



DUAL LISTED COMPANIES STRUCTURE

1995

The RTZ Corporation PLC
6 St James's Square
London SW1Y 4LD
(Registered office)
Registered in England
No 719885
Telephone (0171) 930 2399

CRA Limited
33rd Floor, 55 Collins Street
Melbourne 3001
(Registered office)
Incorporated in Victoria
ACN 004 458 404
Telephone (03) 9283 3333

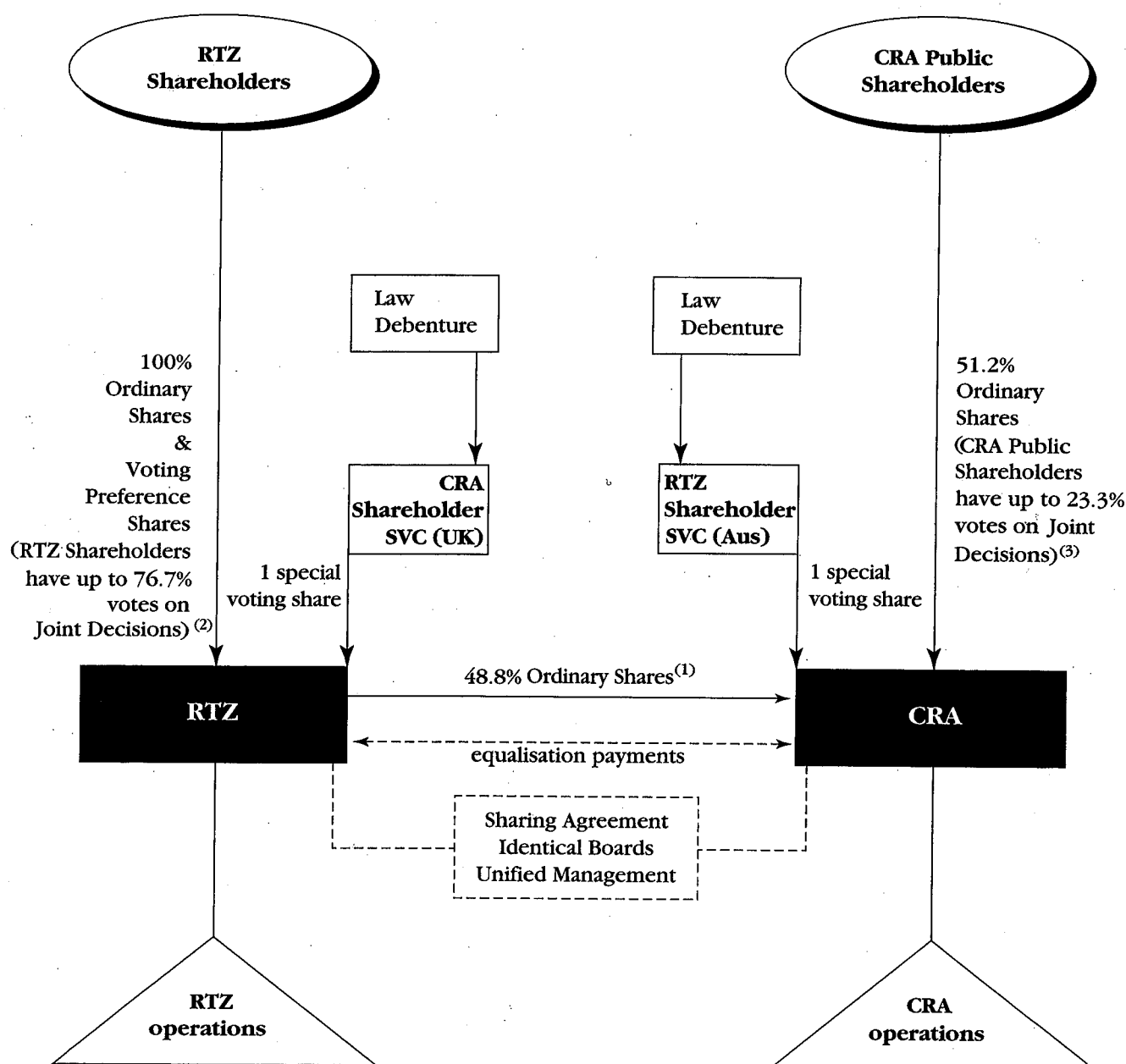
INDEX

1. Introduction	3
2. Outline of the DLC merger	4
3. The DLC merger	4
(a) Implementation of the DLC merger	4
(b) Approvals and consents	5
(c) 1995 dividends	6
(d) CRA Bonus Shares	6
4. Continuing arrangements	7
(a) Management	7
(b) Voting	7
(c) Voting Categories	7
(d) Voting procedures	10
(e) RTZ Shareholder SVC	12
(f) CRA Shareholder SVC	13
(g) RTZ Shareholder Voting Agreement	14
(h) CRA Shareholder Voting Agreement	15
(i) Deed Poll Guarantees	15
(j) Restrictions on share dealing	16
(k) Change of control	16
(l) Disclosure of information and intellectual property	20
(m) Accounting policies	20
(n) Conflicts between the Sharing Agreement and the Memoranda and Articles	21
(o) Amendments to the Sharing Agreement and the Voting Agreement	21
5. Equalisation arrangements	21
(a) Objectives	21
(b) Income	21
(c) Capital	23
(d) Adjustments to the Equalisation Ratio	24
(e) Equalisation of assets on termination of the Sharing Agreement	26
6. Proposed Memorandum and Articles of Association of RTZ and of CRA	27
(a) Summary of the proposed amendment to RTZ's Memorandum of Association	27
(b) Summary of RTZ's proposed Articles of Association	27
(c) Summary of the proposed amendments to CRA's Memorandum of Association	34
(d) Summary of CRA's proposed Articles of Association	34
7. Application of Australian Stock Exchange Listing Rules	39
(a) Issues of securities	39
(b) Transactions between the RTZ Group and the CRA Group	39
(c) Directors	39
(d) Dividends	40
8. Corporations Law – Takeovers	40
9. Transactions between the RTZ Group and the CRA Group	40
10. Foreign Acquisitions and Takeovers Act	41
11. Naturalisation agreement	42
12. Definitions	43

DETAILS OF THE DUAL LISTED COMPANIES ("DLC") STRUCTURE

1. Introduction

On 3 November 1995, RTZ and CRA entered into an implementation agreement (the "Implementation Agreement") which sets out the terms and conditions for the implementation of the DLC merger. This Part contains a summary of the principal terms of the Implementation Agreement and of the arrangements to be put into effect pursuant to it. The following is a simplified illustration of the structure of the Combined Group after implementation of the DLC merger.



Notes

1. These shares are held by Tinto Holdings Australia, an indirect subsidiary of RTZ.
2. The votes attached to the RTZ Ordinary Shares and the RTZ Voting Preference Shares represent 76.7 per cent. of the maximum number of votes which could be cast on Joint Decisions by shareholders in the Combined Group. These votes will be reflected at a general meeting of CRA by the votes cast by RTZ Shareholder SVC in respect of the CRA Special Voting Share and the votes cast by Tinto Holdings Australia in respect of its 48.8 per cent. holding of Ordinary Shares in CRA.
3. The votes attached to the CRA Ordinary Shares held by CRA Public Shareholders represent 23.3 per cent. of the maximum number of votes which could be cast on Joint Decisions by shareholders in the Combined Group. These votes will be reflected at a general meeting of RTZ by the votes cast by CRA Shareholder SVC in respect of the RTZ Special Voting Share.
4. The difference between the figures for voting rights referred to in notes 2 and 3 above and the figures for the economic interests of the holders of RTZ Ordinary Shares and Public Holders of CRA Ordinary Shares referred to in paragraph 2 below is due to the voting rights attaching to the RTZ Voting Preference Shares.

2. Outline of the DLC merger

Under the DLC merger structure, RTZ and CRA will continue as separate publicly quoted companies, retaining their corporate identities. The structure does not involve any change in the legal or beneficial ownership of any assets of the RTZ Group or the CRA Group. Rather, the DLC merger is to be effected by contractual arrangements and amendments to the companies' memoranda and articles of association designed to ensure that, as far as possible, the RTZ Group and the CRA Group operate together as a single economic enterprise. Amongst other things, the arrangements will:

- confer upon the shareholders of RTZ and CRA a common economic interest in both groups;
- provide for common boards of directors and a unified management structure;
- provide for equalised dividends and capital distributions;
- provide that the shareholders of RTZ and of CRA will take certain key decisions, including the election of directors, through a joint electoral procedure in which the Public Holders of the two companies will effectively vote on a joint basis.

The initial economic interests of holders of RTZ Ordinary Shares and holders of CRA Ordinary Shares in the Combined Group have been determined by reference to stock market valuations of RTZ and CRA during the period from 3 January 1995 to 6 October 1995 (the last dealing date before announcement of the DLC merger proposal). On the basis of those valuations, following the implementation of the DLC merger, holders of RTZ Ordinary Shares will hold collectively an economic interest in 76.5 per cent. of the Combined Group and Public Holders of CRA Ordinary Shares will hold collectively an economic interest in 23.5 per cent. of the Combined Group. On a per share basis, this means that the economic interest represented by 1 CRA Ordinary Share would equal the economic interest represented by 1.075 RTZ Ordinary Shares.

In order that, following implementation, the economic interests of each CRA Ordinary Share relative to each RTZ Ordinary Share will be exactly 1 to 1, CRA will make a bonus issue to its shareholders of 7.5 Ordinary Shares for every 100 existing Ordinary Shares. On the basis of this 1 to 1 ratio, the DLC arrangements will provide that the amount of any dividend or capital distribution per RTZ Ordinary Share must be matched by an equal amount of dividend or capital distribution per CRA Ordinary Share. If one company has insufficient reserves to make the equalised dividend or distribution, the other company, subject to certain exceptions, will make an equalisation payment to provide the necessary funds. The ratio of dividend, voting and capital distribution rights of each CRA Ordinary Share to each RTZ Ordinary Share is referred to as the "Equalisation Ratio". The Equalisation Ratio will be adjusted in the event of certain alterations to the share capital of RTZ or CRA such as rights issues, bonus issues, share splits and share consolidations. The Equalisation Ratio may also be adjusted by approval by special resolutions passed at separate meetings of the Public Holders of CRA and RTZ.

The voting rights of RTZ Public Shareholders and CRA Public Shareholders on matters to be decided by the joint electoral procedure will also reflect the principle that one RTZ Ordinary Share will have equal rights to one CRA Ordinary Share while the Equalisation Ratio is 1 to 1. This will be achieved by establishing special voting mechanisms which effectively give CRA Ordinary Shares and RTZ Ordinary Shares one vote per share (and RTZ Voting Preference Shares four votes per share) on a Joint Decision. The mechanism will result in each vote cast on an Ordinary Share (and, in the case of RTZ, on a RTZ Voting Preference Share) on a Joint Decision at a general meeting of RTZ or CRA effectively also being cast at a parallel general meeting of the other. If the Equalisation Ratio is adjusted, the ratio of voting rights per share will also be adjusted accordingly.

On implementation, the Equalisation Ratio will result in the votes attaching to shares held by RTZ Public Shareholders representing up to 76.7 per cent. of the votes at meetings of RTZ and CRA addressing Joint Decisions with the votes attaching to shares held by CRA Public Shareholders representing the balance.

3. The DLC merger

(a) Implementation of the DLC merger

Under the terms of the Implementation Agreement, RTZ and CRA have agreed, subject to the satisfaction of the conditions referred to in paragraph 3(b) below, among other things:

- (i) to achieve the structure described in paragraph 2 above, by CRA allotting and issuing the CRA Bonus Shares to holders of CRA Ordinary Shares on the register on the books' closing date for the issue, by CRA allotting and issuing the CRA Special Voting Share to RTZ Shareholder SVC and by RTZ allotting and issuing the RTZ Special Voting Share to CRA Shareholder SVC;
- (ii) to enter into the Sharing Agreement to regulate their relationship following the implementation of the DLC merger;
- (iii) to enter into the Deed Poll Guarantees whereby RTZ and CRA each agree to guarantee certain present and future obligations of the other;
- (iv) to enter into the CRA Shareholder Voting Agreement;
- (v) to enter into, and in the case of RTZ to procure the entry by R.T.Z. Australian Holdings Limited ("RTZ Australian Holdings") into, the RTZ Shareholder Voting Agreement;
- (vi) in the case of RTZ, to enter into the RTZ Shareholder SVC Trust Deed; and
- (vii) that the board of directors of each of RTZ and CRA will make such appointments as are necessary to ensure that all the directors of the other company are also members of its own board of directors.

(b) Approvals and consents

Under the terms of the Implementation Agreement, completion of the DLC merger is conditional upon, and will occur shortly after, the following conditions which remain to be fulfilled:

- (i) the passing at a general meeting of RTZ of the resolutions set out in the notice of that meeting in the RTZ Circular which, among other things, approve the implementation of the DLC merger and make changes to RTZ's Memorandum and Articles of Association;
- (ii) the passing at a general meeting of CRA of the resolutions set out in the notice of that meeting in the CRA Circular which, among other things, approve the implementation of the DLC merger and make changes to CRA's Memorandum and Articles of Association;
- (iii) the European Commission making a decision in terms satisfactory to both parties that in connection with the DLC merger or any matter arising therefrom it will not initiate proceedings under Article 6(1)(c) of Council Regulation (EEC) 4064/89 (the Merger Regulation) or make a referral to a competent authority under Article 9(1) thereof;
- (iv) either:
 - a) RTZ receiving written advice from the Australian Treasurer under the Foreign Acquisitions and Takeovers Act 1975 of Australia that the Commonwealth Government of Australia has no objection to the DLC merger, which is either unconditional or subject to conditions which are acceptable to both parties; or
 - b) the period provided under the Foreign Acquisitions and Takeovers Act 1975 of Australia during which the Treasurer may make an order under that Act (including an interim order under section 22) in relation to the DLC merger passing without such an order being made; or
 - c) if an interim order under section 22 of the Foreign Acquisitions and Takeovers Act 1975 of Australia is made, the subsequent period for making a final order prohibiting the DLC merger passing without a final order being made; and
 - d) RTZ and CRA receiving from or on behalf of the Australian Treasurer the confirmations and approvals sought in the application by RTZ to the Foreign Investment Review Board which are either unconditional or subject to conditions which are acceptable to the parties;
- (v) (unless both parties agree to waive this condition) the Australian Securities Commission having issued a modification of section 615 of the Corporations Law of Australia (the "Corporations Law") so that any person who acquires more than 20 per cent. of the voting power in CRA (otherwise than in connection with the DLC merger) would be required to comply with, or obtain a modification of, the provisions of Chapter 6 of the Corporations Law (see paragraph 8 below);

- (vi) the Australian Stock Exchange having granted such waivers and approvals as the parties may agree to be necessary or appropriate for implementation of the DLC merger on terms which are acceptable to RTZ and CRA;
- (vii) the appointment of directors of RTZ Shareholder SVC approved by RTZ and CRA and entry by the relevant parties into the RTZ Shareholder SVC Trust Deed and the RTZ Shareholder Voting Agreement in the agreed form;
- (viii) the appointment of directors of CRA Shareholder SVC approved by RTZ and CRA and the entry by the relevant parties into the CRA Shareholder Voting Agreement in the agreed form;
- (ix) disclosure by each of RTZ and CRA to the other of all information in its possession which is either material to the recommendation of the board of directors of the other to its shareholders to vote in favour of the resolutions to be proposed at the general meetings referred to in paragraphs 3(b)(i) or (ii) above (as the case may be) or which would (if it had been disclosed before notice of such meetings were dispatched) have been sufficiently material to disclose to shareholders of the relevant company if disclosed prior to dispatch of its notice of meeting; and
- (x) between the close of the meetings referred to in paragraphs 3(b)(i) and (ii) above and the time of completion of the DLC merger, no material adverse change having occurred in the business or financial or operating performance of the RTZ Group or the CRA Group and no information concerning events relating to one group coming to the attention of either of the boards of directors which would, in the opinion of the board of directors of the unaffected party, have resulted in it making a recommendation to its shareholders to vote against the resolutions referred to in paragraph 3(b)(i) or (ii) above, as the case may be.

If any condition is not satisfied on or before 29 February 1996, or such later date as RTZ and CRA may agree, the Implementation Agreement will lapse and neither party will have any claim against the other under it. Completion of the Implementation Agreement will take place shortly after these conditions have been fulfilled.

(c) 1995 dividends

The board of directors of RTZ has stated its intention to pay two further interim dividends for the year ending 31 December 1995, comprising a conventional dividend of 8 pence per RTZ Ordinary Share and a Foreign Income Dividend of 13 pence per RTZ Ordinary Share. It is expected that these dividends will be paid in the second half of April 1996. No further dividends will be paid for the year ending 31 December 1995.

