8 July 2019

The Manager, Companies
Australian Securities Exchange
Companies Announcement Centre
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SYDNEY NSW 2000

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Dear Sir/Madam

Recommended Takeover Offer by Qube Holdings Limited for Chalmers Limited (ASX: CHR) – Completion of despatch of Bidder's Statement

We attach, by way of service pursuant to item 8 of section 633(1) of the *Corporations Act 2001* (Cth) (***Corporations Act***), a notice stating that Qube Logistics (Aust) Pty Ltd (***Qube BidCo***), a wholly-owned subsidiary of Qube Holdings Limited (***Qube***), has today completed sending to offerees the bidder's statement (***Bidder's Statement***) in relation to the off-market takeover bid by Qube, through Qube BidCo, for all of the ordinary shares in Chalmers Limited (ASX: CHR).

A copy of the Bidder's Statement is attached to this letter.

Sincerely

Adam Jacobs
Company Secretary and Corporate Counsel

Corporations Act 2001 (Cth)

Section 633(1), Item 8

Notice of Despatch

Qube Logistics (Aust) Pty Ltd (ABN 18 123 003 930) gives notice in accordance with item 8 of section 633(1) of the *Corporations Act 2001* (Cth) (***Corporations Act***) that the bidder's statement dated 1 July 2019 (***Bidder's Statement***), which includes an offer dated 8 July 2019, has been sent to each person who held securities in the bid class as at 7:00pm (Sydney time) on 2 July 2019 (being the date set pursuant to section 633(2) of the Corporations Act as required by item 6 of section 633(1) of the Corporations Act) (***Relevant Offerees***). The offers have been made on the terms set out in the Bidder's Statement.

A copy of the Bidder's Statement (which contains the offers), together with all additional information sent to the Relevant Offerees as required by section 633(1C) of the Corporations Act (inserted into the Corporations Act by ASIC Class Order [CO 13/521]) and section 633(6) of the Corporations Act, is attached to this notice.

Dated 8 July 2019



Maurice James

Director

For and on behalf of Qube Logistics (Aust) Pty Ltd

Allens is an independent partnership operating in alliance with Linklaters LLP.

THIS IS AN IMPORTANT DOCUMENT AND CONTAINS AN OFFER TO ACQUIRE ALL OF YOUR CHALMERS 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

Recommended Offer

by

Qube Logistics (Aust) Pty Ltd (ABN 18 123 003 930),
a wholly-owned subsidiary of Qube Holdings Limited (ABN 14 149 723 053)

to acquire all of your shares in

Chalmers Limited (ABN 34 004 471 032).

You can elect to receive either 2.31 Qube Shares or $6.50 cash for each of your Chalmers Shares.

The Chalmers Directors intend to unanimously recommend that Chalmers Shareholders accept the Offer, in the absence of a superior proposal.

ACCEPT NOW

Please call the Offer Information Line on 1300 381 071 (within Australia) or +61 3 9415 4035 (from outside Australia) from 9:00am to 5:00pm (Sydney time) on Business Days if you have any questions or require assistance. For legal reasons, calls to this number will be recorded.

Legal Adviser

Allens › ‹ Linklaters

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1 Important Information

This Bidder's Statement is given by Qube Logistics (Aust) Pty Ltd (ABN 18 123 003 930) (***Qube BidCo***), a wholly-owned subsidiary of Qube Holdings Limited (ABN 14 149 723 053) (***Qube***) to Chalmers Limited (ABN 34 004 471 032) (***Chalmers***) 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 1 July 2019 and includes an Offer dated 8 July 2019 in section 12.

A copy of this Bidder's Statement was lodged with ASIC on 1 July 2019. Neither ASIC nor any of its officers takes any responsibility for the contents of this Bidder's Statement.

Defined Terms

A number of defined terms are used in this Bidder's Statement. These terms are explained in section 13 along with certain rules of interpretation which apply to this Bidder's Statement.

Investment Advice

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.

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 Qube and Qube BidCo. Actual results, value, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward-looking statement. The past performance of Qube or Qube BidCo is no guarantee of future performance.

None of Qube, Qube BidCo, any of their 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. 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.

Implied Value of the Offer

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

Information regarding Chalmers and the Combined Group

Any information in this Bidder's Statement concerning Chalmers and Chalmers' assets and securities has been prepared from publicly available information and/or information that Qube has obtained from Chalmers as part of its due diligence. This information has not been independently verified and, accordingly, neither Qube BidCo nor Qube make any representation, and/or warranty, 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 Chalmers, has been prepared using publicly available information that may not be independently verified. Accordingly, neither Qube BidCo nor Qube make any representation and/or warranty, express or implied, as to the accuracy or completeness of such information to the extent permitted by the Corporations Act.

The information on Chalmers should not be considered comprehensive. Further information relating to Chalmers may be included in Chalmers' Target's Statement which will be sent to you by Chalmers.

Foreign registered shareholders

Chalmers Shareholders should note that consideration for the Offer under the Scrip Option is Qube 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. Chalmers Shareholders whose address in Chalmers' register of members is not in Australia or its external territories or New Zealand will not be entitled to receive Qube Shares on acceptance of the Offer (unless Qube BidCo is satisfied that it is not precluded from lawfully issuing Qube Shares either unconditionally or after compliance with conditions that Qube BidCo regards as acceptable and not unduly onerous). Ineligible Foreign Shareholders who accept the Offer will be paid a cash amount calculated in accordance with section 12.10(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, Qube 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.

Chalmers Shareholders who are resident outside of Australia and its external territories or New Zealand should refer to section 12.10(e) for further details.

Warning statement for Chalmers Shareholders in New Zealand

This Bidder's Statement is not a New Zealand product disclosure statement or other similar offering or disclosure document under New Zealand law and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the *Financial Markets Conduct Act 2013* or any other relevant New Zealand law. The offer of Chalmers Shares under the Offer is being made to existing Chalmers Shareholders with registered addresses in New Zealand in reliance upon an exemption from the relevant New Zealand securities regime, and, accordingly, this Bidder's Statement may not contain all the information that a product disclosure statement or other similar offering or disclosure document under New Zealand law is required to contain.

Unmarketable Parcels

Following an election of the Scrip Option, if the total number of Qube Shares you are entitled to receive as consideration under the Offer is an Unmarketable Parcel, you will receive a cash amount for your Chalmers Shares calculated in accordance with section 12.10(e) as if you were an Ineligible Foreign Shareholder.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement are subject to the effect of rounding. The actual calculation of these figures, amounts, percentages, prices, estimates, calculations of value and fractions may differ from those set out in this Bidder's Statement. Any discrepancies between totals in tables or financial statements or in calculations graphs or charts are due to rounding.

Privacy

Qube BidCo and its Related Bodies Corporate has collected your information from the register of members of Chalmers for the purposes of making the Offer and, if accepted, administering acceptances over your shareholding in Chalmers. The Corporations Act requires the name and address of shareholders to be held in a public register. Qube BidCo 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 Qube BidCo, please contact Qube at the address set out in the Corporate Directory.

Websites

References in this Bidder's Statement to Qube's website (http://www.qube.com.au/) and to Chalmers' website (http://www.chalmers.net.au/) are for your reference only. Information contained in or otherwise accessible from those websites are not part of this Bidder's Statement.

Enquiries and Offer Information Line

Please call the Offer Information Line on 1300 381 071 (within Australia) or +61 3 9415 4035 (from outside Australia) from 9:00am to 5:00pm (Sydney time) on Business Days, if you have any questions or require assistance. For legal reasons, calls to this number will be recorded.

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How to accept the Offer

For Issuer Sponsored Holdings of Chalmers 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 the postal address on the Acceptance Form.

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

To accept the Offer, either contact your Controlling Participant (usually your broker) and instruct them 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.

You may only accept this Offer for all of your Chalmers Shares. Acceptances must be received before the end of the Offer Period. **The Offer Period is scheduled to close at close at 7:00 pm (Sydney time) on 8 August 2019 (unless extended as permitted by the Corporations Act)**.

Mailing Address:

Qube Logistics (Aust) Pty Ltd

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 12.4.

Offer and acceptance enquiries

If you have any questions or require assistance, please call the Offer Information Line on 1300 381 071 (within Australia) or +61 3 9415 4035 (from outside Australia) from 9:00am to 5:00pm (Sydney time) on Business Days.

For legal reasons, calls to this number will be recorded.

Important Dates

Original Bidder's Statement lodged with ASIC	1 July 2019
Date of the Offer	8 July 2019
Offer scheduled to close (unless extended)	7:00 pm Sydney time on 8 August 2019

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

1 July 2019

Chairman's Letter

Dear Chalmers Shareholder,

Recommended off-market takeover bid for Chalmers

On behalf of Qube and Qube BidCo, I am pleased to present you with this Offer to acquire all of your Chalmers Shares for 2.31 Qube Shares or $6.50 cash (but not a combination of both) for each of your Chalmers Shares.

Compelling Offer for Chalmers Shareholders

Qube's Offer, made through a wholly-owned subsidiary, Qube BidCo, is highly attractive and provides liquidity and compelling value for Chalmers Shareholders. If you accept the Offer, you have the option to elect what consideration you receive under the Offer, being either:

- 2.31 Qube Shares for each of your Chalmers Shares (the ***Scrip Option***); or
- $6.50 cash for each of your Chalmers Shares (the ***Cash Option***).

You cannot elect to receive a combination of both Qube Shares and cash consideration.

Qube notes that the Chalmers Directors intend to unanimously recommend that Chalmers Shareholders accept the Offer, in the absence of a superior proposal.

The Offer is subject to a number of conditions, including Qube BidCo acquiring a relevant interest in at least 90% of Chalmers Shares on issue. The full terms and conditions of the Offer are set out in section 12 of this Bidder's Statement.

Why you should accept the Offer

Qube strongly encourages you to accept Qube BidCo's offer not least because:

- as at 27 June 2019 (being the last trading date prior to the announcement of the Offer), the implied value of the Scrip Option was $7.00.[1] This represents a substantial and attractive premium of:
  - 49% to the closing price of Chalmers Shares of $4.70 on 27 June 2019 (being the last trading day prior to the announcement of the Offer); and
  - 61% to $4.34, being the volume-weighted average price of Chalmers Shares for the one month to and including 27 June 2019 (being the last trading day prior to the announcement of the Offer);
- the consideration under the Cash Option of the Offer to Chalmers Shareholders is $6.50 per Chalmers Share which, as at the date of the announcement of the Offer, represented:
  - a premium of 38% to the Chalmers closing share price on 27 June 2019 (being the last trading day prior to the announcement of the Offer); and
  - a premium of 50% to the volume weighted average share price of Chalmers over the one month ending 27 June 2019 (being the last trading day prior to the announcement of the Offer);

[1] This is based on the closing price of Qube Share on ASX on 27 June 2019, being $3.03. The implied value of the Scrip Option will vary with the market price of Qube Shares. As at 27 June 2019, the implied value of the Scrip Option was $7.00 which is based on the closing price of Qube Shares on ASX on that day, being $3.03.

- the Chalmers Directors intend to unanimously recommend that Chalmers Shareholders accept the Offer, in the absence of a superior proposal;
- the Offer provides flexibility for Chalmers Shareholders to elect to receive cash or Qube Shares;
- the Scrip Option affords Chalmers Shareholders an opportunity to own shares in Qube, an ASX100 company of greater scale, with more diversified earnings and an enhanced market position relative to Chalmers;
- if you elect to receive the Scrip Option, CGT roll-over relief should be available to eligible shareholders if Qube acquires 80% or more of Chalmers Shares through the Offer[2];
- it is the only takeover offer that currently exists for your Chalmers Shares;
- a major shareholder in Chalmers, Alljet Investments Pty Ltd, has agreed to accept the offer (in the absence of a superior proposal) in respect of 19.9% of the Chalmers Shares on issue (refer to section 3.6 for more details); and
- no brokerage fees will be payable (unless you are an Ineligible Foreign Shareholder or Unmarketable Parcel Holder).

Support from Chalmers Directors

In addition, Chalmers has announced that the Chalmers Directors intend to unanimously recommend that Chalmers Shareholders accept the Offer, in the absence of a superior proposal and that the Chalmers Directors intend to elect to receive the Scrip Option with respect to the Chalmers Shares that they own or control.[3]

Next Steps

Detailed information about the Offer is set out in this Bidder's Statement. I encourage you to carefully read this Bidder's Statement in its entirety and consider the merits of this Offer as we have presented them.

I strongly encourage you to **ACCEPT** the Offer as soon as possible. Unless extended, the Offer is open until 7:00 pm (Sydney time) on 8 August 2019. To accept the Offer, you must follow the instructions in the accompanying Acceptance Form.

If you have any questions or require assistance, please call the Offer Information Line on 1300 381 071 (within Australia) or +61 3 9415 4035 (from outside Australia) from 9:00am to 5:00pm (Sydney time) on Business Days.

I look forward to receiving your acceptance and welcoming you as a Qube Shareholder.



Yours sincerely
Allan Davies
Chairman
Qube Holdings Limited

[2] The availability of CGT roll-over relief depends on various matters set out in section 9.

[3] As disclosed in the Chalmers 2018 Annual Report, collectively, Chalmers Directors or director related entities hold 4,403,536 Chalmers Shares representing 57.83% of Chalmers Shares.

2 Investment Overview

The information set out in this section is intended to provide you with an overview of Qube, Qube BidCo, the Offer to acquire your Chalmers Shares and the risks that you should consider.

The following is a summary of the Offer only and is qualified by detailed information contained in the other sections of this Bidder's Statement. You should read this Bidder's Statement in full before deciding how to deal with your Chalmers Shares.

The full terms and conditions of the Offer are contained in section 12.

Part A – Summary of the Offer

No.	Question	Answer	Section
1	**What is the Offer?**	This Bidder's Statement relates to the Offer by Qube BidCo to acquire all of your Chalmers Shares by way of an off-market takeover bid. The Offer relates to all Chalmers Shares that exist, or will exist, on the Register Date.	Section 12 contains the full terms and conditions of the Offer. See the definition of your Chalmers Shares in section 13.1.
2	**Who is making the Offer?**	Qube Logistics (Aust) Pty Ltd (ABN 18 123 003 930), a wholly-owned subsidiary of Qube Holdings Limited (ASX: QUB).	Section 4 provides further information about Qube.
3	**What will I receive if I accept the Offer and what is the value of the Offer Consideration?**	If you accept the Offer and the Offer becomes unconditional, the consideration you receive for the Offer will be dependent upon whether you elect to receive the Scrip Option or the Cash Option (described in further detail below). If you do not make an election on your Application Form or your election is invalid, indistinct or conflicting, you will be deemed to have elected to receive the Scrip Option. • ***Scrip Option*** If you accept the Offer and elect to receive the Scrip Option, the value you will receive under the Offer will be influenced by the quoted price of Qube Shares since the consideration you will be entitled to receive is 2.31 Qube Shares for each of your Chalmers Shares. By way of example, using the closing price of $3.03 for Qube Shares traded on ASX on 27 June 2019, (being the last trading day before the announcement of the Offer) results in an implied value of the Offer of $7.00 for each Chalmers Share. Should the quoted price for Qube Shares	Sections 4 and 10 contain more information regarding Qube, its business and the risks that apply to Combined Group. Section 12.2 contains further information on the Offer Consideration.

No.	Question	Answer	Section
		increase or decrease, the implied value of the Offer would increase or decrease commensurately. • ***Cash Option*** If you accept the Offer and elect to receive the Cash Option, the value you will receive under the Offer will be $6.50 cash per Chalmers Share. Qube notes that each Chalmers Director who holds Chalmers Shares, or has control over disposal of Chalmers Shares intends to accept (or procure the acceptance of) the Offer and elect the Scrip Option in respect of such Chalmers Shares (in the absence of a superior proposal). Qube BidCo reserves the right to permit you to change your election (or deemed election) for the Cash Option or Scrip Option.	
4	**Who is an Ineligible Foreign Shareholder or an Unmarketable Parcel Holder?**	You are an Ineligible Foreign Shareholder if you are a Chalmers Shareholder whose address as shown in the register of members of Chalmers is in a jurisdiction other than Australia and its external territories or New Zealand, unless Qube BidCo is satisfied that it is not precluded from lawfully issuing Qube BidCo Shares either unconditionally or after compliance with conditions that Qube BidCo regards as acceptable and not unduly onerous. You are an Unmarketable Parcel Holder if you are a Chalmers Shareholder who, but for section 12.10(f), would receive an Unmarketable Parcel as consideration under the Offer.	Section 12.10(e) contains more information regarding Ineligible Foreign Shareholders. Section 12.10(f) contains more information about what it means to have an Unmarketable Parcel.
5	**What will I receive if I am an Ineligible Foreign Shareholder or an Unmarketable Parcel Holder?**	If you are an Ineligible Foreign Shareholder and elect the Scrip Option you will not receive any Qube Shares. Instead, you will receive, in respect of your Chalmers Shares, a cash amount calculated in accordance with section 12.10(e). If you are an Unmarketable Parcel Holder, you will be treated the same way as Ineligible Foreign Shareholders and will not receive Qube Shares. Instead, you will receive a cash amount in respect of your Chalmers Shares calculated in accordance with section 12.10(f).	Section 12.10(e) contains more information regarding Ineligible Foreign Shareholders. Section 12.10(f) contains more information about what it means to have an Unmarketable Parcel.
6	**Why should I accept the Offer?**	1. Qube is offering a significant premium for Chalmers Shares. 2. The Chalmers Directors intend to unanimously	Refer to section 3 for further information.

No.	Question	Answer	Section
		recommend that Chalmers Shareholders accept the Offer, in the absence of a superior proposal and Chalmers Directors intend to elect to receive the Scrip Option with respect to the Chalmers Shares that they own or control.[4] 3. The Offer provides flexibility for Chalmers Shareholders to elect to receive cash or Qube Shares. 4. The Scrip Option affords Chalmers Shareholders an opportunity to own shares in Qube, an ASX100 company of greater scale, more diversified earnings and an enhanced market position, relative to Chalmers. 5. If you elect to receive the Scrip Option, CGT roll-over relief should be available to eligible shareholders if Qube acquires 80% or more of Chalmers Shares through the Offer.[5] 6. It is the only takeover offer that currently exists for your Chalmers Shares. 7. Qube and Alljet Investments Pty Ltd have entered into a pre-bid agreement in respect of 19.9% of the issued share capital in Chalmers. 8. No brokerage fees will be payable (unless you are an Ineligible Foreign Shareholder or Unmarketable Parcel Holder).	
7	**When does the Offer open and close?**	The Offer opens on 8 July 2019 and is scheduled to close at 7:00 pm (Sydney time) on 8 August 2019. You should note that the Offer Period can be extended as permitted by the Corporations Act.	Refer to section 12.3 for further details.
8	**How do I accept the Offer?**	See the section entitled 'How to accept the Offer' and the instructions on the accompanying Acceptance Form.	Section 12.4 also contains detailed information regarding how to accept the Offer.
9	**Can I accept the Offer for only a portion but not all of my Chalmers Shares?**	No. You may only accept the Offer in respect of 100% (and not a lesser proportion) of the Chalmers Shares you hold.	Refer to section 12.4(a) for further information.

[4] As disclosed in the Chalmers 2018 Annual Report, collectively, Chalmers Directors or director related entities hold 4,403,536 Chalmers Shares representing 57.83% of Chalmers Shares.

[5] The availability of CGT roll-over relief depends on various matters set out in section 9.

No.	Question	Answer	Section
10	**If I accept the Offer, can I elect to receive a combination the Scrip Option and Cash Option?**	No. You can only elect to receive either the Scrip Option or the Cash Option, but not a combination of both.	Refer to section 12.2 for further information
11	**If I accept the Offer, when will I receive the Offer Consideration?**	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: • 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. Ineligible Foreign Shareholders and Unmarketable Parcel Holders who elect to receive the Scrip Option will be provided with the cash proceeds of sale to which they are entitled under the Offer at a different time.	Refer to section 12.11 for further information as to when your Qube Shares will be issued if you elect to receive the Scrip Option. Refer to section 12.10(e) for more information in regarding Ineligible Foreign Shareholders. Refer to section 12.10(f) for more information regarding Unmarketable Parcel Holders.
12	**Will I receive fractional Qube Shares?**	No. If you accept the Offer and a fractional entitlement to Qube Shares arises from the calculation of your entitlement under the Offer, any such fractional entitlements will be rounded to the nearest whole number of Qube Shares.	Refer to section 12.2(c) for further information.
13	**What are the tax implications of acceptance?**	You should consult your financial, tax or other professional adviser on the tax implications of acceptance. However, section 9 contains a general summary of the major likely Australian tax consequences for Chalmers Shareholders who accept the Offer.	Refer to section 9 for further information.
14	**What are the conditions of the Offer?**	The Offer is subject to a number of conditions which are set out in full in section 12.8. In summary, the key conditions to the Offer require that: • the Offer results in Qube BidCo having relevant interests in at least 90% of the Chalmers Shares; • there are no materially adverse regulatory actions taken to restrain, prohibit or impede the Offer;	For a full list of conditions, please refer to section 12.8. Section 11.16 provides further information regarding the status of the

No.	Question	Answer	Section
		• there is no cessation of any material licences, registrations, certifications or accreditations held by Chalmers during the Offer Period; • no material adverse change; • no material acquisition, disposal or commitment is undertaken by Chalmers during the Offer Period; • no change of control or other rights are granted to any person as a result of the Offer; • no dividends are declared or paid during the Offer Period; and • no prescribed occurrences happen during the Offer Period. If any of these 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 (i.e. you will retain your Chalmers Shares).	Defeating Conditions to the Offer. Section 12.9 contains further information regarding the nature and operation of the Defeating Conditions.
15	**Do I pay brokerage or stamp duty if I accept?**	You will not pay any stamp duty on the disposal of your Chalmers Shares if you accept the Offer. You will not pay any stamp duty on the acquisition of Qube Shares under the Scrip Option. If your Chalmers Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Qube BidCo, you will not incur any brokerage in connection with your acceptance of the Offer. If your Chalmers Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Chalmers 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. If you are an Ineligible Foreign Shareholder or Unmarketable Parcel Holder, brokerage will be payable in respect of the sale of the Qube Shares that you would otherwise be entitled to receive under the Offer.	Refer to section 9 for further details. Section 12.10(e) contains more information regarding Ineligible Foreign Shareholders. Section 12.10(f) contains more information regarding Unmarketable Parcel Holders.
16	**Can Qube BidCo extend the time at which the Offer is to close?**	Yes. Qube BidCo can extend the Offer Period in accordance with the Corporations Act. Qube BidCo will give written notice of any extension of the Offer Period in accordance with the Corporations Act.	Refer to section 12.3.

