disposal of your Trust Company Shares if you accept the Offer.</p> <p>If your Trust Company Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Equity Trustees, you will not incur any brokerage in connection with your acceptance of the Offer.</p> <p>If your Trust Company Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Trust Company Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.</p> <p>If you are an Ineligible Foreign Shareholder, brokerage will be payable in respect of the sale of the Trust Company Shares that you would otherwise be entitled to receive under the Offer.</p>	<p>Refer to section 6 for further details.</p> <p>Section 9.10(e) contains more information regarding Ineligible Foreign Shareholders.</p>
14.	Is Equity Trustees paying Brokers a commission?	<p>Equity Trustees may offer to pay a commission to Brokers who solicit acceptances of the Offer from their clients.</p> <p>Any commission payments would not exceed 0.75% of the value of the consideration payable for parcels of Trust Company Shares held by retail Trust Company Shareholders who accept the Offer, and will be subject to minimum payments of \$50 and maximum payments of \$750 for each acceptance. This amount would be paid by Equity Trustees to brokers only and no part of the fee would be passed on to Trust Company Shareholders.</p>	See section 8.11 for further information.

Part B Overview of Equity Trustees

No	Question	Answer	Further Information
15.	Who is Equity Trustees?	<p>Equity Trustees is an ASX-listed Australian financial services business, established in 1888, providing:</p> <ul style="list-style-type: none">• private wealth services, comprising:<ul style="list-style-type: none">○ estate management;○ trustee services;○ philanthropic services;○ financial and taxation advice;○ personal investment advice;○ superannuation;○ aged care planning and placement services; and• corporate trustee services, comprising:<ul style="list-style-type: none">○ responsible entity services for external fund managers; and○ distribution of managed funds. <p>The company has approximately 190 employees in offices in Melbourne, Sydney, Kew and Brisbane.</p>	<p>Please refer to section 2 for further information regarding Equity Trustees including its share structure and financial information.</p>

No	Question	Answer	Further Information
16.	What is the financial profile and performance of Equity Trustees?	<p>Equity Trustees recently reported the following results for the first half of FY13 (six months to 31 December 2012):</p> <ul style="list-style-type: none"> • operating revenue: \$22.5m • net profit after tax: \$4.4m • earnings per share: \$0.49 • dividend per share: \$0.42 <p>Equity Trustees last full year results were for FY12 (year ended 30 June 2012):</p> <ul style="list-style-type: none"> • operating revenue: \$43.0m • net profit after tax: \$8.4m • earnings per share: \$0.97 • dividend per share: \$0.85 	Please refer to section 2 for further information.
17.	Who are the directors of Equity Trustees and what experience do they have?	<p>The directors of Equity Trustees are:</p> <ul style="list-style-type: none"> • Mr JA (Tony) Killen OAM, Non-Executive Chairman • Mr David F Groves, Non-Executive Deputy Chairman • Mr Robin B O Burns, Managing Director • Ms Alice J M Williams, Non-Executive Director • The Hon Jeffrey G Kennett AC, Non-Executive Director • Ms Anne M O'Donnell, Non-Executive Director • Mr Kevin J Eley, Non-Executive Director <p>The non-executive directors, including the Chairman, are considered to be independent of management.</p> <p>The directors of Equity Trustees together with the Equity Trustees management team have significant experience in financial services.</p>	Refer to sections 2.3 and 2.4 for further information regarding Equity Trustees Directors and management team.

No	Question	Answer	Further Information
18.	Will my new Equity Trustees Shares be listed on ASX?	Equity Trustees will apply to ASX for Official Quotation of all Equity Trustees Shares issued under the Offer. Official Quotation of these Equity Trustees Shares will depend on ASX exercising its discretion. However, as Equity Trustees is already admitted to the official list of ASX and Equity Trustees Shares are already quoted, Equity Trustees is of the view that quotation of the shares to be issued under the Offer will be granted.	Refer to section 9.13 for further information.
19.	Will my new Equity Trustees Shares have the same rights and liabilities as all other Equity Trustees Shares?	Yes. The new Equity Trustees Shares issued under this Offer will rank equally (including rights relating to dividends) with existing Equity Trustees Shares.	Refer to sections 2.10 and 8.6 for further information about Equity Trustees Shares.
20.	Do the Equity Trustees Directors have any interests in Trust Company Shares?	An associate of non-executive Deputy Chairman, David Groves, has an interest in 62 Trust Company Shares. None of the other Equity Trustees Directors have any interests in Trust Company Shares.	Refer to section 8.8 for further information.
21.	Do the Equity Trustees Directors have any interests in Equity Trustees Shares?	Yes. All Equity Trustees Directors and a number of management have various interests in Equity Trustees Shares.	Refer to section 8.9 for further information.

Part C Overview of risks

The following is a summary of the key risk factors which you should consider in deciding whether to accept the Offer. This list is not exhaustive and is not a substitute for careful consideration of section 7 which describes both these risk factors, and other risk factors in detail.

No	Risk	Summary	Further Information
Key risks relating to the Combined Group			
22.	Funds Under Management, Administration or Advice	<p>A significant proportion of the Combined Group's earnings will be derived from fees and charges based on the levels of Funds Under Management, Administration or Advice.</p> <p>A decline in Funds Under Management, Administration or Advice will adversely impact the amount it earns in fees. This may in turn impact the future profitability and financial position of the Combined Group.</p>	Section 7.2(a)
23.	Financial Market Risk	<p>Declines in the value of the asset classes of client portfolios, such as those experienced in the global financial crisis, would reduce revenues earned by the Combined Group and have a negative impact on the future profitability of the Combined Group.</p>	Section 7.2(b)
24.	Operational Risks	<p>The Combined Group will have specific operational exposures relevant to the industry in which the Combined Group operates including product disclosure statements, investment management, tax and financial advice, legal and regulatory compliance, product commitments, process error, fraud, system failure, failure of security and physical protection systems, and unit pricing errors.</p>	Section 7.2(c)
25.	Information Technology	<p>The success of the Combined Group (including attaining cost synergies) will, in part, be dependent upon the effective and timely migration of Trust Company's business to Equity Trustees' existing platforms and the integrity of the data and records to be migrated.</p> <p>Generally, the Combined Group will rely heavily on information technology. Therefore, any significant or sustained failure in the Combined Group's core business or technology systems could have a materially adverse effect on the</p>	Section 7.2(c)

No	Risk	Summary	Further Information
		Combined Group's operations in the short term, which in turn could undermine longer term confidence in the Combined Group and impact the future profitability and financial position of the Combined Group.	
26.	ASIC Class Order 11/1140	The Combined Group (including subsidiaries that hold an AFSL authorising them to act as responsible entities of registered managed investment schemes) will be subject to Class Order 11/1140. The Combined Group will need to comply with the capital requirements of the Class Order which may involve the need to raise additional liquid capital. This may impact the earnings of the Combined Group if it is unable to raise fee levels to compensate for earnings dilution as a result of holding a higher capital base.	Section 7.2(d)
27.	Brand and Reputation	<p>The capacity of the Combined Group to attract and retain clients and Funds Under Management, Administration or Advice depends to a large extent upon the brands and reputation of its businesses.</p> <p>Any decline in the Combined Group's brand and reputation and the separate brands which each has used historically could contribute to lower new business sales, reduced inflows of investment funds and assets, damage to its client strategies and impact the future profitability and financial position of the Combined Group.</p>	Section 7.2(e)
Risk specific to Equity Trustees			
28.	Client Concentration	<p>Some of Equity Trustees' corporate trustee services clients are more significant than others in terms of net revenue generated.</p> <p>The loss of one or several of Equity Trustees' larger clients could have a disproportionately adverse impact on revenue. This could impact the profitability of Equity Trustees if the revenue associated with the lost larger clients is unable to be replaced through new client engagements.</p>	Section 7.3.
Key General and Industry Risks of the Combined Group			
29.	Regulatory Risk – Federal	The Federal Government has enacted legislation in response to a parliamentary inquiry into	Section 7.4(a).

No	Risk	Summary	Further Information
	Government Reforms	<p>financial products and services in Australia (the FoFA legislation).</p> <p>The FoFA legislation includes various measures which may negatively impact the Combined Group's future profitability and financial position through increased compliance costs or a reduction in the fees that the Combined Group can charge for its services.</p> <p>The Federal Government has enacted legislation affecting the superannuation industry (Mysuper and Superstream). These measures may affect the competitive environment and increase costs due to additional business complexity and may negatively affect the earnings and profitability of the Combined Group.</p>	
30.	Regulatory Risk – Philanthropic Trusts	<p>CAMAC is currently undertaking a review of the fees charged in the philanthropic sector by trustee companies. Any material reduction in the fees charged by the Combined Group for the administration of funds as a result of this review could negatively impact the Combined Group's future revenue and profitability.</p> <p>The results of another review by CAMAC, may broaden the circumstances in which a professional trustee, such as the Combined Group, can be removed as the trustee of a charitable trust. If these changes are enacted, this could increase the risk of the Combined Group being dismissed as trustee of some of the trusts that it currently administers.</p> <p>The Australian Charities and Not-for-profits Commission Act contains provisions which give the Commissioner power to remove the trustee of a charitable trust in certain circumstances and the associated draft Governance Standards may affect the relative interests of beneficiaries and trustees. These provisions could increase the risk of the Combined Group being dismissed as trustee of some of the funds it currently administers or limit the fees it charges for doing so.</p> <p>Depending on the quantum of the funds administered by such trusts, these factors could</p>	Section 7.4(a).

No	Risk	Summary	Further Information
		have a material negative effect on the future profitability of the Combined Group.	
31.	Reliance on licences	<p>In order to provide the majority of its services in Australia, the Combined Group will be required to hold a number of AFSLs and RSE Licences.</p> <p>If the Combined Group fails to comply with the general obligations and conditions of an AFSL or RSE Licence, this could result in the suspension or cancellation of the licence which enables it to operate key parts of its business. While it is not expected to occur, a breach or loss of licences would have a material adverse effect on the Combined Group's business and financial performance.</p>	Section 7.4(b).
Key risks relating to the Offer			
32.	Integration of Trust Company	<p>The success of the Combined Group, including, in particular, its ability to realise the synergies outlined in section 1.6, and the time taken to do so, will be dependent upon the effective integration of Equity Trustees and Trust Company.</p> <p>There is a risk that the Combined Group's future profitability and prospects could be adversely affected if integration is not completed efficiently and effectively, with minimal disruption to the businesses, clients and advisers.</p> <p>In particular, there is a risk that unforeseen issues may arise resulting in lower integration benefits or synergies than anticipated, higher than anticipated costs of achieving these synergies or significant disruption to ongoing business operations.</p>	Section 7.5(a)
33.	Due Diligence	<p>In preparing the information relating to Trust Company contained in this Bidder's Statement, Equity Trustees has relied on publicly available information.</p> <p>Accordingly, risks may exist in relation to Trust Company (which will affect the Combined Group) of which Equity Trustees is unaware. However, as Trust Company is an ASX listed entity, any substantial threats to Trust Company's business should have been disclosed pursuant to Trust</p>	Section 7.5(b)

No	Risk	Summary	Further Information
		Company's periodic and continuous disclosure obligations.	
34.	Triggering change of control provisions	Contracts to which Trust Company or Equity Trustees are a party may contain "change of control" or similar clauses which may be triggered. There is a risk that the counterparties to the relevant contracts may seek to terminate their contracts with members of the Trust Company Group or the Equity Trustees Group as a result of the Offer.	Section 7.5(c)

Part D Other relevant questions

No	Question	Answer	Further Information
35.	Can Equity Trustees extend the time at which the Offer is to close?	Yes. Equity Trustees can extend the Offer Period in accordance with the Corporations Act. Equity Trustees will give written notice of any extension of the Offer Period in accordance with the Corporations Act.	Refer to section 9.14.
36.	What alternatives do I have as a Trust Company Shareholder?	You have the following alternatives as a Trust Company Shareholder: <ul style="list-style-type: none">• accept the Offer;• sell your Trust Company Shares on ASX; or• do nothing.	
37.	What happens if I do not accept the Offer?	<p>If Equity Trustees acquires 90% or more of Trust Company Shares</p> <p>If you do not accept the Offer but Equity Trustees acquires a relevant interest in at least 90% of Trust Company Shares and the other conditions to the Offer are satisfied or waived, Equity Trustees intends to proceed to compulsorily acquire all remaining Trust Company Shares which it does not already own. If this happens, you will still receive the Offer Consideration under the Offer but you will receive the Offer Consideration sooner if you accept the Offer rather than having your Trust Company Shares compulsorily acquired.</p> <p>If Equity Trustees acquires more than 50% but less than 90% of Trust Company Shares</p> <p>The Offer is subject to a 90% minimum acceptance condition (see section 9.8(a)). If Equity Trustees waives this condition, the Offer becomes unconditional and Equity Trustees does not become entitled to compulsorily acquire your Trust Company Shares under the Corporations Act, you will remain a shareholder in Trust Company.</p>	Refer to section 4.3 for information regarding Equity Trustees' intentions if it acquires a relevant interest in at least 90% of Trust Company Shares and refer to section 4.4 for Equity Trustees' intentions if it acquires a relevant interest in at least 50% but less than 90% of Trust Company Shares.
38.	Can I withdraw my acceptance after I have	A withdrawal right will arise under the Corporations Act if, after you accept the Offer, Equity Trustees varies the Offer in a way that	Refer to section 9.5(b).

No	Question	Answer	Further Information
	accepted the Offer?	<p>postpones for more than one month the time that Equity Trustees has to meet its obligations under the Offer (for example, if Equity Trustees extends the Offer for more than one month while the Offer remains subject to any of the Defeating Conditions of the Offer).</p> <p>You cannot withdraw your acceptance of the Offer unless a right to withdraw arises under the Corporations Act.</p>	
39.	What happens if the Defeating Conditions of the Offer are not satisfied?	<p>If the Defeating Conditions of the Offer are not satisfied or waived at the end of the Offer Period, then the Offer will lapse and any acceptances received for the Offer will be void.</p> <p>You will continue to hold your Trust Company Shares and be free to deal with them as if the Offer had not been made.</p> <p>In addition, Equity Trustees may withdraw the Offer at any time before you accept it (subject to the consent of ASIC).</p>	Refer to section 9.9.
40.	What will happen to the Trust Company Performance Rights?	<p>Trust Company Shares issued or transferred as a result of the prior vesting of Trust Company Performance Rights are subject to a transfer restriction period. It is Equity Trustees' understanding that any transfer restrictions will lapse if the Offer were to become unconditional and Equity Trustees received acceptances in respect of more than 50% of Trust Company Shares. If this were to occur prior to the end of the Offer Period, the holders of these Trust Company Shares would be entitled to accept the Offer.</p> <p>The Trust Company Board has a discretion to accelerate the vesting of unvested Trust Company Performance Rights upon a change of control of Trust Company. If this discretion is exercised, and prior to the end of the Offer Period holders are issued or transferred Trust Company Shares, the holders will be entitled to accept the Offer (assuming that any Trust Company Shares so issued or transferred are not subject to a transfer restriction).</p> <p>If any Trust Company Performance Rights remain unvested, including as a result of a</p>	Refer to section 8.3 for further information.

No	Question	Answer	Further Information
		decision of the Trust Company Board not to exercise its discretion to accelerate vesting, the Defeating Condition set out in section 9.8(k) will need to be waived by Equity Trustees in order for the Offer to proceed. Equity Trustees has no present intention to waive this condition but it reserves its right to declare the Offer free of that condition (or any other Defeating Condition of the Offer).	

1. Why You Should Accept Equity Trustees' Offer

Highlights

The Equity Trustees Board believes that the Offer provides significant benefits to Trust Company Shareholders. These benefits are set out below.

1	Equity Trustees is offering a significant premium for Trust Company Shares
2	Trust Company Shareholders will own shares in a company with increased scale, more diversified earnings and an enhanced market position
3	Equity Trustees has a strong track record of paying fully franked dividends and of growing value for shareholders
4	Equity Trustees has generated a total shareholder return over 10 years of 16.5% p.a., more than double Trust Company's 7.8% p.a. over the same period
5	CGT roll-over relief should be available to eligible shareholders if Equity Trustees acquires 80% or more of Trust Company Shares through the Offer ⁴
6	Collectively, Trust Company Shareholders will hold approximately 59% of the shares in the Combined Group and be entitled to this share of any benefits achieved through combining the two companies
7	The Combined Group will be better positioned to address significant operational issues currently faced by Trust Company
8	Equity Trustees has an experienced board and management team
9	If the Offer does not succeed, Trust Company's share price may fall
10	As a larger company, with an expected higher profile in the investment community, trading liquidity on the ASX could be expected to improve compared to the historic liquidity levels of Trust Company and Equity Trustees

The above table is only a headline summary of some of the benefits to Trust Company Shareholders that the Equity Trustees Board considers the Offer provides. Some of these benefits are explained in further detail within this section 1. In considering these benefits, Trust Company Shareholders should also bear in mind that the Offer is subject to a number of risks, which are set out in section 7 of this Bidder's Statement.

⁴ The availability of CGT roll-over relief depends on various matters set out in section 6.

1.1 Equity Trustees is offering a significant premium for Trust Company Shares

Under the Offer, Trust Company Shareholders are being offered 33 Equity Trustees Shares for every 100 Trust Company Shares held. This means that the value of the Offer to Trust Company Shareholders varies with the market value of Equity Trustees Shares.

As at the date of the announcement of the Offer (21 February 2013), the value of the Offer to Trust Company Shareholders was \$5.28 per Trust Company Share⁵ which represented:

- a premium of 11.2% to the Trust Company closing share price on 20 February 2013,⁶ and
- a premium of 13.3% to the volume weighted average share prices over the one month ending on 20 February 2013.⁷

Since the announcement of the Offer, the share prices of Equity Trustees and Trust Company have increased.⁸ As at the date of this Bidder's Statement (18 March 2013), the value of the Offer to Trust Company Shareholders was \$5.81 per Trust Company Share.⁹ The diagram below compares this value against the Trust Company Share price as at the announcement of the Offer and over varying periods prior to the announcement of the Offer.

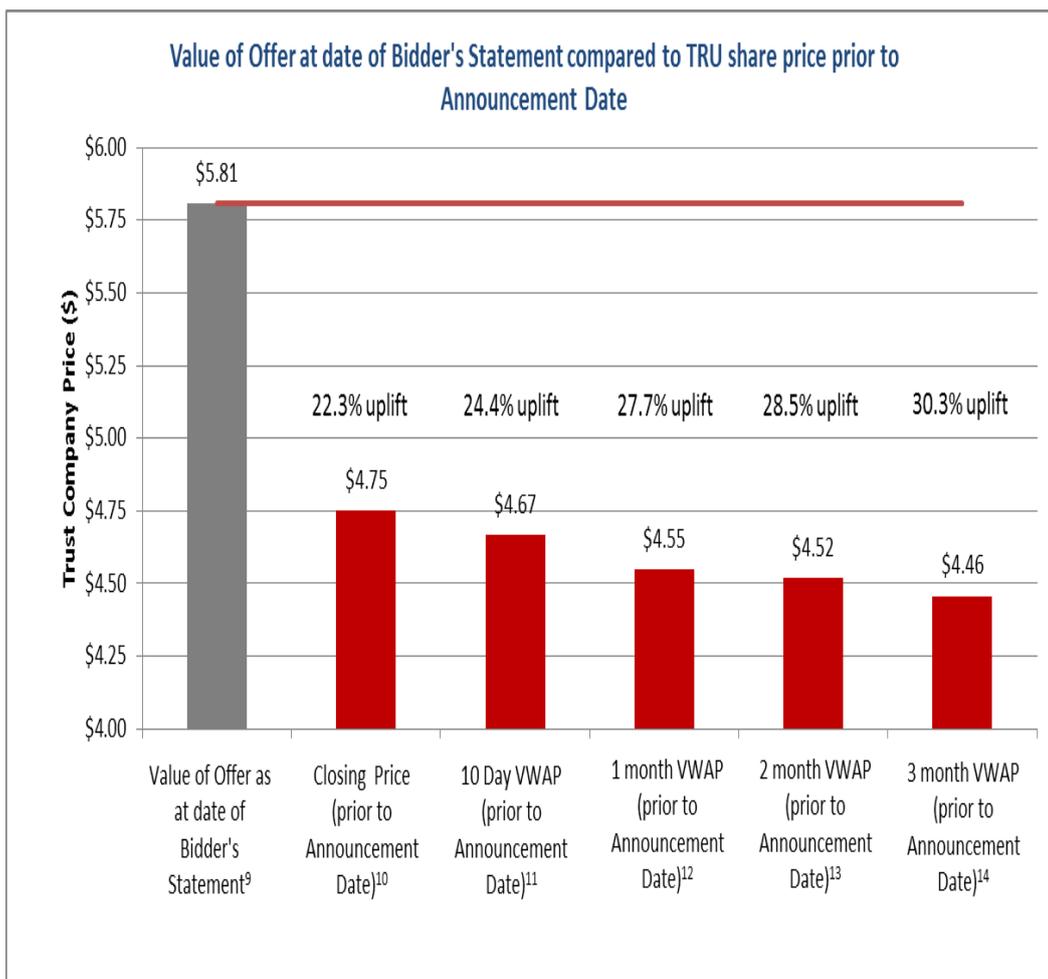
⁵ Based on Equity Trustees' closing share price of \$16.00 on 20 February 2013, the last trading day prior to the announcement of the Offer.

⁶ Trust Company's closing share price on 20 February 2013 was \$4.75.

⁷ The volume weighted average price of Trust Company Shares for the one month ending on 20 February 2013 was \$4.55. The volume weighted average price of Equity Trustees Shares for the same period was \$15. At the 0.33x Offer ratio the implied premium is 13.3%.

⁸ On 15 March 2013, being the last trading day before the date of this Bidder's Statement, the closing share price of Equity Trustees was \$17.60 and the closing share price of Trust Company was \$5.75.

⁹ Based on Equity Trustees' closing share price of \$17.60 on 15 March 2013, being the last trading day before the date of this Bidder's Statement.



Source: IRESS. IRESS has not consented to the use of any trading data in this Bidder's Statement.

It should be noted that the uplifts shown in the above table are calculated by reference to the Equity Trustees Share price on 15 March 2013 and the Trust Company Share price on, and in periods up to, 20 February 2013. This means that the Equity Trustees Share price that has been used includes the increase in the Equity Trustees Share price that has occurred since 20 February 2013 whereas the Trust Company Share prices that have been used do not include the increase in the Trust Company Share price that has occurred since 20 February 2013. The Equity Trustees Board considers that the share price appreciation that both companies have experienced since 20 February 2013 is likely to be attributable (at least partly) to

¹⁰ Trust Company's closing share price on 20 February 2013, the last trading day prior to the announcement of the Offer.

¹¹ The volume weighted average price of Trust Company Shares for the 10 trading days up to and including 20 February 2013.

¹² The volume weighted average price of Trust Company Shares for the 1 month trading period up to and including 20 February 2013.

¹³ The volume weighted average price of Trust Company Shares for the 2 month trading period up to and including 20 February 2013.

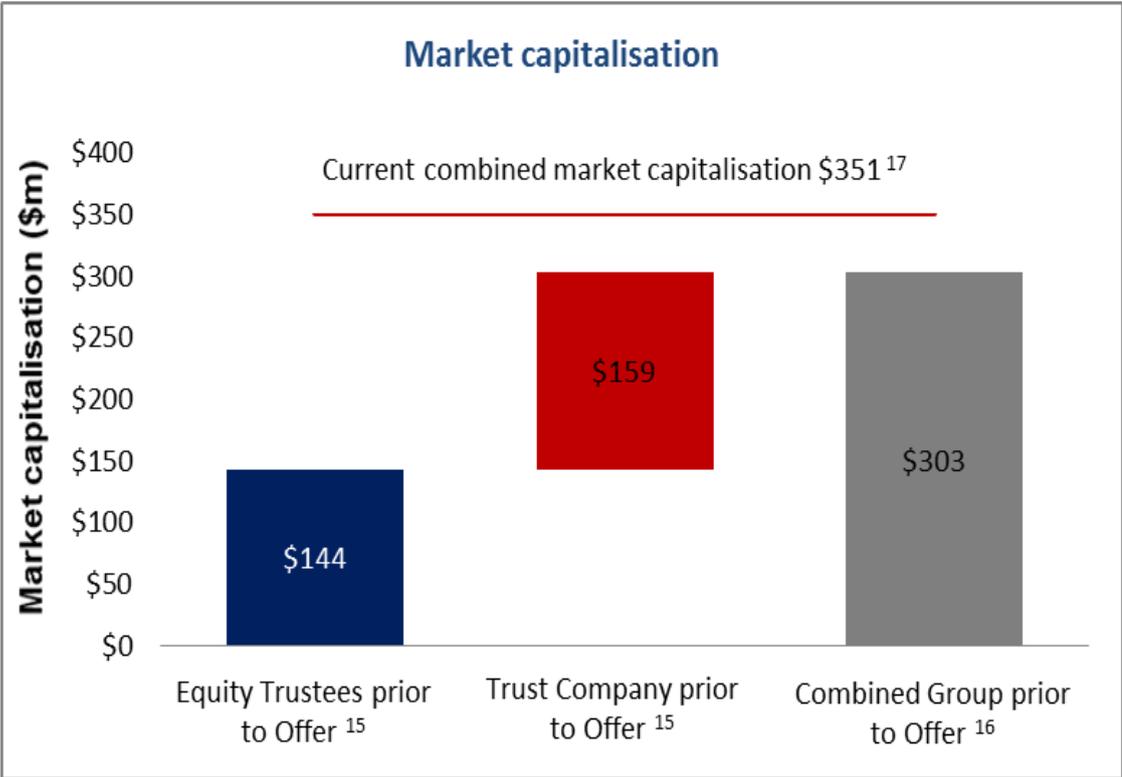
¹⁴ The volume weighted average price of Trust Company Shares for the 3 month trading period up to and including 20 February 2013.

anticipated benefits of combining the two companies. These anticipated benefits do not derive solely from Equity Trustees; rather, the benefits derive from opportunities that would be available to the Combined Group. Therefore, the above table is not an indication of the benefits of the Offer delivered solely by Equity Trustees. However, the Equity Trustees Board considers that the table provides an indication of the benefits that may be available to Trust Company Shareholders as a result of combining the two companies, as compared to the position of Trust Company Shareholders in the absence of the Offer.

1.2 Trust Company Shareholders will own shares in a company with increased scale, more diversified earnings and an enhanced market position

Accepting the Offer will allow Trust Company Shareholders to become part of a larger and more diversified Australian listed financial company.

On the last trading day prior to the Announcement Date, Equity Trustees had a market capitalisation of \$144m and Trust Company had a market capitalisation of \$159m.¹⁵ If the market capitalisation of the Combined Group was the sum of these market capitalisations, it would be approximately \$303m.¹⁶ As at 15 March 2013, the sum of the market capitalisations of Equity Trustees and Trust Company was approximately \$351m.¹⁷



Source: IRESS

The Equity Trustees Board believes the additional scale of the Combined Group should provide the Combined Group with an increased profile within the investment community, increased research coverage and the Combined Group should have a greater funding base with access to a broader range of capital raising opportunities. The Combined Group will also have a greater depth of resources and market strength and is likely to be better positioned for future growth, both organically and through acquisition opportunities.

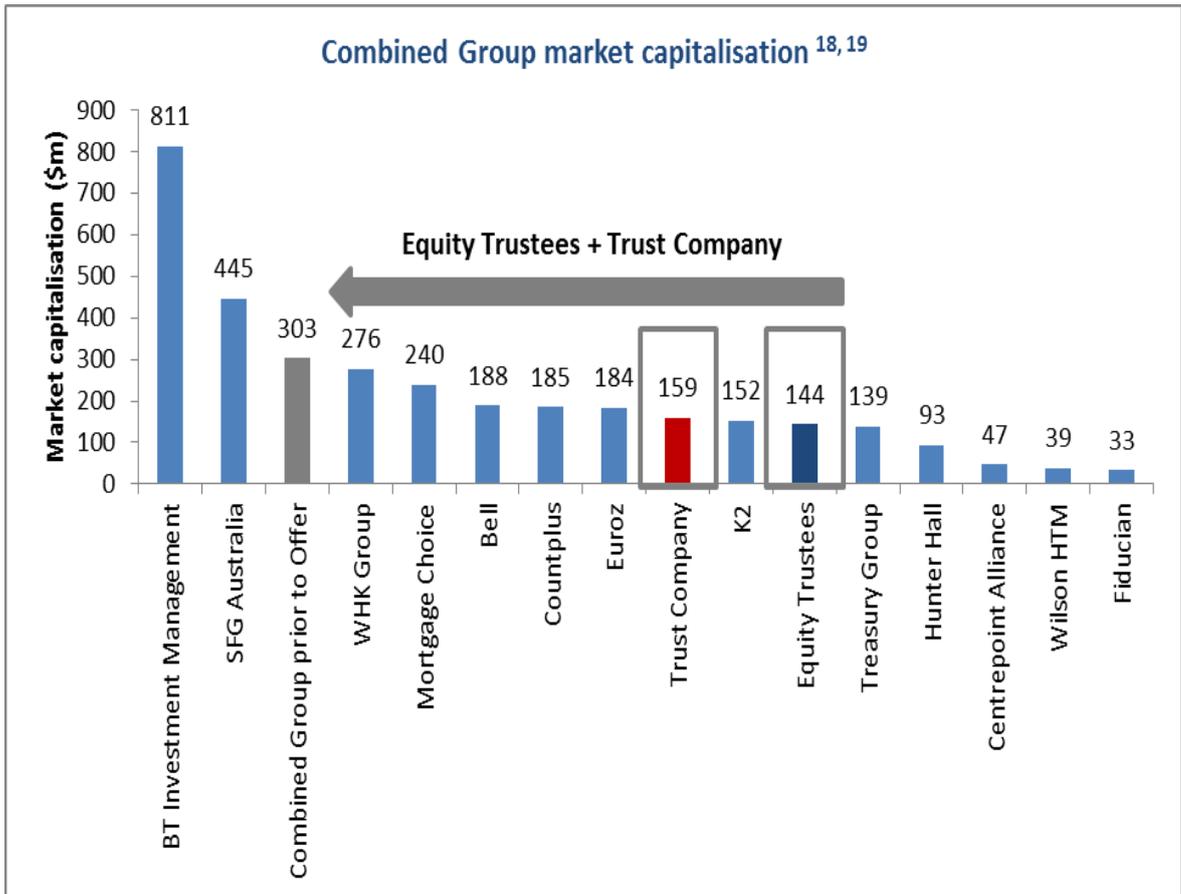
The increased scale will also allow the Combined Group to improve its marketing position and build deeper client relationships through a broader and enhanced offering of products and

¹⁵ As at 20 February 2013.

¹⁶ Based on the closing price of Equity Trustees Shares of \$16.00 and Trust Company Shares of \$4.75 on 20 February 2013.

¹⁷ Current Combined Market Capitalisation as at 15 March 2013, based on closing prices of Equity Trustees Shares of \$17.60 and Trust Company Shares of \$5.75. This does not incorporate cancellation of Equity Trustees Shares held by Trust Company or potential synergies discussed in section 1.6 of this Bidder's Statement.

services. The Combined Group compares well to its mid-tier listed peer group, as outlined in the diagram below.