The board of directors of CRA has stated its intention that the final dividend for the year ending 31 December 1995 will be 35 cents per CRA Ordinary Share. It is expected that this dividend will be paid in the second half of April 1996. The CRA Bonus Shares will not rank for this dividend but will rank for all subsequent dividends equally with all other CRA Ordinary Shares.

Except for these dividends for the year ending 31 December 1995, following implementation of the DLC merger all dividends of RTZ and CRA are to be paid in accordance with the principles contained in the Sharing Agreement.

(d) CRA Bonus Shares

As soon as practicable after completion of the DLC merger, CRA will announce the terms of the issue of the CRA Bonus Shares (including the books' closing date in respect of the issue). It is anticipated that fractional entitlements arising on the CRA Bonus Issue will be rounded upwards.

CRA will allot and issue the CRA Bonus Shares not more than 30 days after completion of the DLC merger.

4. Continuing arrangements

The Sharing Agreement, the amended Memorandum and new Articles of Association of each of RTZ and CRA, the RTZ Shareholder Voting Agreement, the CRA Shareholder Voting Agreement, the RTZ Deed Poll Guarantee and the CRA Deed Poll Guarantee will contain provisions governing the future operations and relationship of RTZ and CRA. The principal effect of these is summarised below, with the equalisation arrangements being described in paragraph 5 below.

The shareholders of RTZ and CRA will not be parties to or have any contractual rights under the Sharing Agreement, the RTZ Shareholder Voting Agreement, the CRA Shareholder Voting Agreement, the RTZ Deed Poll Guarantee or the CRA Deed Poll Guarantee. Only the parties to those agreements will have the power to enforce the rights and obligations conferred pursuant to such agreements in accordance with their respective terms. The shareholders of RTZ and CRA will not have any interest in the RTZ Special Voting Share or the CRA Special Voting Share.

(a) Management

Under the Sharing Agreement, RTZ and CRA will agree, among other things, to ensure that the businesses of the RTZ Group and the CRA Group are managed on a unified basis for the benefit of the shareholders of RTZ and CRA as a combined group. Furthermore, each of RTZ and CRA will do all acts and things necessary and within their respective powers to ensure that the board of directors of RTZ and the board of directors of CRA comprise the same individuals.

(b) Voting

Under the DLC merger, a special voting structure will be put in place to allow the shareholders of each of RTZ and CRA effectively to vote together as a joint electorate on significant matters specified in the Sharing Agreement affecting the shareholders of RTZ and CRA in similar ways.

The special voting structure involves the following:

- Each of RTZ and CRA issuing a special voting share in itself (the "RTZ Special Voting Share" and the "CRA Special Voting Share" respectively) to separate special purpose companies, in the case of the RTZ Special Voting Share to CRA Shareholder SVC and in the case of the CRA Special Voting Share to RTZ Shareholder SVC, such shares having the rights summarised in paragraphs 4(e) and 4(f) below.
- Voting agreements being entered into in respect of each of the RTZ Special Voting Share and the CRA Special Voting Share which, in combination with the Articles of Association of each of RTZ and CRA, will regulate the manner in which the votes attaching to such shares will be cast at general meetings of RTZ and CRA, as summarised in paragraphs 4(g) and 4(h) below.
- Special provisions in the RTZ Shareholder Voting Agreement will apply in relation to RTZ's indirect interest of approximately 49 per cent. of CRA and any other Ordinary Shares in CRA to which any member of the RTZ Group may be beneficially entitled from time to time. The CRA Ordinary Shares held by the RTZ Group are held by Tinto Holdings Australia which is an indirect subsidiary of RTZ Australian Holdings, which in turn is an indirect subsidiary of RTZ.

(c) Voting categories

There will be two specific categories of matters or actions requiring shareholder decisions referred to in the Sharing Agreement and the Articles of Association of each of RTZ and CRA, with a residual category of other decisions which are not specifically designated, as follows:

- Joint Decision matters: those matters requiring Joint Decisions under the Sharing Agreement are significant matters affecting the shareholders of RTZ and CRA in similar ways and are required to be submitted to meetings of both RTZ and CRA for approval by shareholders voting at separate meetings but acting as a joint electorate. Parallel general meetings will be held and polls at such meetings will (as regards the relevant Special Voting Shares and, in the case of CRA, the CRA

Ordinary Shares held by Tinto Holdings Australia) be kept open long enough to allow the votes of the relevant Special Voting Shares (and, in the case of CRA, votes attaching to the CRA Ordinary Shares held by Tinto Holdings Australia, which are required to be voted in accordance with the RTZ Shareholder Voting Agreement) to be cast although the polls may be closed earlier for other shares.

- Class Rights Actions: these are matters on which RTZ's and CRA's Shareholders may have divergent interests and which require the approval of the Public Holders of the company not proposing to take the action and, in some cases, the approval of the company proposing to take the action. The mechanisms to ensure that these approvals are obtained are described in paragraph 4(c)(ii) below.
- Other matters: the boards of directors of both RTZ and CRA may agree on the appropriate procedure for each matter which requires shareholder approval but which is not specified under the Sharing Agreement as being either a Joint Decision matter or a Class Rights Action. Decisions on such matters may be taken by Joint Decision, by separate approval of a Class Rights Action of one or both companies or by decision of the Public Holders of the affected company alone or (in the case of procedural matters put to a meeting at which a Joint Decision matter is to be considered) by a decision on which the Public Holders can vote and proxies will be given to the chairman of the meeting by the holder of the Special Voting Share in the affected company (and, in the case of CRA, Tinto Holdings Australia) (see paragraph 4(d)(iv)).

(i) Joint Decisions

Matters which, under the Sharing Agreement and the Articles of Association of each of RTZ and CRA, require a Joint Decision are as follows:

- a) the appointment or removal of a director of RTZ and/or CRA;
- b) the receipt or adoption of the annual accounts of RTZ and/or CRA (if shareholders are to be asked to vote on the receipt or adoption of such accounts);
- c) a change of name by RTZ and/or CRA;
- d) any proposed acquisition or disposal, and any proposed transaction with a substantial shareholder, director or other related party, which requires shareholder approval pursuant to any applicable laws or regulations (including listing rules);
- e) the appointment or removal of the auditors of RTZ and/or CRA;
- f) the creation of a new class of shares (or securities convertible into, exchangeable for or granting rights to subscribe for or purchase shares of a new class) in RTZ or CRA;
- g) a change in the corporate status or reregistration of RTZ and/or CRA;
- h) the acceptance by any member of the RTZ Group of any third party offer to CRA Shareholders generally to acquire their CRA Ordinary Shares or any disposal by any member of the RTZ Group of any CRA Ordinary Shares while such offer for CRA Ordinary Shares remains open for acceptance; and
- i) any other matter which the board of directors of RTZ and the board of directors of CRA agree should be decided upon by a Joint Decision.

(ii) Class Rights Actions

Matters which, under the Sharing Agreement and the Articles of Association of each of RTZ and CRA, would constitute a Class Rights Action by the proposing company are as follows:

- a) a reduction or redemption of its ordinary share capital by way of a capital repayment to the holders of its Ordinary Shares or a cancellation of unpaid ordinary share capital;
- b) a purchase of its own Ordinary Shares;

- c) an offer of shares or other securities for subscription or purchase to existing ordinary shareholders by way of rights in circumstances where matching offers are not made to ordinary shareholders of both companies and where the size of the offer exceeds the most Limiting Restriction (this term is defined in the Sharing Agreement and means, in essence, the most restrictive limitation under applicable English or Australian law and regulations (including listing rules) upon cash placements of shares or other securities, other than to existing holders pro rata to their existing holdings, in a particular period, after taking into account any other issues in the particular period, made by either RTZ or CRA. The most restrictive limitation is then applied by reference to the combined capital of RTZ and CRA held by Public Holders taking into account the Equalisation Ratio. The most restrictive limitations which will be in force on implementation of the DLC merger are the requirements of the UK Investment Protection Committees which have the effect of limiting such placements to 5 per cent. or less of the issued ordinary share capital in any one year period and 7.5 per cent. of such ordinary share capital in any three year period);
- d) an offer of shares or other securities for subscription or purchase to existing shareholders otherwise than by way of rights at below market value;
- e) any decision to enter into voluntary liquidation;
- f) any adjustment to the Equalisation Ratio (other than as provided for in the Sharing Agreement);
- g) any amendment to, or the termination of, the Sharing Agreement, the RTZ Shareholder Voting Agreement or the CRA Shareholder Voting Agreement other than minor amendments or, in the case of the RTZ Shareholder Voting Agreement or the CRA Shareholder Voting Agreement, amendments to conform such agreement with the terms of the Sharing Agreement;
- h) amendments to certain provisions of the Memorandum and Articles of Association of RTZ or CRA; and
- i) any other matter which the board of directors of RTZ and the board of directors of CRA agree should be a Class Rights Action.

Sales of CRA Ordinary Shares held by any member of the RTZ Group and sales of RTZ Ordinary Shares held by any member of the CRA Group will be treated as though they are issues of unissued Ordinary Shares for the purposes of paragraph 4(c)(ii)c) above.

Where a Class Rights Action is proposed by RTZ or CRA, the action must be approved as summarised below. The approval thresholds for various types of Class Rights Actions are set out immediately below. The voting procedures at such meetings are described in paragraph 4(d) below.

The approval threshold for Class Rights Actions falling within paragraphs 4(c)(ii)c) and d) is such ordinary or special resolutions (if any) as are required by applicable laws and regulations to be passed by the company proposing to take the action on which only the Public Holders of that company vote and an ordinary resolution of the Public Holders of the other company.

The approval threshold for Class Rights Actions falling within paragraphs 4(c)(ii)a), b), e), f) and g) is separate special resolutions of the Public Holders of both companies.

Class Rights Actions falling within paragraph 4(c)(ii)i) will require approval under one of the above thresholds as decided by the board of directors of RTZ and the board of directors of CRA.

The following two paragraphs relate to Class Rights Actions under paragraph 4(c)(ii)h).

In relation to amendments to Clause 4(A) of the Memorandum of Association of RTZ and amendments to certain provisions of RTZ's Articles of Association significant to the DLC structure and any other provision of the RTZ Memorandum and Articles of Association which the board of directors of CRA and the board of directors of RTZ agree should be treated in the same way as these provisions, the approval threshold is a special resolution of the RTZ Shareholders (on which the non-public shareholders do not vote) and on which the CRA Public Shareholders have an effective veto unless they assent to the amendments by special resolution (see paragraph 4(f) below).

In relation to amendments to Clauses 2(1), 5 and 6 of the Memorandum of Association of CRA and amendments to certain provisions of CRA's Articles of Association significant to the DLC structure and any

other provision of the CRA Memorandum and Articles of Association which the board of directors of CRA and the board of directors of RTZ agree should be treated in the same way as these provisions, the approval threshold is a special resolution of the CRA Shareholders (on which the non-public shareholders do not vote) and on which the RTZ Public Shareholders have an effective veto unless they assent to the amendments by special resolution (see paragraph 4(e) below).

(d) Voting procedures

(i) Joint Decisions

Each Joint Decision will be submitted for approval by the same majority (i.e. both by ordinary or both by special resolution) to separate meetings of the shareholders of both RTZ and CRA. The meetings will be held on the same day or as closely in time to each other as practicable (taking into account the fact that directors may wish to attend both meetings).

a) RTZ

At the RTZ shareholders' meeting, voting will be on a poll which will (as regards the RTZ Special Voting Share) remain open for sufficient time to allow the parallel CRA general meeting to be held and for the votes attaching to the RTZ Special Voting Share to be ascertained and cast. On the poll:

- each RTZ Ordinary Share will have one vote per share;
- each RTZ Voting Preference Share will continue to have four votes per share;
- CRA Shareholder SVC, as holder of the RTZ Special Voting Share, will have one vote per CRA Ordinary Share cast by CRA Public Shareholders on the poll on the equivalent resolution at the parallel CRA general meeting. (This will only change if the Equalisation Ratio is adjusted). Under the CRA Shareholder Voting Agreement, CRA Shareholder SVC will be obliged to cast these votes for and against the relevant resolution strictly (and only) in accordance with the votes cast for and against the equivalent resolution on the poll at the parallel CRA shareholders' meeting by CRA Public Shareholders who are not excluded from voting at CRA general meetings by CRA's Articles of Association or at RTZ general meetings by RTZ's Articles of Association.

Thus, CRA Public Shareholders will not actually hold, or need to hold, any voting shares in RTZ, as the wishes of CRA Public Shareholders will be expressed at the RTZ meeting by CRA Shareholder SVC casting its votes on the RTZ Special Voting Share precisely to reflect voting at the parallel CRA shareholders' meeting.

b) CRA

Special provisions apply in relation to the CRA Ordinary Shares held by Tinto Holdings Australia. If Tinto Holdings Australia transfers any CRA Ordinary Shares to another member in the RTZ Group, or any member of the RTZ Group comes to own any further CRA Ordinary Shares, then the arrangements described below in relation to the CRA Ordinary Shares held by Tinto Holdings Australia will also apply to those shares.

At the CRA shareholders' meeting, voting will be on a poll which will (as regards the CRA Special Voting Share and the CRA Ordinary Shares held by Tinto Holdings Australia) remain open for sufficient time to allow the parallel RTZ general meeting to be held and for the votes attaching to the CRA Ordinary Shares held by Tinto Holdings Australia and the CRA Special Voting Share to be ascertained and cast. On the poll at the CRA meeting:

- each holder of CRA Ordinary Shares (including Tinto Holdings Australia, but subject to the paragraph below) will have one vote per share;
- RTZ Shareholder SVC, as holder of the CRA Special Voting Share, will have one vote for each RTZ Ordinary Share and four votes for each RTZ Voting Preference Share cast by RTZ Public Shareholders on the poll on the equivalent resolution at the parallel RTZ general meeting

(both as adjusted in respect of changes in the Equalisation Ratio) less the number of votes attached to the CRA Ordinary Shares held by Tinto Holdings Australia. Under the RTZ Shareholder Voting Agreement, RTZ Australian Holdings will be obliged to procure that Tinto Holdings Australia will cast the votes attached to the CRA Ordinary Shares held by it, and RTZ Shareholder SVC will be obliged (if necessary) to cast votes attached to the CRA Special Voting Share, for and against the relevant resolution strictly (and only) in accordance with the votes cast for and against the equivalent resolution on the poll at the parallel RTZ shareholders' meeting by the Public Holders (who are not excluded from voting at CRA general meetings or RTZ general meetings under the Articles of Association of CRA or RTZ respectively) of RTZ Ordinary Shares and RTZ Voting Preference Shares.

Thus, RTZ Public Shareholders will not actually hold, or need to hold, any voting shares in CRA, as the wishes of RTZ Public Shareholders will be expressed at the CRA meeting by Tinto Holdings Australia casting the votes on its CRA Ordinary Shares and (if necessary) RTZ Shareholder SVC casting its votes on the CRA Special Voting Share, precisely to reflect voting at the parallel RTZ shareholders' meeting.

The RTZ Voting Agreement provides for the votes on the CRA Special Voting Share and the CRA Ordinary Shares held by Tinto Holdings Australia to be cast in a particular order on Joint Decisions. To the extent that (taking into account the Equalisation Ratio) votes cast by RTZ Shareholders at the parallel RTZ meeting are less than or equal to the number of votes attaching to CRA Ordinary Shares held by Tinto Holdings Australia, votes will be cast on these CRA Ordinary Shares. Any votes which it is necessary to cast in excess of this number in order to reflect votes cast at the parallel RTZ meeting will be cast on the CRA Special Voting Share.

The results of the Joint Decision will be announced after both polls have closed.