No.	Question	Answer	Section
17	**What alternatives do I have as a Chalmers Shareholder?**	You have the following alternatives as a Chalmers Shareholder: • accept the Offer; • sell your Chalmers Shares on ASX (or under an off-market transfer); or • do nothing.	
18	**What happens if I do not accept the Offer?**	**If Qube BidCo acquires 90% or more of Chalmers Shares** If you do not accept the Offer but Qube BidCo acquires a relevant interest in at least 90% of Chalmers Shares and the other conditions to the Offer are satisfied or waived, Qube BidCo intends to proceed to compulsorily acquire all remaining Chalmers Shares which it does not already own pursuant to the Corporations Act. 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 Chalmers Shares compulsorily acquired. **If Qube BidCo acquires less than 90% of Chalmers Shares** The Offer is subject to a 90% minimum relevant interest condition (see section 12.8(a)). If Qube BidCo waives this condition, the Offer becomes unconditional and Qube BidCo does not become entitled to compulsorily acquire your Chalmers Shares under the Corporations Act, you will remain a shareholder in Chalmers.	Refer to section 6.2 for information regarding the Qube Group's intentions if it acquires a relevant interest in at least 90% of Chalmers Shares. Refer to section 12.8(a) for information regarding the 90% minimum relevant interest condition.

Part B - Overview of Qube and Qube BidCo

No	Question	Answer	Further Information
1	**Who are Qube and Qube BidCo?**	Qube is Australia's largest integrated provider of import and export logistic services with a market capitalisation in excess of $4.8 billion as at 27 June 2019. Qube operates in over 130 locations across Australia, New Zealand, Papua New Guinea and South East Asia with a workforce of over 6,500 employees. Qube is comprised of three key divisions comprising the Operating Division (covering Qube's ports, bulk and logistics activities), the Infrastructure and Property division (which includes Qube's Moorebank Logistics Park project and Australian Amalgamated Terminals ('***AAT***')), and Qube's 50 percent interest in Patrick Terminals, Australia's leading container terminal operator. Qube BidCo is a wholly-owned subsidiary of Qube and holding company for a variety of other subsidiaries.	Please refer to section 4 for further information regarding Qube including its share structure and financial information.
2	**What is the financial profile and performance of Qube?**	Qube recently reported the following statutory results for the first half of FY19 (six months to 31 December 2018): • total revenue: $837 million • net profit after tax attributable to Qube Shareholders: $61.5 million • basic earnings per share: $0.038 • interim ordinary dividend per share: $0.028 • special dividend per share: $0.01 Qube full year statutory results for FY18 (year ended 30 June 2018) were: • total revenue: $1,770.1 million • net profit after tax attributable to Qube Shareholders: $199.3 million • basic earnings per share: $0.125 • ordinary dividend per share: $0.055 • special dividend per share: $0.02 Qube BidCo is a wholly-owned subsidiary of Qube and therefore its financial performance is consolidated into Qube's annual results.	Please refer to section 4 for further information.
3	**Who are the directors of Qube and Qube BidCo and what experience do**	The directors of Qube are: • Mr Allan Davies; • Mr Samuel Kaplan; • Mr Maurice James;	Refer to sections 4.3 and 4.4 for further information regarding Qube

No	Question	Answer	Further Information
	they have?	• Mr Ross Andrew Burney; • Mr Peter Alan Dexter; • Mr Alan Laurence Miles; • Ms Susan (Sue) Joy Palmer; and • Mr Age Sturtzel Holm (alternate director to Peter Dexter). The non-executive directors, including the Chairman, are considered to be independent of management. The Directors of Qube BidCo are: • Mr Maurice James; • Mr Paul Lewis; and • Mr David Knight (alternate director to Maurice James). The directors of Qube and Qube BidCo together with the Qube management team have significant experience in the transport and logistics sector.	Directors and management team.
4	**Will my new Qube Shares be listed on ASX?**	Qube will apply to ASX for Official Quotation of all Qube Shares issued under the Offer. Official Quotation of these Qube Shares will depend on ASX exercising its discretion. However, as Qube is already admitted to the official list of ASX and Qube Shares are already quoted, Qube is of the view that quotation of the shares to be issued under the Offer will be granted.	Refer to section 12.13 for further information.
5	**Will my new Qube Shares have the same rights and liabilities as all other Qube Shares?**	Yes. The new Qube Shares issued under this Offer will rank equally (including rights relating to future dividends) with existing Qube Shares.	Refer to sections 4.10 and 11.5 for further information about Qube Shares.
6	**Do the Qube or Qube BidCo Directors have any interests in Chalmers Shares?**	None of the Qube or Qube BidCo Directors have any interests in Chalmers Shares.	Refer to section 11.7 for further information.
7	**Do the Qube Directors have any interests in Qube Shares?**	Yes. A number of Qube Directors and management have various interests in Qube Shares.	Refer to section 11.8 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 10 which describes both these risk factors, and other risk factors in detail.

If you accept the Scrip Option you will be issued with Qube Shares (unless you are an Ineligible Foreign Shareholder or Unmarketable Parcel Holder).There are risks in holding Qube Shares. You are already exposed to many of these risks, to varying degrees, as a result of holding Chalmers Shares.

If you elect to receive the Cash Option and you do not hold any other Qube Shares, you will not be exposed to the risks in holding Qube Shares as outlined below.

No	Risk	Summary	Further Information
Key Risks of the Combined Group			
1	**Economic conditions**	The operating and financial performance of the Combined Group's businesses are influenced by a variety of general economic and business conditions including the level of inflation, interest rates and exchange rates and government fiscal, monetary and regulatory policies.	Refer to section 10.2(a) for additional disclosure in respect of this risk.
2	**Key personnel**	The operational and financial performance of the Combined Group is dependent on their ability to attract and retain experienced management.	Refer to section 10.2(b) for additional disclosure in respect of this risk.
3	**Constraints on development**	The ability of the Combined Group to benefit from development of its assets will depend on, among other things, receipt of necessary planning and other third party approvals including approvals from relevant planning authorities.	Refer to section 10.2(c) for additional disclosure in respect of this risk.
4	**Competition**	Increased competition for the Combined Group's businesses could result in price reductions, under-utilisation of personnel, assets or infrastructure, reduced operating margins and/or loss of market share, which may have a material adverse effect on future financial performance and position.	Refer to section 10.2(d) for additional disclosure in respect of this risk.
5	**Operational**	The Combined Group is subject to operational risks resulting from inadequate or failed internal processes, systems, policies or policies, in addition to potential hazards normally encountered with logistics and transportation enterprises, including but not limited to incidents which could result in damage to plant or equipment or personal injuries to employees and / or other individuals.	Refer to section 10.2(e) for additional disclosure in respect of this risk.
6	**Customer**	The Combined Group's ability to maintain	Refer to section

No	Risk	Summary	Further Information
	service	relationships with major customers is integral to its financial performance. This in turn depends on its ability to offer competitive service standards and pricing. Poor performance in either area may lead to a loss of major customers which may have a material impact on the Combined Group's financial performance.	10.2(f) for additional disclosure in respect of this risk.
7	**Impact of commodity cycles on business growth**	The Combined Group's businesses are exposed, through their customers, to global demand for commodities. Revenues and margins from the provision of bulk logistics services may be materially adversely impacted by reduced global demand for bulk commodities or changes in global commodity prices.	Refer to section 10.2(g) for additional disclosure in respect of this risk.
8	**Capital expenditure**	The businesses carried on by some of the Combined Group's businesses are capital intensive and require material investment to be made in capital equipment. The operating and financial performance of these businesses will be partly reliant on their ability to effectively manage significant capital projects within required budgets and timeframes and on sufficient funding being available for the capital expenditure requirements of the business, including the maintenance and replacement of equipment to meet operational requirements.	Refer to section 10.2(h) for additional disclosure in respect of this risk.
9	**Refinancing**	No assurance can be given that any refinancing required will be available on terms favourable to the Combined Group. General economic and business conditions that impact the debt or equity markets could impact the Combined Group's ability to refinance its operations.	Refer to section 10.2(i) for additional disclosure in respect of this risk.
10	**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.	Refer to section 10.2(j) for additional disclosure in respect of this risk.
11	**Employees / industrial action**	A number of operational employees of the Combined Group's businesses (including its associates) are members of trade unions. These employees are generally covered by collective agreements which are periodically renegotiated and renewed.	Refer to section 10.2(k) for additional disclosure in respect of this risk.
12	**Occupational health and safety**	If there were to be a failure to comply with the applicable occupational health and safety legislative requirements across the jurisdictions in which the Combined Group operates, there is a	Refer to section 10.2(l) for additional disclosure in respect of this risk.

No	Risk	Summary	Further Information
		risk that non-compliance may result in fines, penalties and/or compensation for damages as well as reputational damage.	
13	**Environmental**	National and local environmental laws and regulations may affect operations of Qube's businesses. Standards are set by these laws and regulations regarding certain aspects of health and environmental quality, and they provide for penalties and other liabilities if such standards are breached, and establish, in certain circumstances, obligations to remediate and rehabilitate current and former facilities and locations where operations are, or were, conducted.	Refer to section 10.2(m) for additional disclosure in respect of this risk.
14	**Taxation**	The risk that changes in tax law (including goods and services taxes and stamp duties), or changes in the way tax laws are interpreted in the various jurisdictions in which the Combined Group operates, may impact the tax liabilities of the Combined Group.	Refer to section 10.2(n) for additional disclosure in respect of this risk.
15	**Government policy and regulation**	The operations of the Combined Group's businesses depend on access to infrastructure including ports, terminals and associated infrastructure which is subject to government policy and legal and regulatory oversight; including access, accreditation, operational, security, tax, environmental and industrial (including occupational health and safety) regulation. Changes in government policy and legal and regulatory oversight may have a material adverse effect on future financial performance and position.	Refer to section 10.2(o) for additional disclosure in respect of this risk.
Risk Factors Specific to Qube			
16	**Early stage projects**	A key part of Qube's growth strategy involves identifying and pursuing growth opportunities within its existing business. This includes the development of early stage projects.	Refer to section 10.3(a) for additional disclosure in respect of this risk.
17	**Acquisitions**	Qube’s business strategy involves it continuing to seek growth opportunities, including through acquisitions. Risks exist in respect of integrating an acquisition, including the risk that potential synergies may not be realised and that Qube’s financial performance may be impacted.	Refer to section 10.3(b) for additional disclosure in respect of this risk.
18	**Customer consolidation risk**	Through Qube’s interest in Patrick Terminals, the Qube Group is exposed to potential changes in the global shipping line market such as the	Refer to section 10.3(c) for additional disclosure in respect

No	Risk	Summary	Further Information
		consolidation of participants and changes to shipping consortia. The result of these changes could be an increase or a decrease in the Qube Group's market share.	of this risk.
19	**Access to property and rent expense**	Some of Qube and its associate's businesses lease and license significant infrastructure and other properties and assets such as rail terminals, container parks and stevedoring facilities. These leases and licences carry renewal risk upon expiry. These businesses are heavily reliant upon long term access to critical sites/properties. Any failure to renew, renewal on less favourable terms (such as increases in rent expense) or termination of such key leases and licences may have a material adverse effect on future financial performance and position.	Refer to section 10.3(d) for additional disclosure in respect of this risk.
20	**Counterparty risk**	Qube is exposed to credit-related losses if counterparties to contracts fail to meet their obligations. This could occur if customers were to become insolvent or not meet their financial obligations to Qube and may adversely impact Qube's revenue.	Refer to section 10.3(e) for additional disclosure in respect of this risk.
21	**Foreign exchange risk**	Qube is exposed to foreign exchange risk, which may impact the volume of imports or exports subject to whether the Australian dollar is appreciating or depreciating.	Refer to section 10.3(f) for additional disclosure in respect of this risk.
22	**Interest rate risk**	The nature of Qube's financing arrangements exposes Qube to interest rate risk, including from the movement in underlying interest rates, which impacts on Qube's cost of funding and may adversely impact Qube's financial performance.	Refer to section 10.3(g) for additional disclosure in respect of this risk.
23	**Dividends**	Qube's current dividend policy is whenever possible, paying a dividend equal to 50-60% of underlying earnings per share, having regard to the considerations outlined below. The Qube Board intends to review its current dividend policy to determine whether it is appropriate to remove the current target dividend payout ratio to provide more flexibility. However, future determinations as to the payment of dividends by Qube will be at the discretion of the directors of Qube and will depend upon the availability of distributable earnings and franking credits, the operating results and financial condition of Qube and its subsidiaries and associates (including Patrick), future capital requirements, covenants in relevant financing agreements, general business and	Refer to section 10.3(h) for additional disclosure in respect of this risk.

No	Risk	Summary	Further Information
		financial conditions and other factors considered relevant by the directors of Qube.	
24	**Cyber risk**	The failure of Qube's information technology systems and / or security could result in financial loss, disruption or damage to the reputation of the business.	Refer to section 10.3(i) for additional disclosure in respect of this risk.
25	**Other factors**	Other factors or events may impact on Qube's performance, such as natural disasters, changes or disruptions to political, regulatory, legal or economic conditions, or to Australian or international financial markets, including as a result of terrorism or war.	Refer to section 10.3(j) for additional disclosure in respect of this risk.
Key risks relating to the Offer			
26	**Integration of Chalmers**	The success of the Combined Group, including, in particular, its ability to realise the synergies outlined in sections 6.1 and 8.1, and the time taken to do so, will be dependent upon the effective integration of Qube and Chalmers.	Refer to section 10.4(a) for additional disclosure in respect of this risk.
27	**Due Diligence**	In preparing the information relating to Chalmers contained in this Bidder's Statement, Qube has relied on publicly available information and information provided to Qube by Chalmers as part of its due diligence. Accordingly, risks may exist in relation to Chalmers (which will affect the Combined Group) of which Qube is unaware. However, as Chalmers is an ASX listed entity, any substantial threats to Chalmers' business should have been apparent from disclosure pursuant to Chalmers' periodic and continuous disclosure obligations.	Refer to section 10.4(b) for additional disclosure in respect of this risk.
28	**Triggering change of control provisions**	Contracts to which Chalmers is a party 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 Chalmers Group as a result of the Offer.	Refer to section 10.4(c) for additional disclosure in respect of this risk.
29	**Issue of Qube Shares as consideration**	Chalmers Shareholders are being offered Qube Shares as consideration under the Scrip Option of the Offer. As a result, the value of the consideration will fluctuate depending upon the market value of Qube Shares.	Refer to section 10.4(d) for additional disclosure in respect of this risk.
30	**Sale of Qube Shares**	Under the Offer, Qube will issue a number of new Qube Shares. Some Chalmers Shareholders may not intend to continue to hold their Qube Shares and may wish to sell them. This may have an	Refer to section 10.4(e) for additional disclosure in respect of this risk.

No	Risk	Summary	Further Information
		adverse impact on the Qube share price.	
31	**Acquisition of less than 90% of Chalmers Shares**	The Offer includes a 90% minimum relevant interest condition (see section 12.8(a)). While Qube 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 Qube waived the 90% minimum relevant interest condition and acquired less than 90% of all of the Chalmers Shares on issue under the Offer, this would prevent Qube compulsorily acquiring all remaining Chalmers Shares. This would also mean that Qube would not be able to implement its intentions set out in section 6.2.	Refer to section 10.4(f) for additional disclosure in respect of this risk.
32	**Satisfaction of conditions**	The confirmations of these matters are important to Qube's assessment of Chalmers' business. If these conditions are not satisfied or waived by Qube, then the Offer will not become unconditional.	Refer to section 10.4(g) for additional disclosure in respect of this risk.
General Investment Risks			
33	**Share investment risks**	Chalmers Shareholders should be aware that an investment in Qube has risks which are associated with investing in listed securities.	Refer to section 10.5(a) for additional disclosure in respect of this risk.
34	**Market risks**	The price that Qube Shares trade on the ASX may be determined by a range of factors pertaining to market risks.	Refer to section 10.5(b) for additional disclosure in respect of this risk.
35	**No certainty of liquidity for the Combined Group**	Qube will apply to ASX for Official Quotation of all Qube Shares issued under the Offer. Official Quotation of these Qube Shares will depend on ASX exercising its discretion. However, as Qube is already admitted to the official list of ASX and Qube Shares are already quoted, Qube is of the view that quotation of the shares to be issued under the Offer will be granted.	Refer to section 10.5(c) for additional disclosure in respect of this risk.

3 Why You Should Accept the Offer

Highlights

The Qube Board believes that the Offer provides significant benefits to Chalmers Shareholders. These benefits are set out below.

1	**Qube is offering a significant premium for Chalmers Shares;**
2	**The Chalmers Directors intend to unanimously recommend that Chalmers Shareholders accept the Offer, in the absence of a superior proposal and Chalmers Directors intend to elect to receive the Scrip Option with respect to the Chalmers Shares that they own or control;**[6]
3	**The Offer provides flexibility for Chalmers Shareholders to elect to receive cash or Qube Shares;**
4	**The Scrip Option affords Chalmers Shareholders an opportunity to own shares in Qube, an ASX100 company of greater scale, with more diversified earnings and an enhanced market position relative to Chalmers;**
5	**If you elect to receive the Scrip Option, CGT roll-over relief should be available to eligible shareholders if Qube acquires 80% or more of Chalmers Shares through the Offer;**
6	**It is the only takeover offer that currently exists for your Chalmers Shares;**
7	**Qube and Alljet Investments Pty Ltd (*Alljet*) have entered into a pre-bid agreement in respect of 19.9% of the issued share capital in Chalmers and Alljet has indicated that it intends to accept Qube's offer (in the absence of a bona fide superior proposal from a third party to acquire a relevant interest in more than 20% of the shares in Chalmers which is not matched by Qube or Qube BidCo within the time period stated in section 3.6); and**
8	**No brokerage fees (unless you are an Ineligible Foreign Shareholder or Unmarketable Parcel Holder).**

The above table is only a headline summary of some of the benefits to Chalmers Shareholders that the Qube Board considers the Offer provides. Some of these benefits are explained in further detail within this section 3. In considering these benefits, Chalmers Shareholders should also bear in mind that the Offer is subject to a number of risks, which are set out in section 10 of this Bidder's Statement.

If you elect to receive the Cash Option or are an Ineligible Foreign Shareholder or an Unmarketable Parcel Holder, you will receive cash and will not become a Qube Shareholder.

[6] As disclosed in the Chalmers 2018 Annual Report, collectively, Chalmers Directors or director related entities hold 4,403,536 Chalmers Shares representing 57.83% of Chalmers Shares.

3.1 Qube is offering a significant premium for Chalmers Shares

Under the Offer, Chalmers Shareholders are being given the opportunity to elect to receive either 2.31 Qube Shares or $6.50 cash for each Chalmers Share they hold (but not a combination of both). As there is the potential for Chalmers Shareholders (other than Ineligible Foreign Shareholders or Unmarketable Parcel Holders) to receive Qube Shares under the Scrip Option, the value of the Scrip Option of the Offer to Chalmers Shareholders varies with the market value of Qube Shares.

As at the date of the announcement of the Offer (on 28 June 2019), the value of the Scrip Option of the Offer to Chalmers Shareholders was $7.00 per Chalmers Share which represented:

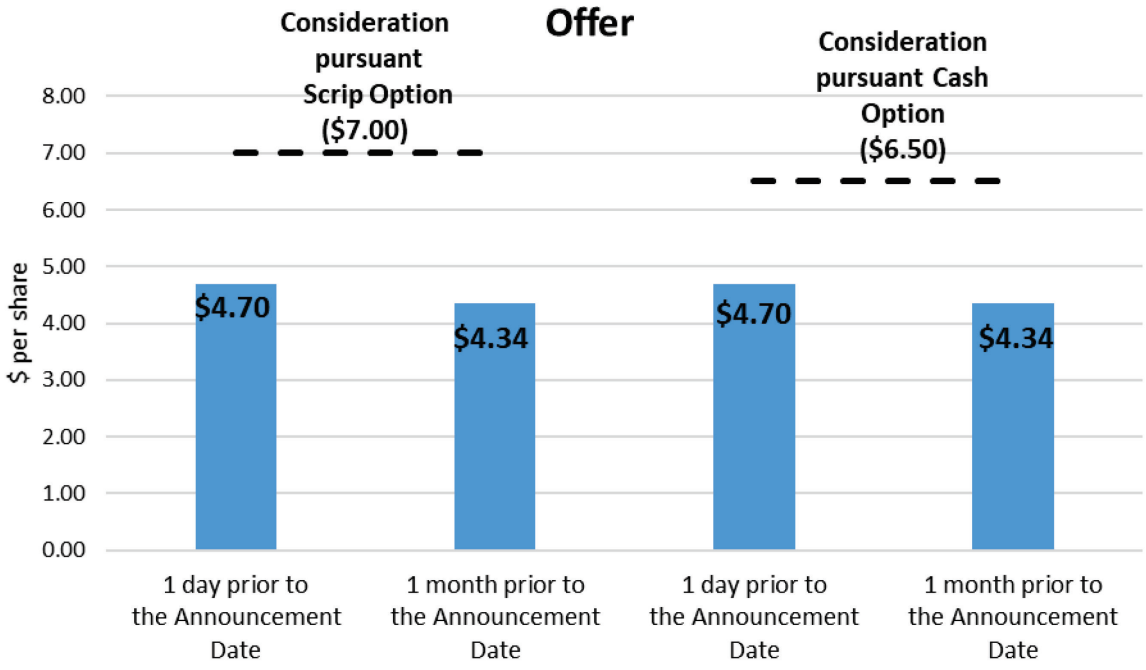
- a premium of 49% to the Chalmers closing share price on 27 June 2019;
- a premium of 61% to the volume weighted average share price of Chalmers over the one month ending on 27 June 2019.

