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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-Q**

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**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2015

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period            to

Commission File Number 001-16441

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**CROWN CASTLE INTERNATIONAL  
CORP.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation or organization)

**76-0470458**  
(I.R.S. Employer  
Identification No.)

**1220 Augusta Drive, Suite 600, Houston, Texas 77057-2261**  
(Address of principal executives office) (Zip Code)

**(713) 570-3000**  
(Registrant's telephone number, including area code)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

Number of shares of common stock outstanding at August 5, 2015: 333,761,413

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#### **Cautionary Language Regarding Forward-Looking Statements**

This Quarterly Report on Form 10-Q ("Form 10-Q") contains forward-looking statements that are based on our management's expectations as of the filing date of this report with the SEC. Statements that are not historical facts are hereby identified as forward-looking statements. In addition, words such as "estimate," "anticipate," "project," "plan," "intend," "believe," "expect," "likely," "predicted," any variations of these words and similar expressions are intended to identify forward-looking statements. Such statements include plans, projections and estimates contained in "Part I—Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Part I—Item 3. Quantitative and Qualitative Disclosures About Market Risk" herein. Such forward-looking statements include (1) expectations regarding anticipated growth in the wireless communication industry, carriers' investments in their networks, new tenant additions, customer consolidation or ownership changes, or demand for our wireless infrastructure, (2) expectations regarding non-renewals of tenant leases (including the impact of Sprint decommissioning its iDEN network and the impact of the decommissioning of the former Leap Wireless, MetroPCS and Clearwire networks), (3) availability and adequacy of cash flows and liquidity for, or plans regarding, future discretionary investments including capital expenditures, (4) potential benefits of our discretionary investments, (5) anticipated growth in our future revenues, margins, Adjusted EBITDA, and operating cash flows, (6) expectations regarding our capital structure and the credit markets, our availability and cost of capital, or our ability to service our debt and comply with debt covenants and the benefits of any future refinancings, (7) expectations related to remaining qualified as a real estate investment trust ("REIT") and the advantages, benefits or impact of, or opportunities created by, our REIT status, (8) the realization and utilization of our net operating loss carryforwards ("NOLs"), (9) expectations regarding the inclusion of portions of our small cells within our REIT, and (10) our dividend policy, including the timing, amount, growth or tax characterization of any dividends.

Such forward-looking statements are subject to certain risks, uncertainties and assumptions, including prevailing market conditions, risk factors described in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 ("2014 Form 10-K") and other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expected. As used herein, the term "including," and any variation of thereof, means "including without limitation." The use of the word "or" herein is not exclusive.

**PART I—FINANCIAL INFORMATION**  
**ITEM 1. FINANCIAL STATEMENTS**

**CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
(In thousands of dollars, except share amounts)

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
	(Unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 338,609	\$ 151,312
Restricted cash	143,016	147,411
Receivables, net	253,342	313,308
Prepaid expenses	138,355	138,873
Deferred income tax assets	29,842	24,806
Other current assets	214,396	94,503
Assets from discontinued operations (see note 3)	—	412,783
Total current assets	1,117,560	1,282,996
Deferred site rental receivables	1,256,517	1,202,058
Property and equipment, net of accumulated depreciation of \$5,420,258 and \$5,052,395, respectively	9,042,284	8,982,783
Goodwill	5,160,106	5,196,485
Other intangible assets, net	3,631,987	3,681,551
Long-term prepaid rent, deferred financing costs and other assets, net	803,175	797,403
Total assets	\$ 21,011,629	\$ 21,143,276
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 153,909	\$ 162,397
Accrued interest	67,067	66,943
Deferred revenues	313,355	279,882
Other accrued liabilities	151,211	182,081
Current maturities of debt and other obligations	94,702	113,335
Liabilities from discontinued operations (see note 3)	—	127,493
Total current liabilities	780,244	932,131
Debt and other long-term obligations	11,036,602	11,807,526
Deferred income tax liabilities	35,117	39,889
Other long-term liabilities	1,755,430	1,626,502
Total liabilities	13,607,393	14,406,048
Commitments and contingencies (note 10)		
CCIC stockholders' equity:		
Common stock, \$.01 par value; 600,000,000 shares authorized; shares issued and outstanding: June 30, 2015—333,762,344 and December 31, 2014—333,856,632	3,339	3,339
4.50% Mandatory Convertible Preferred Stock, Series A, \$.01 par value; 20,000,000 shares authorized; shares issued and outstanding: June 30, 2015 and December 31, 2014—9,775,000; aggregate liquidation value: June 30, 2015 and December 31, 2014—\$977,500	98	98
Additional paid-in capital	9,518,103	9,512,396
Accumulated other comprehensive income (loss)	(6,866)	15,820
Dividends/distributions in excess of earnings	(2,110,438)	(2,815,428)
Total CCIC stockholders' equity	7,404,236	6,716,225
Noncontrolling interest from discontinued operations	—	21,003
Total equity	7,404,236	6,737,228
Total liabilities and equity	\$ 21,011,629	\$ 21,143,276

See notes to condensed consolidated financial statements.

**CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND**  
**COMPREHENSIVE INCOME (LOSS) (Unaudited)**  
(In thousands of dollars, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
<b>Net revenues:</b>				
Site rental	\$ 737,091	\$ 710,783	\$ 1,468,471	\$ 1,425,575
Network services and other	162,346	167,459	331,437	294,430
Net revenues	<u>899,437</u>	<u>878,242</u>	<u>1,799,908</u>	<u>1,720,005</u>
<b>Operating expenses:</b>				
Costs of operations <sup>(a)</sup> :				
Site rental	237,031	227,032	469,244	445,676
Network services and other	89,400	101,901	176,318	173,701
General and administrative	73,125	63,318	147,181	121,959
Asset write-down charges	3,620	3,105	12,175	5,741
Acquisition and integration costs	2,377	19,125	4,393	24,784
Depreciation, amortization and accretion	253,153	246,583	504,959	491,759
Total operating expenses	<u>658,706</u>	<u>661,064</u>	<u>1,314,270</u>	<u>1,263,620</u>
Operating income (loss)	240,731	217,178	485,638	456,385
Interest expense and amortization of deferred financing costs	(134,466)	(144,534)	(268,905)	(290,934)
Gains (losses) on retirement of long-term obligations	(4,181)	(44,629)	(4,157)	(44,629)
Gains (losses) on foreign currency swaps (see note 6)	59,779	—	59,779	—
Interest income	325	108	381	222
Other income (expense)	194	(5,920)	(55)	(8,656)
Income (loss) from continuing operations before income taxes	162,382	22,203	272,681	112,388
Benefit (provision) for income taxes	4,144	3,101	5,579	6,141
Income (loss) from continuing operations	166,526	25,304	278,260	118,529
<b>Discontinued operations (see note 3):</b>				
Income (loss) from discontinued operations, net of tax	6,312	10,053	19,690	19,621
Net gain (loss) from disposal of discontinued operations, net of tax	981,540	—	981,540	—
Income (loss) from discontinued operations, net of tax	987,852	10,053	1,001,230	19,621
Net income (loss)	1,154,378	35,357	1,279,490	138,150
Less: Net income (loss) attributable to the noncontrolling interest	1,018	1,348	3,343	2,644
Net income (loss) attributable to CCIC stockholders	1,153,360	34,009	1,276,147	135,506
Dividends on preferred stock	(10,997)	(10,997)	(21,994)	(21,994)
Net income (loss) attributable to CCIC common stockholders	<u>\$ 1,142,363</u>	<u>\$ 23,012</u>	<u>\$ 1,254,153</u>	<u>\$ 113,512</u>
Net income (loss)	<u>\$ 1,154,378</u>	<u>\$ 35,357</u>	<u>\$ 1,279,490</u>	<u>\$ 138,150</u>
<b>Other comprehensive income (loss):</b>				
Amounts reclassified into "interest expense and amortization of deferred financing costs", net of taxes (see note 5)	7,490	16,162	14,981	32,344
Foreign currency translation adjustments	3,401	6,332	(12,861)	18,469
Amounts reclassified into discontinued operations for foreign currency translation adjustments (see note 3)	(25,678)	—	(25,678)	—
Total other comprehensive income (loss)	<u>(14,787)</u>	<u>22,494</u>	<u>(23,558)</u>	<u>50,813</u>
Comprehensive income (loss)	1,139,591	57,851	1,255,932	188,963
Less: Comprehensive income (loss) attributable to the noncontrolling interest	1,401	1,696	2,471	3,640
Comprehensive income (loss) attributable to CCIC stockholders	<u>\$ 1,138,190</u>	<u>\$ 56,155</u>	<u>\$ 1,253,461</u>	<u>\$ 185,323</u>
<b>Net income (loss) attributable to CCIC common stockholders, per common share:</b>				
Income (loss) from continuing operations, basic	\$ 0.47	\$ 0.04	\$ 0.77	\$ 0.29
Income (loss) from discontinued operations, basic	\$ 2.96	\$ 0.03	\$ 3.00	\$ 0.05
Net income (loss) attributable to CCIC common stockholders, basic	<u>\$ 3.43</u>	<u>\$ 0.07</u>	<u>\$ 3.77</u>	<u>\$ 0.34</u>
Income (loss) from continuing operations, diluted	\$ 0.47	\$ 0.04	\$ 0.77	\$ 0.29
Income (loss) from discontinued operations, diluted	\$ 2.95	\$ 0.03	\$ 2.99	\$ 0.05
Net income (loss) attributable to CCIC common stockholders, diluted	<u>\$ 3.42</u>	<u>\$ 0.07</u>	<u>\$ 3.76</u>	<u>\$ 0.34</u>
<b>Weighted-average common shares outstanding (in thousands):</b>				
Basic	333,091	332,344	332,902	332,189
Diluted	333,733	333,081	333,665	333,034

(a) Exclusive of depreciation, amortization and accretion shown separately.

See notes to condensed consolidated financial statements.



**CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)**  
(In thousands of dollars)

	Six Months Ended June 30,	
	2015	2014
<b>Cash flows from operating activities:</b>		
Net income (loss) from continuing operations	\$ 278,260	\$ 118,529
Adjustments to reconcile net income (loss) from continuing operations to net cash provided by (used for) operating activities:		
Depreciation, amortization and accretion	504,959	491,759
Gains (losses) on retirement of long-term obligations	4,157	44,629
Gains (losses) on foreign currency swaps	(59,779)	—
Amortization of deferred financing costs and other non-cash interest	23,804	41,485
Stock-based compensation expense	30,131	27,373
Asset write-down charges	12,175	5,741
Deferred income tax benefit (provision)	(10,170)	(9,882)
Other non-cash adjustments, net	(1,024)	(1,468)
Changes in assets and liabilities, excluding the effects of acquisitions:		
Increase (decrease) in accrued interest	124	1,266
Increase (decrease) in accounts payable	1,493	(23,686)
Increase (decrease) in deferred revenues, deferred ground lease payables, other accrued liabilities and other liabilities	130,044	183,005
Decrease (increase) in receivables	60,231	(54,442)
Decrease (increase) in prepaid expenses, deferred site rental receivables, long-term prepaid rent, restricted cash and other assets	(55,527)	(101,373)
Net cash provided by (used for) operating activities	<u>918,878</u>	<u>722,936</u>
<b>Cash flows from investing activities:</b>		
Payments for acquisitions of businesses, net of cash acquired	(64,725)	(85,788)
Capital expenditures	(420,883)	(299,298)
Receipts from foreign currency swaps	54,475	—
Other investing activities, net	(8,080)	2,378
Net cash provided by (used for) investing activities	<u>(439,213)</u>	<u>(382,708)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of long-term debt	1,000,000	845,750
Principal payments on debt and other long-term obligations	(53,718)	(55,385)
Purchases and redemptions of long-term debt	(1,069,337)	(836,899)
Purchases of capital stock	(29,490)	(21,730)
Borrowings under revolving credit facility	450,000	494,000
Payments under revolving credit facility	(1,145,000)	(534,000)
Payments for financing costs	(16,348)	(15,834)
Net (increase) decrease in restricted cash	9,093	24,386
Dividends/distributions paid on common stock	(547,371)	(233,684)
Dividends paid on preferred stock	(21,994)	(22,360)
Net cash provided by (used for) financing activities	<u>(1,424,165)</u>	<u>(355,756)</u>
<b>Net increase (decrease) in cash and cash equivalents - continuing operations</b>	<u>(944,500)</u>	<u>(15,528)</u>
<b>Discontinued operations (see note 3):</b>		
Net cash provided by (used for) operating activities	4,881	40,740
Net cash provided by (used for) investing activities	1,103,577	(15,096)
<b>Net increase (decrease) in cash and cash equivalents - discontinued operations</b>	<u>1,108,458</u>	<u>25,644</u>
<b>Effect of exchange rate changes</b>	<u>(969)</u>	<u>(6,031)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>175,620</u> <sup>(a)</sup>	<u>223,394</u> <sup>(a)</sup>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 338,609</u>	<u>\$ 227,479</u> <sup>(a)</sup>

(a) Inclusive of cash and cash equivalents included in discontinued operations.

See notes to condensed consolidated financial statements.

**CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF EQUITY**  
(In thousands of dollars, except share amounts) (Unaudited)

	CCIC Stockholders									
	Common Stock		4.50% Mandatory Convertible Preferred Stock		Additional paid-in capital	AOCI		Dividends/Distributions in Excess of Earnings	Noncontrolling Interest from discontinued operations	Total
	Shares	(\$ .01 Par)	Shares	(\$ .01 Par)		Foreign Currency Translation Adjustments	Derivative Instruments, net of tax			
Balance, April 1, 2015	333,761,959	\$ 3,339	9,775,000	\$ 98	\$9,503,335	\$ 19,538	\$ (11,234)	\$ (2,978,356)	\$ 22,073	\$6,558,793
Stock-based compensation related activity, net of forfeitures	1,829	—	—	—	14,887	—	—	—	—	14,887
Purchases and retirement of capital stock	(1,444)	—	—	—	(119)	—	—	—	—	(119)
Other comprehensive income (loss) <sup>(a)</sup>	—	—	—	—	—	(22,660)	7,490	—	383	(14,787)
Disposition of CCAL	—	—	—	—	—	—	—	—	(23,474)	(23,474)
Common stock dividends/distributions	—	—	—	—	—	—	—	(274,445)	—	(274,445)
Preferred stock dividends	—	—	—	—	—	—	—	(10,997)	—	(10,997)
Net income (loss)	—	—	—	—	—	—	—	1,153,360	1,018	1,154,378
Balance, June 30, 2015	<u>333,762,344</u>	<u>\$ 3,339</u>	<u>9,775,000</u>	<u>\$ 98</u>	<u>\$9,518,103</u>	<u>\$ (3,122)</u>	<u>\$ (3,744)</u>	<u>\$ (2,110,438)</u>	<u>\$ —</u>	<u>\$7,404,236</u>

(a) See the condensed statement of operations and other comprehensive income (loss) for the components of "other comprehensive income (loss)" and notes 3 and 5 with respect to the reclassification adjustments.