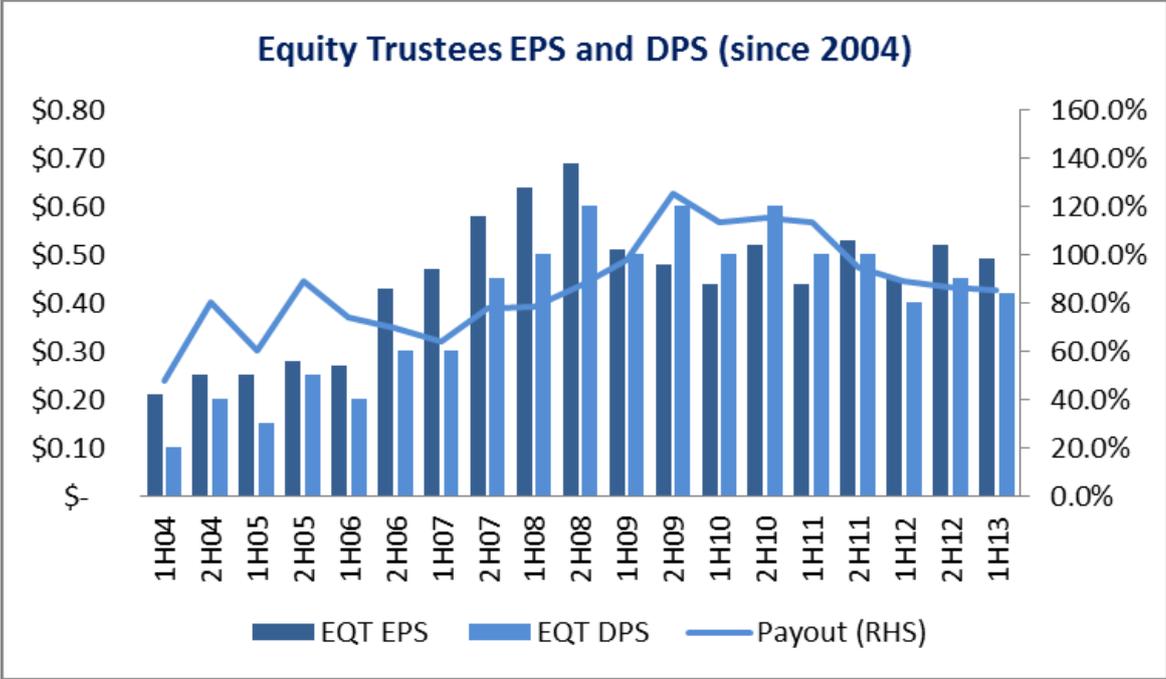
Source: IRESS

¹⁸ All companies as at 20 February 2013.

¹⁹ Based on the closing price of Equity Trustees Shares of \$16.00 and Trust Company Shares of \$4.75 on 20 February 2013.

1.3 Equity Trustees has a strong track record of paying fully franked dividends and of growing value for shareholders

Equity Trustees has continuously paid interim and final dividends since FY04.²⁰ Set out below is a diagram showing the dividends declared and paid by Equity Trustees since 2004, all of which have been fully franked.²¹



Equity Trustees' dividend policy is that it targets a payout ratio of 70% to 90% of net profit after tax. From 2004 to 2012, Equity Trustees has paid out a higher proportion of its net profit after tax as dividends than Trust Company – the Equity Trustees' average is 87% against the Trust Company average of 80%.²² All dividends paid by Equity Trustees since 2004 have been 100% franked.

In addition, Trust Company Shareholders may be entitled to the next dividend declared by Equity Trustees. Trust Company Shareholders will receive the Equity Trustees' final dividend provided they accept the Offer, the Offer becomes unconditional and they are registered as holders of Equity Trustees Shares on the dividend record date (expected to be in early October 2013).

Following the Offer, Equity Trustees will consider whether to pay dividends having regard to its financial position, future capital requirements and other relevant factors. Subject to a review of the Combined Group and its operations, Equity Trustees does not intend to change its policy with respect to the dividend payout ratio.

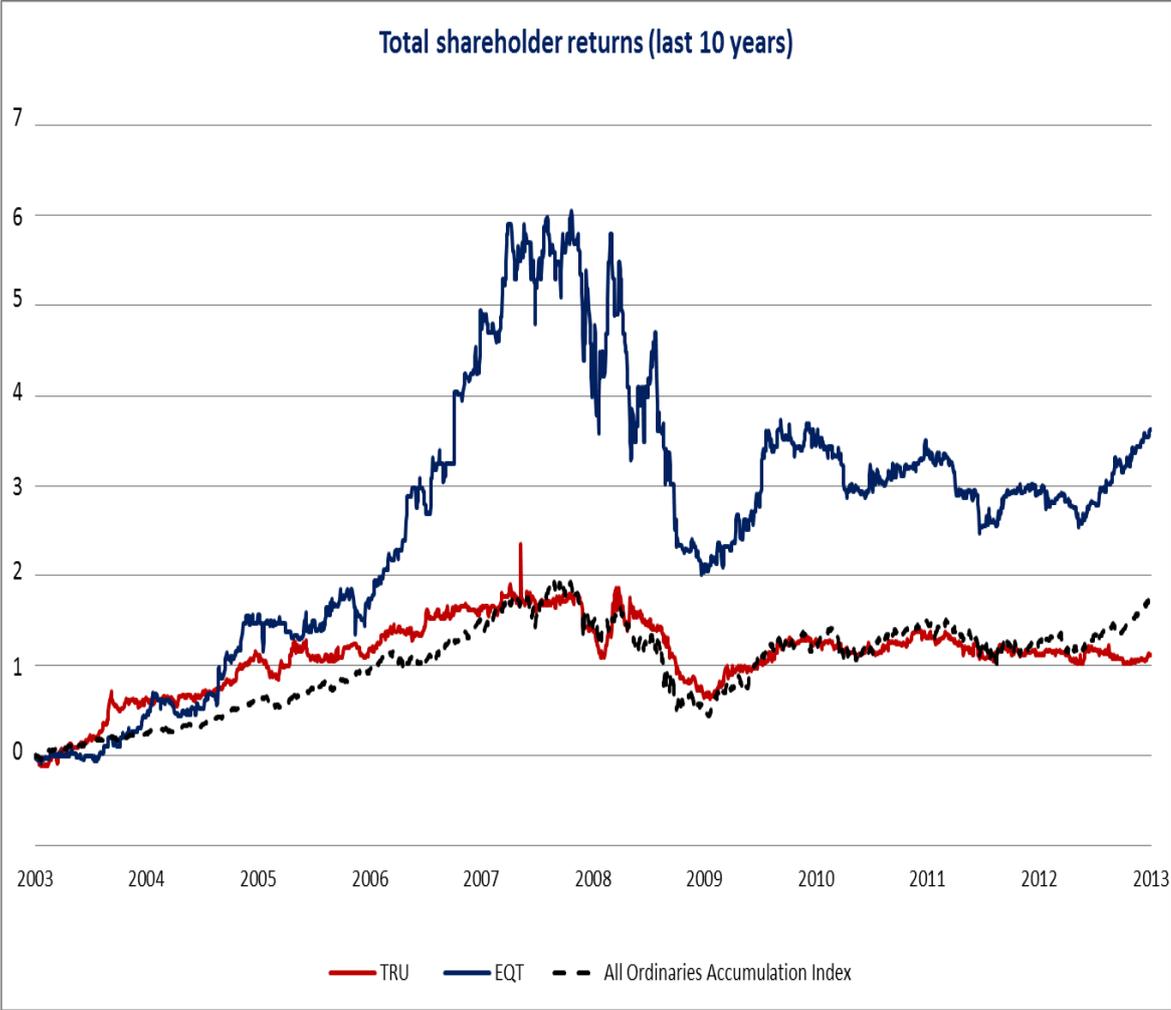
²⁰ FY03 was the last period in which Equity Trustees did not pay any interim and final dividends.

²¹ Diagram does not include special dividends paid out by Equity Trustees or Trust Company.

²² Average payout ratio is based on the average from FY04 on a financial year end basis for each company. This analysis excludes any special dividends paid.

1.4 Equity Trustees has generated a total shareholder return over 10 years of 16.5% p.a., more than double Trust Company's 7.8% over the same period

Equity Trustees has a strong track record, having outperformed the All Ordinaries Accumulation Index and Trust Company in the last 10 years, based on total shareholder returns. In the same period, Trust Company has underperformed against the All Ordinaries Accumulation Index – as outlined in the diagram and table below.²³ The compound annual growth rate on total shareholder return over the last 10 years is 16.5% for Equity Trustees Shares, 10.8% for the All Ordinaries Accumulation Index and 7.8% for Trust Company Shares.



Source: IRESS

²³ 10 year period ending 20 February 2013, last trading day prior to the announcement of the Offer. Share prices have been rebased to 0 for illustrative purposes.

Total shareholder return over different periods			
Duration	EQT returns (%)	TRU returns (%)	Comparison
1 year	17.6%	(0.5%)	18.1% EQT outperformance
2 years	2.9% p.a.	(4.3%) p.a.	7.2% EQT outperformance p.a.
3 years	1.3% p.a.	(2.6%) p.a.	3.9% EQT outperformance p.a.
4 years	10.4% p.a.	6.2% p.a.	4.2% EQT outperformance p.a.
5 years	(2.8%) p.a.	(2.6%) p.a.	0.2% TRU outperformance p.a.
10 years	16.5% p.a.	7.8% p.a.	8.7% EQT outperformance p.a.

Source: IRESS

The strong performance of Equity Trustees is evidenced by the latest financial results. Equity Trustees recently announced results for the first half of FY13 which demonstrated the continuation of the momentum in recent growth, driven by the restructure of the group into two key business units, the efficiencies delivered from improvements in systems and processes and investment market gains.

Key achievements in the first half of FY13 included:

- Organic revenue growth in both Private Wealth Services and Corporate Fiduciary & Financial Services.
- Improved margins and enhanced earnings.
- Growth in Funds Under Management, Administration or Advice at December 2012 compared to December 2011:
 - 35% increase in Corporate Fiduciary & Financial Services to \$25.5 billion.
 - 6% increase in Private Wealth Services to \$2.4 billion.

Equity Trustees' strategic initiatives have improved the fundamental strength of the business and have enabled Equity Trustees to leverage off the improvement in market sentiment experienced recently. Operating performance in the first completed months of the current half-year has been strong and the positive momentum demonstrated by the results for the first half of FY13 is continuing.

1.5 CGT roll-over relief should be available to eligible shareholders if Equity Trustees acquires 80% or more of Trust Company Shares through the Offer²⁴

Trust Company Shareholders who derive a capital gain as a result of accepting the Offer may be eligible to claim CGT roll-over relief in respect of the disposal of Trust Company Shares and the acquisition of Equity Trustees Shares under the Offer.

If Equity Trustees acquires 80% or more of Trust Company Shares on issue as a consequence of the Offer, a Trust Company Shareholder who is a resident for Australian tax purposes and would otherwise make a capital gain in respect of the disposal of Trust Company Shares will be able to benefit from scrip-for-scrip roll-over relief provided that:

- they choose to obtain that relief;
- they are not otherwise subject to tax on any profit or gain arising on their Trust Company Shares under other provisions of Australia's tax laws (please refer to section 6.1 for a description of the types of Trust Company Shareholders who may be subject to special treatment); and
- they do not receive their Equity Trustees Shares as trading stock and would not have any capital gain made on later disposal of the Equity Trustees Shares that they receive under the Offer disregarded under the capital gains tax rules.

Such relief, if available and chosen, allows Trust Company Shareholders to disregard any capital gain that would otherwise arise for Australian income tax purposes in respect of the disposal of their Trust Company Shares.

Please refer to section 6 of this Bidder's Statement for further information in relation to the availability of CGT roll-over relief and taxation considerations generally.

The information set out in this Bidder's Statement relates solely to tax legislation in Australia, current as at the date of this Bidder's Statement. Trust Company Shareholders who are resident in countries other than Australia or otherwise fall within the class of Trust Company Shareholders subject to special treatment described in section 6.1 of this Bidder's Statement should seek independent tax advice in relation to the Offer and the tax consequences of accepting the Offer.

²⁴ The availability of CGT roll-over relief depends on various matters set out in section 6.

1.6 Collectively, Trust Company Shareholders will hold approximately 59% of the shares in the Combined Group and be entitled to this share of any benefits achieved through combining the two companies

In addition to providing a premium of 11.2% to the Trust Company closing share price on 20 February 2013,²⁵ the Offer provides Trust Company Shareholders with an on-going investment in the Combined Group.

The Offer allows Trust Company Shareholders to maintain an investment in Trust Company's diversified geographical presence as well as Equity Trustees' successful Australian-focused operations. The Combined Group will be positioned to capture benefits across corporate trustee services, private trustee and wealth management, superannuation, aged care advisory and funds management. This diversifies the Combined Group's earnings and reduces its vulnerability to market or competitor factors and client concentration risks.

If Equity Trustees' Offer for Trust Company is successful, Trust Company Shareholders will own approximately 59% of the Combined Group and will receive 59% of the benefits from combining the two companies.²⁶

Current shares on issue	No. of shares	
Equity Trustees Shares	8,973,198	
Trust Company Shares	33,538,449	
Trust Company Shares issued on vesting of Trust Company Performance Rights ²⁷	885,315	
Combined Group	No. of shares	%
Equity Trustees Shareholders (no change)	8,973,198	41%
Shares issued to former Trust Company Shareholders	11,067,688	59%
Equity Trustees Shares held by Trust Company cancelled	(1,193,942)	
Shares issued to former Trust Company Performance Rights holders	292,154	
Total shares in Combined Group	19,139,098	

Trust Company Shareholders will share in any potential benefits from combining the two companies

A combination of Equity Trustees and Trust Company will create a leading Australasian private and corporate trustee services provider. Due to the scrip consideration proposed under the Offer, Trust Company Shareholders will have the opportunity to participate in, and

²⁵ Trust Company's closing share price on 20 February 2013 was \$4.75.

²⁶ Based on the 0.33x offer ratio, current shares outstanding in Equity Trustees and Trust Company and the cancellation of the approximately 1.2 million shares Trust Company currently holds in Equity Trustees. This figure also assumes that all Trust Company Performance Rights vest and result in the issue of new Trust Company Shares prior to the end of the Offer Period and that no Trust Company Shares are issued pursuant to the Trust Company Dividend Reinvestment Plan prior to the end of the Offer Period. See the footnote below regarding Equity Trustees' calculation of the Trust Company Performance Rights on issue.

²⁷ This figure is Equity Trustees' best estimate of the Trust Company Performance Rights on issue. It is based on the total Trust Company Performance Rights outstanding as set out on page 63 of Trust Company's FY12 Annual Report and the Trust Company Performance Rights assumed to have been granted to John Atkin following the approval of that grant at Trust Company's 2012 Annual General Meeting.

benefit from, any benefits achieved through combining the two companies in the Combined Group.

Equity Trustees' management have identified synergies that it estimates will generate ongoing cost savings for the Combined Group of up to \$8.0m per annum (pre-tax, excluding one-off integration costs) and expect to realise these benefits by no later than the end of the second year following the implementation of the Offer, on the basis that transition to Equity Trustees' administration and IT systems can be achieved in a suitable timeframe. The synergies identified by Equity Trustees' management are primarily driven by cost savings and the rationalisation of operating expenses within the Combined Group.

Other opportunities that may be available to the Combined Group to enhance the performance currently generated individually by the two companies are as follows:

- Distributing a broader range of services and products to a larger private client base.
- The complementary strengths of the two corporate trustee services businesses can be marketed across a larger, regional corporate client base.
- Increased depth and expertise of resources which can be applied to the critical areas of risk management, compliance and regulatory monitoring.
- Increased resources available for marketing, advertising and business development support.
- Increased purchasing power with external managers, suppliers, administrators and custodians.
- The costs of future development and maintenance of IT systems and supporting processes can be absorbed over a larger client and shareholder base than each company can reach individually.
- Increased resources for future strategic business acquisitions.

If Equity Trustees' estimation of the synergies outlined above is achieved, the earnings of the Combined Group are expected to grow materially. Based on Equity Trustees' current dividend policy (see section 1.3 above), this would result in larger dividends for shareholders in the Combined Group.

Equity Trustees cautions that there is a risk that the Combined Group will not achieve the identified synergies, either on this timetable or at all. In particular, if the minimum acceptance condition contained in section 9.8(a) is waived and Equity Trustees does not acquire 100% of Trust Company, then the level of potential synergies will be reduced. For further information regarding the risks relating to the Offer, see section 7. Equity Trustees expects to incur substantial one-off integration costs in order to achieve these synergies.

Trust Company's proposed IT systems upgrade – Potential saving

The costs of transitioning Trust Company's records and processes to Equity Trustees' systems will substitute for a proportion of the approximately \$9m of future investment in an upgraded IT and administration platform that Trust Company has stated that it expects to incur on its own. This was noted in Trust Company's results presentation for the year ended 29 February 2012, and updated in the Trust Company results presentation for the half year ended 31 August 2012 by comments on expenditure incurred to date and expected to be incurred in

the following half year. However, in the Combined Group these costs will be incurred in a larger business, across an expanded shareholder base and Equity Trustees believes that a transition to its existing systems would represent a lower cost and lower risk solution than transition to an as yet unannounced alternative system.

1.7 The Combined Group will be better positioned to face significant operational issues currently faced by Trust Company

The Equity Trustees Board believes that the Combined Group will be better positioned to address certain operational challenges Trust Company currently faces and which it has identified in its announcements and presentations in recent periods and which are noted below.

- (a)** Difficult operating environment in the Personal Clients division: Equity Trustees' Private Wealth division (equivalent to Trust Company's Personal Clients division) reported a revenue increase of 5% in the first half of FY13 and is in the early stages of implementing a new strategic development and growth plan for this business. The Equity Trustees Board considers that Trust Company's Personal Clients division would benefit from the application of this strategic development and growth plan to its business and the knowledge of the Equity Trustees' management involved in the implementation of the plan in Equity Trustees' Private Wealth division.
- (b)** Planning, implementing and delivering the Systems Upgrade: Equity Trustees believes that it has appropriate systems that are ready, functioning and can be configured to handle Trust Company's Australian business (at this stage Equity Trustees cannot determine whether, or how quickly, the New Zealand business of Trust Company can be included in the project). This course of action would mean that the Combined Group would not be expected to incur the full Systems Upgrade expense which Trust Company would have itself incurred and which Trust Company has estimated as being in the vicinity of \$9.0m. The Combined Group would incur costs in migrating Trust Company's records and processes to the Equity Trustees systems but Equity Trustees expects these costs to be less than \$9.0m. Migrating to the Equity Trustees systems is also believed to present a lower risk alternative, with Equity Trustees having recently implemented a systems upgrade.
- (c)** No CEO appointed to implement Trust Company's corporate strategy: Trust Company has yet to announce a replacement CEO/Managing Director, whilst Equity Trustees has a strong management team in place, including its CEO/Managing Director, Robin Burns. By combining the two companies under the executive leadership of Robin Burns, Trust Company would be saved expenditure in appointing a new CEO/Managing Director. It also ensures that a proven corporate strategy is implemented.
- (d)** Trust Company's ability to pay full franked dividends in the future: There is a potential that Trust Company's dividends may not be fully franked in the medium term if earnings contributions from non-Australian operations increase. This potential impact is mitigated in the Combined Group as a larger proportion of the Combined Group's earnings would be derived from Australian operations. In addition, at the date of this Bidder's Statement, Equity Trustees has a surplus franking credits balance which would enable the payment of an additional \$14.8 million of fully franked dividends. This balance is after deducting the franking credits relating to the 2013 interim dividend to be paid on 17 April 2013. As shareholders in the Combined Group, Trust Company Shareholders would benefit from this surplus franking credits balance.

-
- (e) Possible reduced FY13 dividend from Trust Company: Trust Company reduced its first half FY13 interim dividend by 29% to 12 cents, down from 17 cents per share in FY12. In an announcement to ASX dated 9 October 2012 Trust Company provided guidance that total dividends for FY13 were expected to be in the range of 27-29 cents per share, compared to 35 cents per share in FY12. In a recent announcement to ASX (dated 13 March 2013), Trust Company stated that the dividend for FY13 is likely to be at or above the top end of the previous guidance of 27-29 cents per share. Equity Trustees recently declared a dividend in the first half of FY13 of 42 cents per share, a 5% increase on the previous year. Current Trust Company Shareholders will benefit from any value extracted through combining the two businesses via higher earnings and dividend payments.

Equity Trustees believes that the Combined Group would be able to resolve these issues with less risk and higher value than Trust Company could achieve by itself.

1.8 Equity Trustees has an experienced board and management team

The Equity Trustees Board believes that Equity Trustees is well placed to manage the continuing and future business and operational challenges of the Combined Group given the depth of its management team and proven experience in business growth initiatives, planning, executing and integrating business acquisitions and business improvement projects.

The Equity Trustees team's recent achievements include:²⁸

- Successfully implemented a single, group-wide structure for all business support units, particularly back-office and IT, from a previously de-centralised model, leading to efficiency and operational gains.
- Restructure of the operations into two key business units.
- Private Wealth Services: consolidating all retail client services, including superannuation master trusts, into a single structure with the objective of providing an integrated suite of products and services for private clients and facilitating a broad wealth management growth plan.
- Corporate Fiduciary & Financial Services: providing unified and integrated client relationship management for corporate clients utilising multiple Equity Trustees services, as well as operational and business development enhancements.
- Successful acquisition and integration of an aged care advisory and placement business and a number of superannuation businesses.
- Progression towards further systems, processes and efficiency gains through the rationalisation of IT and systems infrastructure and the consolidation of administration teams and activities with full benefits expected during the year to 30 June 2014.
- Growth in Funds Under Management, Administration or Advice and dividend in the latest reported period.

The Equity Trustees Board has broad experience in the areas of financial services, government and the not-for-profit sector to guide the Combined Group. Their collective experience in strategic advice and business operations will ensure a smooth transition if the Offer is accepted.

Mr Tony Killen will lead the Combined Group as Chairman of Equity Trustees. Mr Killen is a former Group Managing Director and Chief Executive Officer of AXA Asia Pacific Holdings Ltd, having had a 36 year career with the National Mutual/AXA Group. He was also Chairman of Australia's largest not-for-profit health services provider, Sisters of Charity Health Service Ltd, and a non-executive director of listed company IRESS Market Technology Ltd. Mr Killen is currently the Chairman of listed company Templeton Global Growth Fund Ltd and CCI Asset Management Ltd. His extensive industry and board leadership experience will help unlock shareholder value by the Combined Group.

The Managing Director and Chief Executive Officer of the Combined Group will be Mr Robin Burns, who currently holds these roles at Equity Trustees. Mr Burns joined Equity Trustees in March 2010. He has extensive experience in both retail (personal) and wholesale financial

services, including advice and institutional funds management, and has managed businesses undergoing a wide variety of phases such as substantial growth, significant regulatory change, challenging market conditions and major IT and administrative projects. His previous role was as Chief Executive Officer of Equisuper Pty Ltd, the trustee company for Equisuper, a substantial and complex multi employer superannuation fund. Before that he held two senior roles in the AXA Asia Pacific group, as General Manager Corporate Affairs and as CEO – Risk, which encompassed life and health insurance businesses under the brands of National Mutual Life, Australian Casualty & Life and HBA. Prior roles included that of Managing Director of the stockbroking firm Prudential-Bache Securities (Australia), which operated throughout Australia and overseas, having joined the firm as Chief Financial Officer, and nine years with a large, diversified financial services business with significant international operations, where he held a number of management roles culminating in Director, Finance & Administration. Mr Burns has in total 26 years of experience in financial services, and spent his initial career with a major chartered accounting firm in London and Melbourne, having qualified professionally in the UK in 1981. Mr Burns is a non executive director of the Financial Services Council, the industry body representing the wealth management, trustee, life insurance and funds management industries.

²⁸ Please refer to section 2 of this Bidder's Statement for more detail on the Equity Trustees Board and management team.

1.9 If the Offer does not succeed, Trust Company’s share price may fall

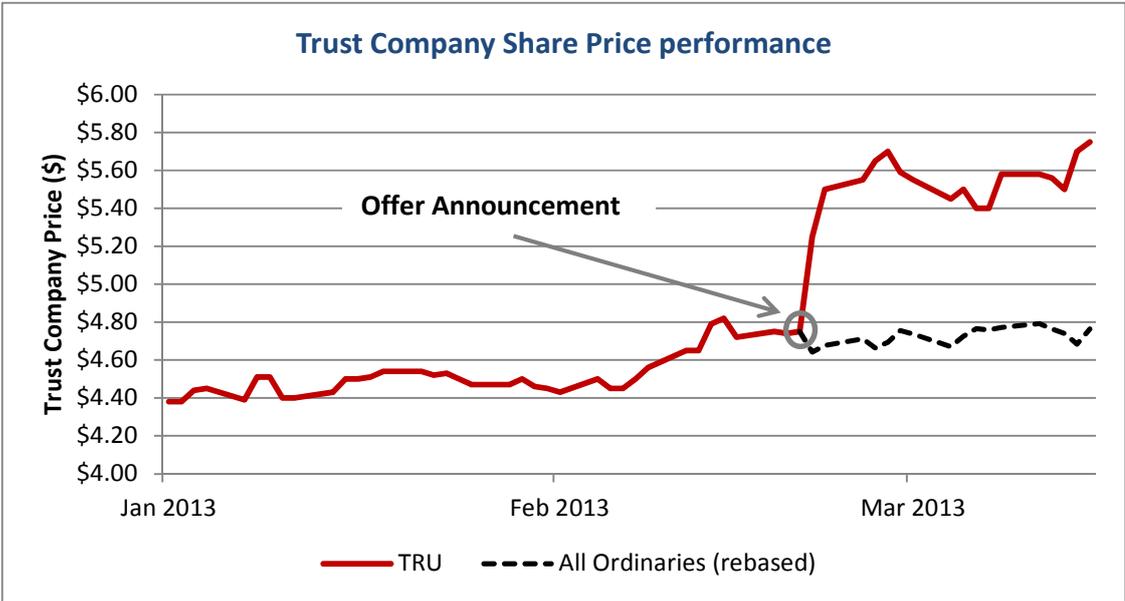
As at the date of this Bidder’s Statement, no other party has announced an offer for Trust Company.

The market has responded positively to the announcement of the Offer, with the share prices of Equity Trustees and Trust Company increasing.

- Equity Trustees Share price increased 10% to \$17.60 per share (from \$16.00 per share)
- Trust Company Share price increased 21% to \$5.75 per share (from \$4.75 per share)

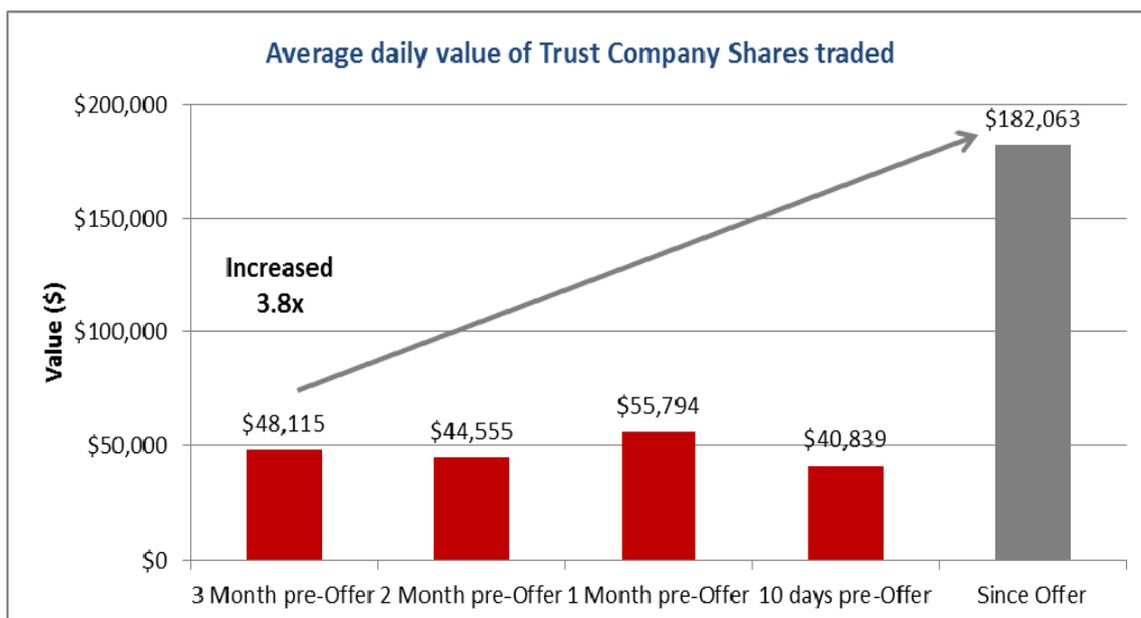
This positive performance of both the target and bidder share prices post-announcement serves to reinforce the merits of combining Equity Trustees and Trust Company. As shown in the diagram below, since Equity Trustees announced the Offer on 21 February 2013, the price of Trust Company Shares has increased 21%.²⁹ In contrast, the All Ordinaries has increased by 0.3% over the same period. Since 21 February 2013, the exchange ratio implied by the daily closing prices of Equity Trustees Shares and Trust Company Shares ranges between approximately 0.30 to 0.33 per Equity Trustees Share for each Trust Company Share. Equity Trustees believes that this trading range and the recent appreciation in both companies' share prices is a tacit endorsement of the Offer to combine Equity Trustees and Trust Company.

If the Offer does not proceed, there is a risk that Trust Company’s share price will fall back to pre-Offer levels.



Source: IRESS

²⁹ Based on the period between 20 February 2013 (day prior to the announcement of the Offer) and 15 March 2013 (the last trading day prior to the date of this Bidder's Statement).



Source: IRESS

Since the Announcement Date, the liquidity of Trust Company Shares has increased by 3.8 times, relative to the average daily trading value for the 3 months prior to the Announcement Date, as outlined in the diagram above.³⁰

If the Offer does not proceed, the increased liquidity of Trust Company Shares associated with the Offer is likely to be reduced.

³⁰ To the period ending 15 March 2013.

2. Profile of Equity Trustees and the Equity Trustees Group

2.1 Overview of Equity Trustees

Equity Trustees was established as a trustee and executor service provider by a special act of the Victorian Parliament in 1888.

Today, Equity Trustees is a financial services company publicly listed on ASX offering a comprehensive range of financial products and services for personal and corporate clients, aimed at growing, managing and protecting wealth.

Equity Trustees provides specialist services including responsible entity services for external fund managers, distribution of managed funds and private wealth services comprising estate management services, trustee services, legal, financial and taxation advice, personal investment advice, superannuation and aged care financial planning advice, placement advice and training services.

Equity Trustees also assists not-for-profit and charitable organisations with their services and financial product needs and offers philanthropy advice to families and individuals seeking to establish charitable trusts.

Equity Trustees earns a major portion of its revenue from fees on Funds Under Management, Administration or Advice. These fees fluctuate in line with volatility in the investment markets.

2.2 Key Business Units

Equity Trustee's strategic platform and revenue generation is based on two core business units. Key activities and performance statistics are summarised below.