As at the date of this Bidder's Statement, the value of the Scrip Option of the Offer to Chalmers Shareholders was $7.00 per Chalmers Share.[7]

The consideration under the Cash Option of the Offer to Chalmers Shareholders was $6.50 per Chalmers Share which, as at the date of the announcement of the Offer, represented:

- a premium of 38% to the Chalmers closing share price on 27 June 2019;
- a premium of 50% to the volume weighted average share price of Chalmers over the one month ending on 27 June 2019.

The charts below compare the value of the Offer under the Scrip and Cash Options against the Chalmers Share price as at the announcement of the Offer and other varying periods prior to the announcement of the Offer.[8]



[7] Based on Qube closing share price on 27 June 2019 of $3.03.

[8] Graphs are based on Qube closing share price on 27 June 2019 of $3.03 and Chalmers closing share price on 27 June 2019 of $4.70.

3.2 The Chalmers Directors intend to unanimously recommend that Chalmers Shareholders accept the Offer, in the absence of a superior proposal

Chalmers has announced that the Chalmers Directors intend to unanimously recommend that Chalmers Shareholders accept the Offer, in the absence of a superior proposal and that Chalmers Directors intend to elect to receive the Scrip Option with respect to the Chalmers Shares that they own or control.[9]

3.3 The Offer provides flexibility for Chalmers Shareholders

The Offer provides flexibility for Chalmers Shareholders to elect to receive cash or Qube Shares.

3.4 The Scrip Option affords Chalmers Shareholders an opportunity to own shares in an ASX100 company with increased scale, more diversified earnings and an enhanced market position while retaining exposure to Chalmers' assets

Collectively, Chalmers Shareholders will hold up to a maximum of 1.08% of the shares in Qube and be entitled to this share of any benefits of the Combined Group. In addition to providing a premium of 49% to the Chalmers closing share price on 27 June 2019, the Offer provides Chalmers Shareholders who receive Qube Shares under the Offer with an on-going investment in the Combined Group.[10]

3.5 CGT roll-over relief should be available to eligible shareholders if Qube acquires 80% or more of Chalmers Shares through the Offer[11]

Chalmers Shareholders who elect to receive the Scrip Option and 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 Chalmers Shares and the acquisition of Qube Shares under the Offer.

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

- they choose to obtain that relief; and
- they are not otherwise subject to tax on any profit or gain arising on their Chalmers Shares under other provisions of Australia's tax laws (please refer to section 9.1 for a description of the types of Chalmers Shareholders who may be subject to special treatment).

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

Please refer to section 9 of this Bidder's Statement for further information in relation to the availability of CGT roll-over relief and other 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. Chalmers Shareholders who are resident in countries other than Australia or otherwise fall within the class of Chalmers Shareholders subject

[9] As disclosed in the Chalmers 2018 Annual Report, collectively, Chalmers Directors or director related entities hold 4,403,536 Chalmers Shares representing 57.83% of Chalmers Shares.

[10] This is based on the closing price of Qube Share on ASX on 27 June 2019, being $3.03. The implied value of the Scrip Option will vary with the market price of Qube Shares. As at 27 June 2019, the implied value of the Scrip Option was $7.00 which is based on the closing price of Qube Shares on ASX on that day, being $3.03.

[11] The availability of CGT roll-over relief depends on various matters set out in section 9.

to special treatment described in section 9.1 of this Bidder's Statement should seek independent tax advice in relation to the Offer and the tax consequences of accepting the Offer.

3.6 Key shareholder support

A major shareholder in Chalmers, Alljet Investments Pty Ltd (***Alljet***), has agreed with Qube by way of pre-bid agreement, that Alljet will within 10 business days (as defined in the pre-bid agreement) of the earlier of: (a) the despatch of this Bidder's Statement; and (b) despatch of a supplementary bidder's statement in respect of any Matching Offer, accept, or procure the acceptance of, the Offers in respect of 1,515,186 Chalmers shares held by Alljet and its Related Bodies Corporate, comprising 19.9% of the number of Chalmers Shares as at the date of this Bidder's Statement, in the absence of a bona fide superior proposal from a third party to acquire a relevant interest in more than 20% of the Chalmers Shares which is not matched by Qube or Qube BidCo (a ***Matching Offer***) within 5 business days (as defined in the pre-bid agreement) of: (i) the lodgement of a bidder's statement by such third party; or (ii) approval of a notice of meeting (together with a scheme booklet) by a Court (whichever is relevant), in each case, in accordance with the Corporations Act.

3.7 No brokerage fees

By accepting the Offer and assuming the Offer becomes unconditional, unless you are an Ineligible Foreign Shareholder or Unmarketable Parcel Holder, you will exchange your Chalmers Shares for the Offer Consideration without incurring brokerage fees that may otherwise be payable if you sell your Chalmers Shares on ASX.

You will not pay any stamp duty on the disposal of your Chalmers Shares if you accept the Offer.

If your Chalmers Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Qube BidCo, you will not incur any brokerage in connection with your acceptance of the Offer.

If your Chalmers Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Chalmers 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.

If you are an Ineligible Foreign Shareholder or Unmarketable Parcel Holder, brokerage will be payable in respect of the sale of the Qube Shares that you would otherwise be entitled to receive under the Offer.

4 Profile of Qube and the Qube Group

4.1 Overview of Qube

Qube is Australia's largest integrated provider of import and export logistic services with a market capitalisation in excess of $4.8 billion as at 27 June 2019.

Qube operates in over 130 locations across Australia, New Zealand, Papua New Guinea and South East Asia with a workforce of over 6,500 employees.

4.2 Key Business Units

Qube is comprised of three key divisions comprising the Operating Division (covering Qube's ports, bulk and logistics activities), the Infrastructure and Property division (which includes Qube's Moorebank Logistics Park project and AAT), and Qube's 50 percent interest in Patrick Terminals, Australia's leading container terminal operator.

(a) **Operating Division**

Logistics provides a broad range of services relating to the import and export of mainly containerised cargo. The services currently provided include the physical and documentary processes and tasks of the import/export supply chain such as road and rail transport of containers to and from ports, operation of container parks, customs and quarantine services, warehousing, intermodal terminals, international freight forwarding and bulk rail haulage for rural commodities. Logistics operates nationally with strategic locations near the ports in key capital cities.

Ports & Bulk has two core activities comprising port logistics and bulk logistics. It provides a range of logistics services relating to the import and export of mainly non-containerised freight, with a major focus on automotive, bulk and break bulk products. The operations are located throughout Australia, New Zealand and South East Asia.

Qube's port logistics activities are focused on the provision of an integrated logistics solution for the automotive industry, covering a range of activities including stevedoring, processing and delivery. Qube's port logistics also provides stevedoring and related logistics services for the oil and gas industry, forestry products and project and general cargo.

Qube's bulk logistics activities are aimed at offering customers a comprehensive logistics solution from mine-to-ship covering activities including transport, stockpile management, storage facilities and stevedoring. Qube handles a diverse range of commodities including iron ore, copper, nickel concentrate, lithium and mineral sands.

(b) **Infrastructure and Property (including the Strategic Assets division)**

This division currently comprises the Moorebank Logistics Park Project, Australian Amalgamated Terminals, a strategically located property at Minto in Sydney's south west and non-controlling interests in 'Strategic Assets' which include Quattro Grain joint venture (47.2%) and TQ Holdings Pty Limited (50%).

The Moorebank Logistics Park Project is a 243 hectare parcel of land owned by Qube and the Commonwealth Government which is leased by Qube for 99 years to be developed into an intermodal hub. Qube will manage the development and operations of the overall project. This development will include port-shuttle and interstate rail terminals as well as substantial warehousing development targeting tenants that will also benefit from efficient rail and logistics services.

Australian Amalgamated Terminals ('AAT') is a multi-user facility provider to the Australian stevedoring industry, operating terminals with facilities for importing and exporting motor vehicles and general cargo.

The Quattro Grain joint venture operates a grain storage and handling facility at Port Kembla on land that is leased from Qube's subsidiary AAT.

TQ Holdings, which is a 50% joint venture with Japanese petroleum group JXTG Group ('Tonen'), is progressing the analysis and approvals for the construction and operation of a fuel storage facility at Port Kembla on land leased from NSW Ports.

(c) **Patrick**

Patrick is one of two established national operators providing container stevedoring services in the Australian market with operations in the four largest container terminal ports in Australia. Given the material nature of this investment to Qube, this joint venture is being reported as a separate segment

4.3 Qube and Qube BidCo Directors

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

(a) **Mr Allan Davies** (non-Executive Chairman)

Date appointed: 26 August 2011

Mr Davies has over 40 years' mining experience in the Australian and international coal and metalliferous mining industries having worked in operational roles up to executive director.

From 2000 until early 2006, Mr Davies worked for Patrick Corporation Limited as Director Operations. This position included responsibility for Patrick's interest in Pacific National, Patrick Shipping, Patrick General Stevedoring and Patrick Autocare.

Mr Davies was a director of Pacific National from its initial acquisition by Toll and Patrick in 2001 until 2006. Mr Davies was also a director of Queensland Rail and then QR National (predecessor to Aurizon) from 1 October 2008 until 13 December 2011.

(b) **Mr Samuel Kaplan** (Non-executive Deputy Chairman)

Date appointed: 23 March 2011

Mr Kaplan is Managing Director of Kaplan Funds Management Pty Limited, the investment manager of Qube from its establishment in 2006 until the Qube Restructure in September 2011.

Mr Kaplan is a director and member of the Investment Committee of Maritime Super.

Mr Kaplan was one of the founders of Patrick Corporation Limited and was involved in strategic planning with the Company. During his tenure at Patrick Corporation Limited, Mr Kaplan was involved in a number of acquisitions including Pacific National and Virgin Blue.

(c) **Mr Maurice James** (Managing Director)

Date appointed: 23 March 2011

Mr James has over 30 years' extensive experience in engineering, ports and logistics industries.

His early career was spent at the Port of Melbourne Corporation initially as an engineer then through various roles to head of Commercial Operations.

Mr James was an integral part of the executive team of Patrick Corporation Limited between 1994 and 2006. His last position at Patrick was that of Executive Director Ports which included responsibility for Patrick's container terminals and port logistics businesses.

Since 2007 Mr James has had various roles in the Qube-related group of companies and on 23 March 2011, was appointed a Director of Qube. Upon corporatisation of the Company on 1 September 2011, he became Managing Director.

Mr James is a Director on the Board of the Australian Logistics Council and also sits on the NSW, Victorian and WA Freight Advisory Councils. In March 2017, Mr James was appointed to the Australian Government's National Freight and Supply Chain Expert Panel for an Inquiry into National Freight and Supply Chain Priorities which was released by the Government in May 2018.

He holds a Bachelor of Engineering (Civil) and a Master of Business Administration.

(d) **Mr Ross Andrew Burney** (Non-executive Director)

Date appointed: 9 September 2011

Mr Burney is the Chief Executive of Hume Partners. He has over 25 years' experience as an accountant and investment manager previously having worked for BDO Chartered Accountants, Brierley Investments Limited, Guinness Peat Group and Taverners Group.

(e) **Mr Peter Alan Dexter** (Non-executive Director)

Date appointed: 1 September 2011

Mr Dexter has over 40 years' experience in the maritime and logistics industries in Australia and internationally.

Mr Dexter is the Chairman of the Australian National Maritime Museum and a director of Wilh. Wilhelmsen Investments Pty Ltd.

Prior to his non-executive roles, Mr Dexter was Regional Director and a member of the global management team of Wallenius Wilhelmsen Logistics.

(f) **Mr Alan Laurence Miles** (Non-executive Director)

Date appointed: 1 April 2013

Mr Miles is Managing Director of 'K' Line (Australia) Pty Limited. Mr Miles has more than 35 years' experience in the Australian shipping industry, including management roles of Bulk, Liner and PCC Shipping.

Mr Miles is also currently the Chairman of Prixcar Services Pty Limited and a director of Kawasaki Australia. He also is a director of other affiliated Kawasaki companies in Australia and a member of the Policy Council of Shipping Australia.

(g) **Ms Susan (Sue) Joy Palmer** (Non-executive Director)

Date appointed: 1 September 2017

Ms Palmer has more than 30 years of financial and commercial experience a range of industry sectors, including construction, mining, energy, infrastructure and agriculture.

She has held senior executive roles with companies across Australia and Asia, included Incitec, CS Energy, Leighton Contractors, and Thiess Pty Limited, a subsidiary of CIMIC (formerly Leighton Holdings), where she served as Chief Financial Officer.

Ms Palmer is also currently Non-executive Director and Audit Committee Chair of Charter Hall Retail REIT and New Hope Corporation Limited, and a member of Brisbane Grammar School's Board of Trustees.

Ms Palmer is a Chartered Accountant and Fellow of the Institute of Company Directors.

(h) **Mr Age Sturtzel Holm** (Alternate Director to Peter Dexter)

Date appointed: 7 November 2011

Mr Holm is Vice President Investments and IR (Investor Relations) at Wilh. Wilhelmsen Holding ASA, a global provider of maritime services, transportation and logistics solutions based in Norway.

Mr Holm has 30 years' experience from shipping and automotive logistics, including serving as CFO of Wallenius Wilhelmsen Logistics AS and as Non-executive Director of Group CAT and other European based vehicle logistics companies.

The Directors of Qube BidCo are:

(i) **Mr Maurice James** (Director)

Date appointed: 22 June 2007

Refer to details provided above.

(j) **Mr Paul Lewis** (Director and Chief Financial Officer of Qube)
Date appointed: 20 April 2011

Mr Lewis has been involved with Qube since its establishment in 2006, responsible for managing the commercial and financial aspects of Qube's interests. Prior to Qube, Mr Lewis was a senior executive at Patrick Corporation Limited where he was responsible for investments and acquisitions.

(k) **Mr David Knight** (Alternate Director to Maurice James)
Date appointed: 20 April 2011

Mr. Knight has several years' experience in the logistics and freight forwarding industry.

Mr. Knight has been involved with Qube since its inception and has been instrumental in many of the company's acquisition negotiations. He played a significant role in the original acquisition of the P&O businesses that form the base of Qube, as well as Moorebank Logistics Park and many of the company's smaller subsequent acquisitions.

Before joining Qube, Mr. Knight led Patrick Corporation Limited's Air and Rail groups and was Director of the former Virgin Blue, now Virgin Australia.

4.4 Executive management

The senior executive management team of Qube currently comprises:

Name	Position	Years at Qube[12]
Maurice James	Managing Director	12
Paul Digney	Chief Operating Officer	12
William Hara	Director Strategic Assets Division, General Counsel and Company Secretary	6
Paul Lewis	Chief Financial Officer	12
Greg Pauline	Director, Infrastructure and Property Assets	1

4.5 Historical financial information

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

(a) **Consolidated balance sheet**

The summarised historical consolidated balance sheet(s) of Qube set out below have been extracted from the audited financial statements as at 30 June 2017 and 30 June 2018 and the reviewed but unaudited accounts as at 31 December 2018 (being the last financial statements prior to the date of this Bidder's Statement).

A full copy of the 2018 audited financial statements was released to ASX on 23 August 2018 and is available on Qube's website at **www.qube.com.au**.

[12] This figure includes any years with subsidiaries which are now part of the Qube Group.

Qube Group consolidated balance sheet

	31 Dec 2018 $'m	30 June 2018 $m	30 June 2017 $m
ASSETS			
Current assets			
Cash and cash equivalents	107.0	103.9	190.8
Trade and other receivables	341.5	320.7	296.3
Inventories	2.5	2.4	2.0
Current tax receivable	-	-	4.4
Derivative financial instruments	1.7	0.4	-
Total current assets	452.7	427.4	493.5
Non-current assets			
Loans and receivables	328.8	328.8	344.4
Investment in equity accounted investments	693.8	716.8	757.7
Property, plant and equipment	1,114.3	1,006.7	906.6
Investment properties	796.8	701.6	394.5
Intangible assets	838.5	833.6	782.2
Derivative financial instruments	21.2	1.5	-
Other assets	24.3	18.6	3.2
Total non-current assets	3,817.7	3,607.6	3,188.6
Total assets	4,270.4	4,035.0	3,682.1
LIABILITIES			
Current liabilities			
Trade and other payables	168.4	144.8	156.0
Borrowings	50.7	1.7	0.8
Current tax payable	15.0	17.9	-
Derivative financial instruments	-	0.2	0.2
Provisions	78.1	80.2	72.0
Total current liabilities	312.2	244.8	229.0
Non-current liabilities			
Trade and other payables	2.1	0.4	4.8
Borrowings	1,129.4	964.3	801.1
Deferred tax liabilities	72.4	64.8	25.4
Derivative financial instruments	3.9	0.9	0.5
Provisions	11.5	9.7	8.7
Total non-current liabilities	1,219.3	1,040.1	840.5
Total liabilities	1,531.5	1,284.9	1,069.5
Net assets	2,738.9	2,750.1	2,612.6
EQUITY			
Contributed equity	2,464.6	2,454.9	2,450.5
Reserves	13.6	18.7	(3.0)
Retained earnings	261.4	276.8	165.1
Capital and reserves attributable to owners of Qube	2,739.6	2,750.4	2,612.6
Non-controlling interests	(0.7)	(0.3)	-
Total equity	2,738.9	2,750.1	2,612.6

(b) **Consolidated statement of comprehensive income**

The summarised historical statements of comprehensive income of Qube set out below have been extracted from the audited financial statements for the twelve months ended 30 June 2017 and 30 June 2018 and reviewed but unaudited accounts for the six months to 31 December 2018 (being the last audited financial statements prior to the date of this Bidder's Statement).

A full copy of the 2018 audited financial statements was released to ASX on 23 August 2018 and is available on Qube's website at **www.qube.com.au**.

Qube Group consolidated statement of comprehensive income

	6 months ended 31 Dec 2018 $'m	12 months ended 30 June 2018 $'m	12 months ended 30 June 2017 $'m
Revenue from continuing operations			
Revenue from sales and services	812.8	1,577.9	1,418.1
Other income	24.2	192.2	94.7
Total income	837.0	1,770.1	1,512.8
Direct transport and logistics costs	(204.5)	(424.4)	(370.1)
Repairs and maintenance costs	(42.1)	(81.1)	(88.7)
Employee benefits expense	(321.5)	(617.5)	(557.0)
Fuel, oil and electricity costs	(63.1)	(98.5)	(83.5)
Occupancy and property costs	(45.7)	(92.9)	(81.4)
Depreciation and amortisation expense	(59.9)	(116.0)	(113.4)
Professional fees	(4.9)	(7.7)	(10.3)
Loss on disposal of available-for-sale financial assets	-	-	(26.1)
Impairment of non-current assets	-	(9.3)	(26.4)
Other expenses	(7.3)	(25.5)	(16.0)
Total expenses	(749.0)	(1,472.9)	(1,372.9)
Finance income	14.5	26.2	23.9
Finance costs	(23.9)	(41.2)	(36.5)
Net finance costs	(9.4)	(15.0)	(12.6)
Share of net profit/(loss) of associates accounted for using the equity method	7.0	4.6	(22.6)
Profit before income tax	85.6	286.8	104.7
Income tax expense	(24.5)	(87.8)	(27.4)
Profit for the period	61.1	199.0	77.3
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	2.7	(2.4)	-
Change in fair value of cash flow hedges	2.4	-	-
Change in value of available-for-sale financial assets	-	-	(7.0)
Share of other comprehensive income of joint venture	(0.2)	1.0	-
Total comprehensive income, net of tax	66.0	197.6	70.3
Profit attributable to:			
Owners of Qube Holdings Limited	61.5	199.3	77.3
Non-controlling interests	(0.4)	(0.3)	-
	61.1	199.0	77.3
Total comprehensive income attributable to:			
Owners of Qube Holdings Limited	66.4	197.9	70.3
Non-controlling interests	(0.4)	(0.3)	-
	66.0	197.6	70.3
	Cents	**Cents**	**Cents**
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	3.8	12.5	5.4
Diluted earnings per share	3.8	12.4	5.3

4.6 Corporate governance

The Qube 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 Qube's corporate governance procedures, policies and practices can be obtained from **www.qube.com.au**.

4.7 Dividends

On 21 February 2019, Qube declared an interim dividend in respect of the six months ended 31 December 2018 of 2.8 cents per share, franked to 100% at the 30% corporate income tax rate. This represents a 3.7% increase on the prior corresponding period. In addition, Qube also declared a special dividend in respect of the six months ended 31 December 2018 of 1.0 cents per share franked to 100% at the 30% corporate income tax rate. This was paid to Qube Shareholders on 4 April 2019.