	CCIC Stockholders									
	Common Stock		4.50% Mandatory Convertible Preferred Stock		Additional paid-in capital	AOCI		Dividends/Distributions in Excess of Earnings	Noncontrolling Interest from discontinued operations	Total
	Shares	(\$ .01 Par)	Shares	(\$ .01 Par)		Foreign Currency Translation Adjustments	Derivative Instruments, net of tax			
Balance, April 1, 2014	333,795,981	\$ 3,338	9,775,000	\$ 98	\$9,473,311	\$ 69,750	\$ (65,691)	\$ (2,562,541)	\$ 16,402	\$6,934,667
Stock-based compensation related activity, net of forfeitures	68,299	1	—	—	15,416	—	—	—	—	15,417
Purchases and retirement of capital stock	(3,200)	—	—	—	(313)	—	—	—	—	(313)
Other comprehensive income (loss) <sup>(a)</sup>	—	—	—	—	—	5,984	16,162	—	348	22,494
Common stock dividends/distributions	—	—	—	—	—	—	—	(117,189)	—	(117,189)
Preferred stock dividends	—	—	—	—	—	—	—	(10,997)	—	(10,997)
Net income (loss)	—	—	—	—	—	—	—	34,009	1,348	35,357
Balance, June 30, 2014	<u>333,861,080</u>	<u>\$ 3,339</u>	<u>9,775,000</u>	<u>\$ 98</u>	<u>\$9,488,414</u>	<u>\$ 75,734</u>	<u>\$ (49,529)</u>	<u>\$ (2,656,718)</u>	<u>\$ 18,098</u>	<u>\$6,879,436</u>

(a) See the condensed statement of operations and other comprehensive income (loss) for the components of "other comprehensive income (loss)" and note 5 with respect to the reclassification adjustments.

	CCIC Stockholders									
	Common Stock		4.50% Mandatory Convertible Preferred Stock		Additional paid-in capital	AOCI		Dividends/Distributions in Excess of Earnings	Noncontrolling Interest from discontinued operations	Total
	Shares	(\$.01 Par)	Shares	(\$.01 Par)		Foreign Currency Translation Adjustments	Derivative Instruments, net of tax			
Balance, January 1, 2015	333,856,632	\$ 3,339	9,775,000	\$ 98	\$9,512,396	\$ 34,545	\$ (18,725)	\$ (2,815,428)	\$ 21,003	\$6,737,228
Stock-based compensation related activity, net of forfeitures	240,245	2	—	—	35,195	—	—	—	—	35,197
Purchases and retirement of capital stock	(334,533)	(2)	—	—	(29,488)	—	—	—	—	(29,490)
Other comprehensive income (loss) <sup>(a)</sup>	—	—	—	—	—	(37,667)	14,981	—	(872)	(23,558)
Disposition of CCAL	—	—	—	—	—	—	—	—	(23,474)	(23,474)
Common stock dividends/distributions	—	—	—	—	—	—	—	(549,163)	—	(549,163)
Preferred stock dividends	—	—	—	—	—	—	—	(21,994)	—	(21,994)
Net income (loss)	—	—	—	—	—	—	—	1,276,147	3,343	1,279,490
Balance, June 30, 2015	<u>333,762,344</u>	<u>\$ 3,339</u>	<u>9,775,000</u>	<u>\$ 98</u>	<u>\$9,518,103</u>	<u>\$ (3,122)</u>	<u>\$ (3,744)</u>	<u>\$ (2,110,438)</u>	<u>\$ —</u>	<u>\$7,404,236</u>

(a) See the condensed statement of operations and other comprehensive income (loss) for the components of "other comprehensive income (loss)" and notes 3 and 5 with respect to the reclassification adjustments.

	CCIC Stockholders									
	Common Stock		4.50% Mandatory Convertible Preferred Stock		Additional paid-in capital	AOCI		Dividends/Distributions in Excess of Earnings	Noncontrolling Interest from discontinued operations	Total
	Shares	(\$.01 Par)	Shares	(\$.01 Par)		Foreign Currency Translation Adjustments	Derivative Instruments, net of tax			
Balance, January 1, 2014	334,070,016	\$ 3,341	9,775,000	\$ 98	\$9,482,769	\$ 58,261	\$ (81,873)	\$ (2,535,879)	\$ 14,458	\$6,941,175
Stock-based compensation related activity, net of forfeitures	82,330	1	—	—	27,372	—	—	—	—	27,373
Purchases and retirement of capital stock	(291,266)	(3)	—	—	(21,727)	—	—	—	—	(21,730)
Other comprehensive income (loss) <sup>(a)</sup>	—	—	—	—	—	17,473	32,344	—	996	50,813
Common stock dividends/distributions	—	—	—	—	—	—	—	(234,351)	—	(234,351)
Preferred stock dividends	—	—	—	—	—	—	—	(21,994)	—	(21,994)
Net income (loss)	—	—	—	—	—	—	—	135,506	2,644	138,150
Balance, June 30, 2014	<u>333,861,080</u>	<u>\$ 3,339</u>	<u>9,775,000</u>	<u>\$ 98</u>	<u>\$9,488,414</u>	<u>\$ 75,734</u>	<u>\$ (49,529)</u>	<u>\$ (2,656,718)</u>	<u>\$ 18,098</u>	<u>\$6,879,436</u>

(a) See the condensed statement of operations and other comprehensive income (loss) for the components of "other comprehensive income (loss)" and note 5 with respect to the reclassification adjustments.

See notes to condensed consolidated financial statements.

**CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS-Unaudited**  
(Tabular dollars in thousands, except per share amounts)

**1. General**

The information contained in the following notes to the consolidated financial statements is condensed from that which would appear in the annual consolidated financial statements; accordingly, the consolidated financial statements included herein should be reviewed in conjunction with the consolidated financial statements for the fiscal year ended December 31, 2014, and related notes thereto, included in the 2014 Form 10-K filed by Crown Castle International Corp. ("CCIC") with the SEC. References to the "Company" include CCIC and its predecessor, as applicable, and their subsidiaries, unless otherwise indicated or the context indicates otherwise.

The Company owns, operates and leases shared wireless infrastructure, including: (1) towers, and to a lesser extent, (2) small cell networks, and (3) third party land interests. The Company's wireless infrastructure is geographically dispersed throughout the United States, including Puerto Rico ("U.S."). See note 3 for a discussion of the Company's May 2015 sale of its formerly 77.6% owned subsidiary that operates towers in Australia (referred to as "CCAL").

The Company's core business is providing access, including space or capacity, to its wireless infrastructure via long-term contracts in various forms, including licenses, subleases and lease agreements. The Company's wireless infrastructure can accommodate multiple tenants for antennas or other equipment necessary for the transmission of signals for wireless communication.

As part of the Company's effort to provide comprehensive wireless infrastructure solutions, it offers certain network services relating to its wireless infrastructure, consisting of (1) the following site development services relating to existing or new antenna installations on its wireless infrastructure: site acquisition, architectural and engineering, or zoning and permitting and (2) tenant equipment installation or subsequent augmentations (collectively, "installation services").