(ii) Class Rights Actions

The following voting arrangements will apply in relation to Class Rights Actions:

a) RTZ

Each Public Holder of RTZ Ordinary Shares who is not excluded under RTZ's Articles of Association from voting at RTZ general meetings will have one vote per share. Each Public Holder of RTZ Voting Preference Shares who is not excluded under RTZ's Articles of Association from voting at RTZ general meetings will continue to have four votes per share. CRA Shareholder SVC, as holder of the RTZ Special Voting Share, will have no voting rights except in relation to resolutions to amend certain provisions of RTZ's Memorandum and Articles of Association (see paragraph 4(c)(ii) above), in which case CRA Shareholder SVC will be given and will be obliged to exercise sufficient votes to defeat the resolution unless the CRA Public Shareholders have approved the amendment by special resolution. In relation to other Class Rights Actions proposed to be taken by RTZ, the written consent of CRA Shareholder SVC is required before the matter can be undertaken. This consent cannot be given unless the CRA Public Shareholders have approved the matter by the approval threshold set out in paragraph 4(c)(ii) above, in which case consent must be given.

b) CRA

Each CRA Public Shareholder who is not excluded under CRA's Articles of Association from voting at CRA general meetings will have one vote per share. CRA Ordinary Shares held by RTZ or its subsidiaries will not be eligible to vote. RTZ Shareholder SVC, as holder of the CRA Special Voting Share, will have no voting rights except in relation to amendments to certain provisions of CRA's Memorandum and Articles of Association (see paragraph 4(c)(ii) above), in which case RTZ Shareholder SVC will be required to withhold its consent to such amendments and to exercise sufficient votes to defeat the amendment unless the RTZ Public Shareholders have approved the amendment by special resolution. In relation to other Class Rights Actions proposed to be undertaken by CRA, the written consent of RTZ Shareholder SVC is required before the matter can be undertaken. This consent cannot be given unless the RTZ Public Shareholders have approved

the matter by the approval threshold set out in paragraph 4(c)(ii) above, in which case consent must be given.

(iii) Amendments to resolutions

Provisions will be included in the Articles of Association of each of RTZ and CRA so that, except as permitted by the chairman of the meeting, 48 hours' advance notice of amendments validly proposed by shareholders to resolutions must be given in order for the amendment to be considered. This is designed to allow any amendment to be considered at both meetings, if two meetings are required to be held.

(iv) Procedural resolutions

At any general meeting of RTZ or CRA at which any Joint Decision matter is to be considered, Tinto Holdings Australia and RTZ Shareholder SVC (if necessary) or CRA Shareholder SVC (as the case may be) will provide a proxy to the chairman of the meeting so that the votes attached to the CRA Ordinary Shares held by Tinto Holdings Australia and the votes attaching to the relevant Special Voting Share can be cast on procedural resolutions at that meeting as the chairman of the meeting may determine. The number of votes which can be cast on the CRA Special Voting Share or, as appropriate, the CRA Ordinary Shares held by Tinto Holdings Australia and (if necessary) the RTZ Special Voting Share in these circumstances is calculated by reference to the proxy votes given by Public Holders in respect of any Joint Decision matter to be considered at the parallel meeting or, if the parallel meeting has already been held, the maximum number of votes cast by Public Holders on any Joint Decision matter at that meeting. Procedural resolutions comprise all resolutions put to a general meeting of shareholders which were not included in the notice of such meeting but nevertheless fell to be considered by that meeting.

(e) RTZ Shareholder SVC

RTZ Shareholder SVC is a company incorporated in Australia the whole of the share capital of which is held by The Law Debenture Trust Corporation p.l.c. ("Law Debenture") and whose directors are not permitted by its constitution to be directors of any member of the RTZ Group or the CRA Group. By the terms of the RTZ Shareholder SVC Trust Deed, Law Debenture will hold the shares in RTZ Shareholder SVC on trust for the holders of RTZ Ordinary Shares and the holders of RTZ 'B' Shares from time to time. Such RTZ shareholders will have no rights to direct Law Debenture as to the exercise of its discretionary powers in relation to the shares in RTZ Shareholder SVC. RTZ and CRA will have the right together to call for the shares in RTZ Shareholder SVC to be transferred to a new trustee. It has been agreed that Law Debenture will receive a fee from RTZ for acting as trustee under the RTZ Shareholder SVC Trust Deed.

(i) Rights of CRA Special Voting Share

CRA will issue the CRA Special Voting Share to RTZ Shareholder SVC, such share having the following rights:

- on a Joint Decision, one vote for each RTZ Ordinary Share, and four votes for each RTZ Voting Preference Share, voted on the poll on the equivalent resolution at the parallel RTZ general meeting by RTZ Public Shareholders (who are not excluded from voting at RTZ or CRA general meetings) subject to adjustments to the Equalisation Ratio, less the number of votes cast on the CRA Ordinary Shares held by Tinto Holdings Australia at the CRA general meeting (these votes are only to be cast in accordance with the RTZ Shareholder Voting Agreement described in paragraph 4(g) below);
- a Class Rights Action by CRA will generally be deemed to be a variation of the rights of the CRA Special Voting Share, meaning that the written consent of RTZ Shareholder SVC will be required, which will only be given if the RTZ Public Shareholders have approved the Class Rights Action by the applicable approval threshold (see paragraph 4(c)(ii) above);
- in relation to a resolution to amend certain provisions of CRA's Memorandum and Articles of Association (see paragraph 4(c)(ii) above), the CRA Special Voting Share will carry sufficient votes to defeat the resolution unless the RTZ Public Shareholders have approved the amendment by special resolution. In relation to such resolutions, the written consent of RTZ Shareholder SVC is also required and such consent will only be given if the RTZ Public Shareholders have approved the amendment by special resolution.

- no right to dividends;
- on any winding-up of CRA, the right to a return of capital paid up (namely A\$2) and no further rights;
- such share will only be transferable in the circumstances described in paragraph 4(e)(ii) below; and
- the share will be beneficially owned by RTZ Shareholder SVC.

(ii) Transfer of the CRA Special Voting Share

RTZ Shareholder SVC may transfer the CRA Special Voting Share on giving not less than three months' written notice without assigning any reason, provided that a transferee of the CRA Special Voting Share satisfactory to RTZ and CRA has been found which has agreed to be bound by the RTZ Shareholder Voting Agreement.

RTZ and CRA acting together may require RTZ Shareholder SVC to transfer the CRA Special Voting Share to a transferee of their choice, either:

- if RTZ Shareholder SVC or Law Debenture is in breach of the RTZ Shareholder Voting Agreement; or
- following the passing of separate special resolutions by the CRA Public Shareholders and the RTZ Public Shareholders to the effect that RTZ Shareholder SVC should transfer the CRA Special Voting Share.

(iii) Remuneration of RTZ Shareholder SVC

It has been agreed that RTZ Shareholder SVC will be paid a fee by RTZ for the performance of its obligations under the RTZ Shareholder Voting Agreement.

(f) CRA Shareholder SVC

CRA Shareholder SVC is a company incorporated in England and Wales formed as a special purpose subsidiary of Law Debenture. The Articles of Association of CRA Shareholder SVC do not permit its directors to be directors of any member of the CRA Group or the RTZ Group. Law Debenture holds the shares in CRA Shareholder SVC legally and beneficially, although, apart from the fees mentioned in paragraph 4(f)(iii) below, Law Debenture does not benefit financially from this holding. It is intended that these shares will subsequently be held on trust for the Public Holders of CRA Ordinary Shares from time to time, subject to CRA obtaining a favourable ruling from the Australian Taxation Office that that course of action will not adversely affect the tax position of those shareholders.

(i) Rights of RTZ Special Voting Share

RTZ will issue the RTZ Special Voting Share (which has a nominal value of 10p) to CRA Shareholder SVC for £1, such share having the following rights:

- on a Joint Decision, one vote for each CRA Ordinary Share voted on the poll on the equivalent resolution at the parallel CRA shareholders' meeting by CRA Public Shareholders who are not excluded from voting at RTZ or CRA general meetings, subject to adjustment to the Equalisation Ratio;
- a Class Rights Action by RTZ will generally be deemed to be a variation of the rights of the RTZ Special Voting Share, meaning that the written consent of CRA Shareholder SVC will be required, which will only be given if the CRA Public Shareholders have approved the Class Rights Action by the applicable approval threshold (see paragraph 4(c)(ii) above);
- in relation to a resolution to amend certain provisions of RTZ's Memorandum and Articles of Association (see paragraph 4(c)(ii) above), the RTZ Special Voting Share will carry sufficient votes

to defeat the resolution unless the CRA Public Shareholders have approved the amendment by special resolution;

- right to a fixed preferential dividend of 1 penny per annum;
- on any winding-up of RTZ, the right to a return of capital paid up (namely 10 pence) and no further rights;
- such share will only be transferable in the circumstances described in paragraph 4(f)(ii) below; and
- the share will be beneficially owned by CRA Shareholder SVC.

(ii) Transfer of the RTZ Special Voting Share

CRA Shareholder SVC may transfer the RTZ Special Voting Share on giving not less than three months' written notice without assigning any reason, provided that a transferee of the RTZ Special Voting Share satisfactory to RTZ and CRA has been found which has agreed to be bound by the CRA Shareholder Voting Agreement.

RTZ and CRA acting together may require CRA Shareholder SVC to transfer the RTZ Special Voting Share to a transferee of their choice, either:

- if CRA Shareholder SVC or Law Debenture is in breach of the CRA Shareholder Voting Agreement; or
- following the passing of separate special resolutions by the CRA Public Shareholders and the RTZ Public Shareholders to the effect that CRA Shareholder SVC should transfer the RTZ Special Voting Share.

(iii) Remuneration of CRA Shareholder SVC

It has been agreed that CRA Shareholder SVC will be paid a fee by CRA for the performance of its obligations under the CRA Shareholder Voting Agreement.

(g) RTZ Shareholder Voting Agreement

- (i) The RTZ Shareholder Voting Agreement, among other things, regulates the manner in which RTZ Shareholder SVC exercises the votes attaching to the CRA Special Voting Share and requires RTZ Australian Holdings to procure that Tinto Holdings Australia exercises the votes attached to the CRA Ordinary Shares held by it in the prescribed manner.
- (ii) As referred to in paragraph 4(d) above, on a Joint Decision, RTZ Australian Holdings will procure that, and RTZ Shareholder SVC will agree that, at the relevant meeting of CRA, Tinto Holdings Australia votes the CRA Ordinary Shares held by it and RTZ Shareholder SVC exercises the votes attached to the CRA Special Voting Share so that the votes attached to those shares are, subject to adjustment to the Equalisation Ratio, cast on a one-for-one basis in the same manner as the votes attached to the RTZ Ordinary Shares and RTZ Voting Preference Shares are cast on the poll on the equivalent resolution at the parallel general meeting of RTZ. The order in which such votes are cast is described in paragraph 4(d) above.
- (iii) RTZ Shareholder SVC agrees with RTZ and CRA that, in the case of a variation or a deemed variation of the rights of the CRA Special Voting Share, RTZ Shareholder SVC will give its consent to the variation or deemed variation but only if such variation or deemed variation has been approved by RTZ Public Shareholders by the approval threshold set out in paragraph 4(c)(ii) above.
- (iv) In the case of any resolution to amend certain provisions of CRA's Memorandum and Articles of Association (see paragraph 4(c)(ii) above), RTZ Shareholder SVC is required to withhold its consent to such amendments and to exercise sufficient votes on the CRA Special Voting Share to defeat the resolution unless the RTZ Public Shareholders have approved the amendment by special resolution (see paragraph 4(d) above).

- (v) The process in relation to procedural decisions at meetings of CRA is described in paragraph 4(d)(iv) above.

(h) CRA Shareholder Voting Agreement

- (i) The CRA Shareholder Voting Agreement, among other things, regulates the manner in which CRA Shareholder SVC exercises the votes attaching to the RTZ Special Voting Share.
- (ii) As referred to in paragraph 4(d) above, on a Joint Decision, CRA Shareholder SVC agrees with CRA that, at the relevant meeting of RTZ, the votes attaching to the RTZ Special Voting Share are, subject to adjustment to the Equalisation Ratio, cast on a one-for-one basis in the same manner as the votes attached to CRA Ordinary Shares held by CRA Public Shareholders are cast on the poll on the equivalent resolution at the parallel general meeting of CRA.
- (iii) CRA Shareholder SVC agrees with CRA and RTZ that, in the case of a variation or a deemed variation of the rights of the RTZ Special Voting Share, CRA Shareholder SVC will give its consent to the variation or deemed variation but only if such variation or deemed variation has been approved by the CRA Public Shareholders by the approval threshold set out in paragraph 4(c)(ii) above.
- (iv) In the case of any resolution to amend certain of the provisions of RTZ's Memorandum and Articles of Association (see paragraph 4(c)(ii) above), CRA Shareholder SVC is required to exercise sufficient votes on the RTZ Special Voting Share to defeat the resolution unless the CRA Public Shareholders have approved the amendment by special resolution (see paragraph 4(d) above).
- (v) The process in relation to procedural decisions at meetings of RTZ is described in paragraph 4(d)(iv) above.

(i) Deed Poll Guarantees

The Deed Poll Guarantees to be entered into by RTZ and CRA guarantee certain obligations of the other. Each of these documents is described below.

(i) RTZ Deed Poll Guarantee

Under the Implementation Agreement, RTZ has agreed with CRA to issue the RTZ Deed Poll Guarantee on completion of the DLC merger in respect of:

- certain contractual obligations of CRA; and
- certain contractual obligations of other persons ("Principal Debtors") which are guaranteed by CRA.

Pursuant to the RTZ Deed Poll Guarantee, RTZ will guarantee the payment by CRA or the relevant Principal Debtor of certain obligations and will undertake to pay on demand any amounts due and unpaid in respect of such obligations if for any reason CRA or the relevant Principal Debtor does not make payment in respect of such obligations on their due date.

The obligations to be covered by the RTZ Deed Poll Guarantee exclude the following obligations incurred by CRA or by any Principal Debtor that are guaranteed by CRA:

- any obligation explicitly guaranteed in writing by RTZ otherwise than under the RTZ Deed Poll Guarantee;
- any obligation incurred under an arrangement which explicitly provides that the obligation is not to be guaranteed by RTZ;
- obligations for punitive, exemplary or multiple damages;
- obligations owed to RTZ or to any of its subsidiaries or subsidiary undertakings or to any subsidiary or controlled entity (as defined in the Corporations Law) of CRA;

- obligations of CRA under or in connection with any guarantee by CRA of any obligation of RTZ;
- obligations excluded from the scope of the RTZ Deed Poll Guarantee (pursuant to certain provisions of the RTZ Deed Poll Guarantee, RTZ can specify future obligations of a particular type, or particular future obligations, which are to be excluded from the scope of RTZ's guarantee but only if CRA agrees to the exclusion); and
- obligations of CRA under a guarantee, or of any Principal Debtor guaranteed by that guarantee, to the extent that the guaranteed obligation is not a contractual obligation or is of a type excluded as referred to above.

Beneficiaries of the RTZ Deed Poll Guarantee may make demand upon RTZ without first having recourse to CRA, the Principal Debtor or any other person.

The RTZ Deed Poll Guarantee will automatically terminate if the Sharing Agreement terminates or ceases to have effect. RTZ may also terminate the RTZ Deed Poll Guarantee in certain circumstances (but in general only if CRA agrees to the termination). No termination of the RTZ Deed Poll Guarantee will be effective with respect to any existing obligation (that is, an obligation incurred before or arising out of any obligation incurred before, or any credit or similar facility available for use at, the time at which the termination becomes effective).

(ii) CRA Deed Poll Guarantee

CRA has agreed with RTZ to issue a reciprocal guarantee for the benefit of certain creditors of RTZ in like terms to those mentioned in (i) above on completion of the DLC merger (the "CRA Deed Poll Guarantee").

(j) Restrictions on share dealing

RTZ and CRA (and their respective subsidiaries) may not sell or purchase or otherwise deal in any shares or other equity securities of the other company or take any action which will result in a change to the number of shares or other equity securities of the other company held by its group unless the board of directors of the other company resolves to consent to the sale, purchase, dealing or other action. The restrictions do not apply to any disposal or purchase by a party to or from its subsidiary or by a subsidiary of a party to or from another subsidiary of that party or to that party or to any disposal by the RTZ Group of CRA Ordinary Shares in the circumstances described in paragraph 4(k) below. Nor do the restrictions apply to a party participating in a dividend re-investment plan of the other party or receiving an entitlement under a rights issue or bonus issue of the other party.

RTZ is obliged to procure that, if any member of the RTZ Group (including Tinto Holdings Australia) owns any CRA Ordinary Shares, either such member, or a parent company of such member enters into an agreement having an effect similar to that which the RTZ Shareholder Voting Agreement has in respect of the CRA Ordinary Shares owned by Tinto Holdings Australia.

(k) Change of control

Provisions are to be included in the proposed Articles of Association of RTZ and CRA designed to ensure that a person cannot exercise control of one company without having made offers to the public shareholders of both companies. The Australian Securities Commission (the "ASC") has agreed to modify section 615 of the Corporations Law as it applies to CRA, so that the Law will apply not only to acquisitions of voting shares in CRA, but also to acquisitions of voting power in relation to Joint Decisions. The effect of these provisions, in conjunction with the City Code on Takeovers and Mergers (the "City Code") as it applies to RTZ, is as follows:

(i) Articles of Association

a) Thresholds

The Articles of Association of each of RTZ and CRA will impose certain restrictions on any person who (alone or together with that person's associates or concert parties) can directly or indirectly

cast or control the casting of 20 per cent. or more of the votes on a Joint Decision. However, if that person does not hold interests in voting shares in both RTZ and CRA, the restrictions only apply if that person is also directly or indirectly able to cast on a poll 30 per cent. or more of the votes generally exercisable at general meetings of the relevant company (ignoring any votes cast by the Special Voting Share).