In respect of the financial year ended 30 June 2018:

- An interim dividend of 2.7 cents per share, franked to 100% at the 30% corporate income tax rate, was announced on 22 February 2018 and paid to Qube Shareholders on 5 April 2018.
- A final dividend of 2.8 cents per share, franked to 100% at the 30% corporate income tax rate, was announced on 23 August 2018 and paid to Qube Shareholders on 19 October 2018.
- A special dividend of 2.0 cents per share, franked to 100% at the 30% corporate income tax rate was also announced on 23 August 2018 and paid to Qube Shareholders on 19 October 2018.

4.8 Capital Structure

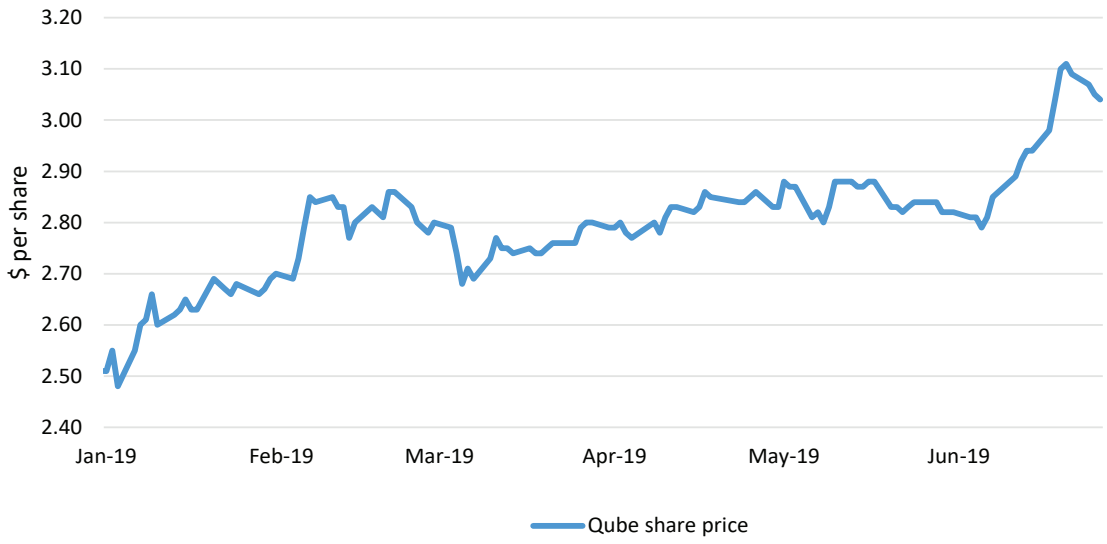
With respect to the capital structure of Qube as at the date of this Bidder's Statement there were:

- 1,606,252,093 Qube Shares on issue;
- 3,050,010 subordinate notes on issue (non-convertible); and
- 8,869,136 unlisted options (of which 2,153,916 have vested and can be exercised at any time). Each vested option entitles the holder, upon payment of the exercise price and subject to any adjustments in accordance with the long-term incentive plan rules, to acquire one Qube Share. The original exercise price of the options was $2.2442 and the options expire on 3 December 2020; and
- 3,660,246 unlisted performance rights issued pursuant to the Qube long-term and short-term incentive plans. On vesting, the holder is entitled to acquire one Qube Share for each vested performance right, for nil consideration.

4.9 Recent share prices

Qube Shares are quoted on ASX under the code QUB. The last recorded sale price of Qube Shares on ASX as at close of trading on ASX on 27 June 2019, being the last trading day prior to announcement of the Offer was $3.03.

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



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

Comparative trading period price of Qube Shares	Price of Qube Shares $
Highest trading price on ASX in the 6 months up to and including 27 June 2019, being the last trading day before the announcement of the Offer on 28 June 2019	$3.14
Lowest trading price on ASX in the 6 months prior to 27 June 2019 being the last trading day before the announcement of the Offer on 28 June 2019	$2.47
Last available closing price of Qube Shares traded on ASX on 27 June 2019, being the last trading day before the announcement of the Offer on 28 June 2019	$3.03

4.10 Information about Qube Securities

(a) **Qube Shares**

As at the trading day before the date of this Bidder's Statement, Qube had 1,606,252,093 Qube Shares on issue.

(b) **Top 20 Qube Registered Shareholders as at 31 May 2019**

	Name of Shareholder	Number of Qube Shares	% Share Held
1	HSBC Custody Nominees (Australia) Limited	468,030,725	29.14
2	JP Morgan Nominees Australia Limited	153,932,122	9.58
3	Citicorp Nominees Pty Limited	112,041,162	6.98
4	BNP Paribas Nominees Pty Ltd <Agency Lending DRP Ac>	63,944,757	3.98
5	Patterson Cheney Investments Pty Ltd	57,840,030	3.60
6	Taverners No.10 Pty Ltd	56,966,720	3.55
7	National Nominees Limited	52,934,857	3.30
8	Australian Foundation Investment Company Limited	34,961,910	2.18
9	BNP Paribas Noms Pty Ltd (DRP)	28,874,144	1.80
10	Mr Peter Giacci <P L Giacci Family Ac>	13,817,420	0.86
11	HSBC Custody Nominees (Australia) Limited (NT-Comnwlth Super Corp A/C)	7,558,382	0.47
12	Laddara Pty Ltd	6,525,493	0.41
13	Milton Corporation Limited	6,113,243	0.38
14	BNP Paribas Nominees Pty Ltd (HUB24 Custodial Serv Ltd DRP)	5,017,148	0.31
15	Mr Maurice Alan James	4,984,012	0.31
16	AMP Life Limited	4,479,303	0.28
17	Mirrabooka Investments Limited	4,409,107	0.27
18	Netwealth Investment Limited (Wrap Services A/C)	4,230,971	0.26
19	IOOF Investment Management Limited <IPS Super Ac>	4,111,540	0.26
20	Citicorp Nominees Pty Limited (Colonial First State Inv. A/C)	4,039,044	0.25
	Total	**1,094,812,090**	**68.16**

(c) **Substantial holders**

	Name of substantial shareholder	Number of shares	Notice date	% of capital (as at notice date)
1	Canada Pension Plan Investment Board (and its controlled entities)	143,243,753	2 August 2016	9.89%
2	Perpetual Limited (and its subsidiaries)	118,540,417	4 March 2019	7.38%
3	Cooper Investors Pty Limited	90,454,194	12 April 2017	6.21%

4.11 Further information on Qube

As a company whose shares are quoted on ASX, Qube is a disclosing entity (see section 11.4 for further details) and, as such, is subject to regular reporting and disclosure obligations. Copies of all documents lodged with ASIC in relation to Qube may be obtained for a fee from, or inspected at, an office of ASIC.

Further details in relation to Qube are contained in the Company's Annual Report for the financial year ended 30 June 2018, as released on ASX on 17 October 2018 and available at **www.asx.com.au**. Further information on Qube can be found at Qube's website at **www.qube.com.au**.

5 Profile of the Chalmers Group

5.1 Disclaimer

The information in this section 5 concerning Chalmers and the Chalmers Group has been prepared based on a review of publicly available information which has not been independently verified by Qube BidCo and/or information that Qube has obtained from Chalmers as part of its due diligence. Subject to the Corporations Act, Qube BidCo does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

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

5.2 Overview of Chalmers

Chalmers Limited (ASX: CHR) is involved in road transport, logistic services, warehousing and container storage, repairs and sales in Melbourne and Brisbane. The company's operating segments include the Transport and Container division.

5.3 Overview of Chalmers' activities

(a) **Container Parks Service**

The Chalmers Container Parks division engages in the empty container park operations concerned with handling, storage, repairs, upgrades, and pretrips of empty containers on behalf of shipping and leasing company customers. Chalmers' Container Park depots are located in Melbourne and Brisbane. Chalmers' Container Park is located 7km from the Port of Melbourne, while the Queensland facility is situated in Brisbane's Port District. Both parks have an approximate capacity of 10,000 TEU's and have a minimum of 9 container handlers. Container Park provides fully integrated container service facilities including: container handling, container repairs, container sales, container washing and container lining.

(b) **Transport Service**

Chalmers' Transport Service division consists of road transport, predominantly import/export FCL containers and the interface with logistics/warehousing/hobbing services. Chalmers owns and operates a total fleet of over 100 vehicles – ranging between 8 to 105 tonne capacity. These are based in Melbourne and Brisbane. Chalmers' fleet includes trays, tauliners; sideloaders; B-doubles; dropdeck and retractable trailers; Super B-doubles (4 TEU capacities).

(c) **Tank Service operations**

The Chalmers tank services business has extensive environmental authority and in-house expertise that gives its Tank Services operations wide ranging capabilities to service various industrial needs. These services include tank washing and secure storage and disposal of industrial waste product.

(d) **Containerised Freight Service**

Chalmers containerised freight service provides customers with import & export options including:

- packing and unpacking for FCL/FAK cargo including machinery, steel, wine and food stuffs and DAFF biosecurity wash bay and fumigation services;

- warehouse storage of both racked and bulk goods, including bonded storage for un-quarantined cargo; and
- break bulk handling of steel and steel related products.

5.4 Directors of Chalmers

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

Name	Position	Date appointed
Graham David Mulligan	Executive Chairman and Executive Director	28 October 2009
Peter Thomas Brannighan	Deputy Chairman and Non-Executive Director	25 February 2015
Gary William Chalmers	Executive Director	30 May 1990
Layton Allan Daglish	Non-Executive Director	25 February 2015

5.5 Historical financial information

The historical financial information below relates to Chalmers and does not reflect any impacts of the Offer. It is a summary only and the full financial statements for Chalmers for the financial periods described below, which include the notes to the accounts, can be found in Chalmers' annual reports for those periods. Copies of those annual reports are available on the ASX platform at **https://www.asx.com.au**.

(a) **Consolidated balance sheet**

The summarised historical consolidated balance sheet(s) of Chalmers are set out below have been extracted from the audited financial as at 30 June 2017 and 30 June 2018 and the reviewed but unaudited accounts as at 31 December 2018 (being the last financial statements prior to the date of this Bidder's Statement).

A full copy of the 2018 audited financial statements was released to ASX on 26 September 2018 and is available at **https://www.asx.com.au/**.

Chalmers consolidated balance sheet

	31 Dec 2018 $'m	30 June 2018 $m	30 June 2017 $m
ASSETS			
Current assets			
Cash and cash equivalents	1.2	2.3	3.0
Trade and other receivables	10.3	12.8	11.9
Contract assets	0.1	0.1	-
Inventories	0.3	0.4	0.3
Current tax asset	-	0.4	-
Total current assets	11.9	16.0	15.2
Non-current assets			
Property, plant and equipment	34.1	35.6	36.3
Intangible assets	0.2	-	-
Deferred tax assets	1.6	0.5	0.4
Total non-current assets	35.9	36.1	36.7
Total assets	47.8	52.1	51.9
LIABILITIES			
Current liabilities			
Trade and other payables	5.8	6.9	5.6
Borrowings	1.3	1.6	1.8
Current tax liabilities	-	-	0.1
Provisions	2.8	2.8	2.9
Total current liabilities	9.9	11.4	10.5
Non-current liabilities			
Borrowings	7.1	7.3	7.2
Provisions	0.5	0.4	0.4
Total non-current liabilities	7.6	7.7	7.6
Total liabilities	17.5	19.1	18.1
Net assets	30.3	33.0	33.8
EQUITY			
Contributed equity	8.2	8.2	8.2
Retained earnings	22.1	24.8	25.6
Total equity	30.3	33.0	33.8

(b) **Consolidated statement of comprehensive income**

The summarised historical statements of comprehensive income of Chalmers set out below have been extracted from the audited financial statements for the twelve months ended 30 June 2017 and 30 June 2018 and reviewed but unaudited accounts for the six months to 31 December 2018 (being the last audited financial statements prior to the date of this Bidder's Statement).

A full copy of the 2018 audited financial statements was released to ASX on 26 September 2018 and is available at **https://www.asx.com.au/**.

Chalmers consolidated statement of comprehensive income	**6 months ended 31 Dec 2018 $'m**	**12 months ended 30 June 2018 $'m**	**12 months ended 30 June 2017 $'m**
Revenue from continuing operations	30.8	67.9	66.7
Other income	-	0.2	0.3
Total income	30.8	68.1	66.9
Employee benefits expense	(12.8)	(25.0)	(26.7)
Property expense	(5.7)	(10.4)	(11.1)
Vehicle and equipment expense	(5.4)	(10.0)	(8.6)
Other expenses	(4.2)	(8.3)	(6.3)
Subcontractor expense	(2.4)	(5.5)	(5.1)
Material expense	(1.9)	(5.8)	(4.4)
Depreciation and amortisation expense	(1.8)	(3.5)	(3.6)
Net loss on disposal of non-current assets	(0.1)	-	-
Total expenses	(34.3)	(68.4)	(65.8)
Finance costs	(0.2)	(0.4)	(0.3)
Profit/(loss) before income tax expense	(3.7)	(0.7)	0.8
Income tax (expense)/benefit	1.1	0.1	(0.3)
Profit/(loss) for the period	(2.6)	(0.6)	0.5
Total comprehensive income/(loss) for the period attributable to owners of the Company	(2.6)	(0.6)	0.5
	Cents	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	(0.4)	(7.5)	6.3
Diluted earnings per share	(0.4)	(7.5)	6.3

5.6 Executive management

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

Name	Position
Graham Mulligan	Executive Chairman / Executive Director
Gary Chalmers	Director of Container Parks.
Kane Harnden	Chief Financial Officer, Company Secretary and Victorian State Manager
Greg Smith	Queensland State Manager

5.7 Information about Chalmers securities

According to documents provided by Chalmers to ASX, Chalmers has 7,614,000 Chalmers Shares on issue as at the date of this Bidder's Statement.

5.8 Substantial holders of Chalmers 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 Chalmers:

Name	No. of shares	% of total
Mr G W Chalmers	1,948,333	25.59
Alljet Investments Pty Ltd	1,605,040	21.08
Mr S A Chalmers	1,125,000	14.78
W F D C Nominees Pty Ltd	1,050,000	13.79

5.9 Publicly available information about Chalmers

Chalmers maintains a website, **www.chalmers.net.au** which contains further information about Chalmers and its operations.

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

Chalmers 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, Chalmers is subject to the ASX Listing Rules which require continuous disclosure of any information Chalmers 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 Chalmers will be contained in the Target's Statement.

6 Intentions

6.1 Introduction

This section 6 sets out the intentions of Qube and Qube BidCo in relation to:

- the continuation of the business of Chalmers;
- any major changes to the business of Chalmers and any redeployment of Chalmers resources; and
- the future employment of the present employees of Chalmers.

These intentions are based on the information concerning Chalmers, its business and the general business environment which is known to the Qube Group at the time of preparation of this Bidder's Statement which is limited to publicly available information and/or information that Qube has obtained from Chalmers as part of its due diligence.

Final decisions regarding these matters will only be made by the Qube Group in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section 6 are statements of current intention only, which may change as new information becomes available to the Qube Group or as circumstances change.

Some of the intentions noted in this section 6 anticipate cost and revenue synergies to the Combined Group that are not currently available in isolation to Qube Shareholders or Chalmers 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 6.2(c) below and whether or not Qube BidCo is able to acquire 100% of Chalmers.

Combining two businesses, like Qube and Chalmers, carries integration risk. The Combined Group will use tools to mitigate these risks, but not all risks can be eliminated. Integration risk is discussed in further detail in section 10.4(a). However, it should be noted that given the relative differences in scale of the Chalmers Group and Qube Group, the synergies are unlikely to be significant.

6.2 Intentions upon acquisition of 90% or more of the Chalmers Shares

This section 6.2 sets out the Qube Group's current intentions if Qube BidCo acquires relevant interests in 90% or more of the Chalmers Shares and is entitled, under the Corporations Act, to proceed to compulsory acquisition of the remaining Chalmers Shares.

(a) Corporate matters

It is intended that Qube BidCo would:

- proceed with compulsory acquisition of the outstanding Chalmers Shares in accordance with the provisions of Chapter 6A of the Corporations Act; and
- arrange for Chalmers to be removed from the Official List of ASX.

(b) General Intentions

Except as set out in this section 6, Qube and Qube BidCo intend to continue the business of Chalmers in the same manner as it is presently conducted.

The Combined Group will maintain and enhance the existing business of Qube and Chalmers where possible in order to maximise operating performance and to deliver value for shareholders. This will involve the integration of the existing Chalmers

businesses and some centralisation and rationalisation of business processes, systems and applications.

The Qube Group intends to operate the Chalmers business under the Chalmers brand, subject to integration, for at least the short to medium term.

The Qube Group intends to repay all Chalmers borrowings from its available undrawn facilities.

(c) General operational review

Qube and Qube BidCo intend to conduct a thorough and broad-based general review of Chalmers' corporate structure, assets, businesses, personnel and operations.

This review will build on the due diligence Qube has undertaken to date and be completed as expeditiously as possible. Whilst the Qube Group 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:

- site consolidation and 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;
- external commercial relationships with service providers; and
- optimising the use and value of Chalmers property interests.

This review will apply quantitative and qualitative factors to measure performance and areas for improvement. Following this review, the intentions described in this section 6 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 Qube BidCo acquires all of the Chalmers Shares.

(d) Impact on employees

The Qube Group 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 Qube and Chalmers. 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.

(e) Benefits for employees

The successful implementation of the Offer is expected to deliver benefits to Chalmers employees through the Qube Group’s ability to continue to invest and grow the Chalmers business as well as providing new opportunities for employees to move to roles in the broader Qube organisation.

(f) Board matters

Subject to the Corporations Act and Chalmers' constitution, Qube BidCo will seek to reconstitute the Chalmers Board with nominees of the Qube Group. The Qube Group has not made any decision as to who would be nominated for appointment to the Chalmers Board.

6.3 Other intentions

Other than as set out in this section 6, it is the present intention of the Qube Group to procure that Chalmers will:

- generally continue the business of Chalmers; and
- continue to offer employment to Chalmers' present employees within the Combined Group.

6.4 Limitations on intentions

The intentions and statements of future conduct set out in this section 6 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 Qube obtains control of Chalmers but does not acquire all of the Chalmers Shares, it and Qube will be treated as related parties of Chalmers for these purposes;
- the legal obligation of the Chalmers Directors at the time, including any nominees of Qube or Qube, to act in good faith in the best interests of Chalmers and for proper purposes and to have regard to the interests of all Chalmers Shareholders; and
- the outcome of the review referred to in section 6.2(c).

7 Funding

7.1 Consideration under the Offer

Consideration under the Cash Option for the acquisition of the Chalmers Shares will be satisfied by the payment of cash (in Australian dollars). Based on the total number of Chalmers Shares on issue as at the date of this Bidder's Statement, the cash consideration payable by Qube BidCo under the Offer, if Cash Option acceptances were received for all Chalmers Shares would be $49,491,000.

However, Qube notes that Chalmers has announced that the Chalmers Directors intend to elect to receive the Scrip Option with respect to the Chalmers Shares that they own or control.[13]

Assuming therefore, that each relevant Chalmers Director accepts the Offer and elects the Scrip Option (as outlined above), the cash consideration payable by Qube under the Offer would be $20,868,016.[14] Qube has allocated a cash pool of $21,000,000 out of its existing cash reserves and available undrawn facilities to satisfy the potential cash consideration payable by Qube BidCo in respect of those Chalmers Shareholders who accept the Offer and elect the Cash Option.

Consideration under the Scrip Option is Qube Shares. Based on the number of Chalmers Shares on issue as at the date of this Bidder's Statement, the number of Qube Shares that would need to be issued under the Offer if Scrip Option acceptances were received for all Chalmers Shares is approximately 17,588,510 Qube Shares.

7.2 Funding agreement between Qube and Qube BidCo

Qube has confirmed in writing to Qube BidCo that it will make available, or will procure that other members of the Qube Group will make available to Qube BidCo the amount of cash required to satisfy Qube BidCo's payment obligations to Chalmers Shareholders who elect the Cash Option. Qube is able to procure that other members of the Qube Group make funds available to Qube BidCo through Qube's ability to control those other members.

Under the terms of the internal funding arrangements, Qube is obliged to advance funds on request by Qube BidCo to enable Qube BidCo to satisfy its payment obligations to Chalmers Shareholders under the Offer, as well as to meet transaction costs. The funding agreement also contains an undertaking from Qube to Qube BidCo to issue the required number of Qube Shares to pay consideration to Chalmers Shareholders pursuant to the Scrip Option.

7.3 Funding for the Cash Option

Qube will source the necessary funds to be made available to pay the Offer consideration (and costs associated with the Offer) from Qube's existing cash reserves and available undrawn facilities. As at the date of this Bidder's Statement, Qube has a total funding capacity in excess of the Offer Amount comprising available credit facilities in excess of $375 million as at 28 June 2019.

Qube does not anticipate any restriction on the availability of these funds for the purposes of funding Qube's Offer.

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[13] As disclosed in the Chalmers 2018 Annual Report, collectively, Chalmers Directors or director related entities hold 4,403,536 Chalmers Shares representing 57.83% of Chalmers Shares.

[14] This assumes 4,403,536 Chalmers Shares representing 57.83% of Chalmers Shares are subject of the Scrip Election and the remaining 3,210,464 Chalmers Shares representing 42.17% of Chalmers Shares are subject of a Cash Election.