Effective January 1, 2014, the Company commenced operating as a REIT for U.S. federal income tax purposes. In addition, the Company has certain taxable REIT subsidiaries ("TRSs"). See note 8.

Approximately 55% of the Company's towers are leased or subleased or operated and managed under master leases, subleases, and other agreements with Sprint, T-Mobile, and AT&T. The Company has the option to purchase these towers at the end of their respective lease terms. The Company has no obligation to exercise such purchase options.

*Basis of Presentation*

The condensed consolidated financial statements included herein are unaudited; however, they include all adjustments (consisting only of normal recurring adjustments) which, in the opinion of management, are necessary to state fairly the consolidated financial position of the Company at June 30, 2015, and the consolidated results of operations and the consolidated cash flows for the six months ended June 30, 2015 and 2014. The year-end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP. The results of operations for the interim periods presented are not necessarily indicative of the results to be expected for the full year.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. Summary of Significant Accounting Policies**

The significant accounting policies used in the preparation of the Company's condensed consolidated financial statements are disclosed in the 2014 Form 10-K.

*Recently Adopted Accounting Pronouncements*

In April 2014, the Financial Accounting Standards Board ("FASB") issued new guidance on the implementation and presentation of discontinued operations. The guidance requires that only disposals that represent a strategic shift that has (or will have) a major effect on the entity's results and operations qualify as discontinued operations. In addition, the new guidance expands the disclosure requirements for disposals that meet the definition of a discontinued operation and requires entities to disclose information about disposals of individually significant components that do not meet the definition of discontinued operations. The

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new guidance was effective for the Company on January 1, 2015, and the Company has applied the new guidance for the sale of CCAL. See note 3.

*Recent Accounting Pronouncements Not Yet Adopted*

In May 2014, the FASB released updated guidance regarding the recognition of revenue from contracts with customers, exclusive of those contracts within lease accounting. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (1) identify the contracts with the customer; (2) identify the performance obligations in the contract; (3) determine the contract price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies a performance obligation. This guidance is effective for the Company on January 1, 2018, following the FASB's July 2015 decision to defer the effective date of the standard by one year. This guidance is required to be applied, at the Company's election, either (1) retrospectively to each prior reporting period presented, or (2) with the cumulative effect being recognized at the date of initial application. The Company is evaluating the guidance including the impact on its consolidated financial statements.

In April 2015, the FASB issued new guidance on the presentation of debt issuance costs. The guidance requires debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability, consistent with debt discounts and premiums. The update requires retrospective application and the guidance is effective for the Company on January 1, 2016. The Company is evaluating the guidance, including the impact on its consolidated financial statements.

### **3. Discontinued Operations**

On May 14, 2015, the Company entered into a definitive agreement to sell CCAL to a consortium of investors led by Macquarie Infrastructure and Real Assets (collectively, "Buyer"). On May 28, 2015, the Company completed the sale. At closing, the Company received net proceeds of approximately \$1.1 billion after accounting for the Company's 77.6% ownership interest, repayment of intercompany debt owed to the Company by CCAL and estimated transaction fees and expenses, exclusive of the impact of foreign currency swaps related to the CCAL sale (see note 6). The purchase price is subject to customary working capital adjustments pursuant to the Share Purchase Agreement.

As part of the sale of CCAL, in January 2016, the Company is entitled to receive an installment payment from the Buyer totaling approximately \$124 million, inclusive of the impact of the related foreign currency swap (see note 6). The Buyer's obligation related to the installment payment is unconditional and is substantiated by an irrevocable letter of credit. The installment payment is included within "other current assets" on the Company's condensed consolidated balance sheet.

During the second quarter 2015, the Company used net proceeds from the sale of CCAL to repay portions of outstanding borrowings under its 2012 Credit Facility.

The Company entered into foreign currency swaps to manage and reduce its foreign currency risk associated with the sale of CCAL. These swaps are not included in discontinued operations. See note 6.

CCAL has historically been a separate operating segment of the Company (see note 12). The sale of the Company's CCAL operating segment is treated as discontinued operations for all periods presented pursuant to ASU 2014-8, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*, which the Company adopted on January 1, 2015 (see note 2). The sale of CCAL represents a strategic shift of the Company to solely focus on U.S. operations. The gain from disposal of CCAL is included in discontinued operations on the condensed consolidated statement of operations. The tables below set forth the assets and liabilities related to discontinued operations at December 31, 2014, and their results of operations and cash flows for the six months ended June 30, 2015 and 2014.



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**4. Acquisitions**

*Sunesys Acquisition*

On April 29, 2015, the Company entered into a definitive agreement to acquire Quanta Fiber Networks, Inc. ("Sunesys") for approximately \$1.0 billion in cash, subject to certain limited adjustments ("Sunesys Acquisition"). Sunesys, a wholly owned subsidiary of Quanta Services, Inc., is a fiber services provider that owns or has rights to nearly 10,000 miles of fiber in major metropolitan markets across the U.S., including Los Angeles, Philadelphia, Chicago, Atlanta, Silicon Valley, and northern New Jersey, with approximately 60% of Sunesys' fiber miles are located in the top 10 basic trading areas. On August 4, 2015, the Company closed the Sunesys Acquisition. See note 14.

**5. Debt and Other Obligations**

	Original Issue Date	Contractual Maturity Date (a)	Outstanding Balance as of June 30, 2015	Outstanding Balance as of December 31, 2014	Stated Interest Rate as of June 30, 2015(a) (b)
<b>Bank debt - variable rate:</b>					
2012 Revolver	Jan. 2012	Jan. 2019	\$ — <sup>(c)</sup>	\$ 695,000	1.9%
Tranche A Term Loans	Jan. 2012	Jan. 2019	637,656	645,938	1.9%
Tranche B Term Loans	Jan. 2012	Jan. 2021	2,258,479 <sup>(e)</sup>	2,835,509	3.0%
<b>Total bank debt</b>			<b>2,896,135</b>	<b>4,176,447</b>	
<b>Securitized debt - fixed rate:</b>					
January 2010 Tower Revenue Notes	Jan. 2010	2037 - 2040 <sup>(d)</sup>	1,600,000	1,600,000	6.0%
August 2010 Tower Revenue Notes	Aug. 2010	2035 - 2040 <sup>(d)(f)</sup>	1,300,000	1,550,000	4.7%
May 2015 Tower Revenue Notes	May 2015	2042 - 2045 <sup>(d)(f)</sup>	1,000,000	—	3.5%
2009 Securitized Notes	July 2009	2019/2029	151,207	160,822	7.5%
WCP Securitized Notes	Jan. 2010	Nov. 2040 <sup>(f)</sup>	—	262,386	N/A
<b>Total securitized debt</b>			<b>4,051,207</b>	<b>3,573,208</b>	
<b>Bonds - fixed rate:</b>					
5.25% Senior Notes	Oct. 2012	Jan. 2023	1,649,969	1,649,969	5.3%
2012 Secured Notes	Dec. 2012	Dec. 2017/Apr. 2023	1,500,000	1,500,000	3.4%
4.875% Senior Notes	Apr. 2014	Apr. 2022	846,289	846,062	4.9%
<b>Total bonds</b>			<b>3,996,258</b>	<b>3,996,031</b>	
<b>Other:</b>					
Capital leases and other obligations	Various	Various	187,704	175,175	Various
<b>Total debt and other obligations</b>			<b>11,131,304</b>	<b>11,920,861</b>	
<b>Less: current maturities and short-term debt and other current obligations</b>			<b>94,702</b>	<b>113,335</b>	
<b>Non-current portion of long-term debt and other long-term obligations</b>			<b>\$ 11,036,602</b>	<b>\$ 11,807,526</b>	

