**Description of a Category 4 Lease**

“Stores demised under a Category 4 Lease are materially underperforming from a financial perspective and the long term viability of these stores is questionable without immediate rental reduction. These stores tend to be in smaller, weaker retail centres that have been or will be materially affected by structural changes in the retail environment. Some stores have above market rents and/or contain onerous lease provisions that may affect the leases future performance. The Directors therefore consider an immediate rent reduction of 50% necessary, combined with insertion of break rights and monthly payments, combined with a renegotiation of certain terms of the Category 4 Lease to provide greater flexibility going forwards.”