7.4 Provision of consideration

On the basis of the arrangements described in this section 7, Qube and Qube BidCo believe that they have reasonable grounds for holding the view, and hold the view, that Qube and Qube BidCo will be able to provide the consideration offered under the Offer.

8 Pro-Forma Historical Financial Information and profile of the Combined Group

8.1 Overview of the Combined Group

The Combined Group will provide shareholders in Chalmers with an interest in a larger, stronger and more diversified company. The Combined Group will be an Australian transport and logistics provider with potential for significant growth resulting in economic benefits which may not be available to Chalmers individually.

8.2 Capital structure of the Combined Group

The actual number of Qube Shares on issue at completion of the Offer will depend on the number of acceptances of the Offer during the Offer Period.

Assuming that Qube acquires 100% of all of the Chalmers Shares on issue and that all Chalmers Shareholders accept the Scrip Option, Qube expects that the Combined Group will have a total of approximately 1,623,840,603 Qube Shares on issue.[15] In this scenario, Chalmers Shareholders will hold approximately 1.08% and Qube Shareholders would hold approximately 98.92% of the Combined Group.

Depending upon which Chalmers Shareholders accept the Scrip Option, the top 20 Qube shareholders outlined in section 4.10(b) may change.

8.3 Pro-forma Historical Financial Information of the Combined Group

This section 8 provides an overview of the unaudited, pro-forma balance sheet of the Qube Group as at 31 December 2018; to show the effect of 100% ownership of Chalmers by Qube.

Pro-forma Historical Financial Information showing less than 100% ownership of Chalmers is not required since the Offer is subject to a 90% minimum relevant interest condition and Qube BidCo intends to proceed to compulsorily acquire all remaining Chalmers Shares which it does not already own pursuant to the Corporations Act.

The impact of the addition of Chalmers' Net Profit After Tax ('NPAT') to Qube is not considered material to the Combined Group's statement of comprehensive income and hence is not provided.

The Pro-forma Historical Financial Information has been prepared in order to give Chalmers Shareholders an indication of the scale and size of the Combined Group and the hypothetical impact of Qube acquiring Chalmers. 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 Chalmers by Qube occurred on or before 31 December 2018.

The Combined Group's Pro-Forma Historical Information is based on the latest available published financial information for Qube and Chalmers, prepared on the basis set out in Section 8.4 below.

The Pro-forma Historical Financial Information comprises the following:

- reviewed but unaudited balance sheet of Qube as at 31 December 2018;
- reviewed but unaudited balance sheet of Chalmers as at 31 December 2018; and
- pro-forma adjustments to reflect the impact of the Offer, including associated funding and transaction costs,

(collectively the '***Pro-forma Historical Financial Information***').

[15] This figure is based on the 2.31x Offer ratio, 1,606,252,093 outstanding Qube Shares on issue, adjusted for rounding and no additional Chalmers Shares being issued prior to the end of the Offer Period.

Apart from the pro-forma adjustments outlined in the notes to the Pro-forma Historical Financial Information, no adjustments have been made to the reported historical financial information of Qube and Chalmers outlined above. In particular, no adjustments have been made to allow for subsequent events.

8.4 Basis of preparation of the Pro-Forma Historical Financial Information

The Pro-forma Historical 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.

The Pro-forma Historical Financial Information is based on published financial reports including the latest reviewed balance sheet as at 31 December 2018 (for both Qube and Chalmers), 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 Pro-forma Historical 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 Qube and Chalmers financial reports with the measurement and recognition requirements of AIFRS can be obtained by reviewing the latest audited financial statements in detail.

The 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 Qube will be the acquirer for the purpose of preparing the Pro-forma Historical Financial Information.
- The excess of the consideration provided in exchange for the fair value of the identifiable tangible assets, liabilities and contingent liabilities of Chalmers is assumed to be goodwill for the purpose of preparing the Pro-forma Historical Financial Information.
- Other than an adjustment to reflect the increase in the fair value of Chalmers' land and buildings, no adjustments have been made to ascertain the fair values of Chalmers' identifiable assets, liabilities and contingent liabilities or the intangible assets other than goodwill 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.
- No adjustments have been made to ascertain the impact of new leasing standard *AASB 16* on the Combined Group.
- All amounts disclosed in the tables are presented in Australian dollars and unless otherwise noted are rounded to the nearest hundred thousand dollars.

The financial information should be read in conjunction with:

- The risk factors described in section 10.
- The notes regarding the adjustments incorporated into the Combined Group's pro-forma unaudited consolidated balance sheet.
- Other information contained in this section 8 and the Bidder's Statement.

8.5 Pro-forma unaudited consolidated balance sheet

31 December 2018 $'m	Qube Reported (1)	Chalmers Reported (2)	Pro-forma adjustments (3), (4), (5)	Combined Group Pro-forma
Assets				
Current assets				
Cash and cash equivalents	107.0	1.2	(0.9)	107.3
Trade and other receivables	341.5	10.3	-	351.8
Inventories	2.5	0.3	-	2.8
Derivative financial instruments	1.7	-	-	1.7
Other assets	-	0.1	-	0.1
Total current assets	**452.7**	**11.9**	**(0.9)**	**463.7**
Non-current assets				
Loans and receivables	328.8	-	-	328.8
Investment in equity accounted investments	693.8	-	-	693.8
Property, plant and equipment	1,114.3	34.1	18.3	1,166.7
Investment properties	796.8	-	-	796.8
Intangible assets	838.5	0.2	4.5	843.2
Derivative financial instruments	21.2	-	-	21.2
Other assets	24.3	1.6	-	25.9
Total non-current assets	**3,817.7**	**35.9**	**22.8**	**3,876.4**
Total assets	**4,270.4**	**47.8**	**21.9**	**4,340.1**
Liabilities				
Current liabilities				
Trade and other payables	168.4	5.8	-	174.2
Borrowings	50.7	1.3	(1.3)	50.7
Current tax payable	15.0	-	-	15.0
Provisions	78.1	2.8	-	80.9
Total current liabilities	**312.2**	**9.9**	**(1.3)**	**320.8**
Non-current liabilities				
Trade and other payables	2.1	-	-	2.1
Borrowings	1,129.4	7.1	22.1	1,158.6
Deferred tax liabilities	72.4	-	1.2	73.6
Derivative financial instruments	3.9	-	-	3.9
Provisions	11.5	0.5	-	12.0
Total non-current liabilities	**1,219.3**	**7.6**	**23.3**	**1,250.2**
Total liabilities	**1,531.5**	**17.5**	**22.0**	**1,571.0**
Net assets	**2,738.9**	**30.3**	**(0.1)**	**2,769.1**
Equity				
Contributed equity	2,464.6	8.2	22.2	2,495.6
Reserves	13.6	-	-	13.6
Retained earnings	261.4	22.1	(22.3)	260.8
Capital and reserves attributable to owners of the Combined Group	**2,739.6**	**30.3**	**(0.1)**	**2,769.8**
Non- controlling interests	(0.7)	-		(0.7)
Total equity	**2,738.9**	**30.3**	**(0.1)**	**2,769.1**

Notes regarding adjustments to Pro-forma unaudited consolidated balance sheet

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

- (1) The reviewed but unaudited financial statements of Qube as at 31 December 2018.
- (2) The reviewed but unaudited financial statements of Chalmers as at 31 December 2018 aligned to the balance sheet categories currently utilised by Qube.
- (3) The acquisition price of $51.7 million for Qube's acquisition of Chalmers is based on a combination of cash and scrip. Consistent with the terms of the offer, a price of $7.00[16] per Chalmers Share has been applied to 57.83% of the Chalmers Shares on issue with the balance to be sourced via a cash pool.
- (4) The expected acquisition accounting adjustments in relation to Qube's purchase of 100% of the issued share capital of Chalmers including:
  - repayment of existing Chalmers borrowings;
  - increase in the fair value of Chalmers' freehold properties to $40.3 million based on the value under a sale and leaseback arrangement as per Chalmers' ASX announcement dated 30 October 2018; and
  - estimate of the deferred tax adjustments in respect of this increase in the fair value of the properties.
- (5) An estimate of the transaction costs Qube expects to crystalise as a result of the Offer net of associated tax. These include stamp duty of around $0.2m and advisor costs of around $0.7m pre-tax. Qube is not in a position to quantify the associated transaction costs for Chalmers that may crystalise as a result of this Offer.

8.6 Financial outlook for the Combined Group

This Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to Qube, Chalmers or the Combined Group. Qube considers that the inclusion of financial forecasts would be speculative and potentially misleading for Chalmers Shareholders, particularly given the current uncertain economic environment.

8.7 Disclaimer

The financial information presented in this section 8, in relation to Chalmers has been prepared by Qube using publicly available information that has not been independently verified and/or information that Qube has obtained from Chalmers as part of its due diligence.

Qube has relied on the information in the audited full year financial report for the period ended 30 June 2018 and the reviewed half year financial report for the period ended 31 December 2018 issued by Chalmers and lodged with ASIC to prepare the financial information in relation to Chalmers contained in this Bidder's Statement. Information relating to Chalmers has also been sourced from details shown on Chalmers' website and the results of Qube's due diligence investigations.

Accordingly, Qube 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 Chalmers will release financial information in its Target's Statement that will be sent to Chalmers Shareholders and made publicly available. The financial information regarding Qube,

[16] This is the share price of Chalmers Shares under the Offer based on the Qube Share price immediately prior to the Offer being announced.

Chalmers and the Combined Group in this Bidder's Statement should not be regarded as comprehensive.

9 Australian Tax Considerations

9.1 Introduction

This section generally describes the Australian tax consequences for Chalmers Shareholders should they accept the Offer and the Offer becomes unconditional as detailed in section 12 or have their Chalmers Shares otherwise acquired under the Offer.

The comments in this section are relevant only to Australian resident Chalmers Shareholders who hold their Chalmers Shares on capital account.

The comments below do not apply to Chalmers Shareholders who:

- hold their Chalmers Shares on revenue account, as trading stock or to which the Taxation of Financial Arrangements Rules (Division 230 of the *Income Tax Assessment Act 1997* (Cth)) apply; or
- are banks, insurance companies, tax exempt organisations and superannuation entities,

as these Chalmers Shareholders may be subject to special or different tax treatment. They should, therefore, seek specialist advice tailored to their circumstances.

The comments below also do not apply to Chalmers Shareholders who are not Australian residents 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 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 Chalmers Shareholder. Accordingly, Chalmers Shareholders should seek independent professional advice about their own particular circumstances.

9.2 Acceptance of offer and disposal of Chalmers Shares

Under the Offer, Chalmers Shareholders may to elect to receive either (but not a combination of both):

- 2.31 Qube Shares for each Chalmers Shares (the ***Scrip Option***); or
- $6.50 cash for each Chalmers Shares (the ***Cash Option***).

If a Chalmers Shareholder does not make a valid election, they will be treated as having elected to receive the Scrip Option, as set out in section 12.4(c).

(a) CGT

Acceptance of the Offer will result in a disposal by Chalmers Shareholders of their Chalmers Shares and will constitute a CGT event for Australian CGT purposes.

That CGT event will occur at the time at which the Chalmers Shareholder accepts the Offer provided the Defeating Conditions in section 12.8 are satisfied.

If the Defeating Conditions are not satisfied, then no CGT event will occur.

(i) Calculation of capital gain or capital loss

Chalmers Shareholders who acquired (or are deemed to have acquired) their Chalmers Shares on or after 20 September 1985 will make:

- a capital gain to the extent their capital proceeds from the disposal exceeds the cost base (in some cases indexed cost base) of those Chalmers Shares; or

- a capital loss to the extent their capital proceeds from the disposal are less than the cost base of those Chalmers Shares.

The capital gains and losses of a Chalmers Shareholder in a year of income are aggregated to determine whether the Chalmers Shareholder has made a net capital gain. Any net capital gain is then included in the Chalmers 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 Chalmers Shareholders (see section 9.2(b) 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. However, Chalmers Shareholders who are companies should seek specific advice regarding the ability to offset carried forward capital losses against capital gains.

Scrip for scrip roll-over relief may also be available to certain Chalmers Shareholders who make a capital gain on the disposal of their Chalmers Shares under the Scrip Option (see section 9.2(c) below).

The tax consequences for Chalmers Shareholders who acquired their Chalmers Shares before 20 September 1985 and are not deemed to have acquired them on or after that date, are discussed in section 9.2(d) below.

(ii) Capital proceeds

The capital proceeds received by a Chalmers Shareholder who accepts the Offer (or has their Chalmers Shares otherwise acquired under the Offer) will be equal to:

- the amount of cash received under the Cash Option; or
- the market value of the Qube Shares received under the Scrip Option. The value of the Qube Shares will be their market value at the time of the CGT event.

(iii) Cost base

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

(b) Indexation and the CGT Discount

(i) Indexation

If a Chalmers Shareholder is an individual, a complying superannuation entity or trust and acquired their Chalmers Shares before 11.45am on 21 September 1999, the Chalmers Shareholder may be able to index the cost base of their shares by reference to changes in the Consumer Price Index from the calendar quarter in which their Chalmers Shares were acquired (or deemed to have been acquired) until the calendar quarter ended September 1999. The CGT discount is not available if indexation is chosen.

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 Chalmers Shareholder is an individual, a complying superannuation entity or trust and has held the Chalmers Shares for 12 months or more before the CGT event time, the Chalmers Shareholder may be entitled to a CGT Discount for the Chalmers Shares disposed of under the Offer, provided that the Chalmers Shareholder has not chosen to index the cost base of the Chalmers Shares. The CGT Discount generally applies to entitle these Chalmers Shareholders to reduce their capital gain on the disposal of the Chalmers Shares (after deducting available capital losses of the Chalmers 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 Chalmers Shares have been held for the requisite 12 month period. Chalmers Shareholders should seek their own advice in this regard.

(c) CGT roll-over relief – Scrip Option only

If, as a result of the Offer, Qube BidCo owns 80% or more of all the Chalmers Shares, Chalmers Shareholders who elected to receive the Scrip Option (or are deemed to have elected the Scrip Option) and would otherwise make a capital gain on the disposal of their Chalmers Shares may choose scrip for scrip roll-over relief.

Chalmers Shareholders cannot choose scrip for scrip roll-over relief if they make a capital loss on the disposal of their Chalmers Shares.

If roll-over relief is chosen, the capital gain will be disregarded and effectively deferred until the disposal of the Qube Shares received under the Offer.

Chalmers Shareholders should be aware that Qube BidCo has the power to waive the minimum relevant interest condition. Should this occur Qube BidCo may not become the owner of 80% or more of the Chalmers Shares as a result of the Offer. Accordingly, Chalmers Shareholders who accept the Offer and receive Qube Shares for the disposal of their Chalmers Shares should be aware of the risk that scrip for scrip roll-over relief may not available and they may not know at the time that they accept the Offer whether 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 Chalmers Shareholder's tax return is regarded as sufficient evidence of the making of the choice.

(d) Consequences for Chalmers Shareholders who acquired their Chalmers Shares before 20 September 1985

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

Chalmers Shareholders who elect to receive Qube Shares under the Scrip Option will be treated for future capital gains tax purposes as having acquired Qube Shares on the date on which the Offer is accepted provided the Defeating Conditions in section 12.8 are satisfied. The treatment of their Qube Shares is described in section 9.4(b) below.

9.3 CGT consequences of compulsory acquisition

If you do not dispose of your Chalmers Shares under the Offer and your Chalmers Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act, you will also be treated as having disposed of your Chalmers Shares for CGT purposes.

The date of the CGT event should be the date when you cease to be the owner of the Chalmers Shares. Chalmers Shareholder may elect to receive the Cash Option or Scrip Option under a compulsory acquisition. However, if no election is made within the later of:

(a) one month of after the compulsory acquisition notice is lodged with ASIC; and

(b) 14 days after the Chalmers Shareholder is given a statement under section 661D of the Corporations Act (if the Chalmers Shareholder requests it),

then the Chalmers Shareholder will be issued with the consideration specified in the Compulsory Acquisition notice, which is expected to be the Scrip Option.

The calculation of the capital proceeds, cost base and capital gain or loss are described in section 9.2(a) above. The application of any indexation or the CGT discount is described in section 9.2(b) above.

Chalmers Shareholders who acquired (or deemed to have acquired) their Chalmers Shares on or after 20 September 1985 and who realise a capital gain for their Chalmers Shares compulsorily acquired should be eligible for scrip for scrip CGT roll-over relief as described in section 9.2(c) where the Scrip Option is elected or deemed to have been elected.

The CGT implications of owning Qube Shares is described in section 9.4 below.

Chalmers Shareholders who acquired their Chalmers Shares before 20 September 1985 and who are not deemed to have acquired their shares on or after that date will have any capital gain or loss disregarded.

9.4 CGT implications of owning Qube Shares – Scrip Option only

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

The disposal of Qube Shares will be subject to the same Australian CGT consequences as are described above in relation to the disposal of Chalmers Shares, subject to the following differences.

For Chalmers Shareholders who acquired (or are deemed to have acquired) their Chalmers Shares on or after 20 September 1985, who choose roll-over relief:

(i) the cost base of the Qube Shares received under the Offer will be the cost base of their Chalmers Shares plus any relevant incidental costs (see above) and

(ii) as the Qube Shares will be acquired after 21 September 1999, there can be no indexation to their cost base. However, Chalmers 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 Chalmers Shares until their disposal of the Qube Shares.

Where roll-over relief is not chosen or is not available,

(i) the cost base of the Qube Shares received under the Offer will be the market value of the Chalmers Shares at the date of accepting the Offer; and

(ii) the acquisition date of the Qube Shares will be the date of accepting the Offer. As a consequence, indexation to the cost base will not be available, however the CGT discount may be available as described in section 9.2(b)(ii) above.

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

Qube Shares received by Chalmers Shareholders who acquired their Chalmers Shares prior to 20 September 1985 and who are not deemed to have acquired their shares on or after that date:

- will be treated as having been acquired on the date on which the Chalmers Shareholder accepts the Offer;
- 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 time the Chalmers Shareholder acquired them.

9.5 Australian tax consequences of receiving dividends in respect of Qube Shares

Australian resident shareholders must include in their assessable income dividends received on their Qube Shares. If the dividends are franked, Qube Shareholders must also include in their assessable income an additional amount equal to the franking credit. The Qube Shareholders may be entitled to a tax offset equal to the amount of the franking credit.

There are a number of measures that may affect the ability of a Qube Shareholder to use franking credits distributed, including the holding period rule. However, an exemption from the holding period rule applies where a shareholder is entitled to total franking credits of less than $5,000. The holding period rule broadly requires the Qube Shareholder to hold the Qube Shares at risk for more than 45 days during the relevant period. Given that these rules can be complex, Qube Shareholders should be aware of and seek specific advice on their own position.

9.6 Stamp Duty

Chalmers Shareholders who accept the Offer will not be required to pay any stamp duty on the disposal of their Chalmers Shares under the Offer, on the acquisition of Qube Shares under the Scrip Option or on a subsequent disposal of their Qube Shares.

Stamp duty may be payable by Qube Bidco (at law) in relation to the acquisition of Chalmers Shares, on which it has been separately advised.

9.7 GST

GST will not apply to the disposal of Chalmers Shares under the Offer, the payment of dividends on Qube Shares under the Scrip Option or on a subsequent disposal of their Qube Shares.

10 Risk Factors

10.1 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 10 and your personal circumstances. This section 10 is general only and does not take into account your individual objectives, financial situation or needs.

If you accept the Scrip Option, you will be issued with Qube Shares (unless you are an Ineligible Foreign Shareholder or Unmarketable Parcel Holder).There are risks in holding Qube Shares. You are already exposed to many of these risks, to varying degrees, as a result of holding Chalmers Shares.

If you elect to receive the Cash Option and you do not hold any other Qube Shares, you will not be exposed to the risks in holding Qube Shares as outlined below.

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

This section 10 outlines the:

- specific risks that are common to the existing businesses of the Qube Group and Chalmers, and which will therefore be risks to which the Combined Group will be exposed (see section 10.2);
- risks that are specific to the Qube Group (see section 10.3);
- risk factors that arise from the Offer (see section 10.4); and
- general investment risks (see section 10.5).

Many of these risks are outside the control of the Qube Group and Chalmers. 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.

10.2 Risks relating to the Combined Group

The following risks have been identified as being key risks that are common to Qube and Chalmers, which will therefore be risks to which the Combined Group will be exposed. You are currently exposed to these risks through your Chalmers Shares and will continue to be exposed to them as a shareholder in Qube.

(a) Economic conditions

The operating and financial performance of the Combined Group's businesses are influenced by a variety of general economic and business conditions including the level of inflation, interest rates and exchange rates and government fiscal, monetary and regulatory policies. A prolonged deterioration in domestic or general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on the financial performance of the Combined Group's businesses.

(b) Key personnel

The operational and financial performance of the Combined Group is dependent on their ability to attract and retain experienced management. The loss or unavailability of key

personnel involved in the management of the businesses could have an adverse impact on the Combined Group's financial performance.

(c) Constraints on development

The ability of the Combined Group to benefit from development of its assets will depend on, among other things, receipt of necessary planning and other third party approvals including approvals from relevant planning authorities and approval from the Combined Group's partners. There can be no certainty that these approvals will be received in a time frame or form acceptable to the Combined Group which could result in a reduction in the value of development assets.

(d) Competition risks

Increased competition for the Combined Group's businesses could result in price reductions, under-utilisation of personnel, assets or infrastructure, reduced operating margins and/or loss of market share, which may have a material adverse effect on future financial performance and position.