- (a) See the 2014 Form 10-K, including note 7, for additional information regarding the maturity and principal amortization provisions and interest rates relating to the Company's indebtedness.  
(b) Represents the weighted-average stated interest rate.  
(c) During January and February 2015, the Company amended its 2012 Credit Facility agreement and increased the capacity of the 2012 Revolver to an aggregate revolving commitment of approximately \$2.2 billion. As of June 30, 2015, the undrawn availability under the 2012 Revolver was \$2.2 billion. See note 14.  
(d) If the respective series of such debt is not paid in full on or prior to an applicable date then Excess Cash Flow (as defined in the indenture) of the issuers of such notes will be used to repay principal of the applicable series, and additional interest (of an additional approximately 5% per annum) will accrue on the respective series. See the 2014 Form 10-K for additional information regarding these provisions.  
(e) During the second quarter of 2015, the Company repaid the portion of its Tranche B Term Loans that were due January 2019, which had an outstanding balance of \$564.1 million. As of June 30, 2015, the entire outstanding amount of the Company's Tranche B Term Loans was due January 2021.  
(f) In May 2015, the Company issued \$1.0 billion aggregate principal amount of Senior Secured Tower Revenue Notes ("May 2015 Tower Revenue Notes"), which were issued by certain of its indirect subsidiaries pursuant to the existing indenture governing the 2010 Tower Revenue Notes and having similar terms and security as the 2010 Tower Revenue Notes. The 2015 Tower Revenue Notes consist of (1) \$300 million aggregate principal amount of 3.222% Notes with an expected life of seven years and a final maturity date of May 2042, and (2) \$700 million aggregate principal amount of 3.663% Notes with an expected

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life of ten years and a final maturity date of May 2045. The Company used the net proceeds received from the May 2015 Tower Revenue Notes offering (1) to repay \$250.0 million aggregate principal amount of August 2010 Tower Revenue Notes with an anticipated repayment date of August 2015, (2) to repay all of the previously outstanding WCP Securitized Notes, (3) to repay portions of outstanding borrowings under its 2012 Credit Facility, and (4) to pay related fees and expenses. Collectively, the 2010 Tower Revenue Notes and the May 2015 Tower Revenue Notes are referred to herein as the "Tower Revenue Notes."

*Contractual Maturities*

The following are the scheduled contractual maturities of the total debt and other long-term obligations of the Company outstanding as of June 30, 2015. These maturities reflect contractual maturity dates and do not consider the principal payments that will commence following the anticipated repayment dates on the Tower Revenue Notes.

	Six Months Ending December 31,	Years Ending December 31,					Total Cash Obligations	Unamortized Adjustments, Net	Total Debt and Other Obligations Outstanding
	2015	2016	2017	2018	2019	Thereafter			
Scheduled contractual maturities	\$ 45,050	\$ 101,405	\$ 598,612	\$ 96,212	\$ 586,102	\$ 9,707,634	\$ 11,135,015	\$ (3,711)	\$ 11,131,304

*Purchases and Redemptions of Long-Term Debt*

The following is a summary of purchases and redemptions of long-term debt during the six months ended June 30, 2015.

	Six Months Ended June 30, 2015		
	Principal Amount	Cash Paid <sup>(a)</sup>	Gains (Losses) <sup>(b)</sup>
August 2010 Tower Revenue Notes	\$ 250,000	\$ 250,000	\$ (159)
WCP Securitized Notes	252,830	252,830	2,105
Tranche B Term Loans	564,137	564,137	(6,127)
Other	2,394	2,370	24
Total	\$ 1,069,361	\$ 1,069,337	\$ (4,157)

(a) Exclusive of accrued interest.

(b) Inclusive of \$4.2 million related to the net write off of deferred financing costs, premiums and discounts.

*Interest Expense and Amortization of Deferred Financing Costs*

The components of interest expense and amortization of deferred financing costs are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Interest expense on debt obligations	122,398	123,930	\$ 245,101	\$ 249,449
Amortization of deferred financing costs	5,554	5,521	11,173	11,162
Amortization of adjustments on long-term debt	(381)	(896)	(1,262)	(1,851)
Amortization of interest rate swaps <sup>(a)</sup>	7,490	16,162	14,981	32,344
Other, net of capitalized interest	(595)	(183)	(1,088)	(170)
Total	\$ 134,466	\$ 144,534	\$ 268,905	\$ 290,934

(a) Amounts reclassified from "accumulated other comprehensive income (loss)."

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**6. Foreign Currency Swaps**

During May 2015, the Company entered into two foreign currency swaps to manage and reduce its foreign currency risk related to its sale of CCAL (see note 3). The Company does not enter into foreign currency swaps for speculative or trading purposes. The foreign currency swaps were originally comprised of the following:

Item Swapped	Notional Amount	Forward Rate	Start Date	End Date	Pay Amount	Receive Amount	Fair Value at June 30, 2015
May 2015 cash receipt from sale of CCAL	A\$1,400,000	0.8072	May 2015	June 2015	Australian Dollar	US Dollar	N/A <sup>(a)</sup>
Installment payment from Buyer	A\$155,000	0.79835	May 2015	January 2016	Australian Dollar	US Dollar	\$5,304 <sup>(b)</sup>

- (a) In conjunction with closing the CCAL sale on May 28, 2015, the Company cash settled the Australian dollar \$1.4 billion swap and recorded a gain on foreign currency swaps of \$54.5 million.  
(b) As of June 30, 2015, the Company marked-to-market this foreign currency swap and recorded (1) an asset within "other current assets" on the Company's condensed consolidated balance sheet and (2) a corresponding gain on foreign currency swaps on the Company's condensed consolidated statement of operations.

**7. Fair Value Disclosures**

	Level in Fair Value Hierarchy	June 30, 2015		December 31, 2014	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Assets:</b>					
Cash and cash equivalents	1	\$ 338,609	\$ 338,609	\$ 151,312	\$ 151,312
Restricted cash, current and non-current	1	148,016	148,016	152,411	152,411
Foreign currency swaps	2	5,304	5,304	—	—
<b>Liabilities:</b>					
Long-term debt and other obligations	2	11,131,304	11,383,915	11,920,861	12,286,161

The fair value of cash and cash equivalents and restricted cash approximate the carrying value. The Company determines the fair value of its debt securities based on indicative, non-binding quotes from brokers. Quotes from brokers require judgment and are based on the brokers' interpretation of market information, including implied credit spreads for similar borrowings on recent trades or bid/ask prices or quotes from active markets if available. Foreign currency swaps are valued at settlement amounts using observable exchange rates and, if material, reflect an adjustment for the Company's and contract counterparty's credit risk. There were no changes since December 31, 2014 in the Company's valuation techniques used to measure fair values.

