

Form **603**
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To: Company Name/Scheme **Redcape Hotel Group (ASX:RDC)**
ARSN Redcape Hotel Trust I (ARSN 629 354 614) and Redcape Hotel Trust II (ARSN 629 354 696)

1. Details of substantial holder ⁽¹⁾

Name Redcape Hotel Group Management Limited in its capacity as responsible entity of the Redcape Hotel Trust I and Redcape Hotel Trust II

ACN/ARSN (if applicable) 610 990 004

The holder became a substantial holder on 1/11/2018

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate⁽²⁾ had a relevant interest⁽³⁾ in on the date the substantial holder became a substantial holder are as follows:

Class of securities ⁽⁴⁾	Number of securities	Persons' votes ⁽⁵⁾	Voting power ⁽⁶⁾
Stapled Securities	51,500,000	51,500,000	9.34%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest ⁽⁷⁾	Class and number of securities
Redcape Hotel Group Management Limited in its capacity as responsible entity of the Redcape Hotel Trust I and Redcape Hotel Trust II	Power to control the exercise of a power to dispose of the stapled securities pursuant to a voluntary escrow deed. A copy of the deed is set out in annexure A to this form.	51,500,000 ordinary stapled securities

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder ⁽⁸⁾	Class and number of securities
Redcape Hotel Group Management Limited in its capacity as responsible entity of the Redcape Hotel Trust I and Redcape Hotel Trust II	Western Funds Management Pty Ltd	Western Funds Management Pty Ltd	51,500,000 stapled securities

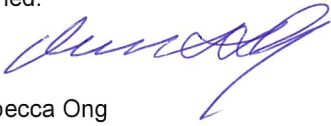
5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

ANNEXURE A TO FORM 603 NOTICE OF INITIAL SUBSTANTIAL HOLDER

This is Annexure A of 14 pages referred to in Form 603 – Notice of initial substantial holder.

Signed:



Rebecca Ong

Company Secretary

Date: 4 December 2018

REDCAPE HOTEL GROUP MANAGEMENT LIMITED

(ACN: 610 990 004)

in its capacity as responsible entity of

Redcape Hotel Trust I (ARSN 629 354 614) and

Redcape Hotel Trust II (ARSN 629 354 696)

("Responsible Entity")

and

WESTERN FUNDS MANAGEMENT PTY LTD

(ACN 169 019 765)

("Securityholder")

Voluntary Escrow Deed

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THIS DEED is made on

1 November

2018

PARTIES

REDCAPE HOTEL GROUP MANAGEMENT LIMITED

(ACN: 610 990 004)

in its capacity as responsible entity of the Redcape Hotel Trust I (ARSN 629 354 614) and Redcape Hotel Trust II (ARSN 629 354 696) of Level 27, Governor Phillip Tower, Sydney NSW 2000 ("Responsible Entity")

and

Western Funds Management Pty Ltd ACN 169 019 765

of Level 27, Governor Phillip Tower, Sydney NSW 2000 ("Securityholder")

BACKGROUND

- A The Securityholder is a wholly owned subsidiary of Moelis Australia Limited (ACN 142 008 428).
- B The Redcape Hotel Group is admitted to the official list of the ASX and the Stapled Securities are quoted on the ASX.
- C In order to ensure a stable market for Stapled Securities, the Securityholder has agreed to the restrictions contained in this deed and to the other provisions of this deed in respect of the Escrowed Securities from time to time.

AGREED TERMS

1 Definitions and interpretation

1.1 Definitions

In this deed, unless the context requires otherwise:

"**ASX**" means ASX Limited ACN 008 624 691 or the securities exchange market operated by the ASX, as the context requires.

"**ASX Listing Rules**" means the listing rules of the ASX, as amended from time to time.

"**ASX Settlement**" means ASX Settlement Pty Ltd ACN 008 504 532.

"**ASX Settlement and Operating Rules**" means the operating rules of ASX Settlement.

"**Board**" means the board of Responsible Entity from time to time.

"**Business Day**" means a day other than a Saturday, Sunday or public holiday in Melbourne.

"CHESS" means the Clearing House Electronic Subregister System as defined in the ASX Settlement Operating Rules.