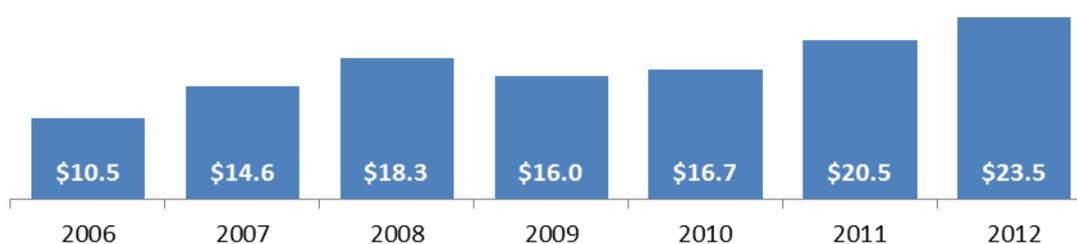
(a) Private Wealth Services

Private Wealth Services (**PWS**) was formally created in August 2012 to integrate and consolidate the following existing operating units:

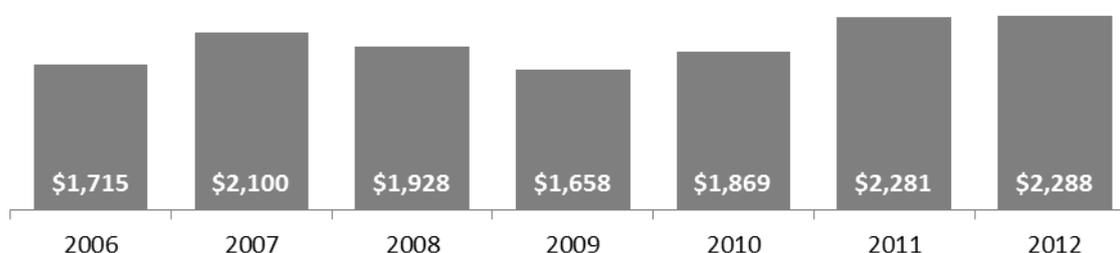
- **Personal Estate & Trusts** – estate planning, trustee, executor, taxation, and philanthropic services;
- **Wealth Management** – personalised portfolio management and support services;
- **Asset Management** – overseeing the investment process for internal and external clients and managing internal funds;
- **Aged Care Services** – provision of financial planning advice, placement advice and training services specialising in the aged care sector; and
- **Portfolio Services** – employer services, personal superannuation, and managed accounts, in the superannuation sector.

PWS performance (for the years ended 30 June)

Operating revenue (\$m)



Assets under management, administration and advice (\$m)



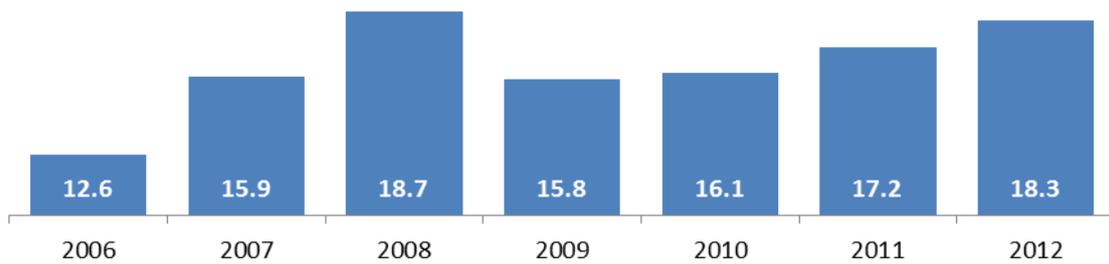
(b) Corporate Fiduciary & Financial Services

The Corporate Fiduciary & Financial Services (**CFFS**) unit comprises:

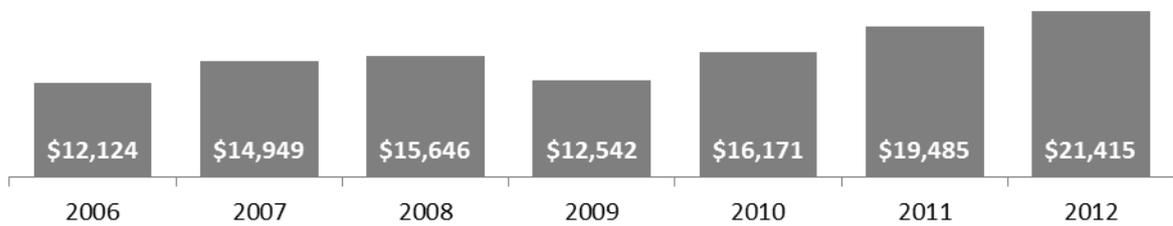
- **Corporate Fiduciary Services** – Responsible Entity (trustee) services for managed funds on behalf of local and international fund managers and sponsors.
- **Financial Services (Funds Distribution)** – Management and coordination of distribution and marketing for the co-branded wholesale and retail funds to the IDPS and advisor market. Equity Trustees also provides fund administration services for a number of corporate clients. Through partnership with investment managers, Equity Trustees distributes managed fund investments in:
 - Fixed interest;
 - Specialist Australian equities and Australian REITs;
 - International equities; and
 - Core Australian equities.

CFFS performance (for the years ended 30 June)

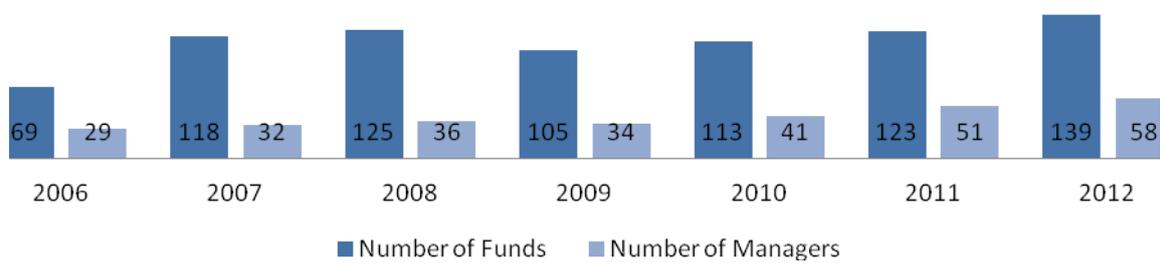
Operating revenue (\$m)



Funds under management (\$m)



Responsible Entity business



2.3 Equity Trustees Directors

The present directors of Equity Trustees and a brief description of their qualification, experience and other directorships are set out below:

Name	Position	Date appointed	Description
Mr JA (Tony) Killen OAM	Chairman	Chairman – August 2007 Director – September 2002	Mr Killen is Chairman of listed company Templeton Global Growth Fund Ltd and CCI Asset Management Ltd. He is a non-executive director of Catholic Church Insurance Ltd and Victoria Golf Club Limited. In 2010, Mr Killen was awarded the Medal of the Order of Australia. Mr Killen is a former Group Managing Director and Chief Executive Officer of AXA Asia Pacific Holdings Ltd, having had a 36 year career with the National Mutual/AXA group. Mr Killen was also Chairman of Australia's largest not-for-profit health services provider, Sisters of Charity Health Service Ltd. Mr Killen was also a non-executive director of listed company IRESS Market Technology Ltd.
Mr David F Groves	Deputy Chairman	Deputy Chairman – December 2007 Director – November 2000	Mr Groves is a director of Pipers Brook Vineyard Pty Ltd, BCD Resources Ltd and Kambala, a leading girls' school in Sydney. Mr Groves is also an executive director of a number of private companies. Mr Groves is a former director of Tassal Group Limited, GrainCorp Limited, Mason Stewart Publishing, and Camelot Resources NL, and a former executive with Macquarie Bank Limited and its antecedent, Hill Samuel Australia.
Mr Robin B O Burns	Managing Director and Chief Executive Officer	March 2010	Mr Burns was appointed Managing Director and Chief Executive Officer of Equity Trustees on 1 March 2010. Before joining Equity Trustees Mr Burns was, from 2002, Chief Executive Officer of Equipsuper Pty Ltd, the trustee company for Equipsuper, a multi-employer superannuation fund. Mr Burns is a non-executive director of the Financial Services Council. Mr Burns previously worked for AXA Asia Pacific, where he held the positions of General Manager, Corporate Affairs and Chief Executive, Risk and for the stockbroking firm Prudential-Bache Securities (Australia), where he was Managing Director, having joined the firm as Chief Financial Officer. Mr Burns has 26 years of experience in the financial services industry. He gained his initial professional qualification as a Chartered Accountant in the UK in 1981.
Ms Alice J M Williams	Director	September 2007	Ms Williams has over 25 years' senior management and Board level experience in the corporate and Government sectors specialising in investment management, corporate advisory and equity fundraising.

Name	Position	Date appointed	Description
			Other non-executive directorships include; Djerriwarrh Investments Ltd, Defence Health, Guild Group Holdings Limited and Victorian Funds Management Corporation. Ms Williams is also a council member at the Cancer Council of Victoria. Ms Williams was formerly a director of State Trustees, NM Rothschild and Sons (Australia) Limited, Director of Strategy and Planning for Ansett Australia Holdings Limited and a Vice President at JP Morgan Australia.
The Hon Jeffrey G Kennett AC	Director	September 2008	Mr Kennett was an Officer in the Royal Australian Regiment, serving at home and overseas. He was a Member of the Victorian Parliament for 23 years, and was Premier of Victoria from 1992 to 1999. He is currently Chairman of Open Windows Australia Proprietary Limited, CT Management Group Pty Ltd, Amtek Corporation Pty Ltd and beyondblue, the national depression initiative. Mr Kennett is also Chairman of the Board of Management of PFD Food Services Pty Ltd and a Director of Jumbuck Entertainment Limited. Mr Kennett is currently patron of a number of community organisations and was formerly President of the Hawthorn Football Club. In 2005, Mr Kennett was awarded the Companion of the Order of Australia.
Ms Anne M O'Donnell	Director	September 2010	Ms O'Donnell has some 30 years' experience in the finance sector. She is an experienced executive and non-executive director in the listed, not-for-profit, and mutual sectors. Ms O'Donnell is the former Managing Director of Australian Ethical Investment Ltd., and was formerly a director of the Financial Services Council, The Centre for Australian Ethical Research Pty Ltd, the ANZ Staff Superannuation Fund and The Grain Growers Association Ltd. Current directorships include: Australian Institute of Company Directors, Community CPS Australia Ltd, Eastwoods Pty Ltd and The Winston Churchill Memorial Trust. Ms O'Donnell is also an external member of the UBS Global Asset Management (Australia) Ltd Compliance Committee and a member of IP Australia Audit and Evaluation Committee.
Mr Kevin J Eley	Director	November 2011	Mr Eley is a Chartered Accountant and a Fellow of the Financial Services Institute of Australia. Mr Eley has over 30 years' experience in management, financing and investment and has worked for a major international accounting firm, two investment banks and was CEO of HGL Limited and remains as a non-executive director.

Name	Position	Date appointed	Description
			Other public company directorships were Desane Group Holdings Limited, Solander Holdings Limited, Leuteneger Limited, Laubman and Pank Limited and Sabre Group Limited. Other current non-executive directorships include: Kresta Holdings Limited, Milton Corporation Limited and PO Valley Energy Limited.

2.4 Executive management

The senior executive management team of Equity Trustees currently comprises:

Name	Position	Years at EQT	Years in Finance
Terry Ryan	CFO and Company Secretary	10	23
Harvey Kalman	Head of Corporate Fiduciary & Financial Services	13	23
Geoff Rimmer	Head of Private Wealth Services	1	28
Rob Jenkins	General Manager, Human Resources	7	39
Phil Maddox	General Manager, Legal, Risk Management & Compliance	12	23
Ryan Bessemer	General Manager, Operations & Technology	2	12

2.5 Historical financial information

The historical financial information below relates to Equity Trustees and does not reflect any impacts of the Offer. It is a summary only and the full financial statements for Equity Trustees for the financial periods described below, which include the notes to the accounts, can be found in Equity Trustees' annual reports for those periods. Copies of those annual reports are available at www.eqt.com.au.

(a) Consolidated statement of financial position

The summarised historical consolidated statement of financial position of Equity Trustees set out below have been extracted from the audited financial statements for the financial periods ending 30 June 2010, 30 June 2011 and 30 June 2012 (being the last audited financial statements prior to the date of this Bidder's Statement).

A full copy of the 2012 audited financial statements was released to ASX on 30 August 2012 and is available on Equity Trustees' website at www.eqt.com.au.

	30 June-12 (\$)	30 June-11 (\$)	30 June-10 (\$)
Current assets			
Cash and cash equivalents	9,898,656	6,252,593	4,975,762
Trade and other receivables	4,870,866	3,915,944	3,788,522
Other	2,720,388	2,753,751	6,778,562
Total current assets	17,489,910	12,922,288	15,542,846
Non-current assets			
Trade and other receivables	108,186	108,186	132,167
Other financial assets	2,855,198	4,870,526	10,118,786
Property, plant and equipment	909,983	985,322	1,091,274
Intangible assets	33,063,017	33,133,855	22,305,570
Deferred tax assets	1,623,706	1,584,613	1,221,239
Goodwill	9,432,878	8,272,592	8,230,331
Total non-current assets	47,992,968	48,955,094	43,099,367
Total assets	65,482,878	61,877,382	58,642,213
Current liabilities			
Trade and other payables	622,284	359,729	518,497
Provisions	2,742,754	2,696,085	1,553,753
Other current liabilities	96,957	49,781	37,914
Current tax payable	540,331	1,312,219	857,736
Total current liabilities	4,002,326	4,417,814	2,967,900
Non-current liabilities			
Provisions	1,383,953	1,091,757	1,126,982
Other non-current liabilities	434,401	380,665	91,152
Deferred tax liabilities - investment revaluation	185,796	553,514	519,940
Total non-current liabilities	2,004,150	2,025,936	1,738,074
Total liabilities	6,006,476	6,443,750	4,705,974
Net assets	59,476,402	55,433,632	53,936,239
Equity			
Issued capital	47,481,389	43,489,257	40,955,514
Investment revaluation reserve	424,466	1,354,263	1,270,071
Other reserves	846,017	515,502	573,593
Retained earnings	10,728,240	10,074,585	11,137,061
Equity attributable to owners of the Company	59,480,112	55,433,607	53,936,239
Non-controlling interests	-3,710	25	0
Total equity	59,476,402	55,433,632	53,936,239

(b) Consolidated statement of financial position – half year

The summarised historical condensed consolidated statement of financial position of Equity Trustees set out below have been extracted from the reviewed financial statements for the six months ending 31 December 2010, 31 December 2011 and 31 December 2012 (being the last financial statements released prior to the date of this Bidder's Statement).

A full copy of the financial statements in respect of the six months ended 31 December 2012 was released to ASX on 27 February 2013, and is available at Equity Trustees' website at www.eqt.com.au.

					31 Dec-12 (\$)	31 Dec-11 (\$)	31 Dec-10 (\$)
Current assets							
Cash and cash equivalents					7,837,772	4,510,934	3,025,489
Trade and other receivables					5,296,087	4,239,348	4,467,883
Other					3,501,475	2,472,334	2,746,553
Total current assets					16,635,334	11,222,616	10,239,925
Non-current assets							
Trade and other receivables					108,186	516,759	132,167
Other financial assets					3,776,880	3,213,172	6,231,356
Property, plant and equipment					1,023,899	998,728	1,025,810
Intangible assets					33,233,947	33,251,208	32,928,115
Deferred tax assets					1,516,045	1,437,600	1,449,592
Goodwill					9,432,878	9,432,879	8,272,592
Total non-current assets					49,091,835	48,850,346	50,039,632
Total assets					65,727,169	60,072,962	60,279,557
Current liabilities							
Trade and other payables					474,298	504,092	663,589
Provisions					2,159,202	1,608,860	1,754,228
Other current liabilities					71,241	88,978	200,367
Current tax payable					302,550	399,098	1,126,647
Total current liabilities					3,007,291	2,601,028	3,744,831
Non-current liabilities							
Provisions					1,360,581	1,564,416	1,188,298
Other non-current liabilities					377,343	491,459	357,757
Deferred tax liabilities - investment revaluation					185,282	277,574	667,311
Total non-current liabilities					1,923,206	2,333,449	2,213,366
Total liabilities					4,930,497	4,934,477	5,958,197
Net assets					60,796,672	55,138,485	54,321,360
Equity							
Issued capital					48,281,812	44,078,205	42,353,907
Investment revaluation reserve					419,710	641,682	1,610,585
Other reserves					977,517	755,420	562,829
Retained earnings					11,116,597	9,664,937	9,794,039
Equity attributable to owners of the Company					60,795,636	55,140,244	54,321,360
Non-controlling interests					1,036	(1,759)	
Total equity					60,796,672	55,138,485	54,321,360

(c) Consolidated statement of profit and loss

The summarised historical income statements of Equity Trustees set out below have been extracted from the audited financial statements for the financial periods ended

30 June 2010, 30 June 2011 and 30 June 2012 (being the last audited financial statements prior to the date of this Bidder's Statement).

A full copy of the 2012 audited financial statements was released to ASX on 30 August 2012 and is available on Equity Trustees' website at www.eqt.com.au.

					30 June-12 (\$)	30 June-11 (\$)	30 June-10 (\$)
Revenue					42,608,751	38,558,142	33,608,383
Other revenue					1,037,990	1,306,406	1,668,735
Total revenue					43,646,741	39,864,548	35,277,118
Employee benefits expenses					22,499,151	18,826,516	16,010,971
Other employment and consulting expenses					1,333,411	1,595,474	1,045,797
Audit and tax advice expenses					337,139	481,106	351,696
Depreciation and amortisation expenses					1,139,720	912,781	914,236
Management rights amortisation expenses					235,307	197,271	197,271
Insurance expenses					542,491	528,996	486,613
Financial, legal and regulatory expenses					419,983	403,041	114,512
Marketing expenses					1,261,282	1,089,854	831,884
Information technology expenses					1,532,490	1,360,443	1,262,468
Occupancy expenses					1,397,991	1,414,878	1,285,516
Other expenses					1,256,849	1,570,463	1,298,809
Total expenses					31,955,814	28,380,823	23,799,773
Profit before income tax expense					11,690,927	11,483,725	11,477,345
Income tax expense					3,309,814	3,254,913	3,432,121
Profit from continuing operations					8,381,113	8,228,812	8,045,224
Profit for the year					8,381,113	8,228,812	8,045,224

(d) Condensed consolidated statement of profit and loss – half year

The summarised historical income statements of Equity Trustees set out below have been extracted from the reviewed financial statements for the half year financial periods ended 31 December 2010, 31 December 2011 and 31 December 2012 (being the last released financial statements prior to the date of this Bidder's Statement).

A full copy of the financial statements in respect of the six months ended 31 December 2012 was released to ASX on 27 February 2013 and is available on Equity Trustees' website at www.eqt.com.au.

					31 Dec-12 (\$)	31 Dec-11 (\$)	31 Dec-10 (\$)
Revenue					22,222,309	20,524,538	18,234,415
Other revenue					582,614	536,397	715,052
Total revenue					22,804,923	21,060,935	18,949,467
Employee benefits expenses					11,687,424	10,972,839	9,070,881
Other employment and consulting expenses					595,020	796,274	690,944
Audit and tax advice expenses					167,056	176,686	232,645

Depreciation and amortisation expenses		543,606	566,057	381,915
Management rights amortisation expenses		119,383	115,925	98,636
Insurance expenses		272,206	275,020	255,784
Legal, consulting and regulatory expenses		486,714	335,703	294,346
Marketing expenses		604,394	744,370	478,530
Information technology expenses		854,123	742,083	679,164
Occupancy expenses		736,762	693,463	704,179
Other expenses		571,813	277,763	777,615
Total expenses		16,638,501	15,696,183	13,664,639
Profit before income tax expense		6,166,422	5,364,752	5,284,828
Income tax expense		1,758,234	1,492,446	1,583,482
Profit for Half Year from continuing operations		4,408,188	3,872,306	3,701,346
Profit for the Half Year		4,408,188	3,872,306	3,701,346

2.6 Corporate governance

The Equity Trustees Board seeks, where appropriate, to provide accountability levels that meet or exceed the ASX Corporate Governance Council's Principles for Good Corporate Governance and Best Practice Recommendations.

Details of Equity Trustees' corporate governance procedures, policies and practices can be obtained from www.eqt.com.au.

2.7 Dividends

In respect of the six months ended 31 December 2012:

- An interim dividend of 42 cents per share, franked to 100% at the 30% corporate income tax rate, was declared on 27 February 2013. This represents a 5% increase on the prior corresponding period.

In respect of the financial year ended 30 June 2012:

- An interim dividend of 40 cents per share, franked to 100% at the 30% corporate income tax rate, was paid to shareholders on 17 April 2012.
- A final dividend of 45 cents per share, franked to 100% at the 30% corporate income tax rate, was paid to shareholders on 16 October 2012.

2.8 Capital Structure

Assuming 100% of Trust Company Shares are acquired by Equity Trustees under the Offer, the capital structure of Equity Trustees following completion of the Offer will be as follows:

	At 100%
Total Equity Trustees Shares on issue at the last trading date before the date of this Bidder's Statement	8,973,198
Equity Trustees Shares to be cancelled following the Offer	(1,193,942)
New Equity Trustees Shares to be issued to Trust Company Shareholders under the Offer ³¹	11,359,842
Total Equity Trustee Shares on issue following completion of the Offer	19,139,098

Trust Company currently holds 1,193,942 Equity Trustees Shares. Equity Trustees intends to cancel these shares upon completion of the Offer, as set out above. For further information see section 8.14.

Based on publicly available information, Equity Trustees has estimated that Trust Company has 885,315 Trust Company Performance Rights on issue.³² For further information see section 8.3.

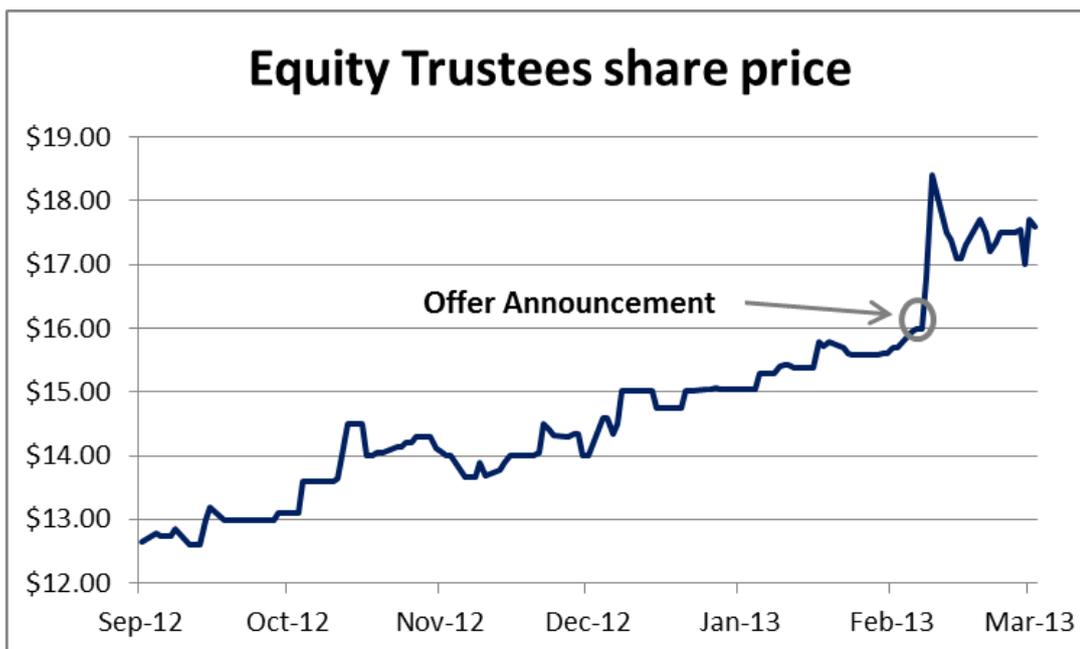
2.9 Recent share prices

Equity Trustees Shares are quoted on ASX under the code EQT. The last recorded sale price of Equity Trustees Shares on ASX as at close of trading on ASX on 15 March 2013, being the last trading day prior to the date of this Bidder's Statement was \$17.60.

The share price performance of Equity Trustees over the last 6 months is contained in the graph below.

³¹ This figure is based on the 0.33x Offer ratio and assumes that 885,315 Trust Company Performance Rights will vest and result in the issue of new Trust Company Shares prior to the end of the Offer Period and that no Trust Company Shares are issued pursuant to the Trust Company Dividend Reinvestment Plan prior to the end of the Offer Period.

³² This figure is Equity Trustees' best estimate of the Trust Company Performance Rights on issue. It is based on the total Trust Company Performance Rights outstanding as set out on page 63 of Trust Company's FY12 Annual Report and the Trust Company Performance Rights assumed to have been granted to John Atkin following the approval of that grant at Trust Company's 2012 Annual General Meeting.



Source: IRESS

Set out below is a table showing relevant trading prices of Equity Trustees Shares on ASX:

Comparative trading period price of Equity Trustees Shares	Price of Equity Trustees Shares A\$
Highest trading price on ASX in the 6 months up to and including 15 March 2013, being the last trading day before this Bidder's Statement was lodged with ASIC (on 22 February 2013)	\$18.40
Lowest trading price on ASX in the 6 months prior to the date this Bidder's Statement was lodged with ASIC (various dates in September 2012, and most recently on 26 September 2012)	\$12.60
Closing trading price on ASX on 20 February 2013, being the last trading day before the Announcement Date	\$16.00
Last available closing price of Equity Trustees Shares traded on ASX on 15 March 2013, being the last trading day before this Bidder's Statement was lodged with ASIC	\$17.60

2.10 Information about Equity Trustees Securities

(a) Equity Trustees Shares

As at the trading day before the date of this Bidder's Statement, Equity Trustees had 8,973,198 Equity Trustees Shares on issue.

(b) Long Term Incentive Plan

Equity Trustees has developed a Long Term Incentive Plan (*LTiP*) to attract, incentivise and retain key employees. A summary of this plan is set out in this section 2.10.

Incentives are offered to executives via the grant of awards under the Executive Performance Share Plan 1999 (*Awards*). The first issue of Awards commenced in 2005/2006 and has continued in each subsequent year.

Awards confer the right to receive Equity Trustees Shares at no cost subject to meeting prescribed performance criteria. For the Managing Director, the performance criteria are based on Total Shareholder Return (**TSR**) and Earnings Per Share (**EPS**). For all other participants, the performance criteria are based on EPS only.

TSR is defined as the increase in share price over the three year measurement period, plus dividends reinvested over the three year period. This is compared to a comparator group derived from the ASX200 Index and a vesting scale applied.

EPS is based on normalised operating profit before tax, which excludes approved non-operating items, such as profits/losses on the sale of investments. The EPS is compared to the base year and a vesting scale applied to calculate earned entitlements.

The term of each Award series is a three year period, with additional performance assessments in the fourth year (if applicable). For Awards aligned to the TSR criterion, if the full Award is not achieved after the initial three year period, a fourth year measurement period is undertaken. There is no fourth year EPS performance assessment, regardless of the outcome after the initial three year period.

LTiP awards may be granted each year to selected executives under the LTiP. Maximum annual share-based awards are capped at up to 60% of total employment cost for each employee.

Awards do not carry any dividend or voting rights or a right to participate in new Equity Trustees Share issues. The participant must be employed within the Group for the duration of the measurement period to exercise any share entitlements.

Shares issued as a result of participation in the LTiP may be subject to disposal restrictions for up to four years after the initial three year measurement period.

As at 15 March 2013, the last trading day before the date of this Bidder's Statement, there were 163,306 Awards on issue.

(c) Dividend Reinvestment Plan

Equity Trustees Limited has in place a Dividend Reinvestment Plan (**DRP**).

Participation by Equity Trustees Shareholders in the DRP is governed by the Dividend Reinvestment Plan Rules dated 19 September 2005.

Participation is optional and is generally open to all holders of Equity Trustees Shares, with the exception of Equity Trustees Shareholders having a registered address or being resident in a jurisdiction other than Australia who may not be able to participate because of legal requirements in the applicable jurisdiction.

For further information and for a copy of the Dividend Reinvestment Plan Rules please see the Equity Trustees website (<http://www.eqt.com.au/>).

(d) Top 20 Equity Trustees Shareholders as at 27 February 2013

	Twenty largest shareholders as at 28 February 2013	Shares	%
1.	The Trust Company Limited	1,193,942	13.31%
2.	Australian Foundation Investment Company Limited	789,267	8.8%
3.	Mirrabooka Investments Limited	382,904	4.27%
4.	National Nominees Limited	298,452	3.33%
5.	Milton Corporation Limited	235,503	2.62%
6.	AMCIL Limited	215,956	2.41%
7.	Superdeck Pty Ltd (as trustee for DKC & E Groves Superannuation Fund) ³³	214,891	2.39%
8.	Equity Nominees Limited	209,542	2.34%
9.	DB Management Pty Ltd ³³	188,369	2.1%
10.	DB Management Pty Ltd (as trustee for DB Superannuation Fund) ³³	171,300	1.91%
11.	Mr Leonard Clive Keyte	108,699	1.21%
12.	HSBC Custody Nominees (Australia) Limited	97,959	1.09%
13.	Charmof Nominees Pty Ltd	75,042	0.84%
14.	Medical Research Foundation for Women and Babies	73,606	0.82%
15.	Mr Vernon Thomas Hauser	70,000	0.78%
16.	Djerriwarrh Investments Limited	65,875	0.73%
17.	Mr James Gordon Maxwell Moffatt	61,977	0.69%
18.	Mr Geoffrey Heeley and Mrs Dorothy Heeley	52,395	0.58%
19.	Kirami Investments Pty Limited	49,801	0.55%
20.	Netwealth Investments Limited	45,919	0.51%

2.11 Further information on Equity Trustees

As a company whose shares are quoted on ASX, Equity Trustees is a disclosing entity (see section 8.5 for further details) and, as such, is subject to regular reporting and disclosure obligations. Copies of all documents lodged with ASIC in relation to Equity Trustees may be obtained for a fee from, or inspected at, an office of ASIC.

Further details in relation to Equity Trustees are contained in the Company's Annual Report for the financial year ended 30 June 2012, as released on ASX on 26 September 2012 and available at www.asx.com.au.

Further information on Equity Trustees can be found at Equity Trustee's website at www.eqt.com.au.

³³ Each of these entities is an associate of Mr David Groves, Non-Executive Deputy Chairman of Equity Trustees.

3. Profile of the Trust Company Group

3.1 Disclaimer

The information in this section 3 concerning Trust Company and the Trust Company Group has been prepared based on a review of publicly available information which has not been independently verified by Equity Trustees. Subject to the Corporations Act, Equity Trustees does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on Trust Company and the Trust Company Group in this Bidder's Statement should not be considered comprehensive. Further information relating to Trust Company's businesses or Trust Company's securities may be included in Trust Company's Target's Statement in relation to the Offer, which will be sent to you by Trust Company.

3.2 Overview of Trust Company

Trust Company is an Australian Trustee company, which was listed on ASX on 3 November 1983. Trust Company is headquartered in Sydney, New South Wales, and has offices across Australia, New Zealand and Singapore. On the last trading day prior to the Announcement Date, Trust Company had an undiluted market capitalisation of approximately \$159m. As at 31 August 2012, Trust Company reported net cash holdings of approximately \$5.4m.

3.3 Overview of Trust Company's activities

Trust Company offers services for individuals, companies and charitable trusts and is a trustee to over \$164 billion in funds under management, advice or supervision. Trust Company is located across Australia, New Zealand and Singapore and provides a range of financial services across personal wealth management, philanthropic and corporate sectors.