**8. Income Taxes**

Effective January 1, 2014, the Company commenced operating as a REIT for U.S. federal income tax purposes. As a REIT, the Company is generally entitled to a deduction for dividends that it pays and therefore is not subject to U.S. federal corporate income tax on its net taxable income that is currently distributed to its stockholders. The Company also may be subject to certain federal, state, local, and foreign taxes on its income and assets, including (1) alternative minimum taxes, (2) taxes on any undistributed income, (3) taxes related to the TRSs, (4) certain state, local, or foreign income taxes, (5) franchise taxes, (6) property taxes, and (7) transfer taxes. In addition, the Company could in certain circumstances be required to pay an excise or penalty tax, which could be significant in amount, in order to utilize one or more relief provisions under the Internal Revenue Code 1986, as amended ("Code") to maintain qualification for taxation as a REIT.

The Company's small cells are currently included in one or more wholly owned TRSs. In August 2014, the Company received a favorable private letter ruling from the Internal Revenue Service ("IRS"), which provides that the real property portion of the Company's small cells and the related rents qualify as real property and rents from real property, respectively, under the rules governing REITs. The Company is evaluating the impact of this private letter ruling and, subject to board approval, expects to take appropriate action to include at least some part of the Company's small cells as part of the REIT during 2015. Once the Company has completed its evaluation and necessary actions to include small cells in the REIT, the Company expects to de-recognize its net deferred tax liabilities related to such part of the Company's small cells.

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The Company's TRS assets and operations (along with any part of the Company's small cells that may remain in a TRS) will continue to be subject, as applicable, to federal and state corporate income taxes or to foreign taxes in the jurisdictions in which such assets and operations are located. The Company's foreign assets and operations (including its tower operations in Puerto Rico) most likely will be subject to foreign income taxes in the jurisdictions in which such assets and operations are located, regardless of whether they are included in a TRS or not. The Company will be subject to a federal corporate level tax rate (currently 35%) on the gain recognized from the sale of assets occurring within a specified period (generally 10 years) after the REIT conversion up to the amount of the built in gain that existed on January 1, 2014, which is based upon the fair market value of those assets in excess of the Company's tax basis on January 1, 2014. This gain can be offset by any remaining federal net operating loss carryforwards.

During the second quarter 2015, the Company recorded approximately \$21.2 million in state income taxes related to the sale of CCAL. In conjunction with the sale of CCAL, the Company expects to utilize approximately \$1.0 billion of its \$2.0 billion net operating loss carryforward to fully offset the tax gain from the sale of CCAL. Further, as a result of the sale of CCAL, the Company expects that a significant portion of its common stock dividend distributions during 2015 will be characterized as capital gains distributions. See note 3.

For the six months ended June 30, 2015 and the three months ended March 31, 2014, the Company's effective tax rate differed from the federal statutory rate predominately due to the Company's REIT status, including the dividends paid deduction. The income tax provision for the six months ended June 30, 2015 and the three months ended March 31, 2014 primarily related to the TRSs.

## **9. Per Share Information**

Basic net income (loss) attributable to CCIC common stockholders, per common share, excludes dilution and is computed by dividing net income (loss) attributable to CCIC common stockholders by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) attributable to CCIC common stockholders, per common share is computed by dividing net income (loss) attributable to CCIC common stockholders by the weighted-average number of common shares outstanding during the period plus any potential dilutive common share equivalents, including shares issuable (1) upon the vesting of restricted stock awards and restricted stock units as determined under the treasury stock method and (2) upon conversion of the Company's Convertible Preferred Stock, as determined under the if-converted method.

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net income (loss) from continuing operations	\$ 166,526	\$ 25,304	\$ 278,260	\$ 118,529
Dividends on preferred stock	(10,997)	(10,997)	(21,994)	(21,994)
Net income (loss) from continuing operations attributable to CCIC common stockholders for basic and diluted computations	\$ 155,529	\$ 14,307	\$ 256,266	\$ 96,535
Income (loss) from discontinued operations, net of tax	987,852	10,053	1,001,230	19,621
Less: Net income (loss) attributable to the noncontrolling interest	1,018	1,348	3,343	2,644
Net income (loss) from discontinued operations attributable to CCIC common stockholders for basic and diluted computations	\$ 986,834	\$ 8,705	\$ 997,887	\$ 16,977
Weighted-average number of common shares outstanding (in thousands):				
Basic weighted-average number of common stock outstanding	333,091	332,344	332,902	332,189
Effect of assumed dilution from potential common shares relating to restricted stock units and restricted stock awards	642	737	763	845
Diluted weighted-average number of common shares outstanding	333,733	333,081	333,665	333,034
Net income (loss) attributable to CCIC common stockholders, per common share:				
Income (loss) from continuing operations, basic	0.47	0.04	0.77	0.29
Income (loss) from discontinued operations, basic	2.96	0.03	3.00	0.05
Net income (loss) attributable to CCIC common stockholders, basic	3.43	0.07	3.77	0.34
Income (loss) from continuing operations, diluted	0.47	0.04	0.77	0.29
Income (loss) from discontinued operations, diluted	2.95	0.03	2.99	0.05
Net income (loss) attributable to CCIC common stockholders, diluted	3.42	0.07	3.76	0.34

During the six months ended June 30, 2015, the Company granted 1.0 million restricted stock units. For the six months ended June 30, 2015 and 2014, 11.9 million common share equivalents and 13.1 million common share equivalents, respectively, related to the Convertible Preferred Stock were excluded from the dilutive common shares because the impact of such conversion would be anti-dilutive, based on the Company's common stock price as of the end of the respective periods.

## 10. Commitments and Contingencies

The Company is involved in various claims, lawsuits or proceedings arising in the ordinary course of business. While there are uncertainties inherent in the ultimate outcome of such matters and it is impossible to presently determine the ultimate costs or losses that may be incurred, if any, management believes the resolution of such uncertainties and the incurrence of such costs should not have a material adverse effect on the Company's consolidated financial position or results of operations. Additionally, the Company and certain of its subsidiaries are contingently liable for commitments or performance guarantees arising in the ordinary course of business, including certain letters of credit or surety bonds. In addition, the Company has the option to purchase approximately 55% of the Company's towers at the end of their respective lease terms. The Company has no obligation to exercise such purchase options.

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**11. Equity**

*Declaration and Payment of Dividends*

During the six months ended June 30, 2015, the following dividends were declared or paid:

Equity Type	Declaration Date	Record Date	Payment Date	Dividends Per Share	Aggregate Payment Amount (In millions)
Common Stock	February 12, 2015	March 20, 2015	March 31, 2015	\$ 0.82	\$ 274.7 <sup>(a)</sup>
Common Stock	May 29, 2015	June 19, 2015	June 30, 2015	\$ 0.82	\$ 274.5 <sup>(a)</sup>
Convertible Preferred Stock	December 22, 2014	January 15, 2015	February 2, 2015	\$ 1.1250	\$ 11.0
Convertible Preferred Stock	March 27, 2015	April 15, 2015	May 1, 2015	\$ 1.1250	\$ 11.0
Convertible Preferred Stock	June 21, 2015	July 15, 2015	August 3, 2015	\$ 1.1250	\$ 11.0 <sup>(b)</sup>

(a) Inclusive of dividends accrued for holders of unvested restricted stock units.

(b) Represents amount paid on August 3, 2015 based on holders of record on July 15, 2015.

See note 14.

*Purchases of the Company's Common Stock*

For the six months ended June 30, 2015, the Company purchased 0.3 million shares of its common stock utilizing \$29.5 million in cash.