"Deal" means (and **"Dealing"** has a corresponding meaning) to:

- (a) sell, assign, transfer or otherwise dispose of (including 'dispose' as defined in the ASX Listing Rules);
- (b) agree or offer to sell, assign, transfer or otherwise dispose of (including 'dispose' as defined in the ASX Listing Rules);
- (c) enter into any option which, if exercised, enables or requires a Securityholder to sell, assign, transfer or otherwise dispose of (including 'dispose' as defined in the ASX Listing Rules); or
- (d) create or agree or offer to create or permit to be created any mortgage, charge, pledge, lien or other security interest;
- (e) do any of the things in paragraphs (a) to (d) of this definition in respect of the voting or distribution rights attaching to the relevant security; and
- (f) agree to do any of the things in paragraphs (a) to (e) of this definition.

"Details" means the contact details for each party to this deed, as set out in the Schedule.

"Escrow Period" means the period between the date of this deed and the date of the public announcement of Redcape Hotel Group's financial results with respect to the half-year ending 31 December 2019.

"Escrowed Securities" means all of the Stapled Securities held by the Securityholder on the date of this deed, less such number of Stapled Securities sold by the Securityholder to SaleCo in accordance with the SaleCo Sale Deed Poll executed by the Securityholder on or around 1 November 2018.

"Holding Lock" has the meaning given in section 2 of the ASX Settlement Operating Rules.

"Issuer Sponsored Subregister" has the meaning given to that term in Chapter 19 of the ASX Listing Rules.

"Law" means any statute, rule, regulation, proclamation, order in council, ordinance, local law or by-law, whether:

- (a) present or future; or
- (b) State, federal or otherwise.

"Redcape Hotel Group" means each of Redcape Hotel Trust I (ARSN 629 354 614) and Redcape Hotel Trust II (ARSN 629 354 696) the units of which are stapled together and quoted on ASX as stapled securities.

"SaleCo" means RHGM SaleCo Pty Ltd (ACN 625 109 211).

"Stapled Securities" means the fully paid ordinary units in each of the trusts comprising the Redcape Hotel Group which are stapled together such that they cannot be dealt with separately.

"Security Interest" means an interest or power to secure the payment of a debt, any other monetary obligation or the performance of any other obligation, including but not limited to:

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

“**Takeover Bid**” means a takeover bid for some or all Stapled Securities under Chapter 6 of the Corporations Act.

1.2 Interpretation

In this deed, unless the context requires otherwise:

- (a) a reference to this deed or another instrument includes any variation or replacement of either of them;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements by any of them;
- (c) the singular includes the plural and vice versa;
- (d) the word person includes a firm, a body corporate, an unincorporated association or an authority;
- (e) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns;
- (f) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day; and
- (g) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later.

1.3 Compliance with ASX Listing Rules

For so long as Redcape Hotel Group is listed on the official list of the ASX:

- (a) notwithstanding anything contained in this deed, if the ASX Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the ASX Listing Rules require to be done;
- (c) if the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the ASX Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
- (e) if the ASX Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
- (f) if any provision of this deed is or becomes inconsistent with the ASX Listing Rules this deed is deemed not to contain that provision to the extent of the inconsistency.

2 Escrow restrictions

2.1 No Dealing

Subject to clause 2.2 and 2.3, the Securityholder must not during the Escrow Period:

- (a) Deal in any part of the Escrowed Securities;
- (b) Deal in any interest (including any economic interest) or right in respect of any part of the Escrowed Securities; or

- (c) do or omit to do any act which would have the effect of transferring effective ownership or control of any part of the Escrowed Securities, other than as permitted under this deed.

2.2 Dealings

The Securityholder may Deal in respect of any or all of the Escrowed Securities during the Escrow Period:

- (a) **(consent)** with the prior written consent of the Responsible Entity to deal with those Escrowed Securities in that manner; or
- (b) **(Takeover Bid)** where the Dealing relates to the Securityholder accepting a Takeover Bid, provided that acceptances of that Takeover Bid have been received in respect of not less than 50% of the Stapled Securities other than the Escrowed Securities;
- (c) **(bid acceptance facility)** where the Dealing relates to the Securityholder tendering any of its Escrowed Securities into a bid acceptance facility established in connection with a Takeover Bid, provided that holders of not less than 50% of all Stapled Securities, other than the Escrowed Securities, have either accepted the Takeover Bid or tendered and not withdrawn their Stapled Securities into the bid acceptance facility; or
- (d) **(other transaction)** where the Dealing relates to participation in an equal access security buy-back, capital reduction, trust scheme of arrangement or other Dealing in Stapled Securities offered to all Stapled Securityholders on the same terms.