Trust Company provides wide-ranging advice and expertise in its Personal Client Services business including Estate Planning and Administration, Lifestyle and Executor Assist, Financial Planning, Personal Trusts, Charitable Trusts, Wealth Management and Health and Personal Injury services.

Trust Company's Corporate Client Services in Australia and Singapore include Responsible Entity, Property and Infrastructure Custody, Superannuation Compliance and Trustee, Structured Finance Trustee and REIT Trustee services.

In New Zealand, Trust Company offers trustee services for Debt Securities, Securitisation, Unit Trusts and KiwiSaver.

3.4 Directors of Trust Company

As at the date of this Bidder's Statement, the directors of Trust Company are as follows. This information is taken from Trust Company's website.

Name	Position	Date appointed
Bruce Corlett AM	Chairman and Non-Executive Director	July 2003
John Atkin	Chief Executive Officer	January 2009 ³⁴
John Macarthur-Stanham	Vice Chairman and Non-Executive Director	October 1991
Roger Davis	Non-Executive Director	June 2006
James King	Non-Executive Director	February 2007
Warren McLeland	Non-Executive Director	May 2005
Josephine Sukkar	Non-Executive Director	March 2010

3.5 Executive management

As at the date of this Bidder's Statement, the executive management team of Trust Company is as follows. This information is taken from Trust Company's corporate website.

Name	Position
Shailendra Singh	Chief Financial Officer
David Grbin	Group Executive General Manager, Corporate Client Services
Cathy Stephenson	Executive General Manager, Group Operations and Information Systems
Ray Gould	Executive General Manager Personal Client Services
Simon Lewis	Head of Philanthropy and Community
Andrea Free	Head of People and Development

3.6 Information about Trust Company securities

According to documents provided by Trust Company to ASX, Trust Company has the securities set out below on issue (as at the trading day before the date of this Bidder's Statement).

- 33,538,449 Trust Company Shares.
- 767,517 long term Trust Company Performance Rights and 117,798 short term Trust Company Performance Rights.³⁵

3.7 Substantial holders of Trust Company Shares

Based on material lodged with ASX as at the last trading day before the date of this Bidder's Statement, each of the following persons had disclosed the following substantial shareholdings in the issued ordinary share capital of Trust Company:

³⁴ By ASX release dated 3 December 2012 Trust Company notified the market that Trust Company Chief Executive Officer John Atkin had decided to resign and leave Trust Company during the first half of 2013.

³⁵ These figures are Equity Trustees' best estimate of the Trust Company Performance Rights on issue. They are based on the total Trust Company Performance Rights outstanding as set out on page 63 of Trust Company's FY12 Annual Report and the Trust Company Performance Rights assumed to have been issued to John Aitkin following the approval of that grant at Trust Company's 2012 Annual General Meeting.

Name	No. of shares	% of total
Milton Corporation Limited	2,940,394	8.8%
Australian Foundation Investment Company Limited	2,286,726	6.8%
The Trust Company Limited	2,052,924	6.1%

3.8 Publicly available information about Trust Company

Trust Company maintains a website, <http://thetrustcompany.com.au> which contains further information about Trust Company and its operations.

Trust Company Shareholders may obtain or inspect a copy of documents lodged with ASIC at an office of ASIC. In addition, on request to Equity Trustees and free of charge, Trust Company Shareholders may obtain a copy of, or inspect, any documents referred to in this Bidder's Statement which have been lodged with ASIC.

Trust Company is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Trust Company is subject to the ASX Listing Rules which require continuous disclosure of any information Trust Company has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Further information about Trust Company will be contained in the Target's Statement.

4. Intentions

4.1 Introduction

This section 4 sets out the rationale for the Offer and Equity Trustees' intentions in relation to:

- the continuation of the business of Trust Company;
- any major changes to the business of Trust Company and any redeployment of the fixed assets of Trust Company; and
- the future employment of the present employees of Trust Company.

These intentions are based on the information concerning Trust Company, its business and the general business environment which is known to Equity Trustees at the time of preparation of this Bidder's Statement, which is limited to publicly available information.

Final decisions regarding these matters will only be made by Equity Trustees in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section 4 are statements of current intention only, which may change as new information becomes available to Equity Trustees or as circumstances change.

Some of the intentions noted in this section 4 anticipate cost and revenue synergies to the Combined Group that are not currently available in isolation to Equity Trustees or Trust Company Shareholders. The extent and timing of these benefits is currently uncertain, and the ability of the Combined Group to capture these synergy benefits will depend on, amongst other things, the results of the operational review referred to in section 4.3(c) below and whether or not the Combined Group is able to acquire 100% of Trust Company.

Combining two substantial, complex businesses, like Equity Trustees and Trust Company, carries significant integration risk. The Combined Group will use tools to mitigate these risks, including an Integration Plan, but not all risks can be eliminated. Integration risk is discussed in further detail in section 7.5(a).

4.2 Rationale for the Offer

The Offer is designed to create a leading Australasian financial services and trust company. The Combined Group would benefit from increased product diversification, geographic diversification, scale and financial strength. Equity Trustees is confident that clients of both Equity Trustees and Trust Company will gain from greater depth of resourcing, improved operational efficiency and access to a broader range of services and products.

4.3 Intentions upon acquisition of 90% or more of the Trust Company Shares

This section 4.3 sets out Equity Trustees' current intentions if Equity Trustees acquires relevant interests in 90% or more of the Trust Company Shares and it is entitled, under the Corporations Act, to proceed to compulsory acquisition of the remaining Trust Company Shares.

(a) Corporate matters

It is intended that Equity Trustees would:

-
- proceed with compulsory acquisition of the outstanding Trust Company Shares in accordance with the provisions of Chapter 6A of the Corporations Act;
 - arrange for Trust Company to be removed from the Official List of ASX; and
 - cancel the 1,193,942 Equity Trustees Shares currently held by Trust Company (for further information see section 8.14).

(b) General Intentions

Except as set out in this section 4, Equity Trustees intends to continue the business of Trust Company in the same manner as it is presently conducted.

The Combined Group will maintain and enhance the existing business of Equity Trustees and Trust Company in order to maximise operating performance and to deliver value for shareholders. This will involve the integration of the existing Equity Trustees and Trust Company businesses and some centralisation and rationalisation of business processes, systems and applications.

Equity Trustees management has significant experience integrating businesses. Utilising this experience and other integration experience available to the Combined Group, Equity Trustees intends that the integration of the Equity Trustees and Trust Company businesses will be conducted within a reasonable timeframe with minimum disruption to clients (including advisers and investors).

Equity Trustees will formulate an Integration Plan designed to identify and co-ordinate the achievement of specific integration objectives and actions required over the short term to merge the businesses of Equity Trustees and Trust Company, including ensuring that the businesses of the Combined Group meet all necessary regulatory and other legal requirements.

A fundamental element of the Integration Plan will be the formulation of business plans for each business unit and the product offering of the Combined Group. These plans are intended to both inform, and be guided by, the strategy being developed for the Combined Group as a whole. The Integration Plan will also seek to identify opportunities to:

- capitalise on revenue growth opportunities, institute profit improvement measures and rationalise duplicated services, products and business functions;
- maximise the utilisation of existing resources and leverage the Combined Group's size in relation to potential purchasing synergies (such as in advertising and marketing);
- capitalise on the Combined Group's increased financial capacity and flexibility to pursue value adding acquisition opportunities; and
- improve efficiency through the implementation of common systems across the businesses of Equity Trustees and Trust Company.

In relation to information technology, Equity Trustees intends that its existing information technology platform and infrastructure will be expanded across the Combined Group, including Trust Company's existing operations to the maximum

extent possible. It is therefore likely that the Systems Upgrade currently contemplated by Trust Company will be discontinued.

(c) General operational review

Equity Trustees' knowledge of the assets and operations of Trust Company is limited to public information.

Accordingly, Equity Trustees intends to conduct a thorough and broad-based general review of Trust Company's corporate structure, assets, businesses, personnel and operations.

This review will commence immediately after the acquisition and be completed as expeditiously as possible. Whilst Equity Trustees does not have any specific intentions in relation to this review or its outcomes, its current expectation is that the review will focus on identifying opportunities in relation to:

- combining and utilising of Equity Trustees' and Trust Company's intellectual property, client segment value propositions and implementation infrastructure;
- integration of management operating systems and platforms, administrative procedures, systems and reporting lines. The aim is to bring these into line with best practices and to optimise operating costs;
- potential cost synergies, including overhead costs, compliance costs, insurances, professional advisory fees and other synergistic operational costs;
- current financing arrangements and future funding requirements to determine the optimal capital structure;
- external commercial relationships with service providers; and
- readiness for financial services industry reform and regulatory changes, and potentially taking part in industry consolidation by way of mergers and acquisitions.

This review will apply quantitative and qualitative factors to measure performance and areas for improvement. Following this review, the intentions described in this section 4 may be confirmed, developed or reconsidered. Accordingly, the specific intentions that have been formed are conditional upon the outcome of more complete investigations to be undertaken after Equity Trustees acquires all of the Trust Company Shares.

(d) Corporate Head Office

The head offices of Equity Trustees and Trust Company will be combined with a view to removing duplicated activities and costs and extracting synergies.

(e) Impact on employees

Equity Trustees intends to conduct a review of the employment requirements of the Combined Group as part of determining its proposed operating model. This will be done with input from management of both Equity Trustees and Trust Company. The Combined Group is expected to provide advancement opportunities for a number of people and it is intended that the Combined Group will place an emphasis on the

ongoing improvement of the managerial and business skills and competencies of key staff of both businesses.

However, Equity Trustees expects that as a result of combining the businesses of Equity Trustees and Trust Company and the implementation of the intentions set out in this section 4, there will be duplication across a number of areas of the business, including employee roles. To create value for shareholders in the Combined Group, Equity Trustees intends to remove these duplications with the aim of delivering the expected synergy benefits associated with the Offer.

Equity Trustees will manage the removal of duplicated roles or functions through re-assignment or natural turnover where possible. In instances where existing roles are declared vacant or new roles are created, the Combined Group will use a merit based selection process to fill the roles.

Where redundancies do occur across the Combined Group, severance and redundancy terms of all relevant employment contracts and industrial agreements or awards will be recognised and complied with by the Combined Group.

Commitment to employees will remain a high priority for Equity Trustees and further details of the integration process will be shared with employees as they become available.

(f) Benefits for employees

One of the Combined Group's objectives will be to provide an attractive and rewarding place to work and to maintain a high level of employee engagement and commitment. The Combined Group will also have in place strategies to encourage the retention of staff with key skills, knowledge and experience.

The Combined Group, by virtue of its scale and breadth, will be able to provide expanded career and development opportunities for both Equity Trustees and Trust Company employees.

(g) Board matters

Subject to the Corporations Act and Trust Company's constitution, Equity Trustees will seek to reconstitute the Trust Company Board with nominees of Equity Trustees. Equity Trustees has not made any decision as to who would be nominated for appointment to the Trust Company Board.

Equity Trustees will invite up to two members of the Trust Company Board to join the Board of the Combined Group. Those nominees have not yet been identified by Equity Trustees. Final decisions on the selection of Trust Company Directors to join the Combined Group Board will be made in light of the circumstances at the relevant time.

4.4 Intentions upon acquisition of less than 90% of the Trust Company Shares

The Offer includes a 90% minimum acceptance condition (see section 9.8(a)). While Equity Trustees has no present intention to waive that condition, it reserves its right to declare the Offer free of that condition (or any other Defeating Condition of the Offer).

This section 4.4 sets out Equity Trustees' intentions if Equity Trustees gains effective control of Trust Company without becoming entitled to compulsorily acquire the outstanding Trust Company Shares.

In those circumstances, Equity Trustees' current intentions are as follows.

(a) Corporate matters

It is intended that Equity Trustees would:

- subject to the Corporations Act and Trust Company's constitution, seek to add to, or replace, a proportion of the members of the Trust Company Board with nominees of Equity Trustees, with minority shareholders represented by at least one independent director. Equity Trustees has not made any decision as to who would be nominated for appointment to the Trust Company Board in this case; and
- review the benefits of and suitability of Trust Company remaining listed on ASX. Having regard to the corporate and compliance costs and subject to ASX Listing Rules, Equity Trustees may seek to remove Trust Company from the official list of ASX.

(b) General Intentions and operational review

Equity Trustees intends that the Trust Company business will continue substantially in its current form.

Equity Trustees would seek to implement the intentions set out in section 4.3 but only to the extent possible. Equity Trustees would not expect to be in a position to be able to give effect to all or a substantial number of the intentions set out in section 4.3.

Equity Trustees, through its nominees on the Trust Company Board, is likely to propose that Trust Company implement a general operational review of the nature referred to in section 4.3(c) (including consideration of the discontinuation of the Systems Upgrade currently being pursued by Trust Company) with the aim of pursuing, to the maximum extent possible and appropriate, the types of opportunities which might have been available to Equity Trustees if Equity Trustees had acquired 100% of Trust Company, including those listed in section 4.3(b).

However, there is no assurance that those opportunities will be available, or would deliver the same benefits for remaining Trust Company Shareholders, if Trust Company is not 100% owned by Equity Trustees.

(c) Head office and head office employees

Equity Trustees would, through its nominees to the Trust Company Board, propose that the consideration of possible head office cost reductions be included in a general operational review.

(d) Further acquisition of Trust Company Shares

Equity Trustees may, at some later time, acquire further Trust Company Shares in a manner consistent with the Corporations Act.

(e) Compulsory acquisition at a later time

If Equity Trustees becomes entitled at some later time to exercise general compulsory acquisition rights under the Corporations Act, it may exercise those rights.

(f) Trust Company Dividends

The payment of dividends by Trust Company will be at the discretion of the Trust Company Board.

Equity Trustees, through its nominees on the Trust Company Board, would seek to conduct a review of the dividend policy of Trust Company. This could result in a decision to lower Trust Company's dividend payout ratio.

(g) Trust Company's holding in Equity Trustees

Equity Trustees, through its nominees to the Trust Company Board, would investigate the most appropriate method for Trust Company to divest its Equity Trustees Shares within the 12 month period specified in section 259D of the Corporations Act.

4.5 Other intentions

Other than as set out in this section 4, it is the present intention of Equity Trustees to procure that Trust Company will:

- generally continue the business of Trust Company;
- not make any major changes to the business of Trust Company nor redeploy any of the fixed assets of Trust Company; and
- continue the employment of Trust Company's present employees.

4.6 Limitations on intentions

The intentions and statements of future conduct set out in this section 4 must be read as being subject to:

- the law (including the Corporations Act) and the ASX Listing Rules, including in particular the requirements of the Corporations Act and the ASX Listing Rules in relation to conflicts of interest and 'related party' transactions given that, if Equity Trustees obtains control of Trust Company but does not acquire all of the Trust Company Shares, it and Equity Trustees will be treated as related parties of Trust Company for these purposes;
- the legal obligation of the Trust Company Directors at the time, including any nominees of Equity Trustees or Equity Trustees, to act in good faith in the best interests of Trust Company and for proper purposes and to have regard to the interests of all Trust Company Shareholders; and
- the outcome of the reviews referred to in sections 4.3(c) and 4.4(b).

5. Profile of the Combined Group

5.1 Overview of the Combined Group

The Combined Group will provide shareholders with a larger, stronger and more diversified company. The Combined Group will be an Australasian private and corporate trustee services provider with potential for significant growth resulting in economic benefits which may not be available to either Equity Trustees or Trust Company individually.

5.2 Capital structure of the Combined Group

The actual number of Equity Trustees Shares on issue at completion of the Offer will depend on the number of acceptances of the Offer during the Offer Period. It will also depend on the number of Trust Company Performance Rights that vest and entitle the holders to be issued with Equity Trustees Shares (refer to section 8.3 for further details).

Assuming that Equity Trustees acquires 100% of all of the Trust Company Shares on issue, Equity Trustees expects that the Combined Group will have a total of 19,139,098 shares on issue.³⁶ In this scenario, Trust Company Shareholders will hold approximately 59% and Equity Trustees Shareholders would hold approximately 41% of the Combined Group.

5.3 Pro-forma historical financial information of the Combined Group

This section 5 contains pro-forma financial information for the Combined Group, reflecting the aggregation of the financial performance and financial position of Equity Trustees and Trust Company.

This section 5 includes historical financial information in relation to Equity Trustees and Trust Company. Equity Trustees financial year end is 30 June and Trust Company's financial year end is 28 February. Due to the difference in year ends, the pro-forma historical financial information is based on the latest available published information for Equity Trustees and Trust Company as outlined below.

The pro-forma historical financial information has been prepared in order to give Trust Company Shareholders an indication of the scale and size of the Combined Group and the hypothetical impact of Equity Trustees acquiring Trust Company. It does not necessarily illustrate the financial position that would have been obtained or the financial performance which would have occurred had the acquisition of Trust Company by Equity Trustees occurred on or before 31 December 2012.

The Combined Group's pro-forma historical financial information is based on the latest available published information for Equity Trustees and Trust Company, which comprises the following:

³⁶ This figure is based on the 0.33x Offer ratio, current shares outstanding in Equity Trustees, all Trust Company Performance Rights vesting and being exercised into Trust Company Shares prior to the end of the Offer Period, the cancellation of the approximately 1.2 million shares Trust Company currently holds in Equity Trustees and no Trust Company Shares being issued pursuant to the Trust Company Dividend Reinvestment Plan prior to the end of the Offer Period. Please see section 8.3 for information regarding Equity Trustees' estimation of the number of Trust Company Performance Rights outstanding.

-
- the reviewed interim consolidated financial statements of Equity Trustees as at and for the six months ended 31 December 2012 and 31 December 2011;
 - audited consolidated financial statements of Equity Trustees as at and for the year ended 30 June 2012;
 - reviewed interim consolidated financial statements of Trust Company as at and for the six months ended 31 August 2012 and 31 August 2011;
 - audited consolidated financial statements of Trust Company as at and for the year ended 28 February 2012; and
 - such other supplementary information as was considered necessary to reflect the proposed acquisition of Trust Company in the pro-forma historical financial information.

Apart from the adjustments outlined in the notes to the pro-forma unaudited consolidated statement of financial position and statement of profit and loss and other comprehensive income, no adjustments have been made to the historical financial information of Equity Trustees and Trust Company outlined above. In particular, no adjustments have been made to allow for the differences in financial year end or to allow for subsequent events.

5.4 Basis of preparation of the pro-forma financial information

The financial information is presented in summary form and does not comply with all the presentation and disclosure requirements of Australian Accounting Standards applicable to annual reports prepared in accordance with the Corporations Act.

Apart from the adjustments outlined in the notes, the Combined Group's pro-forma financial information is based on published financial reports including the latest reviewed financial statements as at and for the six months ended 31 December 2012 (Equity Trustees) and 31 August 2012 (Trust Company) and the latest audited financial statements as at and for the year ended 30 June 2012 (Equity Trustees) and 28 February 2012 (Trust Company), which are required to be prepared in accordance with AIFRS. Therefore, to the extent that historical financial information from the above financial reports is included in the Combined Group's pro-forma financial information, it is assumed that information is in accordance with the measurement and recognition requirements of AIFRS.

Further information regarding the accounting policies and compliance of the relevant Equity Trustees and Trust Company financial reports with the measurement and recognition requirements of AIFRS can be obtained by reviewing the latest audited financial statements in detail.

The Combined Group's pro-forma historical financial information has been prepared in accordance with the assumptions set out below.

- All financial information is presented as consolidated financial information.
- Under Accounting Standard AASB 3 Business Combinations, the acquirer is identified as the entity that obtains control of the other entity or business. It is assumed that Equity Trustees will be the acquirer for the purpose of preparing the Combined Group's pro-forma financial information.

-
- The excess of the consideration provided in exchange for the fair value of the identifiable tangible assets, liabilities and contingent liabilities of Trust Company is assumed to be goodwill for the purpose of preparing the Combined Group's pro-forma financial Information.
 - No adjustments have been made to ascertain the fair values of Trust Company's identifiable assets, liabilities and contingent liabilities or the intangible assets that might be recognised on acquisition, as this will not be possible until after completion of the Offer. Therefore, it is possible that separately identifiable intangibles may be subsequently identified.
 - For any separately identifiable intangibles that are considered to have finite lives, net profit after tax will decrease as a result of the requirements to amortise these intangibles over their estimated useful lives.
 - All amounts disclosed in the tables are presented in Australian dollars and unless otherwise noted are rounded to the nearest thousand dollars.

The financial information should be read in conjunction with:

- The risk factors described in section 7.
- The notes regarding the adjustments incorporated into the Combined Group's pro-forma unaudited consolidated statement of financial position and statement of profit and loss and other comprehensive income.
- Other information contained in this section 5 and the Bidder's Statement.

5.5 Pro-forma unaudited consolidated statement of profit or loss and other comprehensive income

\$'000	Trust Company unaudited (31 Aug 12)	Equity Trustees unaudited (31 Dec 12)	Acquisition Adjustments	Synergy Adjustments	Combined Group pro-forma unaudited
Revenue from continuing operations					
Revenue/Fees	84,689	44,307	-	-	128,996
Other revenue	1,736	1,084	(1,075)	-	1,745
Total revenue	86,425	45,391	(1,075)	-	130,741
Total expenses	71,747	32,898	-	(8,000)	96,645
Net profit before income tax expense	14,678	12,493	(1,075)	8,000	34,096
Income tax expense	(4,409)	(3,576)	-	(2,400)	(10,385)
Reported net profit after income tax	10,269	8,917	(1,075)	5,600	23,711
Other comprehensive income					
Financial assets at fair value gain/(loss) – net of tax	(297)	(222)	297	-	(222)
Total comprehensive income for the year	9,972	8,695	(778)	5,600	23,489

\$'000	Trust Company unaudited (31 Aug 12)	Equity Trustees unaudited (31 Dec 12)	Acquisition Adjustments	Synergy Adjustments	Combined Group pro-forma unaudited
Profit Margin³⁷	17.0%	27.5%			26.1%

Earnings Per Share (EPS):					
Shares on issue ('000)	33,538	8,973			19,139
EPS (\$)	0.31	0.99			1.24
Restated TRU EPS using the 0.33 Offer ratio	0.94				
Combined Group EPS	1.24	1.24			
EPS gain	0.30	0.25			
Percentage Increase in EPS	31.9%	25.3%			

Notes regarding adjustments to Pro forma unaudited consolidated statement of profit or loss and other comprehensive income

The following adjustments and assumptions have been made in the preparation of the pro-forma unaudited consolidated statement of profit or loss and other comprehensive income of the Combined Group.

- Elimination of the fully franked dividends received by Trust Company from Equity Trustees during the year ended 31 August 2012. Trust Company received fully franked dividends of \$596,971 (final 2011 dividends) and \$477,577 (interim 2012 dividends).
- Cost synergies of \$8m (pre-tax) are assumed to be achieved by the combination of Equity Trustees and Trust Company in the Combined Group. Cost synergies are assumed to be fully tax deductible. There is no allowance made in the Combined Group pro-forma totals for costs associated with the Offer or integration or systems transition costs, and the costs of achieving synergies, which will be incurred in the first financial periods following the acquisition. More information on the estimated cost synergies that have been identified by Equity Trustees' management is contained in section 1.6. There are a number of risks that could reduce the level of cost synergies achieved. These risks are referred to in section 1.6 and detailed in section 7. The information included in this section 5.5 is pro-forma only. It is not, and does not purport to be, a forecast of the likely earnings of the Combined Group in any period and the cost synergies assumption is not a forecast of the likely cost synergy benefits that will be achieved in any period.

³⁷ Calculated using Trust Company's and Equity Trustees' unaudited "Reported net profit before income tax" as presented as a percentage of total revenue. Combined Group EPS calculated using pro-forma unaudited "Reported net profit before income tax" as presented as a percentage of total revenue.

-
- Elimination of unrealised movement in fair value of Trust Company's shareholding in Equity Trustees. As disclosed in Trust Company's financial report for the year ended 28 February 2012, the movement in fair value of financial assets solely relates to the holding in Equity Trustees. It is assumed that the movement in the half year to 31 August 2012 also solely relates to the movement in fair value of Trust Company's holding in Equity Trustees.
 - The total comprehensive income for Equity Trustees attributable to minority interests is immaterial and is not disclosed above.

5.6 Pro-forma unaudited consolidated statement of financial position

\$'000	Trust Company unaudited (31 Aug 12)	Equity Trustees unaudited (31 Dec 12)	Acquisition Adjustments	Elimination Adjustments	Combined Group pro-forma unaudited
Current assets					
Cash and cash equivalents	15,329	7,838		-	23,167
Trade and other receivables	19,852	5,296		-	25,148
Assets classified as held for sale	2,766	-		-	2,766
Other	-	3,501		-	3,501
Total current assets	37,947	16,635		-	54,582
Non-current assets					
Trade and other receivables	520	108		-	628
Other financial assets	14,626	3,777	(14,626)	-	3,777
Indemnities receivable	4,522	-		-	4,522
Property, plant and equipment	12,194	1,024		-	13,218
Intangible assets (incl. Management Right)	9,104	33,234		-	42,338
Deferred tax assets	3,445	1,516		-	4,961
Goodwill	58,997	9,433		66,649	135,079
Investment in TRU	-	-	181,757	(181,757)	-
Total non-current assets	103,408	49,092	167,131	(115,108)	204,523
Total assets	141,355	65,727	167,131	(115,108)	259,105
Current liabilities					
Trade and other payables	4,600	474		-	5,074
Provisions	4,709	2,159		-	6,868
Other current liabilities	-	71		-	71
Current tax payable	126	303		-	429
Total current liabilities	9,435	3,007		-	12,442
Non-current liabilities					
Borrowings	9,917	-		-	9,917
Provisions	2,373	1,361		-	3,734
Other non-current liabilities	4,522	377		-	4,899

Deferred tax liabilities - investment revaluation	-	185		-	185
Total non-current liabilities	16,812	1,923		-	18,735
Total liabilities	26,247	4,930		-	31,177
Net assets	115,108	60,797	167,131	(115,108)	227,928
Equity					
Issued capital	108,779	48,282	167,131	(108,779)	215,413
Investment revaluation reserve	(5,215)	420		5,215	420
Asset Revaluation	655	-		(655)	-
Other reserves	1,689	978		(1,689)	978
Foreign currency translation reserve	1,031	-		(1,031)	-
Retained earning	8,169	11,117		(8,169)	11,117
Equity attributable to owners of the Company	115,108	60,796	167,131	(115,108)	227,927
Non-controlling interests	-	1		-	1
Total equity	115,108	60,797	167,131	(115,108)	227,928

Notes regarding adjustments to Pro forma unaudited consolidated statement of financial position

The following adjustments and assumptions have been made in the preparation of the pro-forma unaudited consolidated financial position of the Combined Group.

- Trust Company's investment in Equity Trustees has been fully eliminated on consolidation. This investment consisted of 1,193,942 Equity Trustees shares at fair value of \$12.25 at 31 August 2012 included under other financial assets. Based on disclosures in the financial report of Trust Company for the year ended 28 February 2012, it has been assumed that the unrealised loss on Equity Trustees shares has not been tax effected.
- The acquisition price of \$181.8m for Equity Trustees' acquisition of Trust Company is based on a price of \$5.28³⁸ per Trust Company Share, with a total of 34,423,764 Trust Company shares acquired. Hence, this results in the issue of 11,359,842 new Equity Trustees shares at \$16.00.

³⁸ This is the share price of Trust Company Shares under the Offer based on the Equity Trustees Share price immediately prior to the Offer being announced.

-
- The number of Trust Company Shares is determined as 33,538,449 shares on issue and it is assumed the 885,315³⁹ Trust Company Performance Rights will vest giving a total of 34,423,764 shares and it is assumed no other Trust Company Shares will be issued.
 - Equity Trustees consolidates Trust Company – eliminating remaining Trust Company equity of \$115m, which results in the recognition of goodwill of \$66.6m.

5.7 Financial outlook for the Combined Group

Apart from the estimated cost synergies of up to \$8m disclosed in this section 5, this Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to Equity Trustees, Trust Company or the Combined Group.

Equity Trustees considers that the inclusion of financial forecasts would be speculative and potentially misleading for Trust Company Shareholders, particularly given the current uncertain economic environment and the different financial year ends of Equity Trustees and Trust Company. In addition, as Equity Trustees has not undertaken due diligence on Trust Company, Equity Trustees is not in a position to provide forecasts for the Combined Group.

5.8 Disclaimer

The financial information presented in this section 5, in relation to Trust Company has been prepared by Equity Trustees using publicly available information that has not been independently verified.

Equity Trustees has relied on the information in the audited full year financial report for the period ended 28 February 2012 and the reviewed half year financial report for the period ended 31 August 2012 issued by Trust Company and lodged with ASIC to prepare the financial information in relation to Trust Company contained in this Bidder's Statement. Information relating to Trust Company has also been sourced from details shown on Trust Company's website.

Accordingly, Equity Trustees does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. It is expected that Trust Company will release financial information in its Target's Statement that will be sent to Trust Company Shareholders and made publicly available. The financial information regarding Equity Trustees, Trust Company and Combined Group in this Bidder's Statement should not be regarded as comprehensive.

³⁹ This figure is Equity Trustees' best estimate of the Trust Company Performance Rights on issue. It is based on the total Trust Company Performance Rights outstanding as set out on page 63 of Trust Company's FY12 Annual Report and the Trust Company Performance Rights assumed to have been granted to John Atkin following the approval of that grant at Trust Company's 2012 Annual General Meeting.

6. Australian Tax Considerations

6.1 Introduction

This section generally describes the Australian income and capital gains tax consequences for Trust Company Shareholders should they accept the Offer and the Offer becomes unconditional as detailed in section 9. Acceptance of the Offer will involve the disposal of the Trust Company Shareholder's Trust Company Shares to Equity Trustees in exchange for the Offer Consideration set out in section 9.2, which for Trust Company Shareholders other than Ineligible Foreign Shareholders comprises Equity Trustees Shares.

The comments in this section are relevant only to Trust Company Shareholders who hold their Trust Company Shares as capital assets, who do not receive their Equity Trustees Shares as trading stock and would not have any capital gain made on later disposal of the Equity Trustees Shares that they receive under the Offer disregarded under the capital gains tax rules. The comments below do not apply to Trust Company Shareholders, such as those engaged in a business of trading, those who acquired their Trust Company Shares for the purpose of resale at a profit, and those which are banks, insurance companies, tax exempt organisations, superannuation funds or persons who acquired their Trust Company Shares in connection with their employment with the Trust Company Group or otherwise hold their Trust Company Shares on revenue account or are taxed on gains and losses arising on their Trust Company Shares under the Taxation of Financial Arrangements Rules. These Trust Company Shareholders may be subject to special or different tax treatment. They should, therefore, seek specialist advice tailored to their circumstances.

The comments below do not apply to Trust Company Shareholders who are not resident in Australia for tax purposes. Non resident shareholders should consider the tax consequences under the laws of their country of residence, as well as under Australian law, arising from their acceptance of the Offer.

This section is based on the law in effect as at the date of this Bidder's Statement, although it is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of every Trust Company Shareholder. Accordingly, Trust Company Shareholders should seek independent professional advice about their own particular circumstances.

6.2 Acceptance of offer and disposal of Trust Company Shares

(a) Capital gains tax

Acceptance of the Offer will result in a disposal by way of transfer of Trust Company Shares by Trust Company Shareholders to Equity Trustees. The change of ownership of the Trust Company Shares will constitute a CGT event for Australian CGT purposes. That CGT event will occur when the contract for the disposal of the Trust Company Shares is entered into. This will occur on the later of the date on which you accept the Offer and the date on which the Defeating Condition in section 9.8(e) is satisfied.