**12. Operating Segments**

The Company has determined that presently, following the sale of CCAL, it has one reportable operating segment, CCUSA, consisting of its U.S. operations, which is consistent with its current operational and financial reporting structure. Financial results for the Company are currently reported to the Company's management team and board of directors in this manner.

Prior to its sale in May 2015, CCAL, the Company's previously 77.6% owned subsidiary that owns and operates towers in Australia, was a reportable segment. As a result of the sale of CCAL, the Company's segment data has been reclassified for all periods presented to include CCAL on a discontinued operations basis.

The Company will continue its evaluation of its operating segments following the disposition of CCAL and its change in strategic focus to its U.S. business. To the extent the Company makes changes to its financial reporting or organizational structure, including upon completion or integration of the Sunesys Acquisition, the Company will evaluate any impact such changes may have to its segment reporting.

**13. Supplemental Cash Flow Information**

	Six Months Ended June 30,	
	2015	2014
Supplemental disclosure of cash flow information:		
Interest paid	\$ 244,977	\$ 248,183
Income taxes paid	8,489	12,690
Supplemental disclosure of non-cash investing and financing activities:		
Increase (decrease) in accounts payable for purchases of property and equipment	(10,102)	7,201
Purchase of property and equipment under capital leases and installment purchases	25,769	18,129
Installment payment receivable for sale of CCAL (see note 3)	117,384	—

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**14. Subsequent Events**

*Sunesys Acquisition Closing*

On August 4, 2015, the Company closed the Sunesys Acquisition for approximately \$1.0 billion in cash. The Company utilized borrowings under the 2012 Revolver of \$835 million and cash on hand to fund the cash consideration of \$1.0 billion. See note 4 for further discussion of the Sunesys Acquisition.

*Common Stock Dividend*

On July 30, 2015, the Company declared a quarterly common stock cash dividend of \$0.82 per share, which was approved by the Company's board of directors. The common stock dividend will be paid on September 30, 2015, to common stock holders of record as of September 18, 2015.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the response to Part I, Item 1 of this report and the consolidated financial statements of the Company including the related notes and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") included in our 2014 Form 10-K. Capitalized terms used but not defined in this Item have the same meaning given to them in our 2014 Form 10-K. Unless this Form 10-Q indicates otherwise or the context otherwise requires, the terms "we," "our," "our company," "the company," or "us" as used in this Form 10-Q refer to Crown Castle International Corp., and its predecessor, as applicable, and their subsidiaries.

### General Overview

#### Overview

We own, operate and lease shared wireless infrastructure that are geographically dispersed throughout the U.S. with a significant presence in the top 100 BTAs. Site rental revenues represented 82% of our second quarter 2015 consolidated net revenues. The vast majority of our site rental revenues is of a recurring nature and has been contracted for in a prior year.

#### Strategy

Our strategy is to create long-term stockholder value via a combination of (1) growing cash flows generated from our portfolio of wireless infrastructure, (2) returning a meaningful portion of our cash provided by operating activities to our stockholders in the form of dividends and (3) investing capital efficiently to grow long-term dividends per share. We measure our efforts to create "long-term stockholder value" by the combined payment of dividends to stockholders and growth in our per share results. The key elements of our strategy are to:

- *Grow cash flows from our wireless infrastructure.* We seek to maximize the site rental cash flows derived from our wireless infrastructure by adding tenants on our wireless infrastructure through long-term leases as our customers deploy and improve their wireless networks. We seek to maximize new tenant additions or modifications of existing tenant installations (collectively, "new tenant additions") through our focus on customer service and deployment speed. Due to the relatively fixed nature of the costs to operate our wireless infrastructure (which tend to increase at approximately the rate of inflation), we expect increases in our site rental cash flows from new tenant additions and the related subsequent impact from contracted escalations to result in growth in our operating cash flows. We believe there is considerable additional future demand for our existing wireless infrastructure based on their location and the anticipated growth in the wireless communication services industry. Substantially all of our wireless infrastructure can accommodate additional tenancy, either as currently constructed or with appropriate modifications to the structure, which we expect to have high incremental returns.
- *Return cash provided by operating activities to stockholders in the form of dividends.* We believe that distributing a meaningful portion of our cash provided by operating activities appropriately provides stockholders with increased certainty for a portion of expected long-term stockholder value while still retaining sufficient flexibility to invest in our business and deliver growth. We believe this decision reflects the translation of the high-quality, long-term contractual cash flows of our business into stable capital returns to stockholders.
- *Invest capital efficiently to grow long-term dividends per share.* We seek to invest our capital available, including the net cash provided by our operating activities and external financing sources, in a manner that will increase long-term stockholder value on a risk-adjusted basis. Our historical investments have included the following (in no particular order):
  - purchase shares of our common stock from time to time;
  - acquire or construct wireless infrastructure;
  - acquire land interests under towers;
  - make improvements and structural enhancements to our existing wireless infrastructure; or
  - purchase, repay or redeem our debt.

Our strategy to create long-term stockholder value is based on our belief that additional demand for our wireless infrastructure will be created by the expected continued growth in the wireless communication services industry, which is predominately driven by the demand for wireless data services by consumers. We believe that such demand for our wireless infrastructure will continue, will result in growth of our cash flows due to new tenant additions on our existing wireless infrastructure, and will create other growth opportunities for us, such as demand for new wireless infrastructure.

The following are certain highlights of our business fundamentals and results as of and for the six months ended June 30, 2015.

- Effective January 1, 2014, we commenced operating as a REIT for U.S. federal income tax purposes.
  - As a REIT, we are generally entitled to a deduction for dividends that we pay and therefore are not subject to U.S. federal corporate income tax on our taxable income that is distributed to our stockholders.
  - To qualify and be taxed as a REIT, we will generally be required to distribute at least 90% of our REIT taxable income, after the utilization of our NOLs, (determined without regard to the dividends paid deduction and excluding net capital gain) each year to our stockholders.
  - See note 8 to our condensed consolidated financial statements for further discussion of our REIT status.
- Potential growth resulting from wireless network expansion and new entrants
  - We expect wireless carriers will continue their focus on improving network quality and expanding capacity by adding additional antennas or other equipment on our wireless infrastructure.
  - We expect existing and potential new wireless carrier demand for our wireless infrastructure will result from (1) new technologies, (2) increased usage of wireless data applications (including mobile entertainment, mobile internet usage, and machine-to-machine applications), (3) adoption of other emerging and embedded wireless devices (including laptops, tablets, and other devices), (4) increasing smartphone penetration, (5) wireless carrier focus on expanding quality and capacity, or (6) the availability of additional spectrum.
  - Substantially all of our wireless infrastructure can accommodate additional tenancy, either as currently constructed or with appropriate modifications to the structure.
  - U.S. wireless carriers continue to invest in their networks.
  - Our site rental revenues grew \$42.9 million, or 3%, from the six months ended June 30, 2014 to the six months ended June 30, 2015. This growth was predominately comprised of the following, exclusive of the impact of straight-line accounting:
    - An approximate 6% increase from new leasing activity.
    - An approximate 3% increase from cash escalations.
    - An approximate 4% decrease in site rental revenues caused by the non-renewal of tenant leases.
- Site rental revenues under long-term tenant leases with contractual escalations
  - Initial terms of five to 15 years with multiple renewal periods at the option of the tenant of five to ten years each.
  - Weighted-average remaining term of approximately seven years, exclusive of renewals at the tenant's option, currently representing approximately \$20 billion of expected future cash inflows.
- Revenues predominately from large wireless carriers
  - Approximately 92% of our consolidated site rental revenues were derived from AT&T, Sprint, T-Mobile, and Verizon Wireless. See also "Item 2. MD&A—General Overview—Outlook Highlights" presented below.
- Majority of land interests under our towers under long-term control
  - Nearly 90% and 75% of our site rental gross margin is derived from towers that reside on land that we own or control for greater than ten and 20 years, respectively. The aforementioned amounts include towers that reside on land interests that are owned, including fee interests and perpetual easements, which represent approximately one-third of our site rental gross margin.
- Relatively fixed wireless infrastructure operating costs
  - Our wireless infrastructure operating costs tend to increase at approximately the rate of inflation and are not typically influenced by new tenant additions.
- Minimal sustaining capital expenditure requirements
  - Sustaining capital expenditures represented approximately 2% of net revenues.
- Debt portfolio with long-dated maturities extended over multiple years, with the majority of such debt having a fixed rate (see "Item 3. Quantitative and Qualitative Disclosures About Market Risk" for a further discussion of our debt)
  - 74% of our debt is fixed rate.
  - Our debt service coverage and leverage ratios were comfortably within their respective financial maintenance covenants.
  - During January and February 2015, we amended our 2012 Credit Facility agreement and increased the capacity of the 2012 Revolver to an aggregate revolving commitment of approximately \$2.2 billion.
  - During the second quarter 2015, we (1) issued \$1.0 billion aggregate principal amount of the May 2015 Tower Revenue Notes, (2) repaid \$250.0 million of August 2010 Tower Revenue Notes with an anticipated repayment date of August 2015, (3) repaid all of the previously outstanding WCP Securitized Notes, and (4) repaid a portion of our outstanding borrowings under our 2012 Credit Facility. See note 5 to our condensed consolidated financial statements.