(e) Operational risk

The Combined Group is subject to operational risks resulting from inadequate or failed internal processes, systems, policies or policies, in addition to potential hazards normally encountered with logistics and transportation enterprises, including but not limited to incidents which could result in damage to plant or equipment or personal injuries to employees and / or other individuals. If these risks materialise, the Combined Group's operations could be disrupted which may have a material adverse effect on future financial performance and position.

(f) Customer service

The Combined Group's ability to maintain relationships with major customers is integral to its financial performance. This in turn depends on its ability to offer competitive service standards and pricing. Poor performance in either area may lead to a loss of major customers which may have a material impact on the Combined Group's financial performance.

(g) Impact of commodity cycles on business growth

The Combined Group 's businesses are exposed, through their customers, to global demand for commodities. Revenues and margins from the provision of bulk logistics services may be materially adversely impacted by reduced global demand for bulk commodities or changes in global commodity prices. The Qube Group receives part of its revenue from stevedoring export containers. Consequently growth in containerised exports has a positive impact on financial performance. Conversely, the impact of commodity cycles can reduce the growth in containerised exports, which can have a negative impact on financial performance.

(h) Capital expenditure

The businesses carried on by some of the Combined Group's businesses are capital intensive and require material investment to be made in capital equipment. The operating and financial performance of these businesses will be partly reliant on their ability to effectively manage significant capital projects within required budgets and timeframes and on sufficient funding being available for the capital expenditure requirements of the business, including the maintenance and replacement of equipment to meet operational requirements. In some circumstances, the need for material investment in capital equipment may result in capital expenditure being beyond that budgeted by the

Combined Group, which could have an adverse effect on the Combined Group and its financial performance. Capital expenditure requirements may impact the cash flow available to service financing obligations, pay dividends or otherwise make distributions.

(i) Refinancing risk

No assurance can be given that any refinancing required will be available on terms favourable to the Combined Group. In such circumstances, if the Combined Group is unable to secure refinancing on favourable terms, this may have a material adverse effect on the Combined Group. The Combined Group's ability to service its debt will depend on its future performance, which will be affected by many factors, certain of which are beyond the Combined Group's control and that of its directors. Any inability of the Combined Group to service its existing debt would have a material adverse effect on the Combined Group.

General economic and business conditions that impact the debt or equity markets could impact the Combined Group's ability to refinance its operations.

(j) 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, 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.

Qube 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. Qube is not in a position to comment on the potential or actual litigation or disputes facing Chalmers.

(k) Employees/industrial action

A number of operational employees of the Combined Group's businesses (including its associates) are members of trade unions. These employees are generally covered by collective agreements which are periodically renegotiated and renewed. The risk of strikes and other forms of industrial action that may have a material adverse impact on these businesses would be primarily dependent on the outcomes of negotiations with representative unions regarding the terms of new collective agreements. If there were a material or prolonged dispute between the Combined Group businesses and its unions or workforce, this could disrupt operations which may have a material adverse effect on future financial performance and position.

(l) Occupational health and safety

If there were to be a failure to comply with the applicable occupational health and safety legislative requirements across the jurisdictions in which the Combined Group operates, there is a risk that non-compliance may result in fines, penalties and/or compensation for damages as well as reputational damage.

(m) Environmental risk

National and local environmental laws and regulations may affect operations of Qube's businesses. Standards are set by these laws and regulations regarding certain aspects of health and environmental quality, and they provide for penalties and other liabilities if such standards are breached, and establish, in certain circumstances, obligations to remediate and rehabilitate current and former facilities and locations where operations

are, or were, conducted. The Combined Group's businesses incur costs to comply with these environmental laws and regulations and in respect of violation of them, and changes to such laws and regulations, including changes to operating licence conditions, could result in penalties and other liabilities, which may have a material adverse effect on future financial performance and position.

(n) Taxation

The risk that changes in tax law (including goods and services taxes and stamp duties), or changes in the way tax laws are interpreted in the various jurisdictions in which the Combined Group operates, may impact the tax liabilities of the Combined Group. In addition, the ability of the Combined Group to obtain the benefit of existing tax losses and claim other beneficial tax attributes may be adversely affected by changes in ownership, business activities, levels of taxable income and any other conditions relating to the use of the tax losses or other attributes in the jurisdictions in which the Combined Group operates.

(o) Government policy and regulation

The operations of the Combined Group's businesses depend on access to infrastructure including ports, terminals and associated infrastructure which is subject to government policy and legal and regulatory oversight; including access, accreditation, operational, security, tax, environmental and industrial (including occupational health and safety) regulation. Changes in government policy and legal and regulatory oversight may have a material adverse effect on future financial performance and position.

10.3 Risk Factors Specific to the Qube Group

(a) Early stage projects

Early stage projects and opportunities typically involve development and construction of new facilities and infrastructure or expansion or upgrades to existing facilities and infrastructure. Investments in new projects during a development or construction phase are likely to be subject to additional risks, including that the project will not be completed within budget, within the agreed timeframe and to the agreed specifications, that the income derived from project is lower than expected and, where applicable, the new project is not successfully integrated into the existing assets of the business.

(b) Risks from acquisitions

Qube’s business strategy involves it continuing to seek growth opportunities, including through acquisitions. Risks exist in respect of integrating an acquisition, including the risk that potential synergies may not be realised and that Qube’s financial performance may be impacted.

(c) Customer consolidation

Through Qube’s interest in Patrick Terminals, the Qube Group is exposed to potential changes in the global shipping line market through the consolidation of participants and changes to shipping consortia. The result of these changes could be an increase or a decrease in the Qube Group’s market share.

(d) Access to property and rent expense

Some of Qube and Qube's associate's businesses lease and license significant infrastructure and other properties and assets such as rail terminals, container parks and stevedoring facilities. These leases and licences carry renewal risk upon expiry. These businesses are heavily reliant upon long term access to critical sites/properties. Any

failure to renew, renewal on less favourable terms (such as increases in rent expense) or termination of such key leases and licences may have a material adverse effect on future financial performance and position.

For example, the Patrick business requires access, at sustainable costs, to port infrastructure to be able to provide its container stevedoring services to its customers. In early 2019, Patrick was successful in being selected by Fremantle Ports to proceed on an exclusive basis with negotiations to finalise a new lease for Patrick's existing site in Fremantle, for an initial 7-year term, with two 7-year options to extend at Fremantle Port's discretion. This lease is currently in the process of being finalised.

(e) Counterparty risk

Qube is exposed to credit-related losses if counterparties to contracts fail to meet their obligations. This could occur if customers were to become insolvent or not meet their financial obligations to Qube and may adversely impact Qube's revenue.

(f) Foreign exchange risk

Qube is exposed to foreign exchange risk, which may impact the volume of imports or exports subject to whether the Australian dollar is appreciating or depreciating. Movements in the foreign exchange rate may also affect the price of capital equipment acquired outside of Australia. These risks may affect Qube's financial performance.

(g) Interest rate risk

The nature of Qube's financing arrangements exposes Qube to interest rate risk, including from the movement in underlying interest rates, which impacts on Qube's cost of funding and may adversely impact Qube's financial performance.

(h) Dividends

Qube's current dividend policy is whenever possible, paying a dividend equal to 50-60% of underlying earnings per share, having regard to the considerations outlined below.

The Qube Board intends to review its current dividend policy to determine whether it is appropriate to remove the current target dividend payout ratio to provide more flexibility.

However, future determinations as to the payment of dividends by Qube will be at the discretion of the directors of Qube and will depend upon the availability of distributable earnings and franking credits, the operating results and financial condition of Qube and its subsidiaries and associates (including Patrick), future capital requirements, covenants in relevant financing agreements, general business and financial conditions and other factors considered relevant by the directors of Qube. No assurance is, therefore, given in relation to the payment of future dividends or the extent to which any such dividends may be franked.

(i) Cyber risk

The failure of Qube's information technology systems and / or security could result in financial loss, disruption or damage to the reputation of the business.

(j) Other factors

Other factors or events may impact on Qube's performance, such as natural disasters, changes or disruptions to political, regulatory, legal or economic conditions, or to Australian or international financial markets, including as a result of terrorism or war.

10.4 Risk factors that arise from the Offer

(a) Integration of Chalmers

Combining two groups carries some risk with respect to integration. Although Qube believes that the Chalmers assets and business are complementary to Qube's existing business, 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 disruption to ongoing business operations. These risks may include:

- 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;
- higher than expected customer attrition arising as a result of the amalgamation; and
- potential issues in respect of change of control consents where Chalmers is delisted.

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

(b) Due diligence

In preparing the information relating to Chalmers contained in this Bidder's Statement, Qube has relied on publicly available information relating to Chalmers and/or information provided to Qube by Chalmers as part of its due diligence. Risks may exist in relation to Chalmers (which will affect the Combined Group) of which Qube may be unaware. However, as Chalmers is an ASX listed entity, any substantial threats to Chalmers' business should have been apparent from disclosure pursuant to Chalmers' periodic and continuous disclosure obligations.

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

(c) Triggering change of control provisions

As the Offer may result in a change in control of Chalmers 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 Chalmers Group as a result of the Offer.

(d) Issue of Qube Shares as consideration

Chalmers Shareholders are being offered Qube Shares as consideration under the Offer. As a result, the value of the consideration will fluctuate depending upon the market value of Qube Shares. Accordingly, the market value of the Qube 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 Qube Shares

Under the Offer, Qube will issue up to 17,588,510 new Qube Shares. Some Chalmers Shareholders may not intend to continue to hold their Qube Shares and may wish to sell them. There is a risk that increased sales of Qube Shares may adversely impact on the price of, and demand for, Qube Shares in the short term.

(f) Acquisition of less than 90% of Chalmers Shares

The Offer includes a 90% minimum relevant interest condition (see section 12.8(a)). While Qube 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 Qube waived the 90% minimum relevant interest condition and acquired less than 90% of all of the Chalmers Shares on issue under the Offer, this would prevent Qube compulsorily acquiring all remaining Chalmers Shares.

This would also mean that Qube would not be able to implement its intentions set out in section 6.2.

The existence of a minority interest in Chalmers may have an impact on the operations of the Chalmers and its subsidiaries and Qube and its subsidiaries, although this impact will depend upon the ultimate level of Chalmers ownership acquired by Qube.

(g) Satisfaction of conditions

The confirmations of these matters are important to Qube's assessment of Chalmers' business. If these conditions are not satisfied or waived by Qube, then the Offer will not become unconditional.

10.5 General Investment Risks

(a) Share investment risks

Chalmers Shareholders should be aware that an investment in Qube has risks which are associated with investing in listed securities. The future dividends, value of assets of the Combined Group and the market values of Qube Shares quoted on the ASX may be influenced by these risk factors.

(b) Market risks

The price that Qube Shares trade on the ASX may be determined by a range of factors, including:

(i) changes local and international stock markets;

(ii) inflation;

(iii) changes in interest rates;

(iv) general economic conditions;

(v) changes to the relevant indices in which Qube may participate, the weighting that Qube has in the indices and the implication of those matters for institutional investors that impact their investment holdings in Qube;

(vi) global geo-political events, terrorist activities, hostilities and natural disasters;

(vii) continuation of inclusion in key indexes including maintenance of sufficient liquidity, free float and market capitalisation;

(viii) investor perceptions; and

(ix) changes in government, fiscal, monetary and regulatory policies.

In the future, one or more of these factors may cause Qube to trade below current market prices and may affect the revenue and expenses of Qube. In addition, the stock market can experience price and volume fluctuations that may be unrelated or disproportionate to the operating performance of Qube.

(c) No certainty of liquidity for the Combined Group

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

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

11 Other Material Information

11.1 Qube BidCo's Interests in Chalmers securities

(a) Qube BidCo's relevant interest in Chalmers securities and voting power in Chalmers

As at the date of this Bidder's Statement and immediately before the first Offer was sent, Qube BidCo had a relevant interest in 1,515,186 Chalmers Shares.

As at the date of this Bidder's Statement and immediately before the first Offer was sent, Qube BidCo's voting power in Chalmers was 19.9%.

(b) Acquisitions of Chalmers Shares by Qube BidCo or Associates

Neither Qube BidCo nor any of its Associates has provided (or agreed to provide) consideration for a Chalmers 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.

The foregoing relevant interests and voting power arise from the pre-bid agreement described in section 3.6.

11.2 No collateral benefits

Neither Qube BidCo 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 Chalmers 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 Chalmers Shares.

11.3 Offer Consideration

Based on the number of Chalmers Shares on issue on the last trading day before the date of this Bidder's Statement, the maximum number of Qube Shares which would be required to be issued under the Offer if every Chalmers Shareholder accepted the Scrip Option for the Offer is 17,588,510.

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

11.4 Qube is a disclosing entity

Due to the fact that Qube is offering Qube Shares as consideration for the acquisition of Chalmers 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 Qube Shares under sections 710 to 713 of the Corporations Act.

Neither Qube nor Chalmers need to issue a prospectus for the Offer of the Qube Shares as the Offer is occurring under a takeover bid.

Qube 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, Qube 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 Qube Shares.

Qube 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, Qube is only required to disclose information in this Bidder's Statement that would usually be required where Qube Shares have been continuously quoted securities.

In general terms where Qube 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 Qube 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 Qube Shares.

Having made such enquiries as are reasonable, Qube and Qube BidCo believe that they have 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 Qube 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 Chalmers Shareholders and their professional advisers would reasonably require for the purpose of making an informed assessment of:

(c) the assets and liabilities, financial position and performance, profits and losses and prospects of Qube; and

(d) the rights and liabilities attaching to the Qube 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.

Qube, 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 Qube (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 Qube with ASIC;

    (ii) any half year financial report lodged with ASIC by Qube 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 Qube 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 Qube can be inspected at the registered office of Qube during normal office hours.

A list of announcements made by Qube since 17 October 2018 appears in the Annexure to this Bidder's Statement.

Copies of these announcements are available from Qube's website **https://qube.com.au/** or alternatively from ASX at **www.asx.com.au**.

11.5 Summary of the rights attaching to Qube Shares

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

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

(a) General meetings and notices

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

Qube may serve notice on a shareholder by, among other methods, serving it personally on the Qube 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 Qube Shares, at meetings of Qube Shareholders or classes of Qube Shareholders:

(i) each Qube Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited).

(c) Dividend rights and distributions in kind

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

Subject to any differentiation between Qube Shareholders made by the Qube Directors in respect of the rights of any preference Qube Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the dividend as declared shall be payable on all Qube Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Qube Shares in accordance with Part 2H.5 of Chapter 2H of the Corporations Act.

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

(d) Minimum shareholding

Where a Qube Shareholder holds less than a 'marketable parcel' of Qube Shares (within the meaning of the ASX Listing Rules), those shares may be sold by Qube subject to the terms set out in Qube's Constitution.

(e) Winding-up

If Qube is wound up, the liquidator may, with the authority of a special resolution of Qube, divide among the Qube Shareholders in kind the whole or any part of the property of Qube, and may for that purpose set a value as the liquidator considers fair upon any property to be so decided, and may determine how the division is to be carried out as between the Qube Shareholders or different classes of Qube Shareholders.

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

(f) Transfer of Qube Shares

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

(g) Issue of further Qube Shares

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

Without affecting any special rights conferred on the holders of any shares, any share in Qube 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.

(h) Variation of rights

Under the Corporations Act, rights, privileges and restrictions attaching to Qube 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 Qube and the holders of each relevant class of shares or with the written consent of Qube shareholders with at least 75% of votes in the relevant class.

(i) Number of directors

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

(j) 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 (i.e., passed by at least 75% of the votes cast by members entitled to vote on the resolution).

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

11.6 Disclosure of interests/fees and benefits payable to Qube BidCo Directors and advisers

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

(a) Qube BidCo Director or Qube 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 Qube or Qube BidCo; or

(d) broker or underwriter in relation to the issue of Qube 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 Qube or Qube BidCo;

(f) any property acquired or proposed to be acquired by Qube or Qube BidCo in connection with its formation or promotion or in connection with the issue of Qube Shares under the Offer; or

(g) the offer or issue of Qube 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 Qube Director or otherwise for services rendered by him or her in connection with the formation or promotion of Qube or Qube BidCo or the issue of Qube Shares under this Bidder's Statement.

11.7 Qube and Qube BidCo Directors' interests in Chalmers Shares

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

11.8 Qube and Qube BidCo Directors' interests in Qube Shares

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

These interests include shares held in the name of spouses, superannuation funds, nominees and/or other controlled entities and deemed relevant interests.

(a) **Interests in Qube Shares**

Name	Director of Qube (Yes/No)	Director of Qube BidCo (Yes/No)	Number of Qube Shares
Allan Davies	Yes	No	3,416,659
Sam Kaplan	Yes	No	1,638,244*
Maurice James	Yes	Yes	6,918,756
Ross Burney	Yes	No	-
Peter Dexter	Yes	No	200,034
Alan Miles	Yes	No	39,031
Susan Palmer	Yes	No	45,000
Åge Holm (alternate director to Peter Dexter)	Yes	No	-
Paul Lewis	No	Yes	55,000
David Knight (alternate director to Maurice James as director of Qube BidCo)	No	Yes	3,444,690

*This includes shares in which Mr Kaplan has only deemed relevant interest under the Corporations Act from which Mr Kaplan may receive no economic benefit.

(b) **Subordinated notes**

The Qube BidCo Directors and Qube Directors have interests in the following subordinated notes issued by Qube and quoted on the ASX under code QUBHA.

Director	Subordinated Notes
Maurice James	6,000
Sam Kaplan	3,000
Peter Dexter	1,000
Allan Davies	5,154

(c) **Other equity interests**

The Qube BidCo Directors and Qube Directors have interests in additional equity settled compensation as outlined below. The vesting of these rights and interests which is subject to various performance hurdles and service conditions in accordance with the terms of the relevant employee share plans, outlined in further detail in Qube's 2018 Annual Report. On vesting, a performance right entitles the holder to one fully paid ordinary Qube share for each performance right.

These plans provide for adjustments to the number of instruments and/or the exercise price applicable on vesting for certain events such as payment of ordinary dividends or special dividends and the dilutionary impact of capital raisings. The figures below are before undertaking any applicable adjustments which will only be finalised at the relevant vesting date.

As at the date of the Bidder's Statement, none of these instruments has vested as the performance conditions have not yet been fully satisfied:

(i) **Performance Rights**

Director	Performance Rights
Maurice James	707,149
Paul Lewis	285,386
David Knight	68,280

(ii) **Options**

Director	Options
Maurice James	1,527,149
Paul Lewis	547,229
David Knight	84,842

The options above had an original exercise price of $2.2442 which is subject to adjustment in accordance with plan rules. The payment of the exercise price on each vested option entitles the holder to one fully paid ordinary Qube share.

(iii) **Share Appreciation Rights**

Director	Share Appreciation Rights
Maurice James	11,305,060
Paul Lewis	3,999,068
David Knight	2,691,681

A share appreciate right is equivalent to an option, however, on the vesting date, instead of exercising the option and receiving a Qube Share, the recipient receives the net value of the share appreciate right (if any), in Qube Shares. The net value of a share appreciate right at the vesting date is calculated as the difference between the applicable prevailing Qube share price and the share appreciate right issue price. The original issue prices of the share appreciate rights currently issued, ranges between $2.56 to $2.68.

11.9 Fees and other expenses of the Offer

The following estimated fees will be incurred by Qube 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.	$350,000 to 400,000[17] (to date of this Bidder's Statement)	In cash upon presentation of relevant invoices.
Other Advisors	Registry services, accountants, Nominee and other advisors are entitled to professional fees in accordance with its normal time-based charges.	$100,000 to $170,000.	In cash upon presentation of relevant invoices.

11.10 Brokers commission

Qube and Qube BidCo 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 Chalmers 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 Chalmers Shares held by retail shareholders who accept the Offer, and will be subject to minimum payments of $50 and maximum payments of not exceeding $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 Chalmers Shareholders.

If and when Qube or Qube BidCo decide to offer such a commission to any broker, it will make an announcement to ASX.

It is Qube and Qube BidCo's intention that, if and when an offer of commission has been made to any broker by Qube or Qube BidCo, 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.

[17] Bidder may also pay, or agree to pay, Allens additional fees (based primarily on agreed hourly rates) in connection with the provision of legal services in connection with the Offer after the date of this Bidder's Statement.

11.11 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, Chalmers Shareholders should seek specialist advice before accepting the Offer.

11.12 ASIC Legislative Instruments (including Class Orders)

ASIC has published various legislative instruments (including class orders) providing for modifications and exemptions that apply generally to all persons, including Qube BidCo, in relation to the operation of Chapter 6 of the Corporations Act.

Amongst others, Qube BidCo has relied on the modification to section 636(3) of the Corporations Act set out in paragraph 6(d) of ASIC Class Order 13/521 'Takeover Bids' to include references to certain statements by Chalmers in this Bidder's Statement without obtaining the consent of Chalmers. The relevant statements were respectively taken from:

- Chalmers' Half Year Accounts for 2019 released to the ASX on 27 February 2019;
- Chairman's Address to Shareholders released to the ASX on 31 October 2018;
- Chalmers' Annual Report for 2018 released to the ASX on 26 September 2018;
- Chalmers' Annual Report for 2017 released to the ASX on 28 September 2017;
- Chalmers' Website in respect of the 'About Us' section;

As required by Class Order 13/521, Qube BidCo will make available a copy of these documents (or relevant extracts of these documents), free of charge, to Chalmers Shareholders who request them during the Bid Period. To obtain a copy of these documents (or the relevant extracts), Chalmers Shareholders may telephone the Offer Information Line on 1300 381 071 within Australia or + 61 3 9415 4035 (from outside Australia) from 9:00am to 5:00pm (Sydney time) on Business Days. For legal reasons, calls to this number will be recorded.