2.3 Other exceptions

The Securityholder may Deal in the Escrowed Securities during the Escrow Period:

- (a) **(court order)** pursuant to an order of a court of competent jurisdiction compelling that Dealing in the Escrowed Securities; or
- (b) **(subsidiary transfer)** if the Dealing constitutes a disposal of, but not the creation of a Security Interest in, some or all of the Escrowed Securities to:
- (i) a company wholly-owned by the Securityholder or which is ultimately wholly owned by Moelis Australia Limited (ACN 142 008 428); and
 - (ii) a trust in relation to which the Securityholder, or a company which is ultimately wholly owned by Moelis Australia Limited (ACN 142 008 428), is the beneficiary,

(each a "**Transferee**"), where the Transferee also enters into an escrow arrangement with Responsible Entity in respect of those Escrowed Securities on substantially the same terms as this deed for the remainder of the Escrow Period; or

- (c) **(Security Interest)** in order to grant a Security Interest over any (or all) of its Escrowed Securities to a bona fide third party financial institution ("**Financial Institution**") as security for a loan, hedge or other financial accommodation provided that:
- (i) the Security Interest does not in any way constitute a direct or indirect disposal of the economic interests, or decrease an economic interest, that the Securityholder (if any) has in any of its Escrowed Securities; and
 - (ii) no Escrowed Securities are to be transferred or delivered to the Financial Institution or any other person in connection with the Security Interest; and

- (iii) any agreement with a Financial Institution must provide that the Escrowed Securities are to remain in escrow and subject to the terms of this deed as if the Financial Institution were a party to this deed.

2.4 Contravention of this deed

If the Securityholder contravenes this deed, the Responsible Entity may, in addition to its rights and remedies at common law or in equity, refuse to acknowledge, deal with, accept or register any sale, assignment or transfer of the Escrowed Securities or any part thereof or any interest or right in respect of the Escrowed Securities or any part thereof that are the subject of such contravention.

2.5 Entitlement to vote and receive distributions

No provision of this clause 2 or any other provision of this deed shall be taken to restrict the Securityholder from exercising in full the voting entitlements or any rights of the Securityholder to receive or participate in distributions or any rights issue or bonus issue in respect of the Escrowed Securities.

3 Holding Lock

- (a) Subject to this deed, the Responsible Entity must apply a Holding Lock to the Escrowed Securities during the Escrow Period (if the securities are held on an Issuer Sponsored Subregister) or give notice to ASX Settlement requesting it to apply a Holding Lock (if the Escrow Securities are in a CHESS holding).
- (b) The Securityholder consents to:
 - (i) the Responsible Entity entering the Escrowed Securities on Redcape Hotel Group's Issuer Sponsored Subregister; and
 - (ii) the application of a Holding Lock to the Escrowed Securities in accordance with this deed,during the Escrow Period.
- (c) The Responsible Entity must take all steps necessary to ensure the Escrowed Securities become fully transferable at the end of the Escrow Period.
- (d) The Responsible Entity must apply to remove any Holding Lock applied to the Escrowed Securities under clause 3(a) (if the securities are held on an Issuer Sponsored Subregister) or give notice to ASX Settlement requesting it to remove the Holding Lock (if the securities are in a CHESS holding). The removal of the holding lock is to take effect from the day after the last day of the Escrow Period.

4 Warranties

4.1 Warranties

Each party represents and warrants for the benefit of the other party to this deed that the following is true and correct at the date of this deed:

- (a) it has the power to enter into and perform this deed and to perform and observe all of its terms and has obtained all necessary consents to enable it to do so;
- (b) it has duly executed this deed and this deed is a legal, valid and binding obligation enforceable against it in accordance with the terms of this deed;
- (c) the entry into and performance of this deed does not constitute a breach of any obligation (including any statutory, contractual or fiduciary obligation), or default under any agreement or undertaking, by which the party or its assets are bound; and

- (d) where the party is a body corporate:
 - (i) it is a body corporate duly incorporated under laws of the jurisdiction of its incorporation; and
 - (ii) it has taken all necessary corporate action to authorise the execution and performance of this deed.

5 Notices

5.1 Form

Unless expressly stated otherwise in this deed, all notices, certificates, consents, approvals, waivers and other communications in connection with this deed must be in writing, signed by the sender or, where the sender is a body corporate, an authorised officer of the sender and marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the last way notified.