Trust Company Shareholders who acquired (or are deemed to have acquired) their Trust Company Shares on or after 20 September 1985, may make a capital gain or

capital loss on the transfer of their Trust Company Shares, depending on whether the capital proceeds from the transfer exceeds or is less than the relevant cost base of the Trust Company Shares.

The capital proceeds of the CGT event will be the value of the Equity Trustees Shares received by the Trust Company Shareholder for the transfer of their Trust Company Shares. For these purposes, the value of the Equity Trustees Shares will be their market value when the contract for the disposal of the Trust Company Shares is entered into.

The cost base of the Trust Company Shares will generally be the acquisition cost of the Trust Company Shares. Certain other incidental costs associated with the acquisition or transfer (such as brokerage) may be added to the cost base of the Trust Company Shares.

Subject to the operation of the scrip for scrip roll-over provisions, Trust Company Shareholders who acquired (or are deemed to have acquired) their Trust Company Shares on or after 20 September 1985, will:

- (i) make a capital gain if the capital proceeds from the disposal of their Trust Company Shares to Equity Trustees are greater than the cost base of their Trust Company Shares; or
- (ii) make a capital loss if the capital proceeds from the disposal of their Trust Company Shares to Equity Trustees are less than the reduced cost base of their Trust Company Shares

Capital gains and capital losses of a Trust Company Shareholder in a year of income are aggregated to determine whether the Trust Company Shareholder has made a net capital gain. Any net capital gain is then included in the Trust Company Shareholder's assessable income and is subject to income tax. However, a 'CGT Discount' or 'indexation' may be available to reduce the taxable gain for certain Trust Company Shareholders (see section 6.2(b) below).

Scrip for scrip roll-over relief may also be available to certain Trust Company Shareholders who make a capital gain on the disposal of their Trust Company Shares to Equity Trustees under the Offer (see section 6.2(c) below)

A capital loss may not be deducted against income for income tax purposes but may be offset against other capital gains in the same year the capital loss is realised, or carried forward and offset against future capital gains.

The tax consequences for Trust Company Shareholders who acquired their Trust Company Shares before 20 September 1985 and are not deemed to have acquired them after that date, are discussed in section 6.3 below.

(b) Indexation and the 'CGT Discount'

Certain Trust Company Shareholders who have held their shares for more than 12 months may be entitled to the benefit of the CGT discount. Certain Trust Company Shareholders who acquired their shares before 11.45am on 21 September 1999 may be able to index the cost base of their shares by an index number calculated at the time the CGT event happens, which under the Offer is the entry into the contract for

the disposal of the Trust Company Shares. The CGT discount is not available if indexation is chosen.

(i) Indexation

If the Trust Company Shares were acquired at or before 11.45 am on 21 September 1999 and the Trust Company Shareholder is an individual, a complying superannuation entity or trust, the Trust Company Shareholder can choose to index the cost base of the Trust Company Shares. As mentioned above, indexation increases the cost base of the Trust Company Shares by an index number which is calculated at the time CGT event happens.

The effect of indexation on the cost base is not taken into account if a capital gain is not made and it is necessary to calculate the reduced cost base in determining if a capital loss was made.

(ii) CGT Discount

If a Trust Company Shareholder is an individual, a complying superannuation entity or trust and has held the Trust Company Shares for 12 months or more before the contract for the disposal of the Trust Company Shares is entered into, the Trust Company Shareholder may be entitled to a CGT Discount for the Trust Company Shares disposed of under the Offer, provided that the Trust Company Shareholder has not chosen to index the cost base of the Trust Company Shares (see section 6.2(b)(i) above). The 'CGT Discount' generally applies to entitle these Trust Company Shareholders to reduce their capital gain on the disposal of the Trust Company Shares (after deducting available capital losses of the Trust Company Shareholder) by half, in the case of individuals and trusts, or by one-third in the case of complying superannuation entities. However, trustees should seek specific advice regarding the tax consequences of distributions made in respect of a trust which is attributable to discounted capital gains.

The 'CGT Discount' will not be available to companies. Further, special rules apply to determine whether Trust Company Shares have been held for the requisite 12 month period. Trust Company Shareholders should seek their own advice in this regard.

(c) Roll-over relief

If, as a result of the Offer, Equity Trustees owns 80% or more of all the Trust Company Shares, Trust Company Shareholders who would otherwise make a capital gain on the disposal of their Trust Company Shares may choose 'scrip for scrip' roll-over relief. Trust Company Shareholders cannot choose scrip for scrip roll-over relief if they make a capital loss on the disposal of their Trust Company Shares. If roll-over relief is chosen, the capital gain will be disregarded and effectively deferred until the disposal of the Equity Trustees Shares received under the Offer.

If the '80% requirement' is met, Australian resident Trust Company Shareholders (other than shareholders who are subject to special or different treatment discussed in section 6.1 above) who would otherwise make a capital gain on the disposal of their Trust Company Shares will be entitled to choose roll-over relief. Trust Company Shareholders should be aware that Equity Trustees has the power to waive the

minimum acceptance condition. Should this occur Equity Trustees may not become the owner of 80% or more of the Trust Company Shares as a result of the Offer. Accordingly, Trust Company Shareholders who accept the offer and receive Equity Trustees Shares for a disposal of their Trust Company Shares should be aware of the risk that scrip for scrip roll-over relief may not be available and they may not know at the time that they accept the Offer whether or not scrip for scrip roll-over relief will be available.

A choice to obtain roll-over relief must be made before the lodgement of the tax return for the income year in which the relevant CGT event occurred. The exclusion of the capital gain from a Trust Company Shareholder's tax return is regarded as sufficient evidence of the making of the choice.

6.3 Consequences for Trust Company Shareholders who acquired their Trust Company Shares before 20 September 1985

Trust Company Shareholders who acquired their Trust Company Shares before 20 September 1985 and who are not deemed to have acquired their shares after that date will have any capital gain or loss which they make under the capital gains tax rules disregarded.

Trust Company Shareholders accepting the Offer will be treated for future capital gains tax purposes as having acquired Equity Trustees Shares on the later of the date on which they accept the Offer and the date on which the Defeating Condition in section 9.8(e) is satisfied. The treatment of their Equity Trustees Shares is described in section 6.4(b) below.

6.4 CGT implications of owning Equity Trustees Shares

(a) Trust Company Shareholders who acquired their Trust Company Shares on or after 20 September 1985

The disposal of Equity Trustees Shares will be subject to the same Australian CGT consequences as are described above in relation to the disposal of Trust Company Shares, subject to the following differences in the case of a Trust Company Shareholder who chooses roll-over relief.

For Trust Company Shareholders who acquired (or are deemed to have acquired) their Trust Company Shares on or after 20 September 1985, who choose roll-over relief, the cost base of the Equity Trustees Shares received under the Offer will be the cost base of their Trust Company Shares plus any relevant incidental costs (see above).

As the Equity Trustees Shares will be acquired after 21 September 1999, there can be no indexation to their cost base. However, Trust Company Shareholders who are individuals, complying superannuation entities or trusts who have chosen roll-over relief may determine their compliance with the 12 month ownership requirement for the 'CGT Discount' by reference to the time of their acquisition of the Trust Company Shares until their disposal of the Equity Trustees Shares.

Where roll-over relief is not chosen or is not available, the cost base of the Equity Trustees Shares received under the Offer will be the value of the Trust Company Shares at the time of entering into the contract for the acquisition of the Equity Trustees Shares.

(b) Trust Company Shareholders who acquired their Trust Company Shares prior to 20 September 1985

Equity Trustees Shares received by Trust Company Shareholders who acquired their Trust Company Shares prior to 20 September 1985 and who are not deemed to have acquired their shares after that date:

- will be treated as having been acquired on the later of the date on which the Trust Company Shareholder accepts the Offer and the date on which the Defeating Condition in section 9.8(e) is satisfied;
- may give rise to a capital gain or capital loss on their subsequent disposal; and
- will have a cost base equal to the market value of those shares just after the Trust Company Shareholder acquired them.

6.5 Australian tax consequences of receiving dividends in respect of Equity Trustees Shares

Australian resident shareholders must include in their assessable income dividends received on their Equity Trustees Shares. If the dividends are franked and the Equity Trustees Shareholders are individuals who are entitled to the franking credits attached to the dividends, the Equity Trustees Shareholders must also include in their assessable income an additional amount equal to the franking credit. The shareholders will, however, be entitled to an offset of tax equal to the amount of the franking credit.

6.6 Stamp Duty

Trust Company Shareholders who accept the Offer will not be required to pay any stamp duty on the disposal of their Trust Company Shares under the Offer, on the acquisition of Equity Trustees Shares under the Offer or on a subsequent disposal of the Equity Trustees Shares.

6.7 GST

GST will not apply to the disposal of Trust Company Shares under the Offer, the payment of dividends on Equity Trustees Shares or a subsequent disposal of Equity Trustees Shares.

7. Risk factors

7.1 Overview

In deciding whether or not to accept the Offer, you should read this entire Bidder's Statement carefully. You should also carefully consider the risk factors outlined in this section 7 and your personal circumstances. This section 7 is general only and does not take into account your individual objectives, financial situation or needs.

If the Offer becomes unconditional, Trust Company Shareholders who accept the Offer (other than Ineligible Foreign Shareholders) will become Equity Trustees Shareholders.

A number of risks and uncertainties, which are both specific to Equity Trustees and of a more general nature, may affect the future operating and financial performance of Equity Trustees and the value of Equity Trustees Shares.

This section 7 outlines the

- (a) specific risks that are common to the existing businesses of Equity Trustees and Trust Company, and which will therefore be risks to which the Combined Group will be exposed (see section 7.2);
- (b) risks that are specific to Equity Trustees (see section 7.3);
- (c) general and industry risks of the Combined Group (see section 7.4);
- (d) risk factors that arise from the Offer (see section 7.5); and
- (e) general investment risks (see section 7.6).

Many of these risks are outside the control of Equity Trustees and Trust Company. Although the Combined Group will have in place a number of strategies to minimise exposure to, and mitigate the effects of, some of the risks outlined in this section, there can be no guarantee that such arrangements will protect the Combined Group from these risks.

7.2 Risks relating to the Combined Group

The following risks have been identified as being key risks that are common to Equity Trustees and Trust Company, which will therefore be risks to which the Combined Group will be exposed. These are risks that you are currently exposed to through your Trust Company Shares.

(a) Funds Under Management, Administration or Advice

The Combined Group will derive a significant proportion of its earnings from fees and charges based on the levels of Funds Under Management, Administration or Advice.

The levels of Funds Under Management, Administration or Advice (in addition to other factors noted below, such as the amount of funds flowing into and out of Funds Under Management, Administration or Advice) will reflect the investment performance of the funds managed by the Combined Group. Changes in the performance of those funds and changes in domestic and/or global market conditions could lead to a decline in the Combined Group's Funds Under Management, Administration or Advice, adversely impacting the amount it earns in fees and charges. This may in turn impact the future profitability and financial position of the Combined Group.

(b) Financial market risk and investor sentiment

A significant proportion of the Combined Group's revenue is derived from corporate trustee services, funds management, financial advisory, wealth management, estate management, trust management and superannuation revenue, of which the majority or a significant proportion is linked to the underlying asset value of client portfolios. Client portfolios have investments in a number of asset classes, including Australian and international shares, cash and fixed interest products, property, infrastructure, private equity and derivative contracts.

Declines in these asset classes, such as those experienced in the global financial crisis, would result in a decline in the value of the assets, leading to declining revenues earned by the Combined Group and a negative impact on the future profitability of the Combined Group. Negative consumer sentiment and higher uncertainty may also result in a decline in assets, which over time may again lead to declining revenues to the Combined Group and a negative impact on the future profitability of the Combined Group.

(c) Operational risks and reliance on technology

Operational risk relates to the risk of loss or increased costs resulting from inadequate or failed internal processes, outsourcing arrangements, people management and systems, or from external events which impact on the Combined Group's operations.

Specific operational exposures relevant to the industry in which the Combined Group will operate include product disclosure, investment management, tax and financial advice, statements, legal and regulatory compliance, product commitments, process error, fraud, system failure, failure of security and physical protection systems, and unit pricing errors.

Operational risk has the potential to have a material adverse effect on the Combined Group's financial performance as well as its reputation. The Combined Group will endeavour to use appropriate controls to mitigate these risks and take out insurance commensurate with these risks, however certain residual risks will remain.

The Combined Group will rely heavily on information technology. It is Equity Trustees' current intention to utilise its existing information technology platforms across the Combined Group, including in relation to Trust Company's existing operations to the maximum extent possible. The success of the Combined Group (including attaining cost synergies) will therefore, in part, be dependent upon the effective and timely migration of Trust Company's business to Equity Trustees' existing platforms. An important factor in achieving this migration on a timely and efficient basis will be the correctness and integrity of Trust Company's client information and data records. Specific operational risks may also arise in relation to information technology, including the possibility of unexpected failure of core business information technology processes, systems or applications. A significant or sustained failure in these systems could have a materially adverse effect on the Combined Group's operations in the short term, which in turn could undermine longer term confidence in the Combined Group and impact the future profitability and financial position of the Combined Group.

(d) ASIC Class Order 11/1140

ASIC Class Order 11/1140 requires responsible entities to hold minimum capital levels based on a calculation of notional revenue.

The Combined Group (including subsidiaries that hold an AFSL authorising them to act as responsible entities of registered managed investment schemes) will be subject to the Class Order. The Combined Group will need to comply with the capital requirements of the Class Order which may involve the need to raise additional liquid capital. This may impact the earnings of the Combined Group if it is unable to raise fee levels to compensate for earnings dilution as a result of holding a higher capital base to meet these requirements.

(e) Brand and Reputation

The capacity of the Combined Group to attract and retain clients and Funds Under Management, Administration or Advice depends to a large extent upon the brands and reputation of its businesses.

Any decline in the Combined Group's brand and reputation and the separate brands which each has used historically could contribute to lower new business sales, reduced inflows of investment funds and assets and damage to its client strategies. This could impact on the Combined Group's ability to attract and retain Funds Under Management, Administration or Advice and its ability to charge the level of fees it has charged in the past. This may in turn impact the future profitability and financial position of the Combined Group.

(f) Demand for products and services

Demand for the Combined Group's products and services will be affected by changes in investment markets, investor sentiment, economic conditions, demographics, legislation and regulatory obligations, competition and the Combined Group's past performance.

If the Combined Group provides poor advice, fails to achieve its clients' objectives, and/or underperforms in relation to its existing clients, peers or market returns more generally for a prolonged period, the demand for the Combined Group's products and services may be adversely affected. Changes in legislation, regulations and demographics may also over time affect the level of demand for the Combined Group's products and services. These factors may result in declining revenues to the Combined Group and have a material adverse impact on the financial performance and position of the Combined Group.

(g) Liquidity Risk

Liquidity risk is the potential inability to meet the Combined Group's payment obligations, which could potentially arise as a result of a mismatch between those obligations and access to liquid assets, funding on acceptable terms or cash flows generated by the business.

A failure to meet the Combined Group's payment obligations may result in client complaints and client losses, and could damage the reputation of the Combined Group.

However, it is expected that the Combined Group will be in a sound financial position following the successful completion of the Offer.

(h) Risk of Litigation

The Combined Group is subject to the usual business risk that disputes or litigation may arise from time to time in the course of its business activities.

Litigation risks relating to the Combined Group include, but are not limited to, contractual claims, employee claims, trust beneficiary claims, regulatory disputes and the costs associated with such claims and disputes. There is a risk that material or costly disputes could arise which may have a material adverse effect on the financial performance and position of the Combined Group.

Equity Trustees is not currently a party to any material litigation, is not involved in any material disputes and is not aware of any facts or circumstances that appear likely to give rise to any material litigation or dispute.

Equity Trustees is not in a position to comment on the potential or actual litigation or disputes facing Trust Company. For further information please refer to Trust Company's periodic and continuous disclosure announcements and its Target's Statement.

(i) Loss of Personnel

The Combined Group's future success will depend in part on its continued ability to attract and retain highly skilled and qualified personnel. There can be no assurance that key personnel, in particular, key senior executives or investment managers, will continue to be employed by, or contracted to, the Combined Group or that the Combined Group will be able to attract and retain qualified personnel in the future. Failure to retain or attract key personnel could have a material adverse impact on the Combined Group's business, reputation, financial performance and position.

7.3 Risk Factors Specific to Equity Trustees

Equity Trustees' corporate trustee services business provides a range of services, at various fee levels, to corporate clients.

Some of these clients are more significant than others in terms of net revenue generated. The loss of one or several of Equity Trustees' larger clients could have a disproportionately adverse impact on revenue in the corporate services business relative to the loss of one or several average or small clients. This could impact the profitability of Equity Trustees if the revenue associated with the lost clients is unable to be replaced through new client engagements.

Equity Trustees attempts to mitigate this risk through the provision of focused client relationship management activities and increasing the diversity of its client list.

7.4 General and industry risks of the Combined Group

The business activities of the Combined Group will be subject to various general economic and industry specific risks that may impact on the future performance of the Combined Group. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Combined Group and cannot be mitigated.

You are currently exposed to these risks through your Trust Company Shares and will continue to be exposed to them as a shareholder in Equity Trustees.

(a) Regulatory Risk

Future of Financial Advice Reforms and Mysuper and Superstream

The Australian financial services industry is undergoing significant reform aimed at improving the trust and confidence of retail investors in the financial planning sector. The Federal Government has enacted legislation in response to the Parliamentary Joint Committee on Corporations and Financial Services' Inquiry into financial products and services in Australia (the **FoFA legislation**).

The FOFA legislation commenced on 1 July 2012, and compliance with this legislation will be mandatory from 1 July 2013. The FoFA legislation includes the following reforms:

- A prospective ban on conflicted remuneration structures including commissions and volume based payments, in relation to the distribution of and advice about a range of retail investment products;
- A duty for financial advisers to act in the best interests of their clients, subject to a 'reasonable steps' qualification, and place the best interests of their clients ahead of their own when providing personal advice to retail clients; and
- An opt-in obligation that requires advice providers to renew their clients' agreement to ongoing fees every two-years.

The FoFA legislation may negatively impact the Combined Group's future profitability and financial position through increased compliance costs and a reduction in the fees that the Combined Group can charge for its services.

In addition, the Federal Government has enacted legislation affecting the superannuation industry (Mysuper and Superstream). These measures may affect the competitive environment and increase costs due to additional business complexity and may negatively affect the earnings and profitability of the Combined Group.

Corporations And Markets Advisory Committee (CAMAC) Review of Philanthropic Fees

In September 2012, CAMAC was asked by the Federal Government to review the fees charged in the philanthropic sector by trustee companies. This review was flagged in 2009 when changes to trustee company legislation were initiated.

There is the potential for this review to recommend to the government some changes to the fee regime for philanthropic trusts. In Australia, the Combined Group would manage a large number of such trusts with significant Funds Under Management, Administration or Advice. At this stage it is not possible to predict what, if any, changes may be made to fees in the philanthropic sector or even if these will affect the Combined Group. However, any material reduction in the fees charged by the Combined Group for the administration of charitable funds as a result of the outcome of this review could negatively impact the Combined Group's future revenue and profitability.

CAMAC has also been asked to review the issue of 'trustee portability'. Specifically, CAMAC has been asked to consider if the law should be changed to allow co-trustees and beneficiaries of charitable trusts to remove a professional trustee and replace them with another trustee, for reasons other than a breach of trust.

There are significant potential implications for the Combined Group flowing from this review. At this date, CAMAC has not yet issued the results of its review nor has any proposed, intended or draft legislation been published.

These developments could have a detrimental effect on the Combined Group. In particular, if changes are enacted, the Combined Group could potentially be dismissed as trustee of some of the trusts that it currently administers. Depending on the quantum of the funds administered by such trusts, this could have a material negative effect on the future profitability of the Combined Group.

The Australian Charities and Not-for-profits Commission Act contains provisions which give the Commissioner power to remove the trustee of a charitable trust in certain circumstances and the associated Australian Charities and Not-for-profits Commission Act draft Governance Standards may affect the relative interests of beneficiaries and trustees. These provisions could increase the risk of the Combined Group being dismissed as trustee of some of the funds it currently administers (and, therefore, losing fees associated with its position as trustee). Depending on the quantum of the funds administered by such trusts, these factors could have a material negative effect on the future profitability of the Combined Group.

These developments could have a detrimental effect on the Combined Group. In particular, if these changes are enacted, the Combined Group could potentially be dismissed as trustee of some of the trusts that it currently administers. Depending on the quantum of the funds administered by such trusts, this could have a material negative effect on the future profitability of the Combined Group.

Other Regulatory Changes

Further changes to legislation, regulation or government policy and their interpretation either generally or directed at the business sectors in which the Combined Group operates may also affect the demand for services from the Combined Group, add additional costs to the delivery of services by the Combined Group or require restructuring to the way in which the Combined Group operates its business going forward.

(b) Reliance on licences

In order to provide the majority of its services in Australia, the Combined Group is required to hold a number of AFSLs and RSE Licences. AFSLs are regulated by ASIC and RSE Licences are regulated by APRA.

The AFSLs and RSE Licences that the Combined Group will hold require (amongst other things) that the Combined Group has available adequate resources (including financial, technological and human resources) to provide the financial services covered by the licences.

If the Combined Group fails to comply with the general obligations of financial services licensees or the specific conditions of its licence, this could result in the suspension or

cancellation of the licence which enables it to operate key parts of its business. While it is not expected to occur, breach or loss of licences would have a material adverse effect on the Combined Group's business and financial performance.

(c) Competition

The wealth management and funds management industries in which the Combined Group will operate are highly, and becoming increasingly, competitive. Factors contributing to this include industry regulation and reforms, changes in customer demand and increased diversification of product mix by major competitors.

The competitive marketplace may place downward pressure on the fees that the Combined Group charges its clients. These pressures can come from competition within the industry, from specific client relationships and from the potential impact of regulatory reform or market practices. While the Combined Group will try to differentiate its services from its competitors, it is not immune to fee pressures. Reductions in fees charged would negatively impact the financial performance of the Combined Group.

(d) Reputation of financial services industry

The overall performance of the Combined Group may be adversely affected if the financial services industry as a whole sustains any material damage to its reputation.

7.5 Risk factors that arise from the Offer

(a) Integration of Trust Company

Combining two groups of the size and complexity of Equity Trustees and Trust Company carries significant risk with respect to integration. The success of the Combined Group and, in particular, the ability to realise the synergies outlined in section 1.6, and the period of time in which these synergies can be realised, will be dependent upon the effective and timely integration of Trust Company.

There is a risk that the Combined Group's future profitability and prospects could be adversely affected if integration is not completed efficiently and effectively, with minimal disruption to the businesses, clients and advisers. In particular, there is a risk that unforeseen issues may arise resulting in lower integration benefits or synergies than anticipated, higher than anticipated costs of achieving these synergies or significant disruption to ongoing business operations. These risks may include:

- possible difficulties in bringing together the cultures and management styles of both organisations in an effective manner;
- disruption to the ongoing operations of both businesses;
- higher than anticipated integration costs;
- unforeseen costs or delays relating to the integration of IT platforms, management information systems and financial and accounting systems of both businesses;
- the effects of aligning pricing, employee entitlements or other business practices, including accounting policies and actuarial methodologies or assumptions used to determine accounting profits or capital requirements;

-
- unintended loss of key personnel or expert knowledge or reduced employee productivity due to continuing uncertainty arising as a result of the Offer;
 - higher than expected client attrition arising as a result of the amalgamation; or
 - potential damage to the reputation of brands.

One or a combination of these risks could have a material adverse impact on the financial performance and position of the Combined Group.

(b) Due diligence

In preparing the information relating to Trust Company contained in this Bidder's Statement, Equity Trustees has relied on publicly available information relating to Trust Company. Risks may exist in relation to Trust Company (which will affect the Combined Group) of which Equity Trustees may be unaware. However, as Trust Company is an ASX listed entity, any substantial threats to Trust Company's business should have been disclosed pursuant to Trust Company's periodic and continuous disclosure obligations.

If any material risks are known to Trust Company Directors, they must be disclosed in the Target's Statement to be issued by Trust Company.

(c) Triggering change in control provisions

As the Offer may result in a change in control of Trust Company and Equity Trustees there could be adverse consequences for the Combined Group. For example, contracts to which either is a party may contain "change of control" or similar clauses which may be triggered. There is a risk that the counterparties to the relevant contracts may seek to terminate their contracts with members of the Trust Company Group or the Equity Trustees Group as a result of the Offer.

(d) Issue of Equity Trustees Shares as consideration

Trust Company Shareholders are being offered Equity Trustees Shares as consideration under the Offer. As a result, the value of the consideration will fluctuate depending upon the market value of Equity Trustees Shares. Accordingly, the market value of the Equity Trustees Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offer.

(e) Sale of Equity Trustees Shares

Under the Offer, Equity Trustees will issue a significant number of new Equity Trustees Shares. Some Trust Company Shareholders may not intend to continue to hold their Equity Trustees Shares and may wish to sell them. There is a risk that increased sales of Equity Trustees Shares may adversely impact on the price of, and demand for, Equity Trustees Shares in the short term.

(f) Acquisition of less than 90% of Trust Company Shares

The Offer includes a 90% minimum acceptance condition (see section 9.8(a)). While Equity Trustees has no present intention to waive that condition, it reserves its right to declare the Offer free of that condition (or any other Defeating Condition of the Offer).

If Equity Trustees waived the 90% minimum acceptance condition and acquired less than 90% of all of the Trust Company Shares on issue under the Offer, this would prevent Equity Trustees compulsorily acquiring all remaining Trust Company Shares.

This would also mean that Equity Trustees would not be able to implement its intentions set out in section 4.3.

The existence of a minority interest in Trust Company may have an impact on the operations of the Combined Group, although this impact will depend upon the ultimate level of Trust Company ownership acquired by Equity Trustees.

(g) Satisfaction of conditions

The Offer is subject to conditions that require Trust Company to provide information and confirmation in relation to its business, earnings and liabilities (see sections 9.8(i) and 9.8(j)).

Equity Trustees does not know if Trust Company is able to provide the information and confirmations sought and whether it would be prepared to do so.

The confirmations of these matters are important to Equity Trustees assessment of Trust Company's business.

If these conditions are not satisfied or waived by Equity Trustees, then the Offer will not become unconditional.

7.6 General Investment Risks

(a) Government Policy and Taxation

Changes in relevant taxation laws, accounting standards, other legal, legislative and administrative regimes, and government policies, may have an adverse effect on the assets, operations and, ultimately, the financial performance of the Combined Group. These factors may ultimately affect the Combined Group's financial position and performance and the market price of Equity Trustees Shares.

(b) General economic conditions

The operating and financial performance of the Combined Group is influenced by a variety of general economic conditions and business conditions, including the level of inflation, interest rates and exchange rates and government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions could materially and adversely affect the Combined Group's operations and/or financial position and performance.

(c) Equity market conditions

The market price of Equity Trustees Shares will be affected by the financial performance of the Combined Group and also varied and often unpredictable factors influencing the stock market generally. These factors include international share markets, interest rates, domestic and international economic conditions, domestic and international political stability, investor sentiment, and the demand for equities generally.

(d) The Combined Group may lack liquidity

Equity Trustees will apply to ASX for Official Quotation of all Equity Trustees Shares issued under the Offer. Official Quotation of these Equity Trustees Shares will depend on ASX exercising its discretion. However, as Equity Trustees is already admitted to the official list of ASX and Equity Trustees Shares are already quoted, Equity Trustees is of the view that quotation of the shares to be issued under the Offer will be granted.

Even if your new Equity Trustees Shares are quoted on ASX, there is no guarantee that there will be an ongoing liquid market for Equity Trustees Shares. Accordingly, there is a risk that, should the market for Equity Trustees Shares become illiquid, Equity Trustees Shareholders will be unable to realise their investment in Equity Trustees.

8. Other Material Information

8.1 Equity Trustees Interests in Trust Company securities

(a) Equity Trustees' relevant interest in Trust Company securities and voting power in Trust Company

As at the date of this Bidder's Statement and immediately before the first Offer was sent, Equity Trustees did not have a relevant interest in any Trust Company Shares.

As at the date of this Bidder's Statement and immediately before the first Offer was sent, Equity Trustees' voting power in Trust Company was nil.

(b) Acquisitions of Trust Company Shares by Equity Trustees or associates

Neither Equity Trustees nor any of its associates has provided (or agreed to provide) consideration for a Trust Company Share under a purchase or agreement to purchase during the four months before the date of this Bidder's Statement or in the period between the date of this Bidder's Statement and the date of the Offer.

8.2 No collateral benefits

Neither Equity Trustees nor any of its associates has in the four months before the date of this Bidder's Statement, or in the period between the date of this Bidder's Statement and the date of the Offer, given, offered to give or agreed to give a benefit which is not offered to all Trust Company Shareholders under the Offer to another person which was likely to induce the other person (or an associate) to accept the Offer or dispose of Trust Company Shares.

8.3 Trust Company Performance Rights

The information in this section 8.3 has been prepared based on a review of publicly available information which has not been independently verified by Equity Trustees. Subject to the Corporations Act, Equity Trustees does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Trust Company Performance Rights are rights to receive a Trust Company Share at the end of the relevant vesting period. Trust Company Performance Rights vest if performance hurdles and employment tenure conditions are satisfied in the vesting period. Trust Company Shares that are issued, or acquired on market, as a result of the vesting of Trust Company Performance Rights, are held on trust by CPU Share Plans Pty Ltd for Trust Company Performance Rights holders pending the expiry of a seven year transfer restriction.

It is Equity Trustees' understanding that, if the Offer was to become unconditional and it received acceptances in respect of more than 50% of Trust Company Shares, a "Control Event" would occur for the purposes of the Trust Company Performance Rights Plan. This would mean that the transfer restriction outlined above would come to an end. If this occurred prior to the end of the Offer Period, the holders of Trust Company Shares that were previously subject to such a transfer restriction would then be able to accept the Offer.

In relation to unvested Trust Company Performance Rights, it is Equity Trustees understanding that the Trust Company Board has a discretion to accelerate the vesting of some or all of the unvested Trust Company Performance Rights upon the happening of a Control Event. In the case of Mr John Atkin, the Trust Company Board must, except in certain

limited circumstances, accelerate the vesting of his unvested Trust Company Performance Rights. If the Offer results in a Control Event under the Trust Company Performance Rights Plan, it is Equity Trustees' expectation that any Trust Company Shares issued or transferred as a result of the exercise of the Trust Company's Board's discretion in this regard will be issued or transferred directly to the relevant holder of Trust Company Performance Rights because the happening of a "Control Event" would mean that any transfer restriction would fall away. If this occurs before the end of the Offer Period, the holders of these Trust Company Shares would then be able to accept the Offer.

The Offer is subject to the Defeating Condition that at the end of the Offer Period there are no Trust Company securities on issue other than Trust Company Shares and that there are no outstanding agreements to issue Trust Company Shares or any other Trust Company securities (see section 9.8(k)). If any Trust Company Performance Rights remain unvested, including as a result of a decision of the Trust Company Board not to exercise its discretion to accelerate vesting, this Defeating Condition will need to be waived by Equity Trustees in order for the Offer to proceed. Equity Trustees has no present intention to waive this condition but it reserves its right to declare the Offer free of that condition (or any other Defeating Condition of the Offer).