Corresponding restrictions apply under the Articles of both companies. Therefore, a person whose interest exceeds the thresholds and who has shares in RTZ will suffer the restrictions in RTZ's Articles unless that person (or a member of the same group of companies) makes an offer for CRA Ordinary Shares as described under "Offers" in paragraph d) below. Conversely, a person whose entitlement exceeds the thresholds and who has shares in CRA will suffer the restrictions in CRA's Articles unless that person (or an associate or concert party of that person) makes an offer for RTZ Ordinary Shares as described under "Offers" in paragraph d) below. These provisions work in conjunction with a view to ensuring that offers for both RTZ Ordinary Shares and CRA Ordinary Shares are likely to be required to avoid the restrictions, even if the interests or entitlements which breach the control threshold are initially held in only one of the companies concerned.

b) Interests and entitlements

For this purpose, the interests of a person in RTZ Ordinary Shares and RTZ Voting Preference Shares are aggregated to include interests of all persons who are acting in concert with that person under an agreement of the kind described in section 204 of the UK Companies Act. Entitlements to CRA shares (as determined under the Corporations Law) include shares in which the associates of the person concerned have relevant interests (that is, broadly, an actual or deemed power to control, or exercise control over, the disposal or voting of those shares). Where a person would otherwise have an entitlement to CRA voting shares by virtue of being associated with another person, but has the benefit of a modification or exemption from the operation of section 615 of the Corporations Law in respect of that entitlement, that entitlement is disregarded for the purpose of the change of control provisions.

c) Restrictions

The restrictions set out below may be imposed in respect of a "Relevant Holding" (i.e. an interest in RTZ Ordinary Shares and RTZ Voting Preference Shares and/or an entitlement to CRA Ordinary Shares which exceeds the thresholds described above which is not a "Permitted Holding" (see below)) if the person who has the Relevant Holding is not a "Permitted Person" (see below). The restrictions will apply where the directors of the relevant company have given notice to any person identified by them as having a Relevant Holding (including, in the case of RTZ's Memorandum and Articles, any person who is deemed by the directors to have a Relevant Holding after making reasonable inquiries) and, if different, the registered holders of the shares. Once such a notice has been served:

- any holder of the shares concerned may not attend or vote at general meetings of the relevant company, or exercise any other rights of a member at such a meeting (and no votes of that holder will be reflected at meetings of the other company);
- dividends and other distributions made by the relevant company in respect of the shares concerned will be withheld without interest; and
- the directors may compulsorily divest sufficient of the shares concerned if such notice is not complied with

until the Relevant Holding has been reduced below the required thresholds. The restrictions will cease to apply once the person affected by the notice or a member of the same group of companies, has made an offer for the Ordinary Shares in the other company which that person does not already own, as described in paragraph d) below.

These restrictions will not apply to certain categories of "Permitted Persons" who have Relevant Holdings, as described below.

d) Offers

The restrictions in RTZ's Articles and CRA's Articles will not apply to a person who, as a result of offers for all outstanding RTZ and CRA Ordinary Shares (or a scheme of arrangement), holds voting shares in each company carrying more than 50 per cent. of the total voting rights of all shares held by Public Holders in each company. Such offers (or scheme) can be made on any terms, provided that they do not become unconditional, and thereby breach the control threshold in either company, at less than the 50 per cent. threshold.

A person who holds an interest in RTZ Ordinary Shares and RTZ Voting Preference Shares or an entitlement to CRA Ordinary Shares in excess of the thresholds described in paragraph (i)a) above may also be released from the restrictions in those companies' respective Articles if that person, or an associate or concert party of that person, has made an offer on the following terms for all the Ordinary Shares in the other company not already owned by that person or a member of that person's group:

- the offer may be conditional upon a comparable offer for the Ordinary Shares in the other company becoming unconditional, but must be otherwise unconditional, or subject only to such conditions as are required in a mandatory offer under the City Code (in the case of an offer for RTZ) or as are required by the Corporations Law (in the case of an offer for CRA);
- the offer must disclose the prices paid for RTZ and CRA Ordinary Shares by the offeror or its concert parties or associates over the 12 months before the threshold was exceeded;
- the offer must be in cash or include a cash alternative at a price not less than the highest price paid for RTZ or CRA Ordinary Shares as disclosed in the offer (appropriately adjusted to take account of changes to the share capitals, the Equalisation Ratio and the relative prices being cum or ex dividend);
- if no RTZ or CRA shares have been acquired by the offeror, its associates or concert parties in the 12 month period referred to above, the minimum offer price will be the higher of the market price of the RTZ Ordinary Shares and the market price of the CRA Ordinary Shares immediately prior to the offer (appropriately adjusted as above); and
- the offer must comply with the City Code (in the case of an offer for RTZ) or the Corporations Law (in the case of an offer for CRA.)

e) Permitted Persons and Permitted Holdings

The restrictions described above will not apply to persons and holdings falling within certain permitted categories, including the following:

- a person whose interest in RTZ Ordinary Shares and RTZ Voting Preference Shares or entitlement to CRA Ordinary Shares is held only as a bare trustee;
- a person who has made offers in accordance with the provisions described under "Offers" in paragraph d) above and the concert parties and associates of such a person;
- an interest or entitlement of a person who has acquired that interest in RTZ shares or that entitlement to CRA Ordinary Shares allotted or issued under arrangements approved by the directors, with a view to such shares being offered to the public within a period not exceeding three months; and
- an interest or entitlement of a person which arises only by virtue of the relevant person being entitled to exercise or control the exercise of 20 per cent. or more of the voting power at general meetings of another company which falls within one of the permitted categories of persons (including those described above).

(ii) Corporations Law

Section 615 of the Corporations Law applies to prohibit any person acquiring shares in CRA where that acquisition would result in any person becoming entitled to more than 20 per cent. of the voting shares

of CRA, except under a takeover offer or by one of the other means permitted under Part 6.2 of the Corporations Law (for example the acquisition of not more than 3 per cent. of CRA's voting shares in any 6 month period). Whilst the RTZ Group holds more than 20 per cent. of the voting shares in CRA, if a person and/or the associates of a person acquire the power to exercise more than 20 per cent. of the voting shares in RTZ, or otherwise acquire a controlling interest in RTZ, that person (and associates) will be deemed to acquire the same entitlement to CRA Ordinary Shares as is held by RTZ. This "downstream" takeover would breach section 615 unless the ASC granted a modification or exemption in accordance with its policies in relation to downstream takeovers.

The ASC has informed CRA that it proposes to modify the application of section 615 of the Corporations Law so that, in addition to the prohibition otherwise applicable under that section in respect of the acquisition of voting shares in CRA, any person is prohibited (except in one of the ways permitted by Part 6.2 of the Corporations Law) from acquiring shares in CRA or RTZ if as a result:

- a) a person not entitled to any "voting power" attached to voting shares in CRA, or entitled to less than 20 per cent. of such voting power (other than RTZ Shareholder SVC), would be entitled as a result to more than 20 per cent. of the voting power; and
- b) a person entitled to more than 20 per cent. but less than 90 per cent. of the voting power attached to voting shares in CRA (other than RTZ Shareholder SVC) would be entitled as a result to a greater percentage of the voting power.

For this purpose, "voting power" will include the power to cause the votes attached to the CRA Shares held by Tinto Holdings Australia and the CRA Special Voting Share to be cast at CRA meetings on Joint Decisions. An acquisition of shares in RTZ which has the effect of increasing a person's entitlement to voting power in CRA in this way will attract the operation of section 615 as modified. The section will then operate regardless of the percentage entitlement of the RTZ Group to CRA Ordinary Shares.

As a result, any person who becomes entitled to more than 20 per cent. of the total voting rights on Joint Decisions, whether through an interest in RTZ Ordinary Shares and RTZ Voting Preference Shares or an entitlement to CRA Ordinary Shares or both, will breach section 615 as modified unless that entitlement arises in one of the ways permitted by the Corporations Law in relation to the acquisition of voting shares in CRA (although a modification may be required to apply those exceptions to an acquisition of voting power). This section could apply in circumstances where the restrictions described above in CRA's Articles of Association do not. Those restrictions only apply if, in addition to having control of 20 per cent. of the votes at a CRA meeting on a Joint Decision, the relevant holder (if not interested in, or entitled to, shares in both RTZ and CRA) has an interest in at least 30 per cent. of the total votes attached to the RTZ Ordinary Shares and the RTZ Voting Preference Shares or an entitlement to at least 30 per cent. of CRA Ordinary Shares.

(iii) City Code

The City Code applies, *inter alia*, to require any person who, alone or together with persons acting in concert, acquires shares carrying 30 per cent. or more of the voting rights of RTZ to make offers for the equity shares in RTZ not already owned by that person. Such a mandatory offer, under Rule 9 of the City Code, is required to be in cash or be accompanied by a cash alternative at not less than the highest price paid for RTZ Ordinary Shares by the offeror or its concert parties in the preceding 12 months. Except with the consent of the Panel on Takeovers and Mergers, such offer must be conditional only on the offeror having received acceptances in respect of, or acquired or agreed to acquire, shares such that the offeror and its concert parties together hold shares carrying over 50 per cent. of the voting rights of RTZ. The offer must contain provisions addressing, so far as applicable, the possibility of reference to the UK Monopolies and Mergers Commission, or action by the European Commission.

The acceptance condition summarised above would also, under the City Code, be the minimum permitted in respect of a non-mandatory offer for RTZ.

(iv) Combined effect

On the basis of the Equalisation Ratio following implementation of the DLC merger (i.e. 1 to 1), and based on the numbers of RTZ shares and CRA shares currently held by Public Holders and, in the case of CRA, Tinto Holdings Australia, the provisions described above will have the following combined effect.

A person who acquires an interest in RTZ Ordinary Shares and RTZ Voting Preference Shares carrying 20 per cent. or more of the voting rights in RTZ will, whilst the RTZ Group holds 20 per cent. or more of CRA's voting shares, breach section 615 of the Corporations Law unless that person either makes a "downstream" takeover offer for CRA in accordance with the ASC's policies or otherwise obtains a modification or exemption from the ASC.

A person who acquires an entitlement to 20 per cent. or more of CRA's voting shares will breach section 615 of the Corporations Law unless that acquisition takes place in one of the ways permitted under Part 6.2 of the Corporations Law, including under a takeover offer for CRA or by means of the acquisition of not more than 3 per cent. of CRA's voting shares in any 6 month period.

A person who acquires an interest in RTZ Ordinary Shares and/or RTZ Voting Preference Shares and an entitlement to CRA Ordinary Shares which together enable that person to control more than 20 per cent. of the total voting rights on Joint Decisions will become subject to the restrictions in both RTZ's and CRA's Articles unless that person (or a member of the same group) has acquired shares carrying at least 50 per cent. of the total voting rights of shares in each company held by Public Holders as a result of offers (on any terms) or a scheme of arrangement, or makes cash offers for each company complying with the conditions in the other company's Articles.

A person who acquires interests in 30 per cent. of RTZ's voting shares will be required to make a mandatory offer for RTZ under the provisions of the City Code, as described above. Such an interest in RTZ voting shares will also cause the person concerned to control more than 20 per cent. of the voting rights on Joint Decisions. This will trigger the restrictions in RTZ's Articles unless an offer is made for all the CRA Ordinary Shares.

A person who acquires an entitlement to CRA Ordinary Shares which, alone or together with an interest in RTZ Ordinary Shares and RTZ Voting Preference Shares, causes the person concerned to control more than 20 per cent. of the voting rights on Joint Decisions, will breach section 615 of the Corporations Law (as modified) unless that acquisition occurs in one of the ways permitted under the Corporations Law (under an applicable exception, for which a modification may be necessary).

(v) Sharing Agreement

Under the Sharing Agreement, RTZ and CRA will agree to co-operate to enforce the restrictions in their respective Articles of Association described in paragraph (i) above.

Under the Sharing Agreement, restrictions will be placed on any member of the RTZ Group accepting any offer for CRA. If a third party makes an offer to CRA Shareholders generally to acquire CRA Ordinary Shares, RTZ will procure that, while such offer remains open for acceptance, no member of the RTZ Group will accept that offer, or otherwise dispose of, any CRA Ordinary Shares without the approval of an ordinary resolution of the RTZ Public Shareholders and the CRA Public Shareholders by Joint Decision. Any votes of the offeror and its associates (not including those who are only associates by virtue of having accepted or irrevocably undertaken to accept the relevant offer) on any such resolution will be disregarded.

(l) Disclosure of information and intellectual property

Pursuant to the Sharing Agreement, RTZ and CRA are obliged:

- subject to any third party obligation, to disclose to each other all information relating to their businesses and to use reasonable endeavours to obtain any necessary consents from third parties to such disclosure; and
- to permit members of the other group to use their intellectual property rights and to use reasonable endeavours to obtain any necessary permission from third parties to enable such use.

(m) Accounting policies

Pursuant to the Sharing Agreement, RTZ and CRA are obliged to:

- adopt the same accounting policies and practices (so far as may be permitted by law);

- ensure that each of their financial periods ends on the same date; and
- (unless and until the shareholders of RTZ and CRA decide otherwise by Joint Decision) appoint auditors from the same international accounting firm.

(n) Conflicts between the Sharing Agreement and the Memoranda and Articles

If there is any conflict between the Sharing Agreement and the RTZ Memorandum and Articles of Association or the CRA Memorandum and Articles of Association, an amendment to the relevant document will be proposed at a general meeting of RTZ and/or CRA as appropriate in order to conform it or them with the Sharing Agreement.

(o) Amendments to the Sharing Agreement and the Voting Agreements

In most cases, an amendment can only be made to the Sharing Agreement if the Public Holders of both companies have approved the amendment by special resolution (see paragraph 4(c)(ii) above). However, amendments which are formal or technical in nature and which are not materially prejudicial to the interests of the shareholders of either party or are necessary to correct any inconsistency or manifest error may be agreed between the board of directors of CRA and the board of directors of RTZ.

Similar provisions apply to the RTZ Shareholder Voting Agreement and the CRA Shareholder Voting Agreement (appropriately amended to take account of the interests of the other parties to these Agreements). In addition, amendments to conform either of these Agreements to the Sharing Agreement do not require any shareholder consent.

5. Equalisation arrangements

(a) Objectives

As described in paragraph 2 above, one of the main objectives of the equalisation arrangements is to confer on holders of Ordinary Shares in RTZ and CRA a common economic interest in the Combined Group through equalised dividends and capital distributions, so that they will be effectively in the same economic position as if they held shares in a single group which owned all the assets of both RTZ and CRA. As referred to in paragraph 2 above, the terms of the DLC merger will reflect the relative market values of the respective Ordinary Shares in RTZ and CRA from 3 January 1995 to 6 October 1995, being the latest dealing day prior to the announcement of the proposed DLC merger. Following the issue of the CRA Bonus Shares referred to in paragraph 2 above, the dividend and capital rights of each CRA Ordinary Share relative to each RTZ Ordinary Share will be exactly 1 to 1.

The following paragraphs of this section summarise how, under the Sharing Agreement and the Articles of Association of RTZ and CRA taken together, this objective is to be achieved in relation to income and capital distributions, and certain exceptions to it. These paragraphs also note circumstances in which an adjustment to the Equalisation Ratio may be required. Any adjustment to the Equalisation Ratio will also result in the ratio of voting rights per share being adjusted accordingly.

(b) Income

(i) Timing of distributions

The boards of directors of RTZ and CRA will resolve to pay dividends or make other distributions at board meetings held as close in time as is practicable. RTZ and CRA will co-operate:

- with a view to announcing their dividends and any other distributions, as far as practicable, simultaneously; and
- so far as practicable in co-ordinating the timing of all other aspects of dividend payments or the making of other distributions.