11.13 Ineligible Foreign Shareholders and Unmarketable Parcel Holders

If you are an Ineligible Foreign Shareholder or Unmarketable Parcel Holder and you accept the Offer, you will not receive any Qube Shares. Instead, you will receive in respect of your Chalmers Shares a cash amount calculated under section 12.10(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.

If you are an Unmarketable Parcel Holder and the number of Qube Shares to be issued as consideration under the Scrip Option would amount to an Unmarketable Parcel, you will receive in respect of your Chalmers Shares a cash amount calculated under section 12.10(e).

11.14 Foreign selling restrictions – New Zealand

This Bidder’s Statement is not a New Zealand product disclosure statement or other similar offering or disclosure document under New Zealand law and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other relevant New Zealand law. The offer of Qube Shares under the Offer is being made to existing Chalmers Shareholders with registered addresses in New Zealand in reliance upon an exemption from the relevant New Zealand securities regime, and, accordingly, this Bidder’s Statement may not contain all the information that an investment statement, prospectus or product disclosure statement under New Zealand law is required to contain.

11.15 Potential for waiver of Defeating Conditions

The Offer is subject to a number of conditions set out in section 12.8 including a minimum relevant interest condition (see section 12.8(a)). Under the terms of the Offer and the Corporations Act, any or all of those Defeating Conditions may be waived by Qube BidCo.

If an event occurs which results (or would result) in the non-fulfillment of a Defeating Condition, Qube BidCo 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 12.9(d)). If Qube 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 Qube BidCo 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 Chalmers Shares will be returned to the holder.

11.16 Status of Defeating Conditions

The Offer is subject to a number of conditions set out in section 12.8. Set out below is the status of key conditions as at the day before the date of this Bidder's Statement. Qube will provide updates on any material developments relating to the status of these conditions through announcements to ASX.

In relation to the Defeating Condition in section 12.8(b), Qube BidCo and Qube are not aware of any decision, action or investigation which would result in the non-fulfilment of that condition. Nor has Qube BidCo or Qube 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 12.8(b). However, it should be noted that it is not feasible for Qube BidCo or Qube to identify in advance all such regulatory actions or related regulatory approvals, as Chalmers conducts its business in a number of jurisdictions and Qube BidCo and Qube have not had access to detailed information regarding Chalmers' operations and assets in those jurisdictions, and whether they are subject to particular approvals or conditions.

Qube and Qube BidCo are not aware of any events or circumstances which would result in the non-fulfillment of any of the Defeating Conditions in sections 12.8(a) to 12.8(i).

11.17 Approvals for payment of consideration

Qube BidCo is not aware of any Chalmers Shareholders who require any approval referred to in section 12.10(g) in order to be entitled to receive any consideration under the Offer.

If at any time you accept the Offer you are a resident or a resident of a place which, or you are a person to whom any of the following apply:

(a) *Autonomous Sanctions Regulations 2011* (Cth);

(b) Part 4 of the *Charter of the United Nations Act 1945* (Cth), *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth) or any other regulations made thereunder or otherwise; or

(c) any other law of Australia,

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 Qube BidCo.

11.18 Withholding of consideration

Qube BidCo is not currently aware of any amounts that are or would be treated as withholding amounts under section 12.10(h). However, it is possible that Qube BidCo 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 Qube BidCo that all or part of the consideration otherwise payable under the Offer to Chalmers Shareholders who are non-residents of Australia is to be retained by Qube BidCo, or paid to the ATO, instead of being paid to the relevant Chalmers Shareholders.

Under section 260-5 of Schedule 1 to the *Taxation Administration Act 1953* (Cth), the ATO may require Qube BidCo to pay to the ATO all or part of the consideration otherwise payable under the Offer to Chalmers Shareholders who owe tax-related debts to the Australian Government.

Similarly, under Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth), the ATO may require Qube Bidco to pay to the ATO an amount in respect of the disposal of your Chalmers Shares on account of foreign resident CGT withholding tax.

11.19 No escalation agreement

Neither Qube BidCo, nor any of its Associates, has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

11.20 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:

- Qube;
- Allens; 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 Qube BidCo.

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 13/521, 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 11.12 for further information.

11.21 Expiry Date

No Qube Share will be issued on the basis of this Bidder's Statement after the date that is 12 months after the date of this Bidder's Statement.

11.22 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 Chalmers Shareholder whether or not to accept the Offer; and
- is known to Qube BidCo and Qube,

which has not previously been disclosed to Chalmers Shareholders.

12 Offer Terms

12.1 Offer

(a) Qube BidCo offers to acquire all of your Chalmers Shares on the terms and subject to the conditions set out in this section 12.

(b) If Qube BidCo acquires your Chalmers Shares under this Offer, it will also be entitled to all Rights in respect of your Chalmers Shares.

(c) This Offer is dated 8 July 2019.

(d) The Offer relates to all Chalmers Shares that exist, or will exist, on the Register Date.

12.2 Consideration

(a) The consideration offered for each of your Chalmers Shares is:

(i) $6.50 in cash; or

(ii) 2.31 Qube Shares (subject to section 12.2(b) and to rounding in accordance with section 12.2(c)).

(b) If you are an Ineligible Foreign Shareholder or Unmarketable Parcel Holder then, despite any other provision of this Offer, you will not receive Qube Shares under this Offer. Instead, if you accept this Offer, you will receive a cash amount determined in accordance with section 12.10(e).

(c) If you would otherwise be entitled to a fraction of a Qube Share as a result of your acceptance of this Offer in respect of your Chalmers 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 Qube Share.

If Qube BidCo reasonably believes that any parcel of Chalmers Shares has been created or manipulated to take advantage of rounding up, then any applicable fractional entitlement be rounded down to zero or aggregated.

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

12.3 Offer Period

(a) This Offer will remain open for acceptance during the period that commences on the date of this Offer and is scheduled to close at 7:00 pm (Sydney Time) on 8 August 2019, unless this Offer is withdrawn or that period is extended in accordance with the Corporations Act.

(b) Qube BidCo may, in accordance with the Corporations Act, extend the period during which this Offer remains open for acceptance.

12.4 How to accept this Offer

(a) **Accept for all of your Chalmers Shares**

Subject to sections 12.11(c) and 12.11(d) you may **only** accept this Offer for **all** of your Chalmers Shares.

(b) **Issuer Sponsored Holdings**

If your Chalmers 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 Chalmers Shares you must:

(i) **complete** and **sign** the enclosed personalised 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 indicated on the Acceptance Form.

If you do not make an election on your Acceptance Form to receive the Scrip Option or the Cash Option, or you make an invalid, indistinct or conflicting election, you will be deemed to have elected to receive the Scrip Option in respect of all of your Chalmers Shares.

Qube BidCo reserves the right to permit you to change your election (or deemed election) for the Cash Option or Scrip Option.

(c) **CHESS Holdings**

If your Chalmers 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 Chalmers 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 enclosed 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 one of the addresses indicated on the Acceptance Form. This will authorise Qube BidCo to initiate, or alternatively to instruct 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 Qube BidCo 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 Chalmers 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.

If you do not make an election on your Acceptance Form to receive the Scrip Option or the Cash Option, or you make an invalid, indistinct or conflicting election, you will be deemed to have elected to receive the Scrip Option in respect of all of your Chalmers Shares.

Qube BidCo reserves the right to permit you to change your election (or deemed election) for the Cash Option or Scrip Option.

12.5 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) **Effect of Acceptance Form**

By signing and returning the Acceptance Form in accordance with section 12.4, you irrevocably authorise Qube BidCo 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 Chalmers Shares to Qube BidCo; and

(ii) (in respect of any of your Chalmers 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 Chalmers Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules; and

(B) give any other instructions concerning those Chalmers Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant.

(c) **Validation of Acceptance Form**

Notwithstanding sections 12.4(b) and 12.4(c)(ii), Qube BidCo may (except in relation to Chalmers 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. Qube BidCo will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. Qube BidCo is not required to communicate with you prior to or after making this determination. The determination of Qube BidCo will be final and binding on all parties.

If Qube BidCo does treat such an Acceptance Form as valid, subject to section 12.10, Qube BidCo will not be obliged to give the consideration to you until Qube BidCo receives all those documents and all of the requirements for acceptance referred to in section 12.4 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).

(d) **Risk in Acceptance Form**

The transmission by you of the Acceptance Form and any other documents in accordance with section 12.4 is at your own risk. No acknowledgement of receipt of any such documents will be given to you by or on behalf of Qube BidCo.

12.6 Revocation of acceptance

(a) Once you have accepted this Offer, you will be unable to revoke your acceptance other than as set out in this section 12.6 and the contract resulting from your acceptance will be binding on you. Notwithstanding, and for the avoidance of doubt, as stated in section 12.4(b) and 12.4(c), Qube BidCo reserves the right to permit you to change your election (or deemed election) for the Cash Option or Scrip Option.

(b) In addition, you will be unable to withdraw your acceptance of this Offer or otherwise dispose of your Chalmers Shares, except as follows:

(i) if section 12.9(e) applies, in which case your Chalmers 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 12.8, then you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

12.7 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 12.4:

(a) you accept this Offer (and any variation of it) in respect of all of your Chalmers Shares at the date your acceptance is processed (even if the number of Chalmers Shares specified on the Acceptance Form differs from the number of your Chalmers Shares) and agree to the terms and conditions of this Offer (and any variation of it);

(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 Chalmers Shares to Qube BidCo in accordance with this Offer and subject to the conditions of the constitution of Chalmers on which they were held immediately before your acceptance of this Offer (and Qube BidCo agrees to take those Chalmers Shares subject to those conditions);

(c) you represent and warrant to Qube BidCo that, at the time of your acceptance and at the time the transfer of your Chalmers Shares to Qube BidCo is registered:

(i) all of your Chalmers Shares are and will be fully paid;

(ii) you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership of your Chalmers Shares (including any Rights) to Qube BidCo;

(iii) Qube BidCo will acquire good title to them and full beneficial ownership of them free from all Security Interests, interests of third parties of any kind (whether legal or otherwise) and restrictions of transfer; and

(iv) that you have paid to Chalmers all amounts which at the time of acceptance have fallen due for payment to Chalmers in respect of your Chalmers Shares;

(d) unless section 12.10(e) or section 12.10(f) applies to you, you irrevocably authorise Qube BidCo to issue to you the Qube 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 Chalmers last notified to Qube by Chalmers) in the register of members of Qube BidCo in respect of those Qube Shares, and agree to be bound by the constitution of Qube;

(e) you agree that, if you are an Ineligible Foreign Shareholder, or if Qube BidCo believes that you are an Ineligible Foreign Shareholder, section 12.10(e) applies to you;

(f) you agree that if you an Unmarketable Parcel Holder, or if Qube BidCo believes that you are an Ineligible Foreign Shareholder, section 12.10(f) applies to you;

(g) subject to all of the Defeating Conditions being fulfilled or waived, you irrevocably appoint Qube BidCo 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 Chalmers Shares, including:

(i) attending any meeting of Chalmers, and voting in respect of your Chalmers 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 Chalmers 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 Chalmers 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 Qube BidCo as the holder of your Chalmers Shares;

(h) you agree that, in exercising the powers and rights conferred by the power of attorney in section 12.7(g), each attorney may act in the interests of Qube BidCo as the intended registered holder and beneficial owner of your Chalmers Shares;

(i) except as contemplated by section 12.7(g) 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 Chalmers, 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 12.7(g);

(j) irrevocably authorise Qube BidCo (and any director, secretary, nominee or agent of Qube BidCo) to alter the Acceptance Form on your behalf by inserting correct details relating to your Chalmers Shares, filling in any blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by Qube BidCo to make it an effective acceptance of this Offer or to enable registration of your Chalmers Shares in the name of Qube BidCo;

(k) if you sign the Acceptance Form in respect of your Chalmers Shares which are held in a CHESS Holding, you irrevocably authorise Qube BidCo (or any director, secretary, nominee or agent of Qube BidCo) to give any other instructions in relation to your Chalmers Shares to your Controlling Participant, as determined by Qube BidCo acting in its own interests as a beneficial owner and intended registered holder of those Chalmers Shares;

(l) you irrevocably authorise and direct Chalmers to pay to Qube BidCo, or to account to Qube BidCo for, all Rights in respect of your Chalmers Shares except to the extent that Qube BidCo elects to waive its entitlement to those Rights), subject, however, to any such Rights received by Qube BidCo being accounted for by Qube BidCo to you if any contract resulting from your acceptance of this Offer is rescinded or rendered void;

(m) subject to all of the Defeating Conditions being fulfilled or waived, you irrevocably authorise Qube BidCo and its nominees to do all things necessary to transfer your

Chalmers Shares to Qube BidCo (including to cause a message to be transmitted in accordance with ASX Settlement Operating Rule 14.17.1 so as to transfer your Chalmers Shares, if held in a CHESS Holding, to the Takeover Transferee Holding), even if Qube BidCo has not at that time paid or provided the consideration due to you under this Offer;

(n) you agree to indemnify Qube BidCo 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 Chalmers Shares to Qube BidCo being registered by Chalmers without production of your Holder Identification Number or your Securityholder Reference Number;

(o) except as contemplated by section 12.7(g), 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 Chalmers, or to exercise, or purport to exercise (in person or by proxy, attorney, or corporate representative or otherwise), any of the powers conferred by that power of attorney in section 12.7(g); and

(p) you represent and warrant to Qube BidCo that, unless you have notified Qube BidCo in writing otherwise, your Chalmers Shares do not consist of separate parcels of Chalmers Shares.

The representations, warranties, authorities and indemnity referred to in this section 12.6 will (unless otherwise stated) remain in force after you receive the Offer consideration for your Chalmers Shares and after Chalmers becomes the registered holder of those shares.

12.8 Defeating Conditions

Subject to section 12.9, this Offer and any contract resulting from your acceptance of this Offer are subject to the fulfilment of the following Defeating Conditions.

(a) **Minimum Relevant Interest**

During, or at the end of, the Offer Period, Qube BidCo and its Related Bodies Corporate together have relevant interests (disregarding any relevant interests that Qube has merely because of the operation of section 608(3) of the Corporations Act) in at least 90% of the Chalmers Shares (even if subsequently Qube and its Related Bodies Corporate together have relevant interests in less than 90% of all the Chalmers Shares as a result of the issue of further Chalmers Shares).

(b) **No regulatory actions**

Between the Announcement Date and the date which is the earlier of (a) the date on which the defeating condition in 12.8(a) is satisfied, and (b) 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 Public Authority;

(ii) no action or investigation is announced, commenced or threatened by any Public Authority; and

(iii) no application is made to any Public Authority (other than by Qube or any of its Related Bodies Corporate),

(other than an application to, or a decision or order of, ASIC or the 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 consequences of, or in connection with, the Offer) that:

(iv) restrains, impedes or prohibits (or if granted, could restrain, impede or prohibit), or otherwise materially adversely impacts upon, the making of the Offer, the acquisition of any Chalmers Shares under the Offer or any transaction contemplated by the Bidder's Statement, the Offer or the rights of Qube or any of its Related Bodies Corporate in respect of Chalmers Shares, or requires the divestiture by any entity within the Qube Group of any Chalmers Shares, or requires the divestiture of any assets of the Qube Group or Chalmers Group; or

(v) imposes any new terms on, amends the existing terms of or otherwise affects the rights held by any entity within the Chalmers Group under any Approval issued to any entity within the Chalmers Group.

(c) **No cessation of licences, registrations, certifications or accreditations**

Between the Announcement Date and the date which is the earlier of (a) the date on which the defeating condition in 12.8(a) is satisfied, and (b) the end of the Offer Period (each inclusive), no entity within the Chalmers Group and no key employee of the Chalmers Group, materially breaches the terms and conditions of, fails to renew or ceases to hold, any material licences, registrations, certifications or accreditations required in the ordinary course of business.

(d) **No Material Adverse Change**

Between the Announcement Date and the date which is the earlier of (a) the date on which the defeating condition in 12.8(a) is satisfied, and (b) the end of the Offer Period (each inclusive), no event, change or condition occurs, is announced or becomes known to Qube or Chalmers (whether or not it becomes public) where that event, change or condition has had, or could reasonably be expected to have, either individually or in aggregate with all such events, changes and conditions:

(a) an adverse effect of $500,000 or more on the operating earnings before interest, tax, depreciation and amortisation of the Chalmers Group in any financial year; or

(b) an adverse effect of $2,000,000 or more on the value of the net assets of the Chalmers Group, or

that event, change or condition has had, or could reasonably be expected to have, a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Chalmers Group, taken as a whole, since 31 December 2018, except for events, changes and conditions publicly announced by Chalmers to the ASX prior to the Announcement Date or otherwise disclosed in public filings by Chalmers prior to the Announcement Date where the relevant disclosure is not, and is not likely to be, incomplete, incorrect, untrue or misleading (including by omission).

(e) **No material acquisitions, disposals or new commitments**

Except for any proposed transaction publicly announced by Chalmers before the Announcement Date, none of the following events occurs during the period from the Announcement Date and the date which is the earlier of (a) the date on which the defeating condition in 12.8(a) is satisfied, and (b) the end of the Offer Period (each inclusive):

(i) any entity within the Chalmers Group acquires or leases, or agrees or offers to acquire or lease, any one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount or consideration in excess of $100,000 for any individual item or in excess of $200,000 in aggregate;

(ii) any entity within the Chalmers Group disposes of, or agrees or offers to dispose of, any one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets):

(A) for an amount or consideration in excess of $100,000 for any individual item or in excess of $200,000 in aggregate; or

(B) in respect of which the book value (as recorded in Chalmers's balance sheet as at 31 December 2018) is in excess of $100,000 for any individual item or in excess of $200,000 in aggregate;

(iii) any entity within the Chalmers Group enters into, agrees to enter into or amend or offers to enter into or amend, any agreement, joint venture or partnership that requires or is reasonably likely to involve payments, expenditure, or the foregoing of revenue, by the Chalmers Group in excess of $200,000 in aggregate;

(iv) the commitment by the Chalmers Group to capital expenditure in excess of $200,000 in aggregate;

(v) any entity within the Chalmers Group incurs, agrees to incur or bring forward the time for incurring, or granting to a third party a right the exercise of which would involve a Chalmers Group entity incurring or agreeing to incur an amount of capital expenditure in excess of $200,000 in aggregate;

(vi) any entity within the Chalmers Group settles any legal proceedings, claim, investigation, arbitration or other like proceeding where the amount claimed by or against an entity within the Chalmers Group exceeds $100,000;

(vii) any entity within the Chalmers Group becomes the subject of any litigation which is commenced or threatened, or there is an adverse development in any litigation to which an entity within the Chalmers Group is already subject (as at the Announcement Date), which results in, or may reasonably be expected to result in, a judgment or order against any entity within the Chalmers Group that:

(A) is for an amount not covered by insurance in excess of $100,000;

(B) would require the Chalmers Group to undertake expenditure in excess of $100,000; or

(C) materially affects the rights held by or for the benefit of any entity within the Chalmers Group under any Approval issued to any entity within the Chalmers Group;

(viii) any entity within the Chalmers Group incurs any indebtedness or issues any debt securities, where doing so would result in the value of the indebtedness incurred or debt issued by the Chalmers Group following the Announcement Date exceeding $200,000 in aggregate, other than:

(A) any draw down within existing limits of any existing debt facility in the ordinary course of business;

(B) trade credit in the ordinary course of business; or

(C) indebtedness to an entity within the Chalmers Group;

(ix) any entity within the Chalmers Group gives or agrees to give any encumbrance over any of its assets (or an interest in any of its assets), other than liens in the ordinary and usual course of business;

(x) any entity within the Chalmers Group incurs or otherwise become exposed to a liability or contingent liability with an amount or value exceeding $200,000 in aggregate;

(xi) any entity within the Chalmers Group enters into, terminates, extends, renews or varies any commitment (including any non-contractual commitment or undertaking) which has a value or involves a liability, expenditure or revenue, as the case may be, in excess of $200,000 when aggregated with related transactions;

(xii) any entity within the Chalmers Group exercises a contractual right or other option which has a value or involves a liability or expenditure, as the case may be, in excess of $200,000 when aggregated with related transactions;

(xiii) any entity within the Chalmers Group enters into any long-term commitment (including any non-contractual commitment or undertaking) with any customers which:

(A) has a duration of more than 12 months; or

(B) is inconsistent in a material respect with typical arrangements;

(xiv) any entity within the Chalmers Group enters into any commitment (including any non-contractual commitment or undertaking) with any customer which has a volume rebate or similar arrangement where the a value or aggregate value of the new commitment or commitments is in excess of $200,000;

(xv) any entity within the Chalmers Group enters into a new employment contract or increases the remuneration of, or otherwise varies the existing employment arrangements with, any of its directors or executives or any other employees which employee's total annual employment cost is in excess of $200,000;

(xvi) any entity within the Chalmers Group pays or agrees to pay any bonus to any of its directors or executives or any other employees where such payment, if made, would result in the aggregate value of the bonuses paid or agreed to be paid by entities within the Chalmers Group following the Announcement Date being in excess of $200,000 (provided that any bonus already agreed or accrued as at the Announcement Date shall be excluded for the purposes of this sub-paragraph);

(xvii) any entity within the Chalmers Group accelerates the rights of any of its directors or executives or any key employee to benefits of any kind (other than under any executive or employee share plans or in relation to leave) or enters into a commitment to pay a director or executive a termination payment (including a 'golden parachute') with an additional cost to the Chalmers Group in excess of $200,000 or in breach of the law;

(xviii) any entity within the Chalmers Group enters into any guarantee or indemnity on behalf of any entity within the Chalmers Group or provides security for the obligations of any entity within the Chalmers Group in relation to amounts in excess of $200,000;

(xix) any entity within the Chalmers Group provides financial accommodation to any Chalmers Director or any employee or officer of any entity within the Chalmers Group with an additional cost to the Chalmers group in excess of $200,000 or in breach of the law;

(xx) any entity within the Chalmers Group enters into, amends, or agrees to enter into or amend any contract, commitment or other arrangement with a related party (as defined in section 228 of the Corporations Act) of Chalmers;

(xxi) the constitution of any entity within the Chalmers Group is amended or replaced or any entity within the Chalmers Group states its intention to or makes any change to its constitution; or

(xxii) any entity within the Chalmers Group announces an intention to do any of the matters referred to in the sub-paragraphs above, or brings forward the time for performance of or releases any rights it has against third parties in respect of any obligations or commitments relating to such matters in existence at the Announcement Date.