5.2 Delivery

Notices must be:

- (a) left at the address set out or referred to in the Details;
- (b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details;
- (c) sent by email to the email address set out or referred into the Details; or
- (d) given in any other way permitted by law.

However, if the intended recipient has notified a changed postal address, changed email address, then the communication must be to that address, number or email address.

5.3 When effective

Notices will take effect from the time they are received unless a later time is specified.

5.4 Receipt - post

If sent by post, notices are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).

5.5 Receipt – email

If sent by email, notices are taken to be received at the time shown in the transmission report as the time that the whole email was sent.

6 Limitation of Responsible Entity's liability

- (a) The Responsible Entity enters into this deed only in its capacity as Responsible Entity of Redcape and in no other capacity. A liability arising under or in connection with this deed is limited to and can be enforced against the Responsible Entity only to the extent to which it can be satisfied out of property of Redcape out of which the Responsible Entity is actually indemnified for the liability. This limitation of the Responsible Entity's liability applies despite any other provision of this deed and extends to all liabilities and obligations of the Responsible Entity in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this deed.
- (b) The Manager may not sue the Responsible Entity in any capacity other than as Responsible Entity of a Fund, including seek the appointment of a receiver (except in relation to property of Redcape), a liquidator, an administrator or any similar person to the Responsible Entity or prove in any liquidation, administration or

arrangement of or affecting the Responsible Entity (except in relation to property of Redcape).

- (c) The provisions of this clause 6 shall, subject to paragraph (d), not apply to any obligation or liability of the Responsible Entity to the extent that it is not satisfied because under Redcape's constitutions or by operation of law there is a reduction in the extent of the Responsible Entity's indemnification out of the assets of Redcape, as a result of the Responsible Entity's failure to properly perform its duties as Responsible Entity. For these purposes, it is agreed that the Responsible Entity cannot be regarded as having failed to properly perform its duties as Responsible Entity to the extent to which any failure by the Responsible Entity to satisfy its obligations or breach of representation or warranty under this deed has been caused or contributed to by a failure by the other party to fulfil its obligations under this deed or any other act or omission of that other Party or any other person.
- (d) Nothing in paragraph (c) shall make the Responsible Entity liable to any claim for an amount greater than the amount which the party would have been able to claim and recover from the assets of Redcape in relation to the relevant liability if the Responsible Entity's right of indemnification out of the assets of Redcape has not been prejudiced by the Responsible Entity's failure to properly perform its duties.
- (e) The Responsible Entity is not obliged to do or refrain from doing anything under this deed (including incur any liability) unless the Responsible Entity's liability is limited in the same manner as set out in paragraphs (a) to (d) of this clause 6.

7 General

7.1 Entire agreement

This deed constitutes the entire agreement between the parties in relation to its subject matter. All prior discussions, undertakings, agreements, representations, warranties and indemnities in relation to that subject matter are replaced by this deed and have no further effect.

7.2 Specific performance

The parties agree that irreparable damage would occur if any of the provisions of this deed were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this deed and to enforce specifically the terms and provisions of this deed, this being in addition to any other remedy to which the parties are entitled at law or in equity.

7.3 Amendment

This deed may not be amended or varied unless the amendment or variation is in writing signed by all parties.

7.4 Assignment

No party may assign, transfer or otherwise deal with this document or any right under this deed without the prior written consent of each other party.

7.5 Severability

Part or all of any provision of this deed that is illegal or unenforceable will be severed from this document and will not affect the continued operation of the remaining provisions of this document.

7.6 Waiver

Waiver of any power or right under this deed:

- (a) must be in writing signed by the party entitled to the benefit of that power or right; and
- (b) is effective only to the extent set out in that written waiver.

7.7 Rights, remedies additional

Any rights and remedies that a person may have under this deed are in addition to and do not replace or limit any other rights or remedies that the person may have.

7.8 Further assurances

Each party must do or cause to be done all things necessary or reasonably desirable to give full effect to this deed and the transactions contemplated by it (including, but not limited to, the execution of documents).

7.9 Costs

Each party must bear its own legal, accounting and other costs for the preparation and execution of this deed.

7.10 Counterparts

This deed may be executed in any number of counterparts and all counterparts taken together will constitute one document.

7.11 Electronic delivery of document

If a party delivers an executed counterpart of this deed or any other document executed in connection with it ("**Relevant Document**") by facsimile or other electronic means:

- (a) the delivery will be deemed to be an effective delivery of an originally executed counterpart; and
- (b) the party will still be obliged to deliver an originally executed counterpart, but the failure to do so will not affect the validity or effectiveness of the Relevant Document.