(ii) Application of Equalisation Ratio

RTZ and CRA have agreed, except in the case of their 1995 dividends and in exceptional circumstances referred to in paragraph 5(b)(vi) below, to pay dividends and make other distributions on their Ordinary Shares on the basis that the ratio of the dividend amount on one CRA Ordinary Share to the dividend amount on one RTZ Ordinary Share, converted using the Applicable Exchange Rate (referred to below), will be the Equalisation Ratio. Such equalisation will be on a net basis such that the amount of the dividend payable or proposed to be paid by each company, before any deduction of any amount required to be deducted or withheld on account of tax and excluding the amount of any associated tax credit, shall (subject to rounding) be equal. For example, if, applying the Applicable Exchange Rate, 15 pence is equivalent to 30 cents and the Equalisation Ratio remains 1 to 1:

- a) where RTZ pays a dividend of 15 pence per share, in respect of which advance corporation tax ("ACT") of 3.75 pence is due, then the amount of the dividend for equalisation purposes is 15 pence per share; or
- b) where RTZ pays a dividend of 15 pence per share which is a "foreign income dividend", then the amount of the dividend for equalisation purposes is 15 pence per share; or
- c) where CRA pays a franked dividend of 30 cents per share, in respect of which a franking credit of up to 16.875 cents may be available for Australian resident shareholders, then the amount of the dividend for equalisation purposes is 30 cents per share; or
- d) where CRA pays an unfranked dividend of 30 cents per share, in respect of which no franking credit is available, then the amount of the dividend for equalisation purposes is 30 cents per share.

It should be noted that no adjustment is made for any tax credits accruing to RTZ Shareholders in respect of ACT or foreign income dividends, or for any variation in the level of franking of CRA dividends.

(iii) Applicable Exchange Rate

RTZ will continue to declare and pay its dividends and other distributions in sterling, and CRA will continue to declare and pay its dividends and other distributions in Australian dollars. For any proposed dividend payment or other distribution by RTZ and CRA, the exchange rate used in applying the Equalisation Ratio will be the closing mid-point spot Australian dollar – sterling exchange rate on the business day before the latest date on which the Directors of RTZ and CRA resolve to pay or make any parallel dividend or other distribution, as shown in the London Edition of the Financial Times or such other point of reference as the parties shall agree. A business day, for this purpose, is any day on which banks are ordinarily open for business in both London and Melbourne, excluding Saturdays and Sundays. The boards of directors of RTZ and CRA will have power to agree a different basis for determining the exchange rate but would intend to give at least three months' notice to shareholders before implementing any such different basis.

(iv) Funding of dividend payments by RTZ and CRA

The dividends paid by RTZ and CRA will be paid from profits generated in RTZ or CRA (as the case may be) including dividends received from their various shareholdings in their respective groups. In the case of RTZ, this will also include dividends received from the RTZ Group's shareholding in CRA.

If either party (the "first party") does not have sufficient distributable reserves to pay or make any dividend or other distribution which its directors would otherwise intend to pay, the other party will, to the extent that it has sufficient distributable reserves after making allowance for the dividend or other distribution to be made to its own shareholders, make a payment to the first party or a distribution on its Equalisation Share (if it has been issued and if its board of directors decides to pay a dividend on the Equalisation Share rather than to make a payment under the Sharing Agreement) so far as it is practicable to do so, in order to ensure that the first party's distributable reserves are sufficient to pay such dividend or other distribution (and to account for any tax payable after taking into account any offsetting tax credits or losses, with respect to the receipt of the payment or distribution or the payment of such dividend or other distribution).

(v) Equalisation Shares

As part of the DLC merger, RTZ will amend its Articles of Association and obtain authority from its shareholders to allow for the issue of the Equalisation Share of 10p in RTZ (the "RTZ Equalisation Share") and CRA will amend its Articles of Association to allow for the issue of the Equalisation Share of A\$2 in CRA (the "CRA Equalisation Share"). If issued, the Equalisation Shares will allow one company to make any necessary equalisation payments by way of such dividends as the boards of directors of RTZ and CRA determine to be necessary or desirable to enable the other company to pay dividends on its Ordinary Shares equalised on the basis described in paragraph 5(b)(ii) above. These Equalisation Shares will, however, not be issued until the boards of directors of RTZ and CRA have agreed to do so and will only be issued if both Equalisation Shares are issued simultaneously by each company to the other or to any wholly owned subsidiary of the other.

While the Equalisation Shares remain unissued, any funding payments required to be made under paragraph 5(b)(iv) above would be by way of a contractual payment from one company to the other. However, even if the Equalisation Shares are subsequently issued, the boards of directors of RTZ and CRA would retain the flexibility to decide from case to case whether any necessary payment should be by way of dividend on the relevant Equalisation Share or contractual payment from one company to the other.

The shareholders of RTZ and CRA will not have any interest in the Equalisation Shares.

(vi) Departure from Equalisation Ratio

Either company may pay a dividend which is lower than the payment implied by the Equalisation Ratio if such payment, according to the Equalisation Ratio, would result in the payment of a dividend which it would be unlawful or contrary to applicable regulatory requirements to pay.

Where, on any occasion, there is such a departure from the Equalisation Ratio, reserves shall be established in one or other of the companies so as to be available for payment on the relevant shares at a later date. There shall be added to the reserves such amount of notional interest or other compensation to reflect the delay in receipt as RTZ and CRA may agree. Any amounts retained in the reserves will be paid to the persons entitled thereto when permitted under applicable laws and regulations.

Where, for any of the above reasons, dividends are announced by RTZ and CRA that do not reflect the Equalisation Ratio, that announcement will contain details of the reasons for departure from the Equalisation Ratio and the implications for future dividends (insofar as they are known).

(c) Capital

(i) Application of Equalisation Ratio

The capital rights provisions contained in the Sharing Agreement and the Articles of Association of each of RTZ and CRA give effect to the general principle that the Equalisation Ratio will be applied to distributions of capital to holders of each Ordinary Share of RTZ and CRA.

The obligation to make any equalisation payment described below arises under the Sharing Agreement and, if issued, may be paid on the Equalisation Shares. Any equalisation payment would be made by one company to the other. Any distribution by a company receiving an equalisation payment will be subject to the normal rules and restrictions governing distributions to shareholders of that company.

(ii) Liquidation of one party only

If either RTZ or CRA goes into liquidation, whether compulsory or voluntary:

- a) an equalisation payment will be made by one party to the other if either party has surplus assets available for distribution to the holders of its Ordinary Shares after payment of all creditors and holders of prior ranking classes of shares and the ratio of the surplus (if any) attributable to each CRA Ordinary Share held by a Public Holder to the surplus (if any) attributable to each RTZ Ordinary Share held by a Public Holder would not equal the Equalisation Ratio;

- b) an equalisation payment will not be made unless, after such payment, all amounts due on a return of assets on a liquidation to the following creditors and shareholders of the paying company can be paid to them:
 - (1) statutory entitlements ranking ahead of entitlements of shareholders;
 - (2) the holders of shares ranking in priority to Ordinary Shares (other than shares of those classes listed below);
 - (3) the nominal amount paid up on the relevant Special Voting Share to the holder of that Share;
 - (4) if the relevant Equalisation Share has been issued, the nominal amount paid up on the relevant Equalisation Share to the holder of that share and any amounts credited to the holder of that share, or if the relevant Equalisation Share has not been issued, to the other company in any reserve in the books of the company established as described in paragraph 5(b)(vi) above; and
 - (5) to the holders of the company's Ordinary Shares any amount standing to their credit in any reserve described in paragraph 5(b)(vi) above;
- c) accounts of both companies shall be drawn up for the purpose of calculating the equalisation payment;
- d) the equalisation payment will result in the ratio of the amount available for distribution on each CRA Ordinary Share held by a Public Holder to the amount available for distribution on each RTZ Ordinary Share held by a Public Holder being equal to the Equalisation Ratio. Any amounts available for distribution to the Public Holders of Ordinary Shares in the company in liquidation will be distributed to those shareholders in accordance with the number of Ordinary Shares held by them; and
- e) the calculations are required to be undertaken and agreed between the liquidator of the company in liquidation and the auditor or liquidator of the other company and certified to the other company within a specific time frame. If they are unable to agree, the Sharing Agreement requires the appointment of an independent firm of chartered accountants to make the final determination.

To the extent that the liquidation provisions of the Sharing Agreement constitute either company a creditor of the other company (in liquidation), that company will be fully subordinated to all other creditors and holders of shares ranking in priority to Ordinary Shares of the company in liquidation.

The Sharing Agreement does not grant any rights enforceable by the shareholders of one company upon the liquidation of the other.

(iii) Liquidation of both parties

The same principles as apply in relation to (ii) above shall apply to a liquidation of both parties.

(d) Adjustments to the Equalisation Ratio

The Sharing Agreement provides that (except as described below) no adjustment shall be made to the Equalisation Ratio without the sanction of special resolutions of the Public Holders of each company.

In relation to the transactions set out below, the following adjustments to the Equalisation Ratio will take place:

(i) Rights issue of Ordinary Shares

If either RTZ or CRA shall offer its Ordinary Shares to the holders of its Ordinary Shares as a class by way of rights or to all the Public Holders of its Ordinary Shares by way of rights, the Equalisation Ratio shall be adjusted by multiplying the element of the Equalisation Ratio relating to the Ordinary Shares of the issuing company by the following fraction:

$$\frac{X + Z}{X + Y}$$

where:

- X is the number of Ordinary Shares of the issuing company which rank for the relevant offer;
- Y is the number of Ordinary Shares being offered to the shareholders of the issuing company; and
- Z is the number of Ordinary Shares of the issuing company which the aggregate amount (if any) payable for the Ordinary Shares offered by way of rights would purchase at the market price per Ordinary Share determined on the dealing day immediately preceding the date on which such shares are first traded ex-rights.

Such adjustment shall become effective from the time at which the Ordinary Shares of the issuing company are first traded ex-rights.

For the purposes of this paragraph, an offer by a member of the RTZ Group of CRA Ordinary Shares owned by it to CRA Public Shareholders by way of rights shall be treated as an offer and issue by CRA of such shares.

(ii) Rights issue of other securities

If either RTZ or CRA shall offer any securities (other than an offer falling within paragraph 5(d)(i)) to holders of its Ordinary Shares or the holders of the Ordinary Shares of the other as a class by way of rights or to the Public Holders of its Ordinary Shares or the Public Holders of the Ordinary Shares of the other or grant to such shareholders or Public Holders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any securities, the Equalisation Ratio shall be adjusted by multiplying the element of the Equalisation Ratio relating to the Ordinary Shares of the company the shareholders of which are to receive such offer or grant (the "Relevant Company") by the following fraction:

$$\frac{X - Y}{X}$$

where:

- X is the market price of one Ordinary Share of the Relevant Company determined on the dealing day immediately preceding the date such Ordinary Shares are first traded ex-rights; and
- Y is the average fair market value of the portion of the rights attributable to one Ordinary Share of the Relevant Company over the five dealing days immediately preceding the date on which such Ordinary Shares are first traded ex-rights as determined by a merchant bank of international repute, appointed by agreement between the Board of CRA and the Board of RTZ acting as expert and whose determination shall be final and binding on CRA and RTZ and all affected thereby.

Such adjustment shall become effective from the time at which the Ordinary Shares of the Relevant Company are first traded ex-rights.

(iii) Alternative adjustment

If the board of CRA and the board of RTZ agree that an adjustment in accordance with paragraphs (i) or (ii) would be inequitable as between holders of CRA Ordinary Shares and RTZ Ordinary Shares, then they may calculate the adjustment on some other basis which they agree to be appropriate. In these circumstances, the calculation shall be referred to the auditors of the two companies for them jointly to certify that the adjustment so calculated means that the relevant offer does not materially disadvantage a holder of an Ordinary Share of one company as against a holder of an Ordinary Share in the other. The auditors of the two companies shall act as experts and not as arbitrators in making such certification and their certificate shall be final and binding on CRA and RTZ and all others affected thereby.

(iv) Subdivision and consolidation of shares

If there shall be an alteration to the nominal value of the Ordinary Shares of either RTZ or CRA as a result of a consolidation or subdivision, the Equalisation Ratio shall be adjusted by multiplying the element of

the Equalisation Ratio relating to the Ordinary Shares of the company, the nominal value of the Ordinary Shares of which has altered, by the following fraction (or number):

$$\frac{X}{Y}$$

where:

X is the nominal amount of one Ordinary Share of such company immediately after such alteration; and

Y is the nominal amount of one Ordinary Share of such company immediately before such alteration.

Such adjustment shall become effective immediately after the alteration takes effect.

(v) Bonus issue

If either RTZ or CRA issues any Ordinary Shares credited as fully paid to ordinary shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than by way of a scrip dividend, the Equalisation Ratio shall be adjusted by multiplying the element of the Equalisation Ratio relating to the Ordinary Shares of the issuing company by the following fraction:

$$\frac{X}{Y}$$

where:

X is the aggregate nominal amount of the issued Ordinary Shares of the issuing company immediately before the issue; and

Y is the aggregate nominal amount of the issued Ordinary Shares of the issuing company immediately after such issue.

Such adjustment shall become effective from the time of the issue of such Ordinary Shares.

For the purposes of the adjustments to the Equalisation Ratio described in paragraphs (i) to (v) above, market price means, in respect of an Ordinary Share in CRA or RTZ at a particular date, the average value of one such Ordinary Share (being an Ordinary Share carrying a full entitlement to dividend) for or by reference to the period of five consecutive dealing days ending on such date determined on such basis as the boards of directors of RTZ and CRA agree to be appropriate. For the purpose of the definition of "Y" in paragraph (ii) above, the fair market value of the portion of the rights attributable to one Ordinary Share shall be calculated on a basis consistent with the calculation of the market price in the definition of "X" in the same paragraph.

The auditors for the time being of RTZ and CRA shall jointly certify the arithmetical adjustment to be made to the Equalisation Ratio in the circumstances set out above and in any other circumstances where an adjustment is made to the Equalisation Ratio and any adjustments so certified shall, in the absence of manifest error, be final and binding on the parties and on all others affected thereby.

(e) Equalisation of assets on termination of the Sharing Agreement

- (i) On termination of the Sharing Agreement (otherwise than on the final winding up of CRA or RTZ), CRA and RTZ will each instruct a merchant bank of international repute to certify (using the same principles of valuation) the value of its net assets as at the date of termination and to approve the certified value of the net assets of the other party. Certification of the value of the net assets of the companies must be completed within six weeks after instruction. If the merchant banks are unable to agree the value of the net assets of one or both parties within four weeks of certification, the matter will be referred to a third merchant bank of international repute agreed between the parties (or in default of agreement, appointed by the President of the Law Society of England and Wales). The third merchant bank will be required to make its determination within four weeks of being appointed (unless the parties agree a longer period), which will be binding on CRA and RTZ and on all others affected thereby.

- (ii) If the ratio of the value of the net assets per Ordinary Share held by a CRA Public Shareholder to the net assets per RTZ Ordinary Share held by an RTZ Public Shareholder as so certified or determined does not equal the Equalisation Ratio, a payment will be made by one company to the other company of an amount that will result in that ratio being equal to the Equalisation Ratio (after providing for any tax on the receipt or in respect of the making of such payment and after taking into account any offsetting tax credits or losses).

6. Proposed Memorandum and Articles of Association of RTZ and of CRA

(a) Summary of the proposed amendment to RTZ's Memorandum of Association

As part of the implementation of the DLC merger, RTZ will, subject to the passing of a special resolution to be proposed at the RTZ Extraordinary General Meeting, amend the objects for which RTZ is established. The principal objects of RTZ will be to enter into, operate and carry into effect the Sharing Agreement, the RTZ Deed Poll Guarantee and any further agreements or arrangements with or in connection with CRA which are in the opinion of the RTZ Directors necessary or desirable in connection with the DLC merger and to carry on business as an investment holding company.

(b) Summary of RTZ's proposed Articles of Association

As part of the implementation of the DLC merger, RTZ will by virtue of the passing of the special resolution referred to in (a) above, adopt new Articles of Association (the "Articles"). The new Articles are available for inspection as set out in paragraph 6 of Part VI below. The new Articles will contain (amongst others) provisions to the following effect:

(i) Provisions relating to RTZ Shares

a) Share rights

Subject to the Companies Act 1985 as amended (the "Companies Act") and every other statute for the time being in force concerning companies and affecting RTZ (the "Statutes") and other shareholders' rights (and in particular the fact that a separate approval as a Class Rights Action may be required as referred to in paragraph 4(c)(ii)c) and d) above), shares may be issued with such rights and restrictions as RTZ may by ordinary resolution determine or, if at any time no resolution is required by law, as the RTZ Directors may determine. Subject to the Statutes, redeemable shares may be issued. Subject to the Articles, the provisions of the Sharing Agreement and the Statutes, unissued shares are at the disposal of the RTZ Directors.

b) Voting rights

Every holder of RTZ Ordinary Shares present in person at a general meeting has, upon a show of hands, one vote and every such member present in person or by proxy has, upon a poll, one vote for every share held by him. Unless the RTZ Directors otherwise decide, voting rights may not be exercised by a member who has not paid to RTZ all calls and other sums then payable by him in respect of shares in RTZ, and voting rights will be subject to restrictions where a member has failed to provide RTZ with information concerning interests in those shares required to be provided under the Companies Act.