If, at the end of the Offer Period:

- CPU Share Plans Pty Ltd still holds Trust Company Shares that are subject to a transfer restriction; and
- Equity Trustees acquires relevant interests in 90% or more of the Trust Company Shares and it is entitled to proceed to compulsory acquisition of the remaining Trust Company Shares under the Corporations Act,

it is Equity Trustees' current intention that it will seek to rely on ASIC Class Order 03/636 in order to compulsorily acquire the Trust Company Shares held by CPU Share Plans Pty Ltd.

8.4 Offer Consideration

Based on the number of Trust Company Shares on issue on the last trading day before the date of this Bidder's Statement, the maximum number of Equity Trustees Shares which would be required to be issued under the Offer if every Trust Company Shareholder accepted the Offer is 11,359,842⁴⁰. This number assumes that all Trust Company Performance Rights vest and are exercised into Trust Company Shares prior to the end of the Offer Period and no Trust Company Shares are issued pursuant to the Trust Company Dividend Reinvestment Plan prior to the end of the Offer Period. If Trust Company makes the Trust Company Dividend Reinvestment Plan available in respect of its final FY13 dividend, Equity Trustees intends to apply for relief from ASIC to modify section 617 of the Corporations Act to allow the Offer to extend to any Trust Company Shares that are issued before the end of the Offer Period pursuant to the Trust Company's Dividend Reinvestment Plan.

⁴⁰ This figure is based on the 0.33x Offer ratio, all Trust Company Performance Rights vesting and being exercised into Trust Company Shares prior to the end of the Offer Period, the cancellation of the approximately 1.2 million shares Trust Company currently holds in Equity Trustees and no Trust Company Shares being issued pursuant to the Trust Company Dividend Reinvestment Plan prior to the end of the Offer Period.

Equity Trustees has the capacity to issue the maximum number of Equity Trustees Shares which it may be required to issue under the Offer.

8.5 Equity Trustees is a disclosing entity

Due to the fact that Equity Trustees is offering Equity Trustees Shares as consideration for the acquisition of Trust Company Shares under the Offer, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Equity Trustees Shares under sections 710 to 713 of the Corporations Act.

Neither Equity Trustees nor Trust Company need to issue a prospectus for the Offer of the Equity Trustees Shares as the Offer is occurring under a takeover bid.

Equity Trustees is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all disclosing entities, Equity Trustees is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of Equity Trustees Shares.

Equity Trustees Shares have been quoted on the Official List of ASX during the 3 months prior to the date of this Bidder's Statement. For this reason, Equity Trustees is only required to disclose information in this Bidder's Statement that would usually be required where Equity Trustees Shares have been continuously quoted securities.

In general terms where Equity Trustees Shares are continuously quoted securities the Bidder's Statement is only required to contain information in relation to the effect of the Offer and the rights and liabilities attaching to the Equity Trustees Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company unless such information has been excluded from a continuous disclosure notice in accordance with the Listing Rules and it is information:

- (a)** that investors and their professional advisers would reasonably require for the purposes of making an informed assessment of such matters; and
- (b)** relating to the rights and liabilities attaching to the Equity Trustees Shares.

Having made such enquiries as are reasonable, Equity Trustees believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Bidder's Statement which required Equity Trustees to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules or the Bidder's Statement that Trust Company Shareholders and their professional advisers would reasonably require for the purpose of making an informed assessment of:

- (a)** the assets and liabilities, financial position and performance, profits and losses and prospects of Equity Trustees; and
- (b)** the rights and liabilities attaching to the Equity Trustees Shares to be issued pursuant to the Offer.

Information that is already in the public domain has not been reported in this Bidder's Statement, other than that which is considered necessary to make this Bidder's Statement complete.

Equity Trustees, as a disclosing entity under the Corporations Act, states that:

- (a)** it is subject to regular reporting and disclosure obligations;
- (b)** copies of documents lodged with ASIC in relation to Equity Trustees (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c)** it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Bidder's Statement and the date the offer closes:
 - (i)** the annual financial report most recently lodged by Equity Trustees with ASIC;
 - (ii)** any half year financial report lodged with ASIC by Equity Trustees after the lodgement of the annual financial report referred to in paragraph (i) and before the lodgement of this Bidder's Statement with ASIC; and
 - (iii)** any documents used to notify ASX of information relating to Equity Trustees during that period in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with ASIC in relation to Equity Trustees can be inspected at the registered office of Equity Trustees during normal office hours.

A list of announcements made by Equity Trustees since 30 June 2012 appears in the Annexure to this Bidder's Statement.

Copies of these announcements are available from Equity Trustees' website www.egt.com.au or alternatively from ASX at www.asx.com.au.

8.6 Summary of the rights attaching to Equity Trustees Shares

Equity Trustees Shares issued under the Offer will rank equally in all respects with all existing Equity Trustees Shares currently on issue.

The following is a broad summary of the rights and liabilities which attach to all Equity Trustees Shares. It is not intended to be an exhaustive or definitive summary of the rights and obligations of Equity Trustees Shareholders as this can involve complex questions of law arising from the interaction of the constitution of Equity Trustees, statutes, common law and ASX Listing Rule requirements. To obtain a definitive assessment of the rights and liabilities which attach to Equity Trustees Shares in any specific circumstances, investors should seek their own advice.

(a) General meetings and notices

Equity Trustees Shareholders' rights to attend and vote at shareholder meetings are mostly prescribed by the Corporations Act. Each Equity Trustees Shareholder is entitled to receive notice of, attend and (except in certain circumstances) vote at, general meetings of Equity Trustees and to receive all notices, accounts and other documents required to be sent to Equity Trustees Shareholders under the constitution of Equity Trustees, the Corporations Act and ASX Listing Rules.

Equity Trustees may serve notice on a shareholder by, among other methods, serving it personally on the Equity Trustees Shareholder, sending it by post to the shareholder's registered address or facsimile transmission to the fax number supplied by the shareholder for the giving of notices.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a meeting of Equity Trustees Shareholders or classes of shareholders, each shareholder entitled to attend and vote may do so in person or by proxy, by attorney or, where the shareholder is a body corporate, by representative. Each Equity Trustees Shareholder has one vote on a show of hands, one vote per Equity Trustees Share they hold on a poll and one vote per Equity Trustees Share where the directors have approved, consistent with the Corporations Act, other means (including electronic) for the casting and recording of votes.

(c) Dividend rights and distributions in kind

Equity Trustees Directors may from time to time determine that an interim or final dividend is payable. The Equity Trustees Directors may fix the amount, the time for payment and the method of payment of any dividend.

Each Equity Trustees Share has the same dividend rights, subject to any special rights or restrictions attached to the shares (with adjusted dividend rights for partly paid shares).

Equity Trustees may also return capital by a reduction of capital, a buy-back or otherwise, in accordance with the constitution of Equity Trustees and the Corporations Act.

(d) Winding-up

If Equity Trustees is wound up, the liquidator may, with the sanction of a special resolution, divide among the Equity Trustees Shareholders in kind any part of the assets of Equity Trustees as the liquidator thinks fit and may vest any part of the assets of Equity Trustees on any trusts for the benefit of all or any of the Equity Trustees Shareholders as the liquidator thinks fit.

(e) Transfer of Equity Trustees Shares

Subject to the procedure outlined in the constitution of Equity Trustees as well as the Corporations Act, ASX Listing Rules and ASX Settlement Operating Rules, Equity Trustees Shares are transferable. The directors may request ASX Settlement to apply a holding lock to prevent a transfer of Equity Trustees Shares the subject of the ASX Settlement Operating Rules.

(f) Issue of further Equity Trustees Shares

Subject to the constitution of Equity Trustees, the Corporations Act, ASX Listing Rules and ASX Settlement Operating Rules, Equity Trustees has the right to issue shares or grant options over unissued shares to any person on terms determined by Equity Trustees.

Without affecting any special rights conferred on the holders of any shares, any share in Equity Trustees may be issued with preferred, deferred or other special rights,

obligations or restrictions, whether in regard to dividends, voting, return of share capital, payment of calls or otherwise, as the directors may determine and on any terms the directors consider appropriate.

(g) Variation of rights

Under the Corporations Act, rights, privileges and restrictions attaching to Equity Trustees shares or to any other class of shares which may be issued in the future, can only be varied by a special resolution passed at a general meeting of Equity Trustees and the holders of each relevant class of shares or with the written consent of Equity Trustees shareholders with at least 75% of votes in the relevant class.

Unless otherwise provided by the terms of issue, the issue of any new shares in Equity Trustees ranking equally with existing shares is not a variation of the rights conferred on the holders of the existing shares.

(h) Number of directors

Equity Trustees Shareholders in general meeting may appoint any person as an Equity Trustees Director. The constitution of Equity Trustees provides that the Equity Trustees Board may determine the number of Equity Trustees Directors, subject to the number of directors not being less than three.

(i) Amending the Constitution

The Corporations Act provides that the constitution of a company may be modified or repealed by a special resolution passed by the members of the company (ie, passed by at least 75% of the votes cast by members entitled to vote on the resolution).

The constitution of Equity Trustees does not provide any further requirements to be complied with to effect a modification of, or to repeal, the constitution.

8.7 Disclosure of interests/fees and benefits payable to Equity Trustees Directors and advisers

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a)** Equity Trustees Director;
- (b)** person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (c)** promoter of Equity Trustees; or
- (d)** broker or underwriter in relation to the issue of Equity Trustees Shares pursuant to the Offer,

has, or had within 2 years before the date of this Bidder's Statement, any interest in:

- (e)** the formation or promotion of Equity Trustees;
- (f)** any property acquired or proposed to be acquired by Equity Trustees in connection with its formation or promotion or in connection with the issue of Equity Trustees Shares under the Offer; or
- (g)** the offer or issue of Equity Trustees Shares under this Bidder's Statement,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a Equity Trustees Director or otherwise for services rendered by him or her in connection with the formation or promotion of Equity Trustees or the issue of Equity Trustees Shares under this Bidder's Statement.

8.8 Equity Trustees Directors' interests in Trust Company Shares

Mr David F Groves has a relevant interest in 62 Trust Company Shares.

None of the other Equity Trustees Directors have any interest (either held directly or held by their Associates) in Trust Company Shares as at the date of this Bidder's Statement and the date of the Offer.

8.9 Equity Trustees Directors' interests in Equity Trustees Shares

The Equity Trustees Directors have the following interests in Equity Trustees Shares (either held directly or held by their Associates) as at the date of this Bidder's Statement.

Director	Equity Trustees Shares
Mr JA (Tony) Killen	15,626
Mr David F Groves	634,575
Mr Robin B O Burns	1,000
Ms Alice J M Williams	1,439
The Hon Jeffrey G Kennett	18,772
Ms Anne O'Donnell	957
Mr Kevin J Eley	33,945

8.10 Fees and other expenses of the Offer

The following estimated fees will be incurred by Equity Trustees and paid to the following advisers in connection with the Offer:

Professional Adviser	Role and entitlement to payment	Estimated payment (excluding GST and disbursements)	How and when paid
Allens	Legal Adviser Allens is entitled to professional fees in accordance with its normal time-based charges.	\$310,000 ⁴¹ (to date of this Bidder's Statement)	In cash upon presentation of relevant invoices.
Lion Capital	Financial Adviser Lion Capital is entitled to professional fees in accordance with an agreed success-based charge	\$1,500,000	In cash upon presentation of relevant invoices.

8.11 Brokers commission

Equity Trustees may offer to pay a commission to brokers who solicit acceptances of the Offer from their clients, but has made no final decision in relation to the matter at this stage.

Any commission payments will be paid only in respect of parcels of Trust Company Shares held by retail shareholders who accept the Offer.

If such arrangements are put in place, commission payments will not exceed 0.75% of the value of the consideration payable for parcels of Trust Company Shares held by retail shareholders who accept the Offer, and will be subject to minimum payments of \$50 and maximum payments of \$750 for each acceptance.

If a commission is offered, it will be payable to brokers only and subject to the condition that no part of the fee will be able to be passed on, or paid, to Trust Company Shareholders.

If and when Equity Trustees decides to offer such a commission to any broker, it will make an announcement to ASX.

It is Equity Trustees' intention that, if and when an offer of commission has been made to any broker by Equity Trustees, the commission arrangement will remain in place for the balance of the Offer Period and the amount of the commission offered will not be increased during the Offer Period.

⁴¹ Equity Trustees may also pay, or agree to pay, Allens additional fees (based on agreed hourly rates) for further legal services in connection with the Offer after the date of this Bidder's Statement.

8.12 Social security and superannuation implications of Offer

Acceptance of the Offer may have implications under your superannuation or pension arrangements or on your social security entitlements. If in any doubt, Trust Company Shareholders should seek specialist advice before accepting the Offer.

8.13 ASIC relief

(a) Class Orders

ASIC has published various 'Class Order' instruments providing for modifications and exemptions that apply generally to all persons, including Equity Trustees, in relation to the operation of Chapter 6 of the Corporations Act.

Amongst others, Equity Trustees has relied on the modification to section 636(3) of the Corporations Act set out in paragraph 11 of ASIC Class Order 01/1543 'Takeover Bids' to include references to certain statements by Trust Company in this Bidder's Statement without obtaining the consent of Trust Company. The relevant statements were respectively taken from:

- Trust Company announcement regarding correspondence to all shareholders dated 14 March 2013;
- Trust Company announcement Update on FY13 Guidance and Equity Trustees Limited's Takeover Offer dated 13 March 2013;
- Trust Company announcement of Suncorp settlement dated 6 March 2013;
- Trust Company announcement of CEO Notice of Resignation dated 3 December 2012;
- Trust Company announcement Payment of interim dividend dated 9 November 2012;
- Trust Company Financial Report for the first half of FY13 dated 9 October 2012;
- Trust Company Results Presentation for the first half of FY13 dated 9 October 2012;
- Trust Company 2012 AGM CEO's Presentation dated 25 June 2012;
- Trust Company 2012 AGM Notice of Meeting dated 10 May 2012;
- Trust Company FY12 Financial Report dated 17 April 2012;
- Trust Company FY12 Results Presentation dated 17 April 2012;
- Trust Company Financial Report for the first half of FY12 dated 18 October 2011;
- Trust Company Results Presentation for the first half of FY12 dated 18 October 2012;
- Trust Company FY11 Financial Report dated 19 April 2011; and
- Trust Company FY11 Results Presentation dated 19 April 2011.

As required by Class Order 01/1543, Equity Trustees will make available a copy of these documents (or relevant extracts of these documents), free of charge, to Trust Company Shareholders who request them during the Bid Period. To obtain a copy of these documents (or the relevant extracts), Trust Company Shareholders may telephone the Equity Trustees Offer Information Line on 1300 357 574 within Australia or +61 3 9415 4075 (from outside Australia).

(b) Specific Relief

If Trust Company makes the Trust Company Dividend Reinvestment Plan available in respect of its final FY13 dividend, Equity Trustees intends to apply for relief from ASIC to modify section 617 of the Corporations Act to allow the Offer to extend to any Trust Company Shares that are issued before the end of the Offer Period pursuant to the Trust Company's Dividend Reinvestment Plan.

8.14 Trust Company's holding in Equity Trustees

Trust Company currently holds 1,193,942 Equity Trustees Shares.

If, pursuant to the Offer, Equity Trustees acquires relevant interests in 90% or more of the Trust Company Shares and it is entitled, under the Corporations Act, to proceed to compulsory acquisition of the remaining Trust Company Shares it is Equity Trustees' current intention that the Equity Trustees Shares held by Trust Company will be cancelled. This would occur within 12 months of Equity Trustees gaining control of Trust Company in accordance with section 259D of the Corporations Act. Whilst Equity Trustees controls Trust Company, the voting rights attached to these Equity Trustees Shares will be suspended until they are cancelled or otherwise disposed of.

8.15 Ineligible Foreign Shareholders

If you are an Ineligible Foreign Shareholder and you accept the Offer, you will not receive any Equity Trustees Shares. Instead, you will receive in respect of your Trust Company Shares a cash amount calculated under section 9.10(e).

The Offer is not registered in any jurisdiction outside Australia. It is your sole responsibility to satisfy yourself that you are permitted by any law of a country other than Australia applicable to you to accept this Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

8.16 Potential for waiver of Defeating Conditions

The Offer is subject to a number of conditions set out in section 9.8 including a minimum acceptance condition (see section 9.8(a)). Under the terms of the Offer and the Corporations Act, any or all of those Defeating Conditions may be waived by Equity Trustees.

If an event occurs which results (or would result) in the non-fulfillment of a Defeating Condition, Equity Trustees might not make a decision as to whether it will either rely on that occurrence, or instead waive the Defeating Condition in respect of that occurrence, until the date for giving notice as to the status of the conditions of the Offer under section 630(3) of the Corporations Act (see section 9.9(e)). If Equity Trustees decides that it will waive a Defeating Condition it will announce that decision to ASX in accordance with section 650F of the Corporations Act.

If any of the Defeating Conditions is not fulfilled, and Equity Trustees decides to rely on that non-fulfillment, then any contract resulting from acceptance of the Offer will become void at (or, in some cases, shortly after) the end of the Offer Period, and the relevant Trust Company Shares will be returned to the holder. If the Defeating Condition in section 9.8(e) is not fulfilled, and Equity Trustees decided to rely on that non-fulfillment, then no contract will be capable of arising at all from acceptance of the Offer.

8.17 Status of Defeating Conditions

The Offer is subject to a number of conditions set out in section 9.8. Set out below is the status of key conditions as at the day before the date of this Bidder's Statement. Equity Trustees will provide updates on any material developments relating to the status of these conditions through announcements to ASX.

(a) Ministerial Approval

The Defeating Condition set out in section 9.8(e) requires unconditional Ministerial approval for Equity Trustees and each other member of the Equity Trustees Group to have voting power of up to 100% in Trust Company. Equity Trustees has submitted an application to ASIC for this approval in accordance with section 601VBA(1) of the Corporations Act.

In accordance with section 601VBA(2) of the Corporations Act, ASIC is required to give this application to the Minister. Under section 601VBI of the Corporations Act, the Minister has 30 days from receipt of the application to make his decision. This period can be extended to 60 days in total. If, after the expiry of 30 days, or if this period is extended, 60 days, the Minister has not made a decision, the Minister will be taken to have granted Equity Trustees' application for approval.

Equity Trustees will provide updates on any material developments relating to the status of this condition through announcements to ASX.

(b) Other key Defeating Conditions

Section 8.1 describes matters relevant to the status of the Defeating Condition in section 9.8(a). This section 8.17(b) describes the status of the remaining Defeating Conditions of the Offer.

In relation to the Defeating Condition in section 9.8(g), Equity Trustees is not aware of any decision, action or investigation which would result in the non-fulfilment of that condition. Nor has Equity Trustees identified any particular regulatory actions or approvals which could lead to that condition being triggered or which would be relevant to the Defeating Condition in section 9.8(f). However, it should be noted that it is not feasible for Equity Trustees to identify in advance all such regulatory actions or related regulatory approvals, as Trust Company conducts its business in a number of jurisdictions and Equity Trustees has not had access to detailed information regarding Trust Company's operations and assets in those jurisdictions, and whether they are subject to particular approvals or conditions.

In relation to the Defeating Condition in section 9.8(l), in an ASX announcement dated 13 March 2013, Trust Company stated that the total dividend for FY13 is likely to be at or above the previous guidance of 27-29 cents per share. As Trust Company's interim

dividend for FY13 was 12 cents per share, a total dividend for FY13 of more than 29 cents per share would breach the Defeating Condition set out in section 9.8(l).

Equity Trustees is not aware of any events or circumstances which would result in the non-fulfillment of any of the Defeating Conditions in sections 9.8(b) to 9.8(d), sections 9.8(h) to 9.8(k) and sections 9.8(m) to 9.8(t).

8.18 Approvals for payment of consideration

Equity Trustees is not aware of any Trust Company Shareholders who require any approval referred to in section 9.10(f) in order to be entitled to receive any consideration under the Offer.

So far as Equity Trustees is aware, unless the Minister for the Department of Foreign Affairs and Trade has given specific approval under the *Autonomous Sanctions Regulations 2011* (Cth), payments or transfers to, by the order of or on behalf of prescribed governments (and their statutory authorities, agencies and entities) and, in certain cases, nationals of prescribed countries are subject to certain limited exceptions, restrictions or prohibitions. Based on Equity Trustees' searches, the prescribed governments, countries and entities are as follows:

- individuals associated with the Burmese regime;
- certain individuals associated with the Fiji Government;
- certain Iranian entities and persons not already listed by the United Nations Security Council;
- certain key persons and entities who were associated with the former Qadhafi regime;
- persons and entities responsible for, or involved in, human rights abuses in Syria;
- supporters of the former government of the Federal Republic of Yugoslavia;
- ministers and senior officials of the Government of Zimbabwe, as well as senior management of state-owned enterprises of Zimbabwe; and
- certain entities and individuals associated with the Democratic People's Republic of Korea.

The *Charter of the United Nations Act 1945* (Cth) prohibits funds and certain other assets from being provided to or dealt with for or on behalf of specified persons associated with terrorism in the absence of ministerial approval. The places to which, and persons to whom, the *Charter of the United Nations Act 1945* (Cth) currently applies include places and persons specified in regulations made under the *Charter of the United Nations Act 1945* (Cth), and any person or entity listed as being associated with terrorism by the Australian Minister for Foreign Affairs in the Commonwealth of Australia Gazette for the purposes of Part 4 of the *Charter of the United Nations Act 1945* (Cth).

The places to which, and persons to whom, the *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth) and associated sanctions regulations currently apply include:

- the Taliban, a member of the Al-Qaida organisation (also known as the Al-Qaeda organisation), and any person or entity designated by the United Nations Security Council or the Committee of the United Nations Security Council established pursuant

to United Nations Resolution 1267 (1999) for paragraph 1 of United Nations Resolution 1735 (2006);

- any person or entity designated in the annex to United Nations Resolution 1737 (2006) or by the United Nations Security Council or the Committee of the United Nations Security Council established pursuant to United Nations Resolution 1737 for paragraph 12 of United Nations Resolution 1737;
- any person designated in Annex II of United Nations Resolution 1970 (2011), any person or entity designated in Annex II of United Nations Resolution 1973 (2011), or any person or entity designated by the United Nations Security Council or the Committee of the United Nations Security Council established pursuant to United Nations Resolution 1970 for paragraph 14 of United Nations Resolution 1970 other than a person or entity specified in paragraph 14 of United Nations Resolution 2009 (2011); and
- any person or entity designated by the United Nations Security Council or the Committees of the United Nations Security Council established pursuant to the following United Nations Resolutions:
 - **(Côte d'Ivoire)** 1572 (2004), for paragraphs 9 and 11 of United Nations Resolution 1572;
 - **(Democratic People's Republic of Korea)** 1718 (2006), for paragraph 8(d) of United Nations Resolution 1718;
 - **(Democratic Republic of the Congo)** 1533 (2004), for paragraph 11 of United Nations Resolution 1807 (2008);
 - **(Eritrea)** 751 (1992) as expanded by Resolution 1844 (2008), for paragraph 15 of United Nations Resolution 1907 (2009);
 - **(Iraq)** 1518 (2003), for paragraph 19 of United Nations Resolution 1483 (2003);
 - **(Lebanon)** 1636 (2005), for paragraph 3(a) of United Nations Resolution 1636;
 - **(Liberia)** 1521 (2003), for paragraph 1 of United Nations Resolution 1532 (2004);
 - **(Somalia)** 751 (1992), for paragraph 8 of United Nations Resolution 1844 (2008); or
 - **(Sudan)** 1591 (2005), for paragraph 3(c) of United Nations Resolution 1591.

8.19 Withholding of consideration

Equity Trustees is not currently aware of any amounts that are or would be treated as withholding amounts under section 9.10(g). However, it is possible that Equity Trustees may become aware of an obligation in this regard after the date of this Bidder's Statement.

For example, under section 255 of the *Income Tax Assessment Act 1936* (Cth), the ATO may notify Equity Trustees that all or part of the consideration otherwise payable under the Offer to Trust Company Shareholders who are non-residents of Australia is to be retained by Equity

Trustees, or paid to the Australian Taxation Office, instead of being paid to the relevant Trust Company Shareholders. Similarly, under section 260-5 of Schedule 1 to the *Taxation Administration Act 1953* (Cth), the Australian Taxation Office may require Equity Trustees to pay to the Australian Taxation Office all or part of the consideration otherwise payable under the Offer to Trust Company Shareholders who owe tax-related debts to the Australian Government.

8.20 Consents

The following firms and companies have given, and have not at the date of this Bidder's Statement withdrawn, their written consent to being named in this Bidder's Statement:

- Allens;
- Lion Capital; and
- Computershare Investor Services Pty Limited.

None of these firms and companies have caused or authorised the issue of this Bidder's Statement or have in any way been involved in the making of the Offer. The Offer is made by Equity Trustees.

Each of the above firms and companies:

- does not make, or purport to make, any statement in this Bidder's Statement, or any statement on which a statement in this Bidder's Statement is based, other than a reference to its name; and
- to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this document, other than a reference to its name.

In addition, this Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 01/1543, the persons making those statements are not required to consent to, and have not consented to, the inclusion of those statements, or of statements based on those statements, in this Bidder's Statement. See section 8.13(a) for further information.

8.21 Other material information

Except as disclosed in this Bidder's Statement, there is no other information that:

- is material to the making of the decision by a Trust Company Shareholder whether or not to accept the Offer; and
- is known to Equity Trustees,

which has not previously been disclosed to Trust Company Shareholders.

9. Offer Terms

9.1 Offer

- (a) Equity Trustees offers to acquire all of your Trust Company Shares on the terms and subject to the conditions set out in this section 9.
- (b) If Equity Trustees acquires your Trust Company Shares under this Offer, it will also be entitled to all Rights in respect of your Trust Company Shares other than your Rights in respect of the payment of the Trust Company FY13 Final Dividend.
- (c) This Offer is dated 1st April 2013.

9.2 Consideration

- (a) The consideration offered for each of your Trust Company Shares is 0.33 Equity Trustees Shares (subject to section 9.2(b) and to rounding in accordance with section 9.2(c)).
- (b) If you are an Ineligible Foreign Shareholder then, despite any other provision of this Offer, you will not receive Equity Trustees Shares under this Offer. Instead, if you accept this Offer, you will be paid a cash amount determined in accordance with section 9.10(e).
- (c) If you would otherwise be entitled to a fraction of an Equity Trustees Share as a result of your acceptance of this Offer in respect of your Trust Company Shares, then that fractional entitlement will:
 - (i) if less than 0.5, be rounded down to zero; and
 - (ii) otherwise, be rounded up to one Equity Trustees Share.

If Equity Trustees reasonably believes that any parcel of Trust Company Shares has been created or manipulated to take advantage of rounding up, then any applicable fractional entitlement will be rounded down to zero or aggregated.

- (d) The Equity Trustees Shares issued under the Offer will be issued by Equity Trustees fully paid and will rank equally with existing Equity Trustees Shares from the date of issue.

9.3 Offer Period

- (a) This Offer will remain open for acceptance during the period that commences on the date of this Offer and ends at 7pm on 31st May 2013, unless this Offer is withdrawn or that period is extended in accordance with the Corporations Act.
- (b) Equity Trustees may, in accordance with the Corporations Act, extend the period during which this Offer remains open for acceptance.

9.4 How to accept this Offer

(a) Accept for all of your Trust Company Shares

Subject to sections 9.11(c) and 9.11(d) you may **only** accept this Offer for **all** of your Trust Company Shares.

(b) Issuer Sponsored Holdings

If your Trust Company Shares are held in an Issuer Sponsored Holding (in which case your Securityholder Reference Number will commence with 'I'), to accept this Offer in respect of those Trust Company Shares you must:

- (i) complete and sign** the accompanying Acceptance Form in accordance with the instructions on it; and
- (ii) return** the Acceptance Form (using the enclosed reply paid envelope if you wish), together with all other documents required by the instructions on it, so that they are **received** before the end of the Offer Period at the address given on the Acceptance Form.

(c) CHESS Holdings

If your Trust Company Shares are held in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), to accept this Offer in respect of those Trust Company Shares you must either:

- (i) instruct** your Controlling Participant, in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules, so as to be effective before the end of the Offer Period; or
- (ii) complete, sign and return** the accompanying Acceptance Form (using the enclosed reply paid envelope if you wish) in accordance with the instructions on the Acceptance Form, together with all other documents required by those instructions, so that they are **received** before the end of the Offer Period at the address given on the Acceptance Form. This will authorise Equity Trustees to initiate a request to your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period. You must ensure that the Acceptance Form (and the other required documents) are received in sufficient time for Equity Trustees to give instructions to your Controlling Participant, and for your Controlling Participant to carry out those instructions, before the end of the Offer Period.

However, if you are the Controlling Participant in respect of your Trust Company Shares, to accept this Offer you must yourself initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

9.5 Status and effect of the Acceptance Form

(a) Status of Acceptance Form

The Acceptance Form that accompanies this Bidder's Statement forms part of this Offer, and the instructions on the Acceptance Form must be followed in using it to accept this Offer.

(b) Revocation of acceptance

Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you

will be unable to withdraw your acceptance of this Offer or otherwise dispose of your Trust Company Shares, except as follows:

- (i) if a Defeating Condition, as set out in section 9.8, is not fulfilled or waived, then this Offer will automatically terminate and your Trust Company Shares will be returned to you; or
- (ii) if the Offer Period is extended for more than one month and, at the time, this Offer is subject to one or more Defeating Conditions, as set out in section 9.8, then you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

(c) Effect of Acceptance Form

By signing and returning the Acceptance Form in accordance with section 9.4, you irrevocably authorise Equity Trustees and its nominees:

- (i) to rectify any errors in, or omissions from, the Acceptance Form that are necessary to make it an effective acceptance of this Offer or to enable registration of the transfer of all of your Trust Company Shares to Equity Trustees; and
- (ii) (in respect of any of your Trust Company Shares in a CHESS Holding) to:
 - (A) initiate, or alternatively instruct your Controlling Participant to initiate, acceptance of this Offer in respect of all such Trust Company Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules; and
 - (B) give any other instructions concerning those Trust Company Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant.

(d) Validation of Acceptance Form

Notwithstanding sections 9.4(b) and 9.4(c)(ii), Equity Trustees may (except in relation to Trust Company Shares in a CHESS Holding) treat the receipt by it of a signed Acceptance Form either:

- (i) before the end of the Offer Period; or
- (ii) after the end of the Offer Period but where the Acceptance Form is sent by post and the envelope in which it is posted is post-marked before the end of the Offer Period,

as valid even though it does not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance. Subject to section 9.10, if Equity Trustees does treat such an Acceptance Form as valid, Equity Trustees will not be obliged to give the Offer Consideration to you until:

- (iii) Equity Trustees receives all those documents; and
- (iv) all of the requirements for acceptance referred to in section 9.4 (and in the Acceptance Form) have been met (other than the requirement of your Acceptance Form to be received before the end of the Offer Period).

(e) Risk in Acceptance Form

The transmission by you of the Acceptance Form and any other documents in accordance with section 9.4 is at your own risk. No acknowledgement of receipt of any such documents will be given to you by or on behalf of Equity Trustees.

9.6 Power of attorney or deceased estate

When accepting this Offer, you must also forward for inspection:

- (a)** if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
- (b)** if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Trust Company Shareholder, the relevant grant of probate or letters of administration.