(f) **No Change of Control or Other Rights**

Except as disclosed in any announcement made by Chalmers to the ASX prior or on the Announcement Date, no person has, or before the date which is the earlier of (a) the date on which the defeating condition in 12.8(a) is satisfied, and (b) the end of the Offer Period (each inclusive) is granted, any right (whether subject to conditions or not) as a result of Qube making the Offer or announcing its intention to make the Offer, or acquiring Chalmers Shares under the Offer, to:

(i) acquire, or require the disposal of, or require any entity within the Chalmers Group to offer to dispose of, any material asset of any entity within the Chalmers Group;

(ii) terminate, or vary the terms or performance of, any material agreement with any entity within the Chalmers Group;

(iii) require repayment of any moneys borrowed by or any other indebtedness of any entity within the Chalmers Group earlier than its stated maturity date, or withdraw or inhibit the ability of any entity within the Chalmers Group to borrow moneys or incur indebtedness,

other than a right in respect of which a written, enforceable, irrevocable and unconditional waiver has been obtained and announced by Chalmers to the ASX.

(g) **No Dividends**

Between the Announcement Date and the date which is the earlier of (a) the date on which the defeating condition in 12.8(a) is satisfied, and (b) the end of the Offer Period (each inclusive) Chalmers does not make, determine as payable or declare any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

(h) **No prescribed occurrences**

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

(i) Chalmers converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;

(ii) Chalmers or a Subsidiary of Chalmers resolves to reduce its share capital in any way;

(iii) Chalmers or a Subsidiary of Chalmers enters into a buy back agreement or resolves to approve the terms of a buy back agreement under section 257C(1) or 257D(1) of the Corporations Act;

(iv) Chalmers or a Subsidiary of Chalmers issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option in each case;

(v) Chalmers or a Subsidiary of Chalmers issues, or agrees to issue, convertible notes;

(vi) Chalmers or a Subsidiary of Chalmers disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

(vii) Chalmers or a Subsidiary of Chalmers grants, or agrees to grant, a Security Interest in the whole, or a substantial part, of its business or property;

(viii) Chalmers or a Subsidiary of Chalmers resolves to be wound up;

(ix) a liquidator or provisional liquidator of Chalmers or of a Subsidiary of Chalmers is appointed;

(x) a court makes an order for the winding up of Chalmers or of a Subsidiary of Chalmers;

(xi) an administrator of Chalmers or of a Subsidiary of Chalmers is appointed under section 436A, 436B or 436C of the Corporations Act;

(xii) Chalmers or a Subsidiary of Chalmers executes a deed of company arrangement; or

(xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Chalmers or a Subsidiary of Chalmers.

(i) **No Prescribed Occurrences Between the Announcement Date and the Date of the Bidder's Statement**

During the period beginning on the Announcement Date and ending on the day before the Bidder's Statement is given to Chalmers, none of the events listed in sub-paragraphs (i) to (xiii) of section 12.8(h) happens.

12.9 Nature and operation of Defeating Conditions

(a) **Nature of Defeating Conditions**

Each of the Defeating Conditions is a condition subsequent to the formation of a binding contract upon your acceptance of this Offer. None of the Defeating Conditions prevents a contract to sell your Chalmers Shares resulting from your acceptance of this Offer, but:

(i) breach of any of the Defeating Conditions entitles Qube BidCo to rescind that contract by written notice to you; and

(ii) non fulfilment of any of the Defeating Conditions at the end of the Offer Period will have the consequences set out in section 12.9(e).

(b) **Separate Defeating Conditions for benefit of Qube BidCo**

(i) Each other paragraph and each sub paragraph of each other paragraph of section 12.8 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, Qube BidCo 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) **Waiver of Defeating Conditions**

Subject to the Corporations Act, Qube BidCo 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 Chalmers:

(i) in the case of the Defeating Conditions in section 12.8(h) — 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.

(d) **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 1 August 2019 (subject to variation in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

(e) **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) Qube BidCo has not declared this Offer and any contract resulting from your acceptance of it free from that Defeating Condition in accordance with section 12.9(c).

12.10 Provision of consideration

(a) **When you will generally be provided the consideration**

Subject to this section 12.10 and the Corporations Act, if you accept this Offer and the Defeating Conditions are fulfilled or waived, Qube BidCo will provide to you the consideration for your Chalmers Shares under this Offer 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 Qube BidCo with your acceptance to enable Qube BidCo to become the holder of your Chalmers Shares (such as a power of attorney) then, subject to sections 12.10(c) to 12.10(h) and the Corporations Act):

(i) if those documents are given to Qube BidCo with your acceptance, Qube BidCo will provide to you the consideration for your Chalmers Shares in accordance with section 12.10(a);

(ii) if those documents are given to Qube BidCo after your acceptance and before the end of the Offer Period, while this Offer is subject to a Defeating Condition, Qube BidCo will provide to you the consideration for your Chalmers 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 Qube BidCo after your acceptance and before the end of the Offer Period, while this Offer is not subject to a Defeating Condition, Bidder will provide to you the consideration for your Chalmers Shares by the earlier of:

(A) one month after Bidder is given those documents; and

(B) 21 days after the end of the Offer Period; and

(iv) if those documents are given to Bidder after the end of the Offer Period, Bidder will provide to you the consideration for your Chalmers Shares within 21 days after those documents are given. However, if, at the time those documents are given to Bidder, the contract resulting from your acceptance of this Offer is still subject to a Defeating Condition in section 12.8(h), Qube BidCo will provide to you the consideration for your Chalmers Shares within 21 days after the contract becomes, or is declared, unconditional.

(c) **Delivery of consideration**

(i) Payment of any cash amount to which you are entitled under this Offer will be made by cheque drawn in Australian currency in your favour. The cheque will be sent to you, at your risk, by ordinary mail (or, in the case of Chalmers Shareholders with addresses outside Australia, by airmail) to your address shown on the Acceptance Form or the address for you last notified to Qube BidCo by Chalmers.

(ii) The obligation of Qube BidCo to allot and issue any Qube Shares to which you are entitled under this Offer will be satisfied by Qube:

(A) entering your name on the register of members of Qube; and

(B) if your name is entered on the Issuer Sponsored Subregister of Qube, 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 Acceptance Form or the most recent address for your shareholding notified to Qube BidCo by Chalmers, a holding statement in accordance with the ASX Listing Rules. If your Chalmers Shares are held in joint names and those names are entered on the Issuer Sponsored Subregister of Qube, the holding statement will be issued in the name of, and despatched to, the holder whose name appears first in Chalmers' register of members.

(d) **Rights**

If Qube BidCo becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give to Qube BidCo all documents necessary to vest title to those Rights in Qube BidCo, or otherwise to give Qube BidCo 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 Chalmers Shares has received or is entitled to receive) the benefit of those Rights, Qube BidCo will be entitled to deduct the amount (or an amount equal to the value, as reasonably assessed by Qube BidCo) of those Rights from any consideration otherwise due to you under this Offer. If Qube BidCo does not, or cannot, make such a deduction, you must pay that amount to Qube BidCo, except to the extent that Qube BidCo elects to waive its entitlement to those Rights.

(e) **Ineligible Foreign Shareholders**

If you are an Ineligible Foreign Shareholder (or if Qube BidCo believes that you are an Ineligible Foreign Shareholder) and you elect to receive the Scrip Option under the Offer, you will not be entitled to receive Qube Shares as all or part of the consideration for your Chalmers Shares. Instead, you agree that:

(i) Qube BidCo will arrange for the issue to a nominee approved by ASIC of the Qube Shares to which you and all other Ineligible Foreign Shareholders would have been entitled but for this section 12.10(e) and the equivalent section in each other offer under the Offer;

(ii) Qube BidCo will cause those Qube Shares to be offered for sale by the 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 nominee;

(iii) Qube BidCo will cause the amount ascertained in accordance with the formula below to be paid to you:

$$\textit{net proceeds of sale} \times \frac{\textit{your Qube Shares}}{\textit{total Qube Shares}}$$

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 Qube Shares issued to the nominee under this section 12.10(e) and the equivalent provision in each other offer under the Offer;

your Qube Shares is the number of Qube Shares that would, but for this section 12.10(e), have been issued to you under this Offer; and

total Qube Shares is the total number of Qube Shares issued to the nominee under this section 12.10(e) and the equivalent provision in each other offer under the Offer;

(iv) payment of the amount calculated in accordance with section 12.10(e)(iii) will be made in accordance with section 12.10(c)(i) 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 Chalmers Shareholders with addresses outside Australia, by airmail) to your address shown on the Acceptance Form or the address for you last notified to Qube BidCo by Chalmers, 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 Qube BidCo 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 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 Qube on Qube's website (**https://qube.com.au**).

(vi) As the market price of Qube Shares will be subject to change from time to time, the sale price of the Qube Shares sold by the Nominee and the proceeds of those sales cannot be guaranteed. None of Qube, Qube BidCo or the Nominee gives

any assurance as to the price that will be achieved for the sale of the Qube Shares by the Nominee.

(vii) The Nominee will be appointed by, and will provide the Nominee services to, Qube. In acting as Nominee, the Nominee will not be acting as agent or sub-agent of any Ineligible Foreign Shareholder or Unmarketable Parcel Holder, does not have duties or obligations (fiduciary or otherwise) to any Ineligible Foreign Shareholder or Unmarketable Parcel Holder and does not underwrite the sale of the Qube Shares.

(f) **Unmarketable Parcels of Qube Shares**

If the total number of Qube Shares you are entitled to receive as consideration either under the Scrip Option is an Unmarketable Parcel, you will receive a cash amount for your Chalmers Shares calculated under section 12.10(e) as if you were an Ineligible Foreign Shareholder. As at 27 June 2019 prior to the lodgement of this Bidder Statement, this equated to a Chalmers Shareholder who held less than 72 Chalmers Shares.

(g) **Non-Australian residents**

If at any time you accept the Offer you are a resident or a resident of a place which, or you are a person to whom any of the following apply:

(i) Autonomous Sanctions Regulations 2011 (Cth);

(ii) Part 4 of the Charter of the United Nations Act 1945 (Cth), Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth) or any other regulations made thereunder or otherwise; or

(iii) any other law of Australia,

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 Qube BidCo.

(h) **Withholding of consideration by Qube BidCo**

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 Qube BidCo out of any consideration otherwise due to you under this Offer,

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

12.11 Offerees

(a) **Registered holders**

Qube BidCo is making an offer in the form of this Offer to:

(i) each person registered as the holder of Chalmers Shares in the register of members of Chalmers as at the Register Date; and

(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 Chalmers Shares (whether or not they are registered or entitled to be registered as the

holder of other Chalmers Shares) due to the conversion of, or exercise of rights attached to, other securities convertible into Chalmers Shares (if any) that are on issue at the Register Date.

(b) **Transferees**

If at any time during the Offer Period another person is able to give good title to some or all of your Chalmers Shares, and that person has not already accepted an offer in the form of this Offer for those Chalmers 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 Chalmers Shares.

(c) **Trustees and nominees**

If at any time during the Offer Period and before you accept this Offer your Chalmers Shares consist of two or more separate parcels within the meaning of section 653B of the Corporations Act (for example, because you hold your Chalmers 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 Chalmers Shares (including any parcel consisting of two or more parcels) is ineffective unless:

(i) you give Qube BidCo notice stating that the Chalmers Shares consist of a separate parcel, such notice being:

(A) in the case of Chalmers Shares not in a CHESS Holding, in writing; or

(B) in the case of Chalmers Shares in a CHESS Holding, in an electronic from 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 Chalmers Shares in the parcel.

(d) **Chalmers Shares subject to Chalmers transfer restrictions**

If at any time during the Offer Period some of your Chalmers Shares are subject to transfer restrictions imposed by Chalmers (for example, because you hold some of your Chalmers 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 Chalmers Shares. Acceptance for the balance of your Chalmers Shares is ineffective unless you give Qube BidCo notice stating the number of your Chalmers Shares that are subject to a transfer restriction and explaining the nature of the restriction, and your acceptance specifies the balance of your Chalmers Shares.

12.12 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, the Pre-Bid Agreement with Alljet outlined in section 3.6, or Chalmers' ASX announcement on 28 June 2019, please call the Offer Information Line on 1300 381 071 (within Australia) or +61 3 9415 4035 (from outside Australia) from 9:00am to 5:00pm (Sydney time) on Business Days to request those additional copies. For legal reasons, calls to this number will be recorded. On request during the Offer Period, Qube will provide copies of the Chalmers ASX Announcement and Pre-Bid Agreement, within two Business Days of the request, free of charge to Chalmers Shareholders.

12.13 Official quotation of Qube 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 12.8. 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 Qube BidCo, or any other member of the Qube Group, can be taken to be a waiver of that condition.

(c) Qube has been admitted to the Official List of ASX and shares in Qube of the same class as those to be issued as consideration under this Offer have been granted official quotation by ASX. However, official quotation of securities by ASX is not granted automatically on application.

12.14 Variation and withdrawal of Offer

(a) **Variation**

Qube BidCo 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, Qube BidCo will give notice of the withdrawal to ASX and to Chalmers and will comply with any other conditions imposed by ASIC.

12.15 Costs and stamp duty

Qube BidCo 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 Chalmers Shares to Qube BidCo under this Offer.

12.16 Governing law and jurisdiction

This Offer and any contract resulting from your acceptance of this Offer are governed by the laws of Victoria, Australia. 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.

13 Definitions and Interpretation

13.1 Definitions

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

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

AIFRS means the Australian version of the International Financial Reporting Standards, including as reflected in the Australian Accounting Standards Board standards.

Alljet means Alljet Investments Pty Ltd (ABN 70 095 898 507).

Announcement Date means 28 June 2019.

Approval means:

(a) a consent, authority, licence, approval, order, ruling, waiver, exemption, permit or notification that is required by law or by a Public Authority; or

(b) in relation to anything that will be fully or partly prohibited or restricted by law if a Public Authority 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.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning set out in section 12 of the Corporations Act, as if section 12(1) included a reference to this Bidder's Statement and on the basis that Chalmers is the 'designated body'.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as applicable.

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.

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

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

Business Day means a day which is not a Saturday, Sunday or public holiday in Sydney, New South Wales.

Cash Option means the option to elect to receive Offer Consideration of $6.50 cash for each Chalmers Share.

CGT means Australian capital gains tax.

Chalmers means Chalmers Limited (ABN 34 004 471 032).

Chalmers Board means the board of directors of Chalmers.

Chalmers Director means a director of Chalmers.

Chalmers FY18 Financial Report means the financial report for the year ending 30 June 2018 required to be prepared by Chalmers in accordance with section 292 of the Corporations Act.

Chalmers Group means Chalmers and Subsidiaries.

Chalmers Share means a fully paid ordinary share in Chalmers.

Chalmers Shareholder means a person registered in the register of members of Chalmers as the holder of one or more Chalmers Shares.

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 Chalmers Shares on the CHESS Subregister of Chalmers.

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

Combined Group means the Qube Group which will exist as a result of the takeover bid constituted by this Offer, should the Offer be successful.

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), as modified by any applicable ASIC legislative instrument, ASIC class order or ASIC relief.

Defeating Condition means each condition set out in section 12.9.

FY18 means the financial year ending on 30 June 2018.

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 Chalmers Shareholder on the CHESS Subregister of Chalmers.

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

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

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

Matching Offer has the meaning given in section 3.6.

Offer means, as the context requires, the offer for Chalmers Shares contained in section 12, or the off-market takeover bid constituted by that offer and each other offer by Qube BidCo for Chalmers Shares in the form of that offer, including in each case as varied in accordance with the Corporations Act.

Offer Consideration means the option to elect to receive

(a) 2.31 shares in Qube for each Chalmers share (the ***Scrip Option***) or

(b) $6.50 cash for each Chalmers Share (the ***Cash Option***).

Offer Period means the period during which the Offer will remain open for acceptance in accordance with section 12.3.

Official Quotation means official quotation on ASX.

Patrick means Patrick Stevedores Operations Pty Limited (ABN 33 065 375 840).

Pro-forma Historical Financial Information means the pro-forma balance sheet of the Combined Group as at 31 December 2018, as set out in Section 8.

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.

Qube Share means a fully paid ordinary share in Qube.

Qube means Qube Holdings Limited (ABN 14 149 723 053).

Qube BidCo means Qube Logistics (Aust) Pty Ltd (ABN 18 123 003 930), a wholly-owned subsidiary of Qube.

Qube Board means the board of directors of Qube.

Qube Director means a director of Qube.

Qube Group means Qube and its Related Body Corporate.

Qube Shareholder means a person registered in the register of members of Qube as a holder of one or more Qube Shares.

Register Date means the date set by Qube under section 633(2) of the Corporations Act, being 2 July 2019.

Related Body Corporate has the meaning given in the Corporations Act.

relevant interest has the meaning given in the Corporations Act.

Rights means all accretions, rights and benefits of whatever kind attaching to or arising from Chalmers 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 Chalmers or any Subsidiary of Chalmers).

Scrip Option means the option to elect to receive Offer Consideration in the form of 2.31 Qube Shares for each per Chalmers Share

Security Interest has the same meaning as given in section 51A of the Corporations Act.

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

Share Registry means Computershare Investor Services Pty Limited.

Subsidiary has the meaning given in the Corporations Act.

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

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

Unmarketable Parcel means a number of Qube Shares which is less than a 'marketable parcel' as defined in the ASX Operating Rules Procedures, which generally means a parcel of Qube Shares with a value of less than $500.

Unmarketable Parcel Holder means an Chalmers Shareholder who, but for section 12.10(f), would receive an Unmarketable Parcel as consideration under the Offer.

your Chalmers Shares means, subject to section 12.11:

(a) the Chalmers Shares in respect of which you are registered or entitled to be registered as a holder in the register of members of Chalmers 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; and

(b) any other Chalmers Shares to which you are able to give good title at the time you accept the Offer (including any Chalmers 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 Chalmers Shares that are on issue at the Register Date.

VWAP means volume-weighted average price.

13.2 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 Sydney 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 12 is (or is deemed to be) made.

14 Approval of Bidder's Statement

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

Signed on behalf of Qube BidCo on 1 July 2019:



Maurice James
Director

Annexure

Qube ASX announcements since 17 October 2018 (being the date on which Qube released its most recent annual report) and the Announcement Date.

Date Lodged	Description of document
28/06/2019	CHR: Directors' Statement re Takeover
28/06/2019	Becoming a substantial holder for CHR
28/06/2019	Intention to Make Takeover Bid for CHR
10/05/2019	Qube acquires mining and industrial services company LCR
05/04/2019	Appendix 3Y
05/04/2019	Interest Payment - QUBHA
04/04/2019	Appendix 3B
22/03/2019	Dividend Reinvestment Plan Issue Price
22/03/2019	Update - Dividend/Distribution - QUB
06/03/2019	Change in substantial holding from PPT
28/02/2019	Appendix 3Y
21/02/2019	Half Year Results Presentation
21/02/2019	Half Year Results Announcement
21/02/2019	Dividend/Distribution - QUB
21/02/2019	Half Year Results for Announcement to the Market
19/02/2019	Results Briefing Details Update
06/02/2019	Date of Results Release
07/01/2019	Interest Payment - QUBHA
29/11/2018	Appendix 3Y
27/11/2018	Investment in Port Botany Rail Infrastructure
22/11/2018	Results of 2018 Annual General Meeting
22/11/2018	Chairman's Address and MD Presentation - 2018 AGM
23/10/2018	Appendix 3Y
19/10/2018	Appendix 3B

Corporate Directory

Qube Logistics (Aust) Pty Ltd

ABN 18 123 003 930
Level 27, 45 Clarence Street
Sydney NSW 2000

Directors

Maurice James

Paul Lewis

David Knight (alternate director to Maurice James)

Company Secretary

Thanh Truong

Legal Adviser for the Offer

Allens
Level 28,
126 Phillip Street
Sydney NSW 2000

Qube Holdings Limited

ABN 14 149 723 053
Level 27, 45 Clarence Street
Sydney NSW 2000

Directors

Mr Allan Davies (Chairman)

Mr Samuel Kaplan (Deputy Chairman)

Mr Maurice James (Managing Director)

Mr Ross Andrew Burney

Mr Peter Alan Dexter

Mr Alan Laurence Miles

Ms Susan (Sue) Joy Palmer

Mr Age Sturtzel Holm (alternate director to Peter Dexter)

Company Secretaries

Mr William Hara

Mr Adam Jacobs

Website Address

www.qube.com.au

Share Registry

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street

Sydney NSW 2000

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 Offer Information Line from 9:00am to 5:00pm (Sydney time) on Business Days on the following numbers:

Within Australia: 1300 381 071 (within Australia)

Outside Australia: + 61 3 9415 4035 (outside Australia)

For legal reasons, calls to this number will be recorded.

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