A holder of RTZ Voting Preference Shares (which, other than in the circumstances referred to in the following paragraph, will mean a holder of RTZ 'B' Shares) who is present in person has one vote on a show of hands and on a poll, whether present in person or by proxy, four votes for every RTZ Voting Preference Share held.

The RTZ 'A' Shares do not entitle the holders to vote on any resolution (other than on a winding up of RTZ, a reduction of share capital or a variation in the rights of the RTZ 'A' Shares) unless at the date of the notice convening the meeting the dividend payable on such shares is six months in arrear.

The RTZ Directors will have the power to disenfranchise holders of RTZ Ordinary Shares and RTZ Voting Preference Shares in the circumstances referred to in paragraph 4(k) above.

The holder of the RTZ Special Voting Share is entitled to vote on resolutions requiring Joint Decisions, on a resolution to amend certain of the provisions of RTZ's Memorandum and Articles of Association and on certain procedural matters, as referred to in paragraph 4(d)(iv) above.

The holder of the RTZ Equalisation Share is not entitled to vote on any resolution at a general meeting of RTZ.

c) Dividends

The RTZ Directors may declare dividends according to the financial position of RTZ. No approval from shareholders is required under the Articles.

The holders of RTZ 'A' Shares and RTZ 'B' Shares are entitled, rateably and in priority to any payment of dividend on any other class of RTZ share, to a fixed cumulative preferential net dividend of 3.325 per cent. per annum and 3.5 per cent. per annum respectively.

The RTZ Special Voting Share shall entitle its holder to a fixed preferential dividend of one penny per annum.

Subject to the special rights for the time being attached to the RTZ 'A' Shares and RTZ 'B' Shares but in priority to the payment of dividends on the RTZ Ordinary Shares, the RTZ Equalisation Share shall carry the right to such dividends as are provided for in the Sharing Agreement which are referred to in paragraph 5 above.

Subject to the special rights attaching to other classes of share, the profits available for distribution shall, subject to the Statutes, be distributed by way of dividend amongst holders of RTZ Ordinary Shares and the RTZ Equalisation Share.

The RTZ Directors may until the annual general meeting in the year 2000 and thereafter, if authorised by an ordinary resolution of RTZ and subject to a separate approval of a Class Rights Action (if applicable), offer holders of RTZ Ordinary Shares (other than holders of Share Warrants) in respect of any dividend the right to elect to receive RTZ Ordinary Shares by way of scrip dividend instead of cash.

The RTZ Directors may withhold payment of all or part of any dividends or other monies payable in respect of RTZ Shares from a person holding 0.25 per cent. or more of any class of RTZ Shares if such a person has been served with a direction notice in relation to a failure to provide RTZ with information concerning interests in those shares required to be provided under the Companies Act (a "Direction Notice").

RTZ may stop sending cheques, warrants or orders by post for any dividend on any shares if cheques for at least two consecutive dividend payments have remained uncashed or been returned undelivered.

Any dividend unclaimed for a period of 12 years after having been declared or become payable shall be forfeited and will thereupon revert to RTZ.

The RTZ Directors will have power to withhold dividends as described in paragraph 4(k).

d) Other distributions

In relation to a liquidation of RTZ, the Articles contain certain provisions relating to the manner and order in which assets are to be distributed to RTZ Shareholders. These provisions are designed to operate in conjunction with the provisions on liquidation set out in the Sharing Agreement (see paragraph 5(c) above).

In relation to a return of assets on liquidation, the Articles provide that the assets of RTZ available for distribution shall be applied in the following order:

- (1) repaying to holders of RTZ 'A' Shares and RTZ 'B' Shares amounts paid up on such shares together with the premium (if any) and any arrears of the fixed dividend. The premium is determined separately in relation to each of the RTZ 'A' Shares and the RTZ 'B' Shares:

- (A) if within six months of the relevant date, the relevant class of shares has not been listed on a recognised stock exchange in Great Britain, then the premium shall be five pence per relevant share;
- (B) if within six months of the relevant date, the relevant class of shares has been so listed, the premium shall be the sum per share equal to the greater of:
 - five pence per share; or
 - the excess (if any) over par of the average of the respective means of the daily quotations during the six month period (or such period as the shares have been listed if listing has been obtained within that period) after deducting from the mean on each day a sum equal to arrears of dividend on that share less an amount equivalent to income tax at the standard rate on such sum;
- (2) repaying amounts payable on a return of capital to other preference shareholders from time to time;
- (3) repaying to the holder of the RTZ Special Voting Share the nominal amount paid up on such share;
- (4) repaying to the holder of the RTZ Equalisation Share (if issued) the nominal amount paid up on such share and any amounts which have been provided for in a separate reserve of the books of RTZ in favour of CRA or in favour of the holder of the RTZ Equalisation Share (if issued) as compensatory payments for previous dividends or distributions which for any reason were lower than the amount otherwise payable in accordance with the Equalisation Ratio (e.g. due to some statutory limitation); and
- (5) paying to holders of Ordinary Shares any amounts provided for in a separate reserve for them as compensatory payments similar to those described above.

The amount of surplus assets of RTZ shall be determined by the liquidator. After a similar process is carried out by the liquidator of CRA (or, if CRA is not being wound up, the relevant amounts are determined by the auditor of CRA), if necessary, a distribution will be made on the RTZ Equalisation Share in priority to further distributions to holders of RTZ Ordinary Shares such that the ratio of the surplus (if any) attributable to each CRA Ordinary Share held by a Public Holder to the surplus (if any) attributable to each RTZ Ordinary Share held by a Public Holder would equal the Equalisation Ratio.

e) Variation of rights

Subject to the provisions of the Statutes, the special rights attached to any class of RTZ Shares may be varied or abrogated, whilst RTZ is a going concern or during or in contemplation of a winding-up, either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise). Special provisions apply in relation to the RTZ Special Voting Share as referred to in paragraph 4 above.

f) Transfer of shares

Transfers of the RTZ Special Voting Share and RTZ Equalisation Share are restricted as referred to in paragraph 4 above. All transfers of shares may be effected by an instrument of transfer in any usual form or in any other form which the RTZ Directors may approve. The instrument of transfer must be signed by or on behalf of the transferor and (except in the case of fully-paid shares) by, or on behalf of, the transferee. The transferor remains the holder of the shares concerned until the transferee's name is entered in the register. The RTZ Directors may, in their absolute discretion and without giving any reason, decline to register any transfer of any share which is not a fully-paid share provided that, where any such shares are admitted to the Official List of the London Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings of the shares in that class from taking place on an open and proper basis. The RTZ Directors may also decline to register a transfer unless the instrument of transfer:

- is lodged with RTZ accompanied by the relevant share certificate (if it was issued in respect of such share) and such other evidence of the right to transfer as the RTZ Directors may reasonably require;
- is in respect of only one class of share; and
- is in favour of not more than four joint transferees.

The RTZ Directors may also decline to register a transfer of RTZ Shares by a person who has been served with a Direction Notice unless the transfer is shown to the RTZ Directors to be pursuant to an arms length sale (as referred to in the Articles).

(ii) Meetings

Subject to the restrictions contained in the Articles, a member of RTZ is entitled to attend any general meeting (or a separate class meeting, if he is a holder of shares of that class) in person, by proxy or, in the case of a corporate member, by a duly authorised corporate representative.

The RTZ 'A' Shares do not entitle their holders to attend general meetings of RTZ unless the business of the meeting includes the consideration of a resolution on which they are entitled to vote.

The RTZ Equalisation Share does not entitle its holder to attend general meetings of RTZ.

The RTZ Directors may make arrangements for simultaneous attendance at and participation in (including by way of a video link) the meeting or adjourned meeting at the place specified in the notice of meeting or any other place by persons entitled to attend the meeting. Persons present at one location have to be able to see and hear, and be seen and heard by, persons attending at the other place or places at which the meeting is convened.

The chairman of the meeting has the power to take such action as he thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice and the chairman's decision, made in good faith, on matters of procedure shall be final, as shall be his determination, acting in good faith, as to whether any matter is procedural or not.

The chairman of the meeting may at any time without the consent of the meeting adjourn any general meeting where it appears to him that the members wishing to attend cannot be conveniently accommodated in the appointed place for the meeting, that the conduct of persons present prevents or is likely to prevent the orderly continuation of business, that an adjournment is desirable in view of the timing of a general meeting or adjourned general meeting of CRA or that an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

In the case of a resolution proposed as a special or extraordinary resolution, no amendment thereto (other than a clerical amendment) may in any event be considered or voted upon. In the case of a resolution duly proposed as an ordinary resolution, no amendment thereto (other than a clerical amendment or an amendment to conform such resolution to one duly proposed at the nearly contemporaneous general meeting of CRA) may be considered or voted upon unless notice of such proposed amendment is given at least 48 hours prior to the time appointed for the relevant meeting or adjourned meeting or (in the absence of any such notice) the chairman of the meeting rules, in his absolute discretion, that the amendment shall be considered.

(iii) Directors

a) Appointment of directors

RTZ Directors may be elected by members by ordinary resolution (pursuant to a Joint Decision as referred to in paragraph 4(d)(i) above) or appointed by the board of directors of RTZ. No appointment will take effect until such Director has been appointed a Director of CRA. A RTZ Director appointed by the board of directors of RTZ holds office only until the next following annual general meeting and is then eligible for election, but is not taken into account in determining the RTZ Directors who are to retire by rotation at that meeting. The CRA Directors appointed as RTZ Directors on implementation of the DLC merger will not be subject to this requirement (and will be treated for the purposes of retirement by rotation as described in paragraph 6(b)(iii)c) below).

b) Retirement by rotation

At each annual general meeting, one third of the RTZ Directors who are subject to retirement by rotation (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office and be eligible for re-election. The RTZ Directors to retire shall include any director who wishes to retire and not offer himself for re-election. Any further RTZ Directors to retire shall be those who have been longest in office or, in the case of those who were appointed or re-appointed on the same day, will (unless they otherwise agree) be determined by the alphabetical order of their names. The CRA Directors to be appointed to the board of directors of RTZ on completion of implementation of the DLC merger will be treated for the purposes of this Article as though they had been appointed as Directors of RTZ (or last retired by rotation) on their appointment or last retirement by rotation as CRA Directors. This may affect the order in which existing RTZ Directors become due to retire by rotation.

c) Remuneration of directors

The remuneration of the RTZ Directors shall be determined by the board of directors of RTZ, except that the aggregate of their total remuneration and the total of any remuneration they receive as CRA Directors shall not exceed £500,000 per annum in aggregate or such higher amount as may from time to time be determined by ordinary resolution of RTZ. A notional exchange rate of A\$2.10 to £1 for calculating how amounts paid in Australian dollars will count towards this limit will be included in the new Articles. Any RTZ Director who is appointed to any executive office (including for this purpose the office of Chairman or Deputy Chairman) or who serves on any committee or who otherwise performs services which, in the opinion of the RTZ Directors, are outside the scope of the ordinary duties of a director may be paid extra remuneration by way of salary, commission or otherwise or may receive other benefits as the RTZ Directors may determine. The limit referred to above also excludes any retirement benefits paid by CRA as referred to in paragraph 6(d)(iii)d) below. Each RTZ Director shall be paid his reasonable expenses incurred in connection with the business of RTZ.

d) Pensions and gratuities for directors

The RTZ Directors may pay gratuities, pensions or other benefits to (or to any person in respect of) any RTZ Director or former Director.

e) Permitted interests of directors

Subject to the provisions of the Statutes, and provided he has disclosed the nature and extent of his interest to the board of directors, a RTZ Director may notwithstanding his office:

- contract with RTZ in any manner;
- be a director or other officer of, or otherwise interested in, any company promoted by RTZ or in which RTZ is otherwise interested;
- act in a professional capacity for RTZ (other than as auditor) and be remunerated.

If a RTZ Director complies with the above, no contract in which the director is interested is liable to be avoided, nor is the relevant Director liable to account to RTZ (unless he otherwise agrees)

for any benefit realised under the contract, transaction or arrangement or from such office or employment.

f) Restrictions on voting by a director

Except as mentioned below, no RTZ Director may vote on, or be counted in a quorum in relation to, any board resolution in respect of any contract in which he is materially interested other than by virtue of interests in shares or debentures or other securities of RTZ. These prohibitions do not apply to a RTZ Director:

- in relation to the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him for the benefit of RTZ or any of its subsidiaries;
- in relation to the giving of any guarantee, indemnity or security in respect of a debt or obligation of RTZ or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- where RTZ or any of its subsidiary undertakings is offering securities in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which offer he is to participate;
- in relation to any proposal concerning any other company in which he is interested directly or indirectly in less than one per cent. of the equity share capital or voting rights;
- in relation to any proposal for the benefit of employees of RTZ or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees; and
- in relation to any proposal for the purchase or maintenance of insurance for any director or directors.

g) Indemnity of officers

Subject to the Statutes, RTZ will indemnify any RTZ Director or other officer out of its own funds against any liability incurred in connection with his duties, powers or office. RTZ may purchase and maintain for any RTZ Director, officer or employee insurance against any liability incurred in connection with his duties, powers or office.

(iv) Borrowing powers

The RTZ Directors may exercise all the powers of RTZ to borrow money, and to mortgage or to charge any of its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of RTZ or of any third party. The RTZ Directors must however restrict the borrowings of RTZ and exercise all voting and other rights or powers of control exercisable by RTZ in relation to its subsidiaries so as to secure that the aggregate amount from time to time remaining undischarged of all monies borrowed by RTZ and/or CRA and their respective subsidiaries (exclusive of borrowings by RTZ or CRA or any such subsidiary from any company in the RTZ Group or the CRA Group and of certain non-recourse and limited recourse debt) shall not, without the previous sanction of an ordinary resolution of RTZ, exceed an amount equal to one and a half times the unified group share capital and reserves. The unified group share capital and reserves is defined in the Articles to be the amount standing to the credit of the unified share capital account of RTZ and CRA (adjusted to the extent not excluded in the unified balance sheet referred to below to exclude any share capital of RTZ owned by a member of the CRA Group or any share capital of CRA owned by a member of the RTZ Group) plus the aggregate amount standing to the credit of the unified reserves (including any share premium account or capital redemption reserve and the unified profit and loss account of RTZ and its subsidiary undertakings and CRA and its controlled entities (as defined in the Corporations Law)), all as shown in the latest published audited unified balance sheet of RTZ and its subsidiary undertakings and CRA and its controlled entities or, if no such balance sheet has been published, a sum equal to the aggregate of the amounts standing to the credit of the share capital accounts of RTZ and of (so far as not attributable to shares in CRA owned by a member of the RTZ Group) CRA plus the aggregate amounts standing to the credit of the consolidated reserves (including any share premium account or capital

redemption reserve and the consolidated profit and loss accounts) of RTZ and its subsidiary undertakings and of CRA and its controlled entities, all as shown in the latest published consolidated balance sheets of RTZ and its subsidiary undertakings and CRA and its controlled entities but (i) in the case of the amounts standing to the credit of the consolidated reserves of RTZ and its subsidiary undertakings, deducting such part of such amounts as is attributable to the interest of any member of the RTZ Group in CRA; (ii) in the case of the amounts standing to the credit of the consolidated reserves of CRA and its controlled entities, adjusted as may be necessary to convert such amounts to the amounts which would be produced on the basis of UK GAAP.

The Articles further provide that the unified group share capital and reserves:

- a) shall be adjusted to take account of any increase in or reduction of the issued and paid-up share capital of RTZ or CRA since the date to which the unified balance sheet has been made up and any distributions (other than normal preference dividends and interim dividends paid in each case out of profits earned since such date) in cash or in specie made from such reserves or profit and loss account since such date;
- b) shall be exclusive of sums set aside for taxation and share capital or reserves derived from any writing-up by way of revaluation after the date of the adoption of the Articles of RTZ or any of its subsidiary undertakings or CRA or any of its controlled entities (or, in the case of a company becoming a subsidiary undertaking of RTZ or a controlled entity of CRA after that date, the date on which such company became a subsidiary undertaking or controlled entity) of the book values of any fixed assets;
- c) shall be determined after deducting any amount for goodwill or other intangible asset shown as an asset in such balance sheet;
- d) shall not include any amounts attributable to minority interests in subsidiary undertakings of RTZ or controlled entities of CRA; and
- e) shall be decided after making such adjustments as the auditors may consider appropriate.

(v) Alteration of share capital

Subject to the provisions of the Sharing Agreement, RTZ may by ordinary resolution increase, consolidate or sub-divide its share capital and may by special resolution reduce its share capital or any capital redemption reserve or share premium account.

(vi) Purchase of own shares

Subject to the Statutes, the provisions of the Sharing Agreement and the rights of the holders of any class of RTZ Shares, RTZ may also purchase its own shares.