9.7 Agreement resulting from acceptance

By signing and returning the Acceptance Form or initiating or causing acceptance of this Offer under the ASX Settlement Operating Rules in accordance with section 9.4:

- (a)** you accept this Offer in respect of all of your Trust Company Shares at the date your acceptance is processed (even if the number of Trust Company Shares specified on the Acceptance Form differs from the number of your Trust Company Shares) and agree to the terms and conditions of this Offer;
- (b)** subject to all of the Defeating Conditions being fulfilled or waived, you transfer, and consent to the transfer in accordance with the ASX Settlement Operating Rules, of all of your Trust Company Shares to Equity Trustees in accordance with this Offer and subject to the conditions of the constitution of Trust Company on which they were held immediately before your acceptance of this Offer (and Equity Trustees agrees to take those Trust Company Shares subject to those conditions);
- (c)** you represent and warrant to Equity Trustees that, at the time of your acceptance and at the time the transfer of your Trust Company Shares to Equity Trustees is registered, all of your Trust Company Shares are and will be fully paid, and Equity Trustees will acquire good title to them and full beneficial ownership of them free from all Encumbrances;
- (d)** unless section 9.10(e) applies to you, you irrevocably authorise Equity Trustees to issue to you the Equity Trustees Shares you are entitled to receive under this Offer and to enter (or to cause the entry of) your name and address (as shown in the register of members of Trust Company last notified to Equity Trustees by Trust Company) in the register of members of Equity Trustees in respect of those Equity Trustees Shares, and agree to be bound by the constitution of Equity Trustees;
- (e)** you agree that, if you are an Ineligible Foreign Shareholder, or if Equity Trustees believes that you are an Ineligible Foreign Shareholder, section 9.10(e) applies to you;
- (f)** subject to all of the Defeating Conditions being fulfilled or waived, you irrevocably appoint Equity Trustees and each of its directors and nominees severally as your attorney to exercise all powers and rights that you have as the registered holder of your Trust Company Shares, including:

-
- (i) attending any meeting of Trust Company, and voting in respect of your Trust Company Shares, proposing or seconding any motion, and demanding a poll for any vote at, any such meeting;
 - (ii) requisitioning the convening of any general meeting of Trust Company and convening a general meeting pursuant to any such requisition; and
 - (iii) signing any form, notice, instrument or other document (including any proxy appointment) relating to your Trust Company Shares.

Such appointment will terminate on the earlier of the withdrawal of your acceptance of this Offer (either in accordance with its terms or under section 650E of the Corporations Act) and the end of the Offer Period or, if all Defeating Conditions of the Offer have been fulfilled or waived, the registration of Equity Trustees as the holder of your Trust Company Shares;

- (g) you agree that, in exercising the powers and rights conferred by the power of attorney in section 9.7(f), each attorney may act in the interests of Equity Trustees as the intended registered holder and beneficial owner of your Trust Company Shares;
- (h) except as contemplated by section 9.7(f) and while the appointment in that section continues, you agree not to attend or vote in person or by proxy, attorney or corporate representative at any meeting of Trust Company, or to exercise or purport to exercise (in person or by proxy, attorney, or corporate representative or otherwise) any of the powers conferred by the power of attorney in section 9.7(f);
- (i) you irrevocably authorise and direct Trust Company to pay to Equity Trustees, or to account to Equity Trustees for, all Rights in respect of your Trust Company Shares (other than your Rights in respect of the payment of the Trust Company FY13 Final Dividend and except to the extent that Equity Trustees elects to waive its entitlement to those Rights), subject, however, to any such Rights received by Equity Trustees being accounted for by Equity Trustees to you if any contract resulting from your acceptance of this Offer is rescinded or rendered void;
- (j) subject to all of the Defeating Conditions being fulfilled or waived, you irrevocably authorise Equity Trustees and its nominees to do all things necessary to transfer your Trust Company Shares to Equity Trustees (including to cause a message to be transmitted in accordance with ASX Settlement Operating Rule 14.17.1 so as to transfer your Trust Company Shares, if held in a CHES Holding, to the Takeover Transferee Holding), even if Equity Trustees has not at that time paid or provided the consideration due to you under this Offer; and
- (k) you agree to indemnify Equity Trustees and each of its agents in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or your Securityholder Reference Number or in consequence of the transfer of your Trust Company Shares to Equity Trustees being registered by Trust Company without production of your Holder Identification Number or your Securityholder Reference Number.

9.8 Defeating Conditions

Subject to section 9.9, this Offer and any contract resulting from your acceptance of this Offer are subject to the fulfilment of the following Defeating Conditions.

(a) Minimum acceptance

During, or at the end of, the Offer Period, Equity Trustees and its associates together have relevant interests (disregarding any relevant interests that Equity Trustees has merely because of the operation of section 608(3) of the Corporations Act) in at least 90% of all Trust Company Shares on issue (even if subsequently Equity Trustees and its associates together have relevant interests in less than 90% of all Trust Company Shares on issue as a result of the issue of further Trust Company Shares) and Equity Trustees becomes entitled to compulsorily acquire all outstanding Trust Company Shares under Part 6A.1 of the Corporations Act.

(b) No appointment of a new CEO or Managing Director

Between the Announcement Date and the end of the Offer Period (each inclusive), no member of the Trust Company Group appoints, or enters into any agreement, arrangement or understanding to appoint, an interim or replacement Chief Executive Officer or Managing Director of Trust Company to succeed Mr John Atkin (as a consequence of the resignation of Mr John Atkin as Chief Executive Officer and Managing Director of Trust Company as announced in Trust Company's ASX announcement dated 3 December 2012).

(c) IT Contractual Commitments

Between the Announcement Date and the end of the Offer Period (each inclusive), no member of the Trust Company Group:

- (i)** incurs or commits to incur any expenditure; or
- (ii)** enters into any agreement, arrangement or understanding which requires or may result in any expenditure,

which is in connection with the Systems Upgrade or relates to any other material upgrading of, investment in or outsourcing of information technology or business information systems or services, other than expenditure of the type described in the 2H13 Additional Operating Expense provided that such expenditure, together with any other such expenditure incurred by the Trust Company Group in the period between 9 October 2012 and the Announcement Date, does not exceed \$800,000.

(d) Index Out

Between the Announcement Date and the end of the Offer Period (each inclusive), the All Ordinaries Index is not below 4500 at the close of trading on each of three consecutive ASX trading days.

(e) Ministerial Approval

One of the following occurs before the end of the Offer Period:

- (i)** Equity Trustees has received written notice from the relevant Minister or his or her agent under section 601VBB of the Corporations Act granting unconditional approval for Equity Trustees (and each other member of the Equity Trustees Group) to have voting power of up to 100% in Trust Company (whether as a result of the Offer or of any other means permitted by the Corporations Act); or

-
- (ii) the relevant Minister is, by operation of section 601VBI(3) of the Corporations Act, deemed to have approved Equity Trustees' application for Equity Trustees (and each other member of the Equity Trustees Group) to have voting power of up to 100% in Trust Company (whether as a result of the Offer or of any other means permitted by the Corporations Act).

(f) Other regulatory approvals

Before the end of the Offer Period, the Equity Trustees Group receives all other Approvals (other than that referred to in condition 9.8(e)):

- (i) that are necessary to permit the Offer to be lawfully made to, and accepted by, Trust Company Shareholders;
- (ii) that are required as a result of the Offer or the acquisition of Trust Company Shares and are necessary for the continued operation of the business of the Trust Company Group, or of the Equity Trustees Group, substantially on the same terms as the relevant business was conducted as at the Announcement Date; or
- (iii) that are necessary to permit the transactions contemplated by this Bidder's Statement (including, without limitation, full and lawful implementation of Equity Trustees' intentions as set out in section 4),

in each case on an unconditional basis, and at all relevant subsequent times until the end of the Offer Period, all of those Approvals remain in full force and effect in all respects, and are not subject to any notice, intimation or indication of intention to withdraw, revoke, cancel, suspend, restrict, modify or not renew the same.

(g) No regulatory actions

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Governmental Agency;
- (ii) no action or investigation is announced, commenced or threatened by any Governmental Agency; and
- (iii) no application is made to any Governmental Agency (other than by any member of the Equity Trustees Group),

(other than an application to, or a decision or order of, ASIC or the Australian Takeovers Panel under, or relating to a breach of, Chapter 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of section 657A of the Corporations Act in consequence of, or in connection with, the Offer) that:

- (iv) restrains, prohibits or impedes (or if granted or made could restrain, prohibit or impede), or otherwise materially adversely impacts upon:
 - (A) the making of the Offer, the acquisition of Trust Company Shares under the Offer or the completion of any transaction contemplated by this Bidder's Statement or the Offer; or
 - (B) the rights of any member of the Equity Trustees Group in respect of Trust Company or Trust Company Shares; or

-
- (v) requires the divestiture:
- (A) by any member of the Equity Trustees Group of any Trust Company Shares; or
 - (B) of any material assets owned by any member of the Equity Trustees Group or the Trust Company Group.
- (h) **No material adverse change**
- (i) Before the end of the Offer Period, no event, matter or thing occurs, is announced or becomes known to Equity Trustees (whether or not it becomes public) where that event, matter or thing has had, will have or is reasonably likely to have, a material adverse effect on the assets, liabilities, business, financial or trading position, performance, profitability or prospects of the Trust Company Group taken as a whole (whether individually or when aggregated with one or more other events, matters or things) except for events, matters and things publicly announced by Trust Company or otherwise disclosed in public filings by Trust Company or any member of the Trust Company Group prior to the Announcement Date where the relevant disclosure is not, and is not likely to be, incomplete, incorrect, untrue or misleading.
 - (ii) Without limitation to any other part of this condition, the following events will have the effect referred to in sub-paragraph (i):
 - (A) a person exercises rights under an agreement, arrangement or understanding to which any member of the Trust Company Group is a party where that exercise has had, will have or is reasonably likely to have, the effect of accelerating or adversely modifying the performance or terms of any of the obligations of the relevant Trust Company Group member under the agreement, arrangement or understanding;
 - (B) an outbreak of hostilities (whether war is declared or not) or terrorism, mobilisation of armed forces, civil or political unrest or labour disturbance, fire or natural disaster or a material increase in the intensity of any such event existing as at the Announcement Date which affects the assets, liabilities, financial position, performance, profitability or prospects of the Trust Company Group taken as a whole; or
 - (C) a Governmental Agency or other body withdraws, revokes, cancels, suspends, restricts or otherwise modifies a consent, authority, licence, approval, order, ruling, waiver, exemption or permit granted to or held by the Trust Company Group (or expresses an intention to do any of these things).
 - (iii) Without limitation to any other part of this condition, an event, matter or thing will have the effect referred to in sub-paragraph (i) if it (either individually or when aggregated with one or more other events, matters or things) has reduced, will reduce or is reasonably likely to reduce, the value of the consolidated net tangible assets per Trust Company Share as at 31 August 2012 (as set out in the condensed consolidated statement of financial position

contained in Trust Company's Appendix 4D for the half year ended 31 August 2012) by at least 14 cents per Trust Company Share.

(i) Earnings Confirmation

- (i)** If Trust Company's Target's Statement is prepared prior to the date on which the Trust Company FY13 Financial Report is given to ASX by Trust Company, Trust Company's Target's Statement contains a statement (**Earnings Confirmation**), expressed to be made with the approval of the Trust Company Board, which confirms, to the best of the knowledge and belief of the Trust Company Board after having made due enquiry, that the consolidated operating earnings before interest, tax, depreciation and amortisation of the Trust Company Group for the six months ended 28 February 2013 will be no less than \$9.0 million (on the basis of the application of accounting principles consistent with those applied to the Trust Company earnings guidance and results for the half year to 31 August 2012 announced to ASX on 9 October 2012), and the Earnings Confirmation is not materially varied, revoked or qualified (whether in any supplementary Trust Company's Target's Statement or otherwise) prior to the end of the Offer Period.
- (ii)** If the Offer Period has not ended on the date that Trust Company gives its FY13 Financial Report to ASX, the materials given by Trust Company to ASX together with the FY13 Financial Report contain a statement that the consolidated operating earnings before interest, tax, depreciation and amortisation of the Trust Company Group for the six months ended 28 February 2013 was no less than \$9.0 million (on the basis of the application of accounting principles consistent with those applied to the Trust Company earnings guidance and results for the half year to 31 August 2012 announced to ASX on 9 October 2012).

(j) Liabilities confirmation

Trust Company's Target's Statement contains a statement (**Liabilities Confirmation**), expressed to be made with the approval of the Trust Company Board, which confirms as at the date of the Liabilities Confirmation, to the best of the knowledge and belief of the Trust Company Board after having made due enquiry, each of the matters set out below, and the Liabilities Confirmation is not materially varied, revoked or qualified (whether in any supplementary Trust Company's Target's Statement or otherwise) prior to the end of the Offer Period:

- (i)** the Trust Company Group has no liability or contingent liability (including a liability or contingent liability arising in relation to a Defined Event) with a value greater than \$1.0 million, and no liabilities or contingent liabilities (including any liabilities or contingent liabilities arising in relation to the Defined Events) which in aggregate have a value greater than \$1.0 million, the nature, size and existence of which has not been disclosed in announcements by Trust Company to ASX prior to the Announcement Date;
- (ii)** no liability or contingent liability (including a liability or contingent liability as a result of a Defined Event) which has been disclosed in announcements made

by Trust Company to ASX prior to the Announcement Date has increased by a value greater than \$1.0 million than that previously announced to ASX, and no liabilities or contingent liabilities (including any liabilities or contingent liabilities arising in relation to the Defined Events) which have been previously disclosed in announcements by Trust Company to ASX prior to the Announcement Date have, in aggregate, increased by a value greater than \$1.0 million than that previously announced to ASX; and

- (iii) the net cash of the Trust Company Group as at 28 February 2013 is no less than \$5 million.

(k) No other outstanding securities

At the end of the Offer Period there are no Trust Company securities on issue other than Trust Company Shares and there are no outstanding agreements to issue Trust Company Shares or any other Trust Company securities.

(l) No dividend or distributions above market guidance

Between the Announcement Date and the end of the Offer Period (each inclusive), no member of the Trust Company Group makes, determines as payable or declares any distribution (whether by way of dividend, capital reduction or otherwise and whether cash or in specie) in excess of 17 cents per share (being the maximum final dividend per share estimated by Trust Company in its ASX announcement of 3 December 2012 titled "CEO GIVES NOTICE OF TERMINATION. GUIDANCE REAFFIRMED").

(m) No prescribed occurrences

Between the date on which the Bidder's Statement is given to Trust Company and the end of the Offer Period (each inclusive), none of the following occur:

- (i) Trust Company converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (ii) any member of the Trust Company Group resolves to reduce its share capital in any way;
- (iii) any member of the Trust Company Group:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) any member of the Trust Company Group issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option (other than an issue of shares pursuant to the vesting and exercise of rights on issue on the Announcement Date under the Trust Company Performance Rights Plan or other rights plan either in accordance with their terms where there is no exercise of any Trust Company Board discretion to permit early vesting or pursuant to the exercise of Trust Company Board discretion taking effect upon the Offer becoming unconditional);
- (v) any member of the Trust Company Group issues, or agrees to issue, convertible notes or any other instrument convertible into Trust Company Shares;

-
- (vi) any member of the Trust Company Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (vii) any member of the Trust Company Group grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
 - (viii) any member of the Trust Company Group resolves to be wound up;
 - (ix) a liquidator or provisional liquidator of any member of the Trust Company Group is appointed;
 - (x) a court makes an order for the winding up of any member of the Trust Company Group;
 - (xi) an administrator of any member of the Trust Company Group is appointed under section 436A, 436B or 436C of the Corporations Act;
 - (xii) any member of the Trust Company Group executes a deed of company arrangement; and
 - (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of any member of the Trust Company Group.

(n) No prescribed occurrences between the Announcement Date and date of Bidder's Statement

Between the Announcement Date and the day before the Bidder's Statement is given to Trust Company (each inclusive), none of the events listed in paragraphs (i) to (xiii) of condition 9.8(m) happens.

(o) Conduct of Trust Company Business

Between the Announcement Date and the end of the Offer Period (each inclusive), no member of the Trust Company Group:

- (i) enters into, amends, terminates or waives or otherwise forgoes rights under any Material Contract;
- (ii) makes any change to its constitution or other constituent documents or the Trust Company Performance Rights Plan;
- (iii) borrows an amount or amounts or incurs new financial indebtedness in aggregate in excess of \$1 million;
- (iv) enters into or materially amends any employment, consulting, severance or other similar arrangement or agreement with, any of the officers, directors or executives of the Trust Company Group or any other employees of the Trust Company Group whose total annual employment cost equals or exceeds or could equal or exceed \$150,000, or otherwise materially increases or agrees to increase compensation or benefits for any of the above or pays or agrees to pay any bonus, retention or termination payment (other than in accordance with existing contractual entitlements as at the Announcement Date or normal Trust Company Group remuneration review practices as at the Announcement Date) to any of the above;

-
- (v) enters into or materially amends any employment, consulting, severance or other similar arrangement or agreement with, any of the officers, directors or executives of the Trust Company Group or any other employees of the Trust Company Group whose total annual employment cost is less than or likely to be less than \$150,000, or otherwise materially increases or agrees to increase compensation or benefits for any of the above or pays or agrees to pay any bonus, retention or termination payment (other than in accordance with existing contractual entitlements as at the Announcement Date or normal Trust Company Group remuneration review practices as at the Announcement Date) to any of the above;
 - (vi) issues, grants or amends the terms of, any securities, options or rights to, or accelerates the rights of, any of the officers, directors, executives or employees of the Trust Company Group to compensation or benefits of any kind (including under any employee or director share, option or incentive plan and including by vesting any outstanding rights under the Trust Company Performance Rights Plan or any other rights plan) otherwise than in the ordinary course of business and except for any vesting of rights upon the Offer becoming unconditional);
 - (vii) waives or forgives any loans made by any member of the Trust Company Group in respect of Trust Company Shares issued under any employee or director share, option or incentive plan or cancels any rights under the Trust Company Performance Rights Plan or any other rights plan for consideration higher than the net benefit to the relevant holder had the rights been exercised and the Offer accepted; or
 - (viii) enters into any guarantee or indemnity on behalf of any entity within the Trust Company Group or provides security for the obligations of any entity within the Trust Company Group in relation to amounts in excess of \$1 million.

(p) No litigation on foot or pending

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) no litigation (including, but not limited to, in relation to any Defined Event) against any member of the Trust Company Group which may reasonably result in a judgement of more than \$1 million is commenced, is threatened to be commenced, is announced, or is made known to Equity Trustees (whether or not becoming public) or Trust Company;
- (ii) no litigation (including, but not limited to, in relation to any Defined Event) against any member of the Trust Company Group which in aggregate may reasonably result in judgements of more than \$1 million are commenced, threatened to be commenced, announced, or made known to Equity Trustees (whether or not becoming public) or Trust Company; and
- (iii) no claim alleging wrongful or negligent administration or management of a trust, fund or other client matter by any member of the Trust Company Group which might reasonably require a payment by the Trust Company Group member of more than \$1 million is made, announced or made known to Equity Trustees (whether or not becoming public) or Trust Company,

other than where such litigation or claim has been publicly announced by Trust Company or otherwise disclosed in public filings by Trust Company or any member of the Trust Company Group prior to the Announcement Date and there has been no material adverse change from the position as described in such announcement or disclosure.

(q) No additional capex, opex, material acquisitions or disposals

Other than any transaction or expenditure publicly announced by Trust Company or otherwise disclosed in public filings by Trust Company or any member of the Trust Company Group prior to the Announcement Date, between the Announcement Date and the end of the Offer Period (each inclusive), no member of the Trust Company Group incurs or commits to incur a capital expenditure or operating expenditure, acquires or disposes, offers to acquire or dispose or enters into or announces any agreement to acquire or dispose one or more companies, businesses or assets (or an interest in one or more companies, businesses or assets) or enters into any corporate transaction, which would or would be likely to involve a material change in:

- (i) the manner in which Trust Company conducts its business;
- (ii) the nature, extent or value of the assets of the Trust Company Group; or
- (iii) the nature, extent or value of the liabilities of the Trust Company Group,
- (iv) including, without limitation, any transaction which would or (subject to one or more conditions) may involve:
- (v) any member of the Trust Company Group acquiring, or agreeing to acquire, one or more companies, businesses or assets (or an interest in one or more companies, businesses or assets) for an amount in aggregate greater than \$1 million;
- (vi) any member of the Trust Company Group disposing, or agreeing to dispose of, one or more companies, businesses or assets (or an interest in one or more companies, businesses or assets) for an amount in aggregate greater than \$1 million; or
- (vii) any member of the Trust Company Group incurring or committing to incur, in aggregate, an amount of capital expenditure in excess of \$1 million which is not in the ordinary course of business of the Trust Company Group conducted in the same manner as before the Announcement Date.

(r) No inaccurate public information

Between the Announcement Date and the end of the Offer Period (each inclusive), Equity Trustees does not become aware that any document filed by or announcement made by or on behalf of any member of the Trust Company Group, or by or on behalf of any person in relation to the Trust Company Group, with ASX, ASIC or anywhere in the public domain, contains a statement which is incorrect or misleading in any material respect or from which there is a material omission.

(s) Equal access

At all times between the Announcement Date and the end of the Offer Period (each inclusive), Trust Company promptly, and in any event within 2 Business Days,

provides to Equity Trustees a copy of all information that is not generally available (within the meaning of the Corporations Act) relating to any member of the Trust Company Group, or their respective assets, liabilities or operations, that has been provided by any member of the Trust Company Group or any of their directors, officers, advisors, agents or representatives to any person other than a member of the Equity Trustees Group, other than in the ordinary course of ordinary business, including (without limitation) for the purposes of soliciting, encouraging or facilitating any proposal with respect to:

- (i) a takeover bid for, or scheme of arrangement proposed by, Trust Company;
- (ii) the acquisition by that person or an associate of substantially all the assets and operations of Trust Company (or of any of the Key Business Divisions); or
- (iii) any transaction having a similar economic effect.

(t) No break fees

Between the Announcement Date and the end of the Offer Period (each inclusive), no member of the Trust Company Group agrees (whether conditionally or unconditionally) to make any payment by way of break fee, inducement fee, cost reimbursement or otherwise, to any person or forgo any amount to which it would otherwise be entitled, in connection with a proposal by that person for:

- (i) a takeover bid for, or scheme of arrangement proposed by, Trust Company;
- (ii) the acquisition by that person or an associate of substantially all the assets and operations of Trust Company (or of any of the Key Business Divisions); or
- (iii) any transaction having a similar economic effect.

This condition does not apply to a payment by way of remuneration for professional services or to directors of Trust Company for the discharge of their duties in connection with the Offer.

9.9 Nature and operation of Defeating Conditions

(a) Nature of Defeating Conditions

- (i) The Defeating Condition in section 9.8(e) is a condition precedent to Equity Trustees' acquisition of any interest in Trust Company Shares.
Notwithstanding your acceptance of this Offer, unless and until the Defeating Condition in section 9.8(e) has been fulfilled or waived:
 - (A) no contract for the sale of your Trust Company Shares will come into force or be binding on you or Equity Trustees;
 - (B) Equity Trustees will have no rights (conditional or otherwise) in relation to your Trust Company Shares;
 - (C) if your Trust Company Shares are held in a CHES Holding, you will be entitled to withdraw your acceptance in respect of those Trust Company Shares by having your Controlling Participant transmit a valid originating message to ASX Settlement specifying the Trust Company Shares to be released from the sub-position, in accordance

with Rule 14.16 of the ASX Settlement Operating Rules, at any time prior to the fulfilment or waiver of that Defeating Condition; and

(D) if your Trust Company Shares are not held in a CHES Holding, you will be entitled to withdraw your acceptance in respect of those Trust Company Shares by sending a notice to that effect signed by you (or on your behalf, in which case documentation proving that the person or persons signing the notice are authorised to do so must accompany the notice) to any of the addresses specified on the Acceptance Form so that it is received at the relevant address at any time prior to the fulfilment or waiver of that Defeating Condition.

(ii) Each of the other Defeating Conditions is a condition subsequent to the formation of a binding contract upon your acceptance of this Offer. None of those Defeating Conditions prevents a contract to sell your Trust Company Shares resulting from your acceptance of this Offer, but non fulfilment of any of those Defeating Conditions at the end of the Offer Period will have the consequences set out in section 9.9(f):

(A) breach of any of those Defeating Conditions entitles Equity Trustees to rescind that contract by written notice to you; and

(B) non-fulfilment of any of those Defeating Conditions at the end of the Offer Period will have the consequences set out in section 9.9(f).

(b) Separate Defeating Conditions for benefit of Equity Trustees

(i) Each paragraph and each sub-paragraph of section 9.8 constitutes, and is to be construed as, a separate, several and distinct Defeating Condition. No Defeating Condition will be taken to limit the meaning or effect of any other Defeating Condition.

(ii) Subject to the Corporations Act and to section 9.9(a)(i), Equity Trustees alone is entitled to the benefit of the Defeating Conditions and to rely on breach or non-fulfilment of, or to waive, any of those conditions.

(c) Fulfilment of Defeating Conditions

Equity Trustees will use all reasonable endeavours to ensure that the Defeating Conditions contained in sections 9.8(e) and 9.8(f) are fulfilled as soon as possible after the date of this Bidder's Statement.

(d) Waiver of Defeating Conditions

Subject to the Corporations Act, Equity Trustees may free this Offer and any contract resulting from your acceptance of this Offer from all or any of the Defeating Conditions generally or in relation to a specific occurrence by giving written notice to Trust Company:

(i) in the case of the Defeating Conditions in section 9.8(m) — not later than three business days after the end of the Offer Period; and

(ii) in the case of the other Defeating Conditions — not less than seven days before the last day of the Offer Period.

(e) Notice on status of Defeating Conditions

The date for giving the notice as to the status of the Defeating Conditions required by section 630(1) of the Corporations Act is 14 (subject to variation in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

(f) Contract void if Defeating Conditions not fulfilled

Your acceptance of this Offer, and any contract resulting from your acceptance of this Offer, will be automatically void if:

- (i) at the end of the Offer Period, any of the Defeating Conditions is not fulfilled; and
- (ii) Equity Trustees has not declared this Offer and any contract resulting from your acceptance of it free from that Defeating Condition in accordance with section 9.9(d).

9.10 Provision of consideration

(a) When you will generally be provided the consideration

Subject to this section 9.10 and the Corporations Act, if you accept this Offer and the Defeating Conditions are fulfilled or waived, Equity Trustees will provide to you the Offer Consideration for your Trust Company Shares on or before the earlier of:

- (i) the day that is one month after the date of your acceptance or, if at the time of your acceptance this Offer is subject to a Defeating Condition, one month after any contract resulting from your acceptance of this Offer becomes, or is declared, unconditional; and
- (ii) the day that is 21 days after the end of the Offer Period.

(b) Provision of consideration where additional documents required

Where additional documents are required, either by the Acceptance Form or otherwise, to be given to Equity Trustees with your acceptance to enable Equity Trustees to become the holder of your Trust Company Shares (such as a power of attorney) then, subject to sections 9.10(c) to 9.10(g) and the Corporations Act):

- (i) if those documents are given to Equity Trustees with your acceptance, Equity Trustees will provide to you the consideration for your Trust Company Shares in accordance with section 9.10(a);
- (ii) if those documents are given to Equity Trustees after your acceptance and before the end of the Offer Period, while this Offer is subject to a Defeating Condition, Equity Trustees will provide to you the consideration for your Trust Company Shares by the earlier of:
 - (A) one month after any contract resulting from your acceptance of this Offer becomes, or is declared, unconditional; and
 - (B) 21 days after the end of the Offer Period;
- (iii) if those documents are given to Equity Trustees after your acceptance and before the end of the Offer Period, while this Offer is not subject to a Defeating Condition, Equity Trustees will provide to you the consideration for your Trust Company Shares by the earlier of:

-
- (A) one month after Equity Trustees is given those documents; and
 - (B) 21 days after the end of the Offer Period; and

(iv) if those documents are given to Equity Trustees after the end of the Offer Period, Equity Trustees will provide to you the consideration for your Trust Company Shares within 21 days after those documents are given. However, if, at the time those documents are given to Equity Trustees, the contract resulting from your acceptance of this Offer is still subject to a Defeating Condition in section 9.8(m), Equity Trustees will provide to you the consideration for your Trust Company Shares within 21 days after the contract becomes, or is declared, unconditional.

(c) Delivery of consideration

The obligation of Equity Trustees to allot and issue any Equity Trustees Shares to which you are entitled under this Offer will be satisfied by Equity Trustees:

- (i) entering your name on the register of members of Equity Trustees; and
- (ii) if your name is entered on the Issuer Sponsored Subregister of Equity Trustees, no later than five business days after such entry, despatching or procuring the despatch to you, by pre paid post to your address as shown on the latest copy of the register provided by Trust Company to Equity Trustees before despatch, a holding statement in accordance with the ASX Listing Rules. If your Trust Company Shares are held in joint names and those names are entered on the Issuer Sponsored Subregister of Equity Trustees, the holding statement will be issued in the name of, and despatched to, the holder whose name appears first in Trust Company's register of members.

(d) Rights

If Equity Trustees becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give to Equity Trustees all documents necessary to vest title to those Rights in Equity Trustees, or otherwise to give Equity Trustees the benefit or value of those Rights. If you do not do so, or if you have received or are entitled to receive (or any previous holder of your Trust Company Shares has received or is entitled to receive) the benefit of those Rights, Equity Trustees will be entitled to reduce the number of Equity Trustees Shares otherwise due to you under this Offer by reference to the amount (or an amount equal to the value, as reasonably assessed by Equity Trustees) of those Rights. If Equity Trustees does not, or cannot, make such a reduction, you must pay that amount to Equity Trustees, except to the extent that Equity Trustees elects to waive its entitlement to those Rights.

(e) Ineligible Foreign Shareholders

If you are an Ineligible Foreign Shareholder (or if Equity Trustees believes that you are an Ineligible Foreign Shareholder) and you accept this Offer, you will not be entitled to receive Equity Trustees Shares as consideration for your Trust Company Shares. Instead, you agree that:

- (i) Equity Trustees will arrange for the issue to a nominee approved by ASIC (the **Sale Nominee**) of the Equity Trustees Shares to which you and all other

Foreign Ineligible Shareholders would have been entitled but for this section 9.10(e) and the equivalent section in each other offer under the Offer;

- (ii) Equity Trustees will cause those Equity Trustees Shares to be offered for sale by the Sale Nominee on ASX or another relevant financial market licensed under section 795B of the Corporations Act through which retail clients may trade in securities as soon as practicable and otherwise in such manner, at such price and on such terms as are determined by the Sale Nominee;
- (iii) Equity Trustees will cause the amount ascertained in accordance with the formula below to be paid to you:

$$\text{net proceeds of sale} \times \frac{\text{your Equity Trustees Shares}}{\text{total Equity Trustees Shares}}$$

where:

net proceeds of sale is the amount (if any) remaining after deducting the expenses of sale and any costs of appointing the nominee from the total proceeds of sale of the Equity Trustees Shares issued to the Sale Nominee under this section 9.10(e) and the equivalent provision in each other offer under the Offer;

your Equity Trustees Shares is the number of Equity Trustees Shares that would, but for this section 9.10(e), have been issued to you under this Offer; and

total Equity Trustees Shares is the total number of Equity Trustees Shares issued to the Sale Nominee under this section 9.10(e) and the equivalent provision in each other offer under the Offer;

- (iv) payment of the amount calculated in accordance with section 9.10(e)(iii) will be made by cheque drawn in Australian currency in your favour that is sent to you, at your risk, by ordinary mail (or, in the case of Trust Company Shareholders with addresses outside Australia, by airmail) to your address shown on the latest copy of the register provided by Trust Company to Equity Trustees, and that under no circumstances will any interest be paid on or in relation to that amount, regardless of any delay in the remittance of the amount to you; and
- (v) you irrevocably appoint Equity Trustees as your agent to receive any notice, including a Financial Services Guide (if any) (and any update of any such notice or document), that the Sale Nominee and/or its broker may provide under the Corporations Act and you acknowledge and agree that any such notice or document will be made available by Equity Trustees on Equity Trustees' website (<http://www.eqt.com.au>).