7.12 Governing law and jurisdiction

This deed will be governed by and construed in accordance with the laws in force in the State of Victoria and each party submits to the exclusive jurisdiction of the courts of that State.

SCHEDULE

1 The Responsible Entity

Address: Level 27, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000

Email: Rebecca.ong@moelisaustralia.com

Attention: Rebecca Ong, Company Secretary

2 The Securityholder

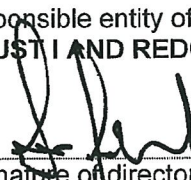
Address: Level 27, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000

Email: Peter.dixon@moelisaustralia.com

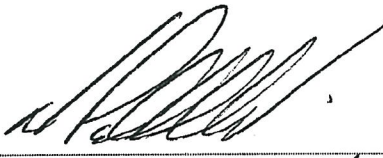
Attention: Peter Dixon, Company Secretary

EXECUTED as a DEED

EXECUTED by REDCAPE HOTEL GROUP)
MANAGEMENT LIMITED in its capacity as)
responsible entity of REDCAPE HOTEL
TRUST I AND REDCAPE HOTEL TRUST II

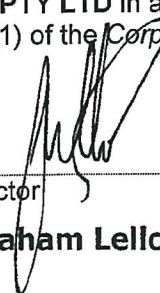

Signature of director

ANDREW IRELAND
Name of director (print)


Signature of director / ~~company secretary~~
(delete as applicable)


MICK COLLINSON
Name of director / ~~company secretary~~ (print)

EXECUTED by WESTERN FUNDS)
MANAGEMENT PTY LTD in accordance)
with section 127(1) of the Corporations Act
2001 (Cth)


Signature of director

Graham Lello

Name of director (print)


Signature of ~~director~~ / company secretary
(delete as applicable)

Peter Dixon

Name of ~~director~~ / company secretary (print)

AMENDMENT TO VOLUNTARY ESCROW DEED

PARTIES

REDCAPE HOTEL GROUP MANAGEMENT LIMITED

(ACN: 610 990 004)

in its capacity as responsible entity of the Redcape Hotel Trust I (ARSN 629 354 614) and Redcape Hotel Trust II (ARSN 629 354 696) of Level 27, Governor Phillip Tower, Sydney NSW 2000 ("Responsible Entity")

and

Western Funds Management Pty Ltd ACN 169 019 765

of Level 27, Governor Phillip Tower, Sydney NSW 2000

("Securityholder")

BACKGROUND

- A The Securityholder is a wholly owned subsidiary of Moelis Australia Limited (ACN 142 008 428). The Redcape Hotel Group is to be admitted to the official list of the ASX and the Stapled Securities quoted on the ASX.
- B In order to ensure a stable market for Stapled Securities, the parties entered into an Escrow Deed dated 1 November 2018 ("**Escrow Deed**") pursuant to which the Securityholder has agreed to the disposal restrictions and other provisions in respect of the Escrowed Securities.
- C The Securityholder has agreed to increase the number of Escrow Securities subject to the restrictions in the Escrow Deed by the amendment set out in this Deed.

AGREED TERMS

1. The definition of "**Escrowed Securities**" in clause 1.1(a) of the Escrow Deed is to be deleted and replaced with the following:

"Escrowed Securities" means 51,500,000 Stapled Securities.

2. This Deed is to be read as if clauses 1.2 ("Interpretation"), 5 ("Notices"), 6 ("Limitation of Responsible Entity's liability") and 7 ("General") were repeated in this Deed in full.

EXECUTED as a DEED on 30 NOVEMBER 2018

EXECUTED by REDCAPE HOTEL GROUP)
MANAGEMENT LIMITED in its capacity as)
responsible entity of REDCAPE HOTEL
TRUST I AND REDCAPE HOTEL TRUST II



Signature of director

HUGH THOMSON

Name of director (print)



Signature of ~~director~~ / company secretary
(delete as applicable)

REBECCA ONG

Name of ~~director~~ / company secretary (print)

EXECUTED by WESTERN FUNDS)
MANAGEMENT PTY LTD in accordance)
with section 127(1) of the *Corporations Act*
2001 (Cth)



Signature of director

HUGH THOMSON
Name of director (print)



Signature of ~~director~~ / company secretary
(delete as applicable)

Peter Dixon
Name of ~~director~~ / company secretary (print)