(vii) Untraced shareholders

RTZ may sell the shares of a member or other person entitled if:

- a) during a period of 12 years at least three dividends in respect of the shares have become payable and no dividend in respect of those shares has been claimed;
- b) RTZ, on expiry of the said period, gives notice in both a national newspaper in the United Kingdom and in a newspaper circulating in the area of the last known address of the relevant person of its intention to sell such shares;
- c) during the period of three months following publication of such advertisements, RTZ has received no communication from or on behalf of such member or person; and
- d) RTZ has also given notice to the London Stock Exchange of its intention to make such sale.

The net proceeds of sale shall belong to RTZ which shall be obliged to account to the former member or other person previously entitled for an amount equal to the net proceeds of sale.

(viii) Members resident abroad

Members with registered addresses outside the United Kingdom and Australia are not entitled to receive notices or documents from RTZ unless they have given RTZ an address within the United Kingdom or Australia at which such notices or documents may be served.

(ix) Other

Certain provisions of the Articles of Association of RTZ are also referred to in the description of the DLC merger in paragraphs 4 and 5 above. Paragraphs 4(b), (c) and (d) contain details of voting under the DLC structure, paragraph 4(k) refers to the situation of a change of control of RTZ or CRA, paragraph 5(b) contains a description of payments of dividends and paragraph 5(c) contains a description of capital rights (including on a liquidation).

(c) Summary of the proposed amendments to CRA's Memorandum of Association

(i) Objects of the company

As part of the implementation of the DLC merger, CRA will, subject to the passing of a special resolution to be proposed at the CRA General Meeting, include an additional object for which CRA is established. It will be an object of CRA to enter into, operate and carry into effect the Sharing Agreement, the CRA Deed Poll Guarantee and any further agreements or arrangements with or in connection with RTZ which are in the opinion of the CRA Directors necessary or desirable in connection with the DLC merger.

(ii) Entrenchment

In addition, CRA will take advantage of a provision of the Corporations Law which enables provisions in its Articles of Association to be entrenched. The new set of Articles of Association (the "Articles") includes certain provisions which are significant to the DLC structure. These Articles, together with those clauses of the Memorandum of significance to the DLC structure ("CRA Entrenched Provisions") are to be entrenched by providing in Clause 5 of the Memorandum that they cannot be altered except by consent of the holder of the CRA Special Voting Share. RTZ Shareholder SVC, as holder of that share, will be bound by the RTZ Shareholder Voting Agreement to withhold its consent to the alteration unless it has been approved by special resolution of the Public Holders of the RTZ Voting Shares, as referred to in paragraph 4(d)(ii)b) above. The entrenching clause in the Memorandum will itself be entrenched in the same way.

(d) Summary of CRA's proposed Articles of Association

As part of the implementation of the DLC merger, CRA will, by virtue of the passing of a special resolution to be proposed at the CRA General Meeting, adopt new Articles. The new Articles are available for inspection as set out in paragraph 6 of Part VI below. The new Articles will contain (amongst others) provisions to the following effect:

(i) Provisions relating to CRA Shares

a) Share issues

Subject to the special rights of existing shareholders (and in particular the requirements for Class Rights Actions as referred to in paragraph 4(c)(ii) above), shares may be issued with such rights and restrictions as the Board may determine. Preference shares, including redeemable preference shares, may be issued. Subject to the Articles and the provisions of the Sharing Agreement, unissued shares are at the disposal of the CRA Directors.

b) Voting rights

Every holder of CRA Ordinary Shares present in person at a general meeting has upon a show of hands one vote. Every such holder present in person or by proxy has upon a poll one vote for

every share held. On a poll, voting rights may not be exercised by a member who has not paid to CRA all calls and other sums then payable by that member in respect of shares in CRA. Amongst others, the holder of the Special Voting Share is entitled to demand a poll. As mentioned above, Joint Decisions must be made on a poll.

The CRA Directors will have the power to disenfranchise holders of CRA Ordinary Shares in the circumstances described in paragraph 4(k) above.

As referred to in paragraph 4(d)(i) above, the holder of the CRA Special Voting Share is entitled to vote on resolutions requiring Joint Decisions, on certain procedural matters at meetings on which Joint Decisions are being voted and on any resolution to amend certain of the provisions of CRA's Memorandum and Articles of Association but only for the purpose of ensuring that no alteration can occur until such amendment is approved by a special resolution of RTZ Public Shareholders.

The holder of the CRA Equalisation Share is not entitled to vote on any resolution.

c) Dividends

The CRA Board may from time to time declare dividends. No approval from shareholders is required under the Articles. Dividends are not payable otherwise than out of profits or by the application of the share premium account.

The CRA Special Voting Share will not entitle its holder to any dividend.

Dividends declared in respect of the CRA Ordinary Shares are payable pro rata on all CRA Ordinary Shares, including those held by Tinto Holdings Australia.

Subject to the rights of any preference shares but in priority to the payment of dividends on other CRA shares, the CRA Equalisation Share will carry the right to any dividends which are paid under the provisions of the Sharing Agreement, as referred to in paragraph 5(b) above.

The CRA Directors will have the power to withhold dividends from holders of CRA Ordinary Shares in the circumstances described in paragraph 4(k) above.

The CRA Board may, subject to a Class Rights Action (if applicable) as referred to in paragraph 4(c)(ii) above, establish and maintain dividend reinvestment plans so as to offer holders of CRA Ordinary Shares in respect of any dividend the right to elect to receive CRA Ordinary Shares by way of scrip dividend instead of cash. The Directors may also establish a Plan pursuant to which fully paid CRA Ordinary Shares may be issued out of share premium reserve as an alternative to a cash dividend. There is no plan of either kind presently in operation.

d) Other distributions

On a liquidation of CRA, the Articles and the Sharing Agreement contain certain provisions relating to the manner and order in which assets are to be distributed to CRA Shareholders, and in certain circumstances, to RTZ Shareholders.

On a return of assets on liquidation, the Articles and the Sharing Agreement provide that the assets of CRA available for distribution shall be applied in the following order:

- (1) repaying to holders of any preference shares the amount payable on a return of capital of such shares;
- (2) repaying to the holder of the CRA Equalisation Share (if any) the nominal amount paid up on such share and any amounts which have been provided for in a separate reserve of the books of CRA in favour of RTZ, or in favour of the holder of the CRA Equalisation Share (if issued), as compensatory payments for previous dividends or distributions which for any reason were lower than the amount otherwise payable in accordance with the Equalisation Ratio (e.g. due to some statutory limitation);
- (3) paying to holders of CRA Ordinary Shares any amounts provided for in a separate reserve for them as compensatory payments similar to those described in (2) above; and then

- (4) repaying to the holder of the CRA Special Voting Share the nominal amount paid up on such share;

The amount of surplus assets of CRA will be determined by the liquidator. After a similar process is carried out by the liquidator of RTZ (or, if RTZ is not being wound up, the relevant amounts are determined by the auditor of RTZ), if necessary, a distribution will be made on the CRA Equalisation Share in priority to further distributions to holders of CRA Ordinary Shares such that the ratio of the surplus (if any) attributable to each CRA Ordinary Share held by a Public Holder to the surplus (if any) attributable to each RTZ Ordinary Share held by a Public Holder would equal the Equalisation Ratio.

e) Variation of rights

The rights attached to any class of CRA shares may be varied or abrogated either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of a special resolution passed at a separate special meeting of the holders of the shares of the class (but not otherwise). Special provisions apply in relation to the CRA Special Voting Share as referred to in paragraph 4(e)(i) above.

f) Transfer of shares

Subject to any restrictions in the Articles (particularly restrictions relating to the CRA Special Voting Share and the CRA Equalisation Share), all transfers of shares must be effected by a proper instrument of transfer in any usual form or in any other form which the CRA Directors may prescribe. If required by the Corporations Law, the ASX Listing Rules or the CRA Directors, the instrument of transfer must be signed by or on behalf of the transferor and by or on behalf of the transferee. CRA Ordinary Shares are traded under the computerised transfer system known as CHESS. Subject to the Corporations Law, the ASX Listing Rules and the Business Rules for CHESS, the CRA Board may refuse to register any transfer of any share on which CRA has a lien or where the transfer would breach any applicable law or Listing Rule.

(ii) Meetings

A member of CRA is entitled to attend any general meeting (or separate class meeting if a holder of shares of that class) in person, by proxy or, in the case of a corporate member, by a duly authorised corporate representative.

The CRA Equalisation Share does not entitle its holder to attend general meetings of CRA.

The chairman of any general meeting is responsible for its general conduct and the procedures to be adopted at the meeting. Except as otherwise required by the Corporations Law or the Articles, the chairman may demand the cessation of debate or discussion on any business, question, notice or resolution being considered by the meeting and require that a vote be taken on such matters if the chairman considers it necessary or desirable for the proper and orderly conduct of the meeting. Likewise, if in the chairman's opinion it is necessary or desirable for the proper and orderly casting or recording of votes at any general meeting, the chairman may require the adoption of any procedures. In addition, the chairman may adjourn any business, motion, question, resolution or debate at the meeting to a later time at the same meeting or to an adjourned meeting.

The quorum for a general meeting is two members present. If within 5 minutes from the time appointed for a general meeting (or such longer time as the chairman allows) a quorum is not present (or ceases to be present at the meeting) then the meeting will be adjourned to a date specified by the chairman, except if the meeting was convened by requisition of members then it will be dissolved.

Notice of a general meeting may be given by the CRA Board in the form and manner as the CRA Board thinks fit, provided that if any election of Directors is to be held at least 60 days' notice of the meeting must be given by advertisement circulating generally throughout Australia and by written notice

to the Australian Stock Exchange (Melbourne office). The non-receipt of a notice of any general meeting by any person entitled to receive a notice does not invalidate any resolution passed at the meeting.

Any member may appoint up to two proxies to vote at a general meeting on that member's behalf, and may direct the proxy or proxies to vote either for or against or to abstain from voting on any resolution. Except in relation to the holder of the CRA Special Voting Share, the instrument appointing a proxy must be deposited with CRA not later than 48 hours (or such lesser period stipulated by the board in the notice of meeting) before the poll at which the person named in the instrument proposes to vote. The CRA Directors may stipulate that the latest time by which a proxy may be validly deposited differs in relation to holders of the same class of shares.

Any member may appoint an attorney by duly executed power of attorney to act on that member's behalf at all or certain specified CRA meetings. Proof of the power of attorney is required to the satisfaction of the CRA board before the attorney is entitled to act.

In the case of a resolution proposed as a special resolution no amendment thereto is permissible (other than a clerical amendment). In the case of a resolution duly proposed as an ordinary resolution, no amendment thereto (other than a clerical amendment or one to conform such resolution to a resolution proposed at the parallel general meeting of RTZ) may be considered or voted upon unless notice of such proposed amendment is given at least 48 hours prior to the time appointed for the relevant meeting or adjourned meeting or (in the absence of any such notice) the chairman of the meeting rules in the chairman's absolute discretion that the amendment is fit for consideration at the meeting.

(iii) Directors

a) Appointment and nomination of directors

Pursuant to the terms of the Articles and Sharing Agreement, CRA Directors may be appointed by ordinary resolution (pursuant to a Joint Decision as referred to in paragraph 4(d)(i) above). A person may also be appointed by the CRA board to fill a casual vacancy or as an additional Director. A CRA Director appointed by the CRA board holds office only until the next following annual general meeting and is not taken into account in determining the CRA Directors who are to retire by rotation at that meeting.

In order for a person to be eligible for election as a CRA Director, written notices must be lodged at the CRA registered office between 7 and 42 days prior to the meeting, one signed by a member (other than the person proposed) qualified to vote and the other by the person proposed confirming that person's willingness to be elected as a CRA Director and as a RTZ Director. The CRA Directors must nominate for election as a CRA Director any person duly nominated for election at the parallel general meeting of RTZ.

b) Retirement by rotation

At each annual general meeting, one third of the CRA Directors (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office and be eligible for re-election. The CRA Directors to retire shall include any director who wishes to retire and not to stand for re-election. Any further CRA Directors to retire shall be those who have been longest in office or, in the case of those who were appointed or re-appointed on the same day, will (unless they otherwise agree) be determined by the alphabetical order of their names. The Articles will also provide that the present RTZ Directors, who are to be appointed to the CRA board when the Sharing Agreement is completed, will not all be required to retire by rotation at the 1996 annual general meeting of CRA. One third of the entire board, including the new directors, will retire at each of the next three annual general meetings. RTZ Directors appointed to the CRA board on completion of the Sharing Agreement will be treated as though appointed when appointed or last re-appointed to the RTZ board. This may affect the order in which existing CRA Directors become due to retire by rotation.

c) Remuneration of directors

The CRA board is to be substantially increased by including all present directors of RTZ. The Articles of CRA will include an overall limit on the fees payable to non-executive directors when

aggregated with all fees received from any subsidiary or from RTZ and any of its subsidiaries (including any fees payable to the Chairman or Deputy Chairman of CRA and any fees payable for serving on any committee). The proposed initial annual limit is A\$2,000,000 (which is higher than the present limit approved by CRA shareholders), and for this purpose any fee payable in sterling is converted at the notional exchange rate £1=A\$2.10. Within that limit, the remuneration of the directors payable by CRA shall be determined by the CRA board. The overall limit may only be increased by ordinary resolution of shareholders. Any CRA Director who is appointed to any executive office or who performs services which, in the opinion of the CRA Directors, are outside the scope of the ordinary duties of a director may be paid such extra remuneration as the directors may determine. Each CRA Director shall be paid any reasonable expenses incurred in connection with the business of CRA.

d) Retirement benefits for directors

Subject to the Corporations Law the CRA Directors may pay retirement benefits to any CRA Director as determined by the CRA board.

e) Permitted interests of directors

Subject to the Corporations Law, a CRA Director is not disqualified from contracting with CRA in any manner or from being a director or other officer of, or otherwise interested in, any company promoted by CRA or in which CRA is otherwise interested. No contract in which the CRA Director is interested is liable to be avoided solely for that reason, nor is the relevant director liable to account to CRA (unless that director otherwise agrees) for any benefit realised by the contract or from such office or employment.

f) Restrictions on directors voting

Except where constrained by the Corporations Law, a CRA Director may vote on any board resolution. However, the Corporations Law presently requires a director to be absent from any discussion, and not vote on any resolution concerning a matter in which that director has a material personal interest unless the remaining directors resolve otherwise.

g) Indemnity of officers

CRA indemnifies each CRA Director and each other officer of CRA or a wholly-owned subsidiary to the maximum extent permitted by law, unless the Board considers that the particular circumstances do not justify the indemnity being granted. In broad terms the Corporations Law permits CRA to indemnify officers against liability to third parties provided the officer acted in good faith. The indemnity is more limited in a case where the officer is sued by the company itself. CRA maintains insurance against liability incurred by officers in the conduct of the business of the group and meets the cost of the insurance premiums.

h) Powers of the board

The management and control of the business and the affairs of CRA are vested in the CRA board. The CRA Directors are authorised by the Articles to carry into effect the provisions of the Sharing Agreement, the CRA Deed Poll Guarantee (both referred to at paragraph 4 above) and any other agreements contemplated thereunder. In particular, the CRA Directors are authorised to enter into a guarantee on behalf of CRA in relation to indebtedness of any member of the RTZ Group and to provide RTZ with any information relating to CRA.

(iv) Borrowing powers

The CRA board may exercise all the powers of CRA to borrow money, and to mortgage or to charge any of its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of CRA or of any third party. The Articles do not impose any specific borrowing limit on the CRA board. However, for such time as there

continues to be a borrowing limit for the combined RTZ/CRA entities in the RTZ Articles, the CRA board intends to act in such a way as to ensure that combined borrowings remain within that limit.

(v) Alteration of share capital

Subject to the provisions of the Sharing Agreement, CRA may in general meeting alter its share capital in any way provided for by the Corporations Law.

7. Application of Australian Stock Exchange Listing Rules

The Australian Stock Exchange (the "ASX") has agreed to modify the application of the following ASX Listing Rules to CRA on a continuing basis after implementation of the DLC merger.

(a) Issues of securities

In general terms, Listing Rule 3E(6) prevents CRA from issuing equity securities or other securities with rights of conversion to equity if the nominal value of those securities, when aggregated with the nominal value of any other securities of the same class issued during the previous 12 months, exceeds 10 per cent. of the nominal value of the same class of securities on issue at the commencement of that period of 12 months. This prohibition is subject to certain exceptions, including:

- an issue of securities made with the prior approval of CRA shareholders;
- a pro rata issue of securities to existing shareholders of CRA; and
- an issue made pursuant to a takeover offer complying with the Corporations Law, or to fund the cash consideration payable in respect of valid acceptances of a takeover offer.