Neither Equity Trustees nor the Sale Nominee makes any representation, warranty, undertaking or assurance as to the price that will be achieved for the sale of Trust Company Shares described in this section 9.10(e).

(f) Non-Australian residents

If, at the time of acceptance of this Offer, any authority or clearance of a Public Authority is required for you to receive any consideration under this Offer or you are resident in or a resident of a place to which, or you are a person to whom:

- (i) the Autonomous Sanctions Regulations 2011 (Cth);
- (ii) the Banking (Foreign Exchange) Regulations 1959 (Cth);
- (iii) Part 4 of the Charter of the United Nations Act 1945 (Cth);
- (iv) the Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);
- (v) the Charter of the United Nations (Sanctions – Al-Qaida and the Taliban) Regulations 2008 (Cth);
- (vi) the Charter of the United Nations (Sanctions – Cote d'Ivoire) Regulations 2008 (Cth);
- (vii) the Charter of the United Nations (Sanctions – Democratic People's Republic of Korea) Regulations 2008 (Cth);
- (viii) the Charter of the United Nations (Sanctions – Democratic People's Republic of the Congo) Regulations 2008 (Cth);
- (ix) the Charter of the United Nations (Sanctions – Eritrea) Regulations 2010 (Cth);
- (x) the Charter of the United Nations (Sanctions – Iran) Regulations 2008 (Cth);
- (xi) the Charter of the United Nations (Sanctions – Iraq) Regulations 2008 (Cth);
- (xii) the Charter of the United Nations (Sanctions – Lebanon) Regulations 2008 (Cth);
- (xiii) the Charter of the United Nations (Sanctions – Liberia) Regulations 2008 (Cth);
- (xiv) the Charter of the United Nations (Sanctions – Libyan Arab Jamahiriya) Regulations 2011 (Cth);
- (xv) the Charter of the United Nations (Sanctions – Somalia) Regulations 2008 (Cth);
- (xvi) the Charter of the United Nations (Sanctions – Sudan) Regulations 2008 (Cth); or
- (xvii) any other law of Australia that would make it unlawful for Equity Trustees to provide consideration for your Trust Company Shares,

applies then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained by Equity Trustees. See section 8.18 for information known to Equity Trustees as to whether this restriction may apply to you.

(g) Withholding of consideration by Equity Trustees

If any amount (the **withholding amount**) is required, under any Australian law or by any Public Authority, to be:

-
- (i) withheld from any consideration otherwise due to you under this Offer and paid or provided to a Public Authority; or
 - (ii) retained by Equity Trustees out of any consideration otherwise due to you under this Offer,

the payment, provision or retention by Equity Trustees of the withholding amount (as applicable) will constitute full discharge of Equity Trustees' obligation to provide the consideration to you to the extent of the withholding amount.

9.11 Offerees

(a) Registered holders

Equity Trustees is making an offer in the form of this Offer to:

- (i) each person registered as the holder of Trust Company Shares in the register of members of Trust Company as at the Register Date;
- (ii) each person who, during the period from the Register Date to the end of the Offer Period, becomes registered or entitled to be registered as the holder of Trust Company Shares (whether or not they are registered or entitled to be registered as the holder of other Trust Company Shares) due to the conversion of, or exercise of rights attached to, other securities convertible into Trust Company Shares that are on issue at the Register Date; and
- (iii) subject to obtaining a relief instrument from ASIC in a form acceptable to Equity Trustees, each person who, during the period from the Register Date to the end of the Offer Period, becomes registered or entitled to be registered as the holder of Trust Company Shares (whether or not they are registered or entitled to be registered as the holder of other Trust Company Shares) due to the issue of Trust Company Shares pursuant to the Trust Company Dividend Reinvestment Plan.

(b) Transferees

If at any time during the Offer Period another person is able to give good title to some or all of your Trust Company Shares, and that person has not already accepted an offer in the form of this Offer for those Trust Company Shares, then that person may accept as if an offer in the form of this Offer had been made to them in respect of those Trust Company Shares.

(c) Trustees and nominees

If at any time during the Offer Period and before you accept this Offer your Trust Company Shares consist of two or more separate parcels within the meaning of section 653B of the Corporations Act (for example, because you hold your Trust Company Shares as trustee or nominee for, or otherwise on account of, several distinct beneficial owners), then you may accept as if a separate offer in the form of this Offer had been made in relation to each of those parcels (including any parcel you hold in your own right). Acceptance for any parcel of Trust Company Shares (including any parcel consisting of two or more parcels) is ineffective unless:

- (i) you give Equity Trustees notice stating that the Trust Company Shares consist of a separate parcel, such notice being:

-
- (A) in the case of Trust Company Shares not in a CHESS Holding, in writing; or
 - (B) in the case of Trust Company Shares in a CHESS Holding, in an electronic form approved by the ASX Settlement Operating Rules for the purposes of Part 6.8 of the Corporations Act; and
- (ii) your acceptance specifies the number of Trust Company Shares in the distinct parcel.

(d) Trust Company Shares subject to Trust Company transfer restrictions

If at any time during the Offer Period some of your Trust Company Shares are subject to transfer restrictions imposed by Trust Company (for example, because you hold some of your Trust Company Shares under an employee incentive plan), then you may accept as if a separate offer in the form of this Offer had been made in relation to the balance of your Trust Company Shares. Acceptance for the balance of your Trust Company Shares is ineffective unless you give Equity Trustees notice stating the number of your Trust Company Shares that are subject to a transfer restriction and explaining the nature of the restriction, and your acceptance specifies the balance of your Trust Company Shares.

9.12 Additional copies of Offer documents

If, for the purpose of accepting the Offer, you require additional copies of this Bidder's Statement and the Acceptance Form, please call the Equity Trustees Offer Information Line on 1300 357 574 (within Australia) or +61 3 9415 4075 (from outside Australia) to request those additional copies.

9.13 Official quotation of Equity Trustees Shares

- (a) This Offer and any contract resulting from your acceptance of this Offer are subject to the condition set out in section 625(3) of the Corporations Act. If that condition is not fulfilled, any contract resulting from your acceptance of this Offer will be automatically void.
- (b) The condition set out in section 625(3) of the Corporations Act is not a defeating condition for the purposes of the Corporations Act, and is not of the same nature as the conditions set out in section 9.8. Section 625(3) of the Corporations Act provides that this Offer cannot be freed of the condition prescribed in that section, and consequently no statement made by Equity Trustees, or any other member of the Equity Trustees Group, can be taken to be a waiver of that condition.
- (c) Equity Trustees has been admitted to the Official List of ASX and shares in Equity Trustees of the same class as those to be issued as consideration under this Offer have been granted official quotation by ASX. An application will be made within seven days of the date of this Bidder's Statement for granting of Official Quotation of the Equity Trustees Shares to be issued as consideration under this Offer. However, official quotation of securities by ASX is not granted automatically on application.

9.14 Variation and withdrawal of Offer

(a) Variation

Equity Trustees may vary this Offer in accordance with the Corporations Act.

(b) Withdrawal

This Offer may be withdrawn with the written consent of ASIC, which consent may be subject to conditions. If so, Equity Trustees will give notice of the withdrawal to ASX and to Trust Company and will comply with any other conditions imposed by ASIC.

9.15 Costs and stamp duty

Equity Trustees will pay all costs and expenses of the preparation and circulation of this Offer and any Australian stamp duty payable on the transfer of any Trust Company Shares to Equity Trustees under this Offer.

9.16 Governing law and jurisdiction

This Offer and any contract resulting from your acceptance of this Offer are governed by the laws of Victoria. In relation to them and related non-contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

10. Definitions and Interpretation

10.1 Definitions

In this Bidder's Statement and in the Acceptance Form, unless the context requires otherwise:

2H13 Additional Operating Expense means the anticipated \$800,000 of additional operating expense to be incurred by the Trust Company Group in connection with the Systems Upgrade as identified in slide 6 of Trust Company's results presentation for the half year ending 31 August 2012.

Acceptance Form means the acceptance form enclosed with this Bidder's Statement or, as the context requires, any replacement or substitute acceptance form provided by or on behalf of Equity Trustees.

AFSL means Australian Financial Services Licence.

AIFRS means Australian International Finance Reporting Standards.

All Ordinaries means the S&P/ASX All Ordinaries Index.

All Ordinaries Accumulation Index means the S&P/ASX All Ordinaries Accumulation Index

Announcement Date means 21 February 2013.

Approval means:

- (a) a consent, authority, licence, approval, order, ruling, waiver, exemption, permit or notification that is required by law or by a Governmental Agency; or
- (b) in relation to anything that will be fully or partly prohibited or restricted by law if a Governmental Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry or termination of that period without intervention or action.

APRA means the Australian Prudential Regulation Authority.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in the Corporations Act.

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

ASX Listing Rules means the Listing Rules of ASX.

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

ASX Settlement Operating Rules means the operating rules of the settlement facility provided by ASX Settlement.

ATO means the Australian Taxation Office.

Australian Charities and Not-for-profits Commission Act means the *Australian Charities and Not-for-profits Commission Act 2012* (Cth).

Bid Period means the period between the date on which this Bidder's Statement was provided to Trust Company and the end of the Offer Period (both inclusive).

Bidder's Statement means this document being the statement of Equity Trustees under Part 6.5 of the Corporations Act relating to the Offer.

CAMAC means Corporations and Markets Advisory Committee.

CGT means Australian capital gains tax.

CHESS means the Clearing House Electronic Subregister System, which provides for the electronic transfer, settlement and registration of securities in Australia.

CHESS Holding means a holding of Trust Company Shares on the CHESS Subregister of Trust Company.

CHESS Subregister has the meaning given in the ASX Settlement Operating Rules.

Combined Group means the Equity Trustees Group following the acquisition of at least 50.1% of Trust Company under the Offer, on the assumption that at this level of ownership Equity Trustees will have the capacity to control Trust Company.

Combined Group Board means the board of directors of the Combined Group.

Controlling Participant has the meaning given in the ASX Settlement Operating Rules. Usually your Controlling Participant is a person, such as a broker, with whom you have a sponsorship agreement (within the meaning of the ASX Settlement Operating Rules).

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

Current Combined Market Capitalisation means the current combined market capitalisation of Equity Trustees and Trust Company.

Defeating Condition means each condition set out in section 9.8.

Defined Event means:

- (a) the payment of any deferred consideration pursuant to a business, asset or share purchase or acquisition agreement;
- (b) professional advice claims; or
- (c) warranty or indemnity claims in relation to any professional services.

Encumbrance means an interest or power:

- (a) reserved in or over any interest in any asset including any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of security for the payment of debt or any other monetary obligation or the performance of any other obligation and includes any agreement to grant or create any of the above.

Equity Trustees means Equity Trustees Limited ABN 46 004 031 298.

Equity Trustees Board means the board of directors of Equity Trustees.

Equity Trustees Director means a director of Equity Trustees.

Equity Trustees Group means Equity Trustees and its Subsidiaries as at the date of this Bidder's Statement.

Equity Trustees Share means a fully paid ordinary share in Equity Trustees.

Equity Trustees Shareholder means a person registered in the register of members of Equity Trustees as a holder of Equity Trustees Shares.

Funds Under Management, Administration or Advice means funds under management, administration or advice by Equity Trustees or the Combined Group (as applicable).

FY12 means the financial year ending on 29 February 2012 in the case of Trust Company and 30 June 2012 in the case of Equity Trustees.

FY13 means the financial year ending on 28 February 2013 in the case of Trust Company and 30 June 2013 in the case of Equity Trustees.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, statutory, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (including for the avoidance of doubt, the Treasurer), ASIC, ASX and any regulatory organisation established under statute or any other stock exchange.

GST means the goods and services tax imposed under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and the related imposition acts of the Commonwealth of Australia.

Holder Identification Number means the number used to identify a Trust Company Shareholder on the CHESS Subregister of Trust Company.

Ineligible Foreign Shareholder means a Trust Company Shareholder whose address as shown in the register of members of Trust Company is in a jurisdiction other than Australia and its external territories or New Zealand unless Equity Trustees is satisfied that it is not precluded from lawfully issuing Equity Trustees Shares either unconditionally or after compliance with conditions that Equity Trustees regards as acceptable and not unduly onerous.

Issuer Sponsored Holding means a holding of Trust Company Shares on the Issuer Sponsored Subregister of Trust Company.

Issuer Sponsored Subregister has the meaning given in the ASX Settlement Operating Rules.

Key Business Divisions means the segments of the Trust Company Group's business referred to in Note 27 to Trust Company's Consolidated Financial Report for the year ended 29 February 2012 as Corporate Client Services and Personal Client Services.

Material Contract means any agreement, arrangement or understanding to which any member of the Trust Company Group is a party that:

- (a) requires or may result in any expenditure by any member of the Trust Company Group (either alone or together with any other member of the Trust Company Group) of \$1.0 million or more in any year; or
- (b) is otherwise material to the business or operations of any member of the Trust Company Group.

Minister means the Minister for Financial Services or the Treasurer, of the Commonwealth of Australia, as applicable.

Offer means, as the context requires, the offer for Trust Company Shares contained in section 9, or the off-market takeover bid constituted by that offer and each other offer by

Equity Trustees for Trust Company Shares in the form of that offer, including in each case as varied in accordance with the Corporations Act.

Offer Consideration means 0.33 Equity Trustees Shares for each Trust Company Share, subject to possible adjustment as set out in section 9.2(c), unless you are an Ineligible Foreign Shareholder.

Offer Period means the period during which the Offer will remain open for acceptance in accordance with section 9.3.

Official Quotation means official quotation on ASX.

Public Authority means any government or any governmental, semi-governmental, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.

Register Date means the date set by Equity Trustees under section 633(2) of the Corporations Act.

Rights means all accretions, rights and benefits of whatever kind attaching to or arising from Trust Company Shares directly or indirectly at or after the date of this Bidder's Statement (including all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements declared, paid or issued by Trust Company or any Subsidiary of Trust Company).

RSE Licence means a Registrable Superannuation Entity Licence.

Sale Nominee has the meaning given in section 9.10(e)(i).

Securityholder Reference Number means the number allocated by Trust Company to identify a Trust Company Shareholder on the Issuer Sponsored Subregister of Trust Company.

Share Registry means Computershare Investor Services Pty Limited.

Subsidiary has the meaning given in the Corporations Act.

Systems Upgrade means the upgrade of the Trust Company Group's business information technology systems most recently referred to in slide 6 of Trust Company's results presentation for the half year ending 31 August 2012.

Takeover Transferee Holding has the meaning given in the ASX Settlement Operating Rules, being the CHESS Holding to which Trust Company Shares are to be transferred pursuant to acceptances of the Offer.

Target's Statement means the target's statement to be prepared by Trust Company in relation to the Offer.

Trust Company means The Trust Company Limited ABN 59 004 027 749.

Trust Company Board means the board of directors of Trust Company.

Trust Company Director means a director of Trust Company.

Trust Company Dividend Reinvestment Plan means Trust Company's dividend reinvestment plan dated October 2011.

Trust Company Employee Incentive Plan means Trust Company's Performance Rights Plan which was approved by Trust Company Shareholders at the Extraordinary General Meeting of Trust Company on 16 December 2009.

Trust Company FY13 Final Dividend means Trust Company's final dividend for the 2013 financial year.

Trust Company FY13 Financial Report means the financial report for the year ending 28 February 2013 required to be prepared by Trust Company in accordance with section 292 of the Corporations Act.

Trust Company Group means Trust Company and Subsidiaries as at the date of this Bidder's Statement.

Trust Company Performance Right means a Performance Right issued under the Trust Company Performance Rights Plan.

Trust Company Performance Rights Plan means the Trust Company Performance Rights Plan in force as at the Announcement Date.

Trust Company Share means a fully paid ordinary share in Trust Company.

Trust Company Shareholder means a person registered in the register of members of Trust Company as a holder of Trust Company Shares.

Treasurer means the Treasurer of the Commonwealth of Australia.

your Trust Company Shares means, subject to section 9.11:

- (a) the Trust Company Shares in respect of which you are registered or entitled to be registered as a holder in the register of members of Trust Company at the Register Date, and in respect of which no other person becomes registered or entitled to be registered as a holder before you accept the Offer;
- (b) any other Trust Company Shares to which you are able to give good title at the time you accept the Offer (including any Trust Company Shares in respect of which you become registered or entitled to be registered as a holder due to the conversion of, or exercise of rights attached to, other securities convertible into Trust Company Shares that are on issue at the Register Date); and
- (c) subject to obtaining a relief instrument from ASIC in a form acceptable to Equity Trustees, any Trust Company Shares to which you become registered or entitled to be registered as a holder prior to the end of the Offer Period pursuant to the Trust Company Dividend Reinvestment Plan.

10.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, headings are for convenience only and do not affect interpretation.

- (a) Mentioning anything after **includes, including, for example**, or similar expressions, does not limit what else might be included.

The following rules apply unless the context requires otherwise.

- (b) The singular includes the plural and conversely.

-
- (c)** A reference to a section or Annexure is to a section of, or annexure to, this Bidder's Statement.
 - (d)** A gender includes all genders.
 - (e)** Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
 - (f)** A reference to a person, corporation, trust, partnership, unincorporated body or association or other entity includes any of them.
 - (g)** A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns.
 - (h)** A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.
 - (i)** A reference to any instrument or document includes any variation or replacement of it.
 - (j)** A term not specifically defined in this Bidder's Statement has the meaning given to it in the Corporations Act (being, if any special meaning is given for the purposes of Chapter 6 or 6A of the Corporations Act or a provision of those chapters, that special meaning).
 - (k)** A reference to time is a reference to Melbourne time.
 - (l)** A reference to **\$** is a reference to the lawful currency of Australia.
 - (m)** A reference to **you** is to a person to whom the Offer under section 9 is (or is deemed to be) made.

11. Approval of Bidder's Statement

This Bidder's Statement has been approved by unanimous resolution of the directors of Equity Trustees Limited.

Dated 18 March 2013

Signed on behalf of Equity Trustees Limited:

A handwritten signature in black ink, appearing to read 'Robin Burns', with a long horizontal flourish extending to the right.

Robin Burns
Director

Annexure

Equity Trustees ASX announcements since 30 June 2012.

Date Lodged	Description of document
08/03/2013	Letter to Trust Company Shareholders
27/02/2013	Half Year Results and Shareholders Presentation
22/02/2013	Letter To EQT Shareholders re Takeover of Trust Company
21/02/2013	Investor Presentation - Takeover Offer For Trust Company
30/01/2013	Strong Unaudited First Half Year Results
15/01/2013	Change of Director's Interest Notice - JG Kennett
15/01/2013	Change of Director's Interest Notice - DF Groves
15/01/2013	Change of Director's Interest Notice - AM O'Donnell
15/01/2013	Change of Director's Interest Notice - KJ Eley
15/01/2013	Change of Director's Interest Notice - AJM Williams
15/01/2013	Appendix 3B
24/12/2012	Notice of Change of Director's Interest - DF Groves
19/12/2012	Form 603 – Equity Trustees as custodian for Lowell Resources Fund Initial Substantial Holding in Predictive Discovery Limited
18/12/2012	Form 603 - Equity Trustees as RE for SGH ICE Initial Substantial Holding in Car Parking Technologies Limited
17/12/2012	Projected Strong Half Year Result
26/10/2012	Results of Annual General Meeting 2012
26/10/2012	2012 AGM - Chairman and MD Address and Presentation
18/10/2012	Change of Director's Interest Notice - KJ Eley
18/10/2012	Change of Director's Interest Notice - AJM Williams
18/10/2012	Change of Director's Interest Notice - AM O'Donnell
18/10/2012	Change of Director's Interest Notice - JG Kennett
18/10/2012	Change of Director's Interest Notice - DF Groves
18/10/2012	Change of Director's Interest Notice - JA Killen
17/10/2012	Appendix 3B
12/10/2012	Change of Director's Interest Notice - AJM Williams
01/10/2012	Change of Director's Interest Notice - K J Eley
27/09/2012	2012 Final Dividend
26/09/2012	EQT Notice of 2012 AGM, Shareholder Review, Annual Report
24/09/2012	Change of Director's Interest Notice - JA Killen

20/09/2012	Change of Director's Interest Notice - JA Killen
11/09/2012	Change of Director's Interest Notice - K J Eley
04/09/2012	Appendix 3B
30/08/2012	2012 Full Year Results Announcement and Presentation
30/08/2012	2012 Profit Announcement and Audited Financial Statements
27/07/2012	Unaudited Full Year Results
09/07/2012	Change of Director's Interest Notice - DF Groves
09/07/2012	Change of Director's Interest Notice - KJ Eley
09/07/2012	Change of Director's Interest Notice - A O'Donnell
09/07/2012	Change of Director's Interest Notice - J Kennett
09/07/2012	Appendix 3B

Corporate Directory

Equity Trustees Limited

ABN 46 004 031 298

Australian Financial Services

Licence No 240975

Level 2, 575 Bourke Street,

Melbourne, Victoria 3000

Directors

Mr JA (Tony) Killen OAM

Mr David F Groves

Mr Robin B O Burns

Ms Alice J M Williams

The Hon Jeffrey G Kennett AC

Ms Anne M O'Donnell

Mr Kevin J Eley

Company Secretaries

Mr Terry Ryan

Mr Philip Maddox

Financial Advisers for the Offer

Lion Capital

Level 6, 350 Collins Street

Melbourne VIC 3000

Australian Legal Advisers for the Offer

Allens

Level 37, 101 Collins St

Melbourne VIC 3000

Allens is an independent partnership operating in alliance with Linklaters LLP

Share Registry

Computershare Investor Services Pty Limited

GPO Box 52

Melbourne, Victoria 3001

Equity Trustees Offer Information Line

If you have any questions in relation to the Offer or how to accept it, or if you have lost your Acceptance Form and require a replacement, please call the Equity Trustees Offer Information Line on the following numbers:

Within Australia: 1300 357 574 (within Australia)

Outside Australia: +61 3 9415 4075 (outside Australia)

Equity Trustees Limited

ABN 46 004 031 298

000001

000

SAM

MR JOHN SMITH 1

FLAT 123

123 SAMPLE STREET

THE SAMPLE HILL

SAMPLE ESTATE

SAMPLEVILLE VIC 3030

Return your Form:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 3001
AUSTRALIA

For all enquiries:



Phone:

(within Australia) 1300 357 574
(outside Australia) 61 3 9415 4075

Transfer and Acceptance Form - Share Offer

ISSUER

Your form must be received by the end of the Offer Period.

This is an important document that requires your immediate attention. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

This form relates to an off-market takeover ("**Offer**") by Equity Trustees Limited ("**Equity Trustees**") to acquire all of your shares in The Trust Company Limited ("**Trust Company**") pursuant to a Bidder's Statement dated **XX XXXX** 2013 and any replacements or supplements ("**Bidder's Statement**"). Terms defined in the Bidder's Statement but not in this form have the same meaning as in the Bidder's Statement unless the context requires otherwise.

How to accept the Offer

As your Trust Company Shares are held in an Issuer Sponsored holding, simply complete and return this form to the address above so that it is received no later than 7pm (Melbourne time) on the last day of the Offer Period.

If you sign and return this Acceptance Form, you warrant to Equity Trustees at the time of your acceptance and at the time the transfer of your Trust Company Shares is registered, that all of your Trust Company Shares are and will be fully paid, you have full legal and beneficial ownership of the Trust Company Shares to which this Transfer and Acceptance Form relates and that Equity Trustees will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

Step 1: Registration Name

Your consideration will be issued in the names as they appear on the latest copy of the Trust Company register, as provided to Equity Trustees. The current address recorded is printed above and overleaf. If you have recently bought or sold Trust Company Shares your holding may differ from that shown. If you have already sold all your Trust Company Shares, do not complete or return this form.

Step 2: Consideration and Shares

Please read carefully. You will be deemed to have accepted the Offer for ALL of your Trust Company Shares if you sign and return the form.

Step 3: Signing Instructions

To be effective the Trust Company Shareholder must sign this form according to these instructions:

Individual: Where the holding is in one name, the Trust Company Shareholder must sign.

Joint Holding: Where the holding is in more than one name, all of the Trust Company Shareholders must sign.

Power of Attorney: Please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person in the box labelled 'Sole Director and Sole Company Secretary'. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone as 'Sole Director'. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to attest to the office held and delete any inappropriate title.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering the contact details of the person you authorise to speak about this holding is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →

Transfer and Acceptance Form



I 123456789

IND

For your security keep your SRN/HIN confidential.

STEP 1 Registration Name & Shareholder Details

Registration Name: MR JOHN SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Shareholder Details: Subregister:

Issuer

Your holding in The Trust Company Limited:

1234567890

STEP 2 Consideration and Shares

The consideration applicable under this Offer is 0.33 Equity Trustees Limited Shares for each Trust Company Limited Share (subject to rounding in accordance with section 9.2(c) of the Bidder's Statement.)

If you are an Ineligible Foreign Shareholder then, despite any other provision of the Offer, you will not receive Equity Trustee Shares under this Offer. Instead, if you accept this Offer, you will receive a cash amount determined in accordance with section 9.10(e) of the Bidder's Statement.

You will be deemed to have accepted this consideration for ALL of your Trust Company Shares if you sign and return this form.

STEP 3 Signature of Shareholder(s) *This section must be completed.*

I/We accept the Offer made by Equity Trustees for all of the Trust Company Shares I/we hold and I/we agree to be bound by the terms and conditions of the Offer (including the instructions as to acceptance of the Offer on the back of this form) and transfer all of my/our Trust Company Shares as per the above instruction for the consideration specified in the Offer.

Individual or Shareholder 1

Director

Shareholder 2

Director/Company Secretary

Shareholder 3

Sole Director and Sole Company Secretary

Contact

Name _____

Contact

Daytime

Telephone _____

Date ____ / ____ / ____

Email

Address _____

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited (CIS) as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments 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 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 Corporations Act 2001, 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 using the details provided above or email privacy@computershare.com.au

TRU_TKO

163770A

Computershare +

Equity Trustees Limited

ABN 46 004 031 298

000001

000

SAM

MR JOHN SMITH 1

FLAT 123

123 SAMPLE STREET

THE SAMPLE HILL

SAMPLE ESTATE

SAMPLEVILLE VIC 3030



Return your Form:



To Your Controlling Participant:

Return this form directly to your Controlling Participant



By Mail:

Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 3001
AUSTRALIA

For all enquiries:



Phone:

(within Australia) 1300 357 574
(outside Australia) 61 3 9415 4075

Transfer and Acceptance Form - Share Offer

CHESS

Your form must be received by the end of the Offer Period.

This is an important document that requires your immediate attention. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Return your form to your Controlling Participant (normally your stockbroker) and allow enough time for them to initiate acceptance on your behalf in accordance with ASX Settlement Operating Rules.

This form relates to an off-market takeover ("**Offer**") by Equity Trustees Limited ("**Equity Trustees**") to acquire all of your shares in The Trust Company Limited ("**Trust Company**") pursuant to a Bidder's Statement dated **XX XXXX** 2013 and any replacements or supplements ("**Bidder's Statement**"). Terms defined in the Bidder's Statement but not in this form have the same meaning as in the Bidder's Statement unless the context requires otherwise.

How to accept the Offer

As your Trust Company Shares are in a CHESS holding, you may **contact your controlling participant** directly (normally your stockbroker) with instructions to accept the Offer, if you do this, you will need to sign and return this Transfer and Acceptance Form to your Controlling Participant. If you want Equity Trustees to contact your Controlling Participant on your behalf, sign and return this form to the address below so that it is received in sufficient time to allow your instruction to be acted upon by the last day of the Offer Period. This will authorise Equity Trustees to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf.

If you sign and return this Transfer and Acceptance Form, you warrant to Equity Trustees at the time of your acceptance and at the time the transfer of your Trust Company Shares is registered, that all of your Trust Company Shares are and will be fully paid, you have full legal and beneficial ownership of the Trust Company Shares to which this Transfer and Acceptance Form relates and that Equity Trustees will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

Step 1: Registration Name

Your consideration will be issued in the names as they appear on the latest copy of the Trust Company register, as provided to Equity Trustees. The current address recorded is printed above and overleaf. If you have recently bought or sold Trust Company Shares your holding may differ from that shown. If you have already sold all your Trust Company Shares, do not complete or return this form.

Step 2: Consideration and Shares

Please read carefully. You will be deemed to have accepted the Offer for ALL of your Trust Company Shares if you sign and return the form.

Step 3: Signing Instructions

To be effective the Trust Company Shareholder must sign this form accordingly to these instructions:

Individual: Where the holding is in one name, the Trust Company Shareholder must sign.

Joint Holding: Where the holding is in more than one name, all of the Trust Company Shareholders must sign.

Power of Attorney: Please attach a certified photocopy of the Power of Attorney to this form when you return it. If this form is signed under Power of Attorney, the attorney declares that he/she has no notice of the revocation of the Power of Attorney.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person in the box labelled 'Sole Director and Sole Company Secretary'. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone as 'Sole Director'. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to attest to the office held and delete any inappropriate title.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering the contact details of the person you authorise to speak about this holding is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →

Transfer and Acceptance Form



X 123456789

IND

For your security keep your SRN/HIN confidential.

STEP 1 Registration Name & Shareholder Details

Registration Name: MR JOHN SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Details: Subregister:

CHES

Your holding in The Trust Company Limited:

1234567890

Broker: <Broker Securities Company>

STEP 2 Consideration and Shares

The consideration applicable under this Offer is 0.33 Equity Trustees Limited Shares for each Trust Company Limited Share (subject to rounding in accordance with section 9.2(c) of the Bidder's Statement).

If you are an Ineligible Foreign Shareholder then, despite any other provision of the Offer, you will not receive Equity Trustee Shares under this Offer. Instead, if you accept this Offer, you will receive a cash amount determined in accordance with section 9.10(e) of the Bidder's Statement.

You will be deemed to have accepted this consideration for ALL of your Trust Company Limited Shares if you sign and return this form.

STEP 3 Signature of Shareholder(s) *This section must be completed.*

I/We accept the Offer made by Equity Trustees for all of the Trust Company Shares I/we hold and I/we agree to be bound by the terms and conditions of the Offer (including the instructions as to acceptance of the Offer on the back of this form) and transfer all of my/our Trust Company Shares as per the above instruction for the consideration specified in the Offer.

Individual or Shareholder 1

Director

Shareholder 2

Director/Company Secretary

Shareholder 3

Sole Director and Sole Company Secretary

Contact
Name _____

Contact
Daytime
Telephone _____

Date ____ / ____ / ____

Email
Address _____

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited (CIS) as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments 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 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 Corporations Act 2001, 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 using the details provided above or email privacy@computershare.com.au