For the purposes of the application of this Listing Rule to CRA after implementation of the DLC merger, the ASX has agreed:

- to treat equity securities of equivalent classes in RTZ and CRA as being securities of the same class (that is, a RTZ Ordinary Share would be treated as being in the same class as a CRA Ordinary Share); and
- to apply Listing Rule 3E(6) on the basis that it requires the approval of shareholders to an issue which exceeds the 10 per cent. combined limit (ie, the combined capital of equivalent classes in CRA and RTZ), rather than an issue which exceeds 10 per cent. of CRA's share capital alone.

The ASX has also indicated that it will be of the view that the 10 per cent. limit for the purposes of Listing Rule 3E(6) will be calculated as if any securities of CRA in which RTZ has an interest had not been issued. If RTZ disposes of its interest in any of those securities, the securities it disposes of will be treated as a new issue of securities for the purposes of calculating the 10 per cent. limit.

CRA must consult with the ASX in advance to agree the appropriate application of Listing Rule 3E(6) to any proposal for RTZ or CRA, or both, to issue securities on a pro rata basis to shareholders in either RTZ or CRA in excess of the 10 per cent. limit. Where rights issues are made in both companies which the ASX is satisfied are on matching terms, it is anticipated that no shareholder approval will be required under Listing Rule 3E(6).

(b) Transactions between the RTZ Group and the CRA Group

Following implementation of the DLC merger, it is intended that waivers of Listing Rules 3J(3) and 3J(37) will be sought in respect of any such transactions which are proposed between the RTZ Group and the CRA Group. For a discussion of these Listing Rules, see paragraph 9 below.

(c) Directors

The ASX has granted a waiver of Listing Rule 3L(1) so as to permit any person appointed by the CRA directors to fill a casual vacancy or as an addition to the board of directors (other than the RTZ directors

referred to below) to retire at the next annual general meeting, rather than at the next general meeting, of CRA as otherwise required by Listing Rule 3L(1).

The ASX has also granted a waiver of Listing Rule 3L(1) in relation to the directors of RTZ who are not already directors of CRA, who will be appointed to the CRA board of directors upon implementation of the DLC merger. The effect of the waiver is that such directors are not all required to retire at the next annual general meeting of CRA, but will retire by rotation in accordance with the amended CRA Articles of Association described in paragraph 6(d) above.

(d) Dividends

The ASX has granted a waiver of Listing Rule 3J(11) to allow dividends to be withheld in the circumstances described in paragraph 4(k) above.

8. Corporations Law – Takeovers

The ASC has granted an exemption under section 728 of the Corporations Law and has granted certain modifications under section 730 of the Corporations Law to permit the implementation of the DLC merger.

The ASC has indicated that it will grant a modification of section 615 of the Corporations Law by the inclusion of an additional provision prohibiting the acquisition of voting power in CRA if, as a result of that acquisition, any person who has less than the prescribed percentage (currently 20 per cent.) of the voting power in CRA would (or any person and an associate or associates of that person together would) immediately thereafter have the prescribed percentage or more of the voting power in CRA or if a person who has (or a person and an associate or associates of that person together have) the prescribed percentage or more of the voting power in CRA would increase their entitlement. This modification will extend to any person who acquires a voting share in RTZ. The prescribed percentage can be lowered (but not raised) by regulations in force for the time being for the purpose of section 615 of the Corporations Law.

The purpose of this modification is to ensure that a person who acquires more than the prescribed percentage of the voting power in CRA is subject to the provisions of Chapter 6 of the Corporations Law. Without the modification it would be possible for a person to acquire voting shares in RTZ (and, by virtue of the CRA Special Voting Share, more than 20 per cent. of the voting power in respect of a Joint Decision at a CRA general meeting) without having to comply with the provisions of Chapter 6 if RTZ at that time had a relevant interest in less than the prescribed percentage of the voting shares in CRA. This is because section 615 of the Corporations Law applies to the acquisition of “voting shares” rather than the acquisition of “voting power”.

While there is no direct precedent for the exercise of this power, the ASC has formed the view that it has power to grant the modification.

While RTZ and its associates continue to hold 20 per cent. or more of the voting shares in CRA, section 33 of the Corporations Law will deem a person who acquires more than 20 per cent. of the shares in RTZ to have acquired the shares held by RTZ and its associates in CRA.

9. Transactions between the RTZ Group and the CRA Group

At the time of implementation of the DLC merger, RTZ and its subsidiaries may be related parties of CRA for the purposes of Part 3.2A of the Corporations Law. That Part does not prohibit CRA from providing a financial benefit to RTZ if prior shareholder approval is obtained or one of the other exceptions applies. The approval of the DLC merger by CRA shareholders will meet this requirement in respect of the arrangements to be implemented pursuant to the DLC merger.

Six months after implementation of the DLC merger, no member of the RTZ Group will be a related party of CRA for these purposes. If CRA provides a financial benefit to any member of the RTZ Group after that time approval of CRA shareholders will not be required under Part 3.2A of the Corporations Law.

However, unless waived by the ASX, Listing Rule 3J(3) will apply to require the approval of CRA shareholders for any acquisition of assets and/or securities by a member of the CRA Group from a member of the RTZ Group, or a disposal of assets and/or securities by a member of the CRA Group to a member of the RTZ Group, where the consideration payable (or deemed by the ASX to be payable) or the value of the assets or securities concerned exceeds 5 per cent. of the shareholders' funds of CRA as shown in its last audited accounts. Any member of the RTZ Group which holds shares in CRA, and any of its associates, would not be permitted to vote on such a resolution.

Listing Rule 3J(37), unless waived, would also prohibit the purchase of a Business Asset (as defined in the Listing Rules, including a mining exploration area or similar tenement or interest, or other asset whose value cannot be readily ascertained) by CRA or any entity with which it is associated from any member of the RTZ Group for a consideration other than Restricted Securities (as defined in the ASX Listing Rules).

Following implementation of the DLC merger, it is intended that waivers of these Listing Rules will be sought in respect of any such transactions which are proposed between the RTZ Group and the CRA Group.

10. Foreign Acquisitions and Takeovers Act

The Foreign Acquisitions and Takeovers Act 1975 ("FATA") may affect the right of non-Australian residents to acquire or hold CRA Ordinary Shares or, due to RTZ's current interest in securities of CRA and the right to vote at CRA meetings conferred on RTZ Shareholder SVC following implementation of the DLC merger, RTZ Ordinary Shares or RTZ Voting Preference Shares.

A foreign person must notify the Treasurer of Australia of a proposal to acquire a "substantial shareholding" in an Australian corporation, which involves a person, together with its associates, holding 15 per cent. or more of the issued shares or voting power of the corporation. In addition, an acquisition or issue of shares (including an option to acquire shares) in a corporation that carries on an Australian business (such as CRA) which would result in a change in the foreign persons "controlling" it, is also subject to prior notification to, and review and approval by, the Treasurer, who may refuse approval if satisfied that the result would be contrary to the Australian national interest. A foreign person will "control" a corporation if it, together with associates, holds 15 per cent. or more of the issued shares or voting power, unless the Treasurer is satisfied that it is not in a position to determine the policy of the corporation. A number of foreign persons will "control" a corporation if they, together with their associates, hold 40 per cent. or more of the issued shares or voting power, unless the Treasurer is satisfied that they are not in a position to determine the policy of the corporation.

In the context of FATA, a "foreign person" is:

- a) an individual not ordinarily resident in Australia; or
- b) any corporation or trust in which there is a substantial foreign interest.

Unless the Treasurer in the particular circumstances deems otherwise, a substantial foreign interest in a corporation is one of 15 per cent. or more in the ownership or voting power by a single foreign interest either alone or together with associates, or an interest of 40 per cent. or more in aggregate in the ownership or voting power by more than one foreign interest and the associates of any of them. If a single foreign interest (either alone or together with associates) holds a beneficial interest in 15 per cent. or more of the corpus or income of a trust, or if two or more foreign interests (and any associates) together hold 40 per cent. or more, there will be a substantial foreign interest in the trust. A beneficiary under a discretionary trust is deemed, for this purpose, to hold a beneficial interest in the maximum percentage of interest or corpus that could be distributed to him.

RTZ is a UK incorporated company whose shareholders are mostly non-residents of Australia. Tinto Holdings Australia, an indirect wholly-owned subsidiary of RTZ, currently holds approximately 49 per cent. of the issued Ordinary Shares of CRA. Therefore, foreign persons hold an aggregate controlling interest in CRA for the purposes of FATA. RTZ Shareholder SVC is a company incorporated in Victoria, the shares of which are all held by Law Debenture, a UK incorporated company, on trust for the shareholders of RTZ from time to time.

Implementation of the DLC merger will mean that, when the CRA Special Voting Share is issued to RTZ Shareholder SVC, RTZ Shareholder SVC will acquire a "substantial shareholding" in CRA, and the identity of the foreign persons who collectively hold a controlling interest in CRA will change to include RTZ Shareholder SVC. In addition, the Sharing Agreement may be an agreement under which the business of CRA becomes controlled by foreign persons (i.e. RTZ Shareholder SVC and through that company, the non-Australian shareholders of RTZ) or continues to be controlled by foreign persons including an additional foreign person (RTZ Shareholder SVC).

Each of these matters has been notified to the Australian Treasurer under FATA.

After implementation of the DLC merger, a foreign person who acquires shares in RTZ will also acquire voting power in CRA based on the then current Equalisation Ratio. Any person who proposes to acquire more than 15 per cent. of the voting power in CRA will need to notify the Treasurer of Australia of this in accordance with the provisions of FATA.

11. Naturalisation agreement

In February 1987, CRA was granted naturalised status under the then applicable Foreign Investment Guidelines of the Australian Commonwealth Government. That status was granted as a result of an agreement between RTZ, CRA and the Commonwealth Government, which required the Articles of Association of CRA to include a requirement that the majority of the members of the board of directors would be Australian citizens, as well as imposing other restrictions upon the control exercised by RTZ over CRA and the management practices of CRA.

If the Australian Treasurer approves the DLC merger under FATA, those restrictions will no longer apply. The amendments to be made to CRA's Articles of Association in connection with the DLC merger include removal of the requirement for a majority of CRA's directors to be Australian citizens.

12. Definitions

The following principal definitions apply in this document, unless the context otherwise requires:

"A\$"	<i>Australian dollar</i>
"ASX"	<i>the Australian Stock Exchange</i>
"Australian GAAP"	<i>generally accepted accounting principles in Australia</i>
"Combined Group"	<i>RTZ Group and CRA Group</i>
"CRA"	<i>CRA Limited (ACN 004 458 404)</i>
"CRA Bonus Shares"	<i>new CRA Ordinary Shares to be issued pursuant to the CRA bonus issue as set out in the Implementation Agreement</i>
"CRA Circular"	<i>the document dated 27 November 1995 addressed to CRA Shareholders containing information on the proposed DLC merger</i>
"CRA Deed Poll Guarantee"	<i>the deed poll guarantee to be executed by CRA pursuant to the terms of the Implementation Agreement</i>
"CRA Directors"	<i>the directors of CRA</i>
"CRA Group"	<i>CRA and its subsidiaries and associated companies</i>
"CRA Ordinary Shares"	<i>ordinary shares of A\$2 each in CRA</i>
"CRA Public Shareholders"	<i>holders of CRA Ordinary Shares to which a member of the RTZ Group is not beneficially entitled</i>
"CRA Shareholders"	<i>holders of CRA Ordinary Shares</i>
"CRA Shareholder SVC"	<i>CRA Shareholder SVC Limited</i>
"CRA Special Voting Share"	<i>the Special Voting Share of A\$2 in CRA</i>
"CRA Shareholder Voting Agreement"	<i>the agreement to be entered into between RTZ, CRA, CRA Shareholder SVC and Law Debenture pursuant to the terms of the Implementation Agreement</i>
"Deed Poll Guarantees"	<i>the RTZ Deed Poll Guarantee and the CRA Deed Poll Guarantee</i>
"DLC"	<i>Dual Listed Companies</i>
"DLC merger"	<i>the merger of RTZ and CRA pursuant to the terms and conditions of the Implementation Agreement</i>
"DLC proposal"	<i>the proposal to implement the DLC merger</i>
"DLC structure"	<i>the structure of the Combined Group once the DLC merger has been implemented</i>
"Implementation Agreement"	<i>an agreement entered into between RTZ and CRA on 3 November 1995 setting out the terms and conditions for the implementation of the DLC merger</i>
"Law Debenture"	<i>The Law Debenture Trust Corporation p.l.c.</i>
"marketable reserves"	<i>coal reserves stated in terms of recoverable quantities of saleable material, i.e. after processing or beneficiation losses</i>
"Ordinary Share"	<i>a CRA ordinary share and/or a RTZ ordinary share as the context requires</i>
"probable reserves"	<i>reserves stated in terms of mineable tonnes/volumes and grades where the conditions are such that ore will probably be confirmed but where the in situ identified mineral deposit has not been defined with the precision necessary for the "proved" category. Probable reserves include ore that has been sampled on a pattern too widely spaced to ensure continuity but close enough to give a reasonable indication of continuity and where geoscientific data are known with a reasonable level of reliability</i>

"proved reserves"	<i>reserves stated in the terms of mineable tonnes/volumes and grades in which the identified in situ mineral deposit has been defined in three dimensions by excavating/drilling and may include additional minor extensions beyond actual openings and drill holes, where the geological factors that limit the ore body are known with sufficient confidence</i>
"Public Holders"	<i>a CRA Public Shareholder and/or a RTZ Public Shareholder</i>
"RTZ"	<i>The RTZ Corporation PLC</i>
"RTZ 'A' Shares"	<i>3.325 per cent. 'A' Cumulative Preference Shares in RTZ</i>
"RTZ 'B' Shares"	<i>3.5 per cent. 'B' Cumulative Preference Shares in RTZ</i>
"RTZ Circular"	<i>the document dated 27 November 1995 sent with this document to RTZ Shareholders containing information on the proposed DLC merger</i>
"RTZ Deed Poll Guarantee"	<i>the deed poll guarantee to be executed by RTZ pursuant to the terms of the Implementation Agreement</i>
"RTZ Directors"	<i>the directors of RTZ</i>
"RTZ Group"	<i>RTZ and its subsidiaries and associated companies</i>
"RTZ Ordinary Shares"	<i>ordinary shares of 10p each in RTZ</i>
"RTZ Public Shareholders"	<i>holders of RTZ Ordinary Shares or RTZ Voting Preference Shares to which in each case a member of the CRA Group is not beneficially entitled</i>
"RTZ Shares"	<i>RTZ 'A' Shares, RTZ 'B' Shares and RTZ Ordinary Shares</i>
"RTZ Shareholders"	<i>holders of RTZ Shares</i>
"RTZ Shareholder SVC"	<i>RTZ Shareholder SVC Pty. Limited</i>
"RTZ Shareholder SVC Trust Deed"	<i>the trust deed between RTZ, RTZ Shareholder SVC and Law Debenture in relation to the shares in RTZ Shareholder SVC to be entered into pursuant to the Implementation Agreement</i>
"RTZ Special Voting Share"	<i>the Special Voting Share of 10 pence in RTZ</i>
"RTZ Shareholder Voting Agreement"	<i>the agreement to be entered into between RTZ, R.T.Z. Australian Holdings Limited, RTZ Shareholder SVC, CRA and Law Debenture pursuant to the terms of the Implementation Agreement</i>
"RTZ Share Option Schemes"	<i>the RTZ Savings Related Share Option Schemes 1983 and 1993, the RTZ Executive Share Option Scheme 1985 and the RTZ Overseas Executive Share Option Scheme 1990.</i>
"RTZ Voting Preference Shares"	<i>in relation to any matter at any time, the RTZ 'A' Shares and/or the RTZ 'B' Shares the holders of which would, if that matter were being considered at an RTZ general meetings, be entitled to vote at such meeting</i>
"Shareholder SVC"	<i>RTZ Shareholder SVC and/or CRA Shareholder SVC</i>
"Sharing Agreement"	<i>an agreement to be entered into between RTZ and CRA on completion of the implementation of the DLC merger which regulates the relationship between RTZ and CRA following the implementation of the DLC merger</i>
"Special Voting Share"	<i>the RTZ Special Voting Share and/or the CRA Special Voting Share</i>
"Tinto Holdings Australia"	<i>Tinto Holdings Australia Pty Ltd and includes any transferee of the CRA Ordinary Shares held by that company at the date hereof which is a member of the RTZ Group</i>
"UK GAAP"	<i>generally accepted accounting principles in the United Kingdom</i>
"US\$"	<i>United States dollar</i>