- Significant cash flows from operations
  - Net cash provided by operating activities was \$918.9 million.
  - We expect to grow our core business of providing access to our wireless infrastructure as a result of contractual escalators and future anticipated demand for our wireless infrastructure.
- Returning cash flows provided by operations to stockholders in the form of dividends
  - During each of March and June 2015, we paid a common stock cash dividend of \$0.82 per share, totaling approximately \$547.4 million. During July 2015, we declared a common stock cash dividend of \$0.82 per share to be paid in September 2015. See notes 11 and 14 to our condensed consolidated financial statements for discussion of our common stock dividends. We currently expect our anticipated quarterly dividends to result in aggregate annual cash payments of approximately \$1.1 billion during 2015, or an annual amount of \$3.28 per share. Over time, we expect to increase our dividend per share generally commensurate with our realized growth in cash flows. Future dividends are subject to the approval of our board of directors. See note 8 to our condensed consolidated financial statements for discussion surrounding the tax treatment of our dividends.
- Investing capital efficiently to grow long-term dividends per share
  - Discretionary capital expenditures were \$376.8 million, including wireless infrastructure improvements in order to support additional site rentals, construction of wireless infrastructure and land purchases.

#### *Sale of CCAL*

On May 14, 2015, we entered into a definitive agreement to sell our 77.6% owned Australian subsidiary, CCAL, to a consortium of investors led by Macquarie Infrastructure and Real Assets. On May 28, 2015, we completed the sale of CCAL. At closing, we received net proceeds of approximately \$1.1 billion after accounting for our ownership interest, repayment of intercompany debt owed to us by CCAL and estimated transaction fees and expenses, exclusive of the impact of foreign currency swaps related to the CCAL sale. The purchase price is subject to customary working capital adjustments pursuant to the Share Purchase Agreement.

As part of the sale of CCAL, in January 2016, we are entitled to receive an installment payment of \$124 million from the Buyer, inclusive of the impact of the related foreign currency swap (see note 6 to our condensed consolidated financial statements). During the second quarter 2015, we used net proceeds from the sale of CCAL to repay portions of outstanding borrowings under our 2012 Credit Facility.

We entered into foreign currency swaps to manage and reduce our foreign currency risk associated with the sale of CCAL. These swaps are not included in discontinued operations. See note 6 to our condensed consolidated financial statements.

#### *Sunesys Acquisition*

On April 29, 2015, we entered into a definitive agreement to acquire Sunesys for approximately \$1.0 billion in cash, subject to certain limited adjustments. Sunesys, a wholly owned subsidiary of Quanta Services, Inc., is a fiber services provider that owns or has rights to nearly 10,000 miles of fiber in major metropolitan markets across the U.S., including Los Angeles, Philadelphia, Chicago, Atlanta, Silicon Valley, and northern New Jersey, with approximately 60% of Sunesys' fiber miles are located in the top 10 basic trading areas. On August 4, 2015, we closed the Sunesys Acquisition. See notes 4 and 14 to our condensed consolidated financial statements.

#### *Outlook Highlights*

The following are certain highlights of our full year 2015 outlook that impact our business fundamentals described above.

- We expect that our full year 2015 site rental revenue growth will be benefited by similar levels of tenant additions as in 2014, as large U.S. wireless carriers upgrade their networks, partially offset by an increase in non-renewals of tenant leases. During 2015, we expect non-renewals of tenant leases to result from (1) Sprint's decommissioning of its legacy Nextel iDEN network and (2) the decommissioning of the former Leap Wireless, MetroPCS and Clearwire networks, at least in part, which we expect to occur predominately from 2015 through 2018. See "Item 1A—Risk Factors" in our 2014 Form 10-K.
- We expect sustaining capital expenditures to be slightly higher than 2% of net revenues for full year 2015 due to expansion of our office facilities.

## Consolidated Results of Operations

The following discussion of our results of operations should be read in conjunction with our condensed consolidated financial statements and our 2014 Form 10-K.

The following discussion of our results of operations is based on our condensed consolidated financial statements prepared in accordance with GAAP, which requires us to make estimates and judgments that affect the reported amounts (see "Item 2. MD&A—Accounting and Reporting Matters—Critical Accounting Policies and Estimates" and note 2 to our consolidated financial statements on our 2014 Form 10-K).

See "Item 2. MD&A—Accounting and Reporting Matters—Non-GAAP Financial Measures" for a discussion of our use of Adjusted EBITDA, including its definition and a reconciliation to net income (loss).

### Comparison of Consolidated Results

The following information is derived from our historical consolidated statements of operations for the periods indicated.

	Three Months Ended June 30,		Percent Change <sup>(b)</sup>
	2015	2014	
(Dollars in thousands)			
<b>Net revenues:</b>			
Site rental	\$ 737,091	\$ 710,783	4 %
Network services and other	162,346	167,459	(3)%
Net revenues	<u>899,437</u>	<u>878,242</u>	<u>2 %</u>
<b>Operating expenses:</b>			
Costs of operations <sup>(a)</sup> :			
Site rental	237,031	227,032	4 %
Network services and other	89,400	101,901	(12)%
Total costs of operations	<u>326,431</u>	<u>328,933</u>	<u>(1)%</u>
General and administrative	73,125	63,318	15 %
Asset write-down charges	3,620	3,105	*
Acquisition and integration costs	2,377	19,125	*
Depreciation, amortization and accretion	253,153	246,583	3 %
Total operating expenses	<u>658,706</u>	<u>661,064</u>	<u>— %</u>
Operating income (loss)	<u>240,731</u>	<u>217,178</u>	<u>11 %</u>
Interest expense and amortization of deferred financing costs	(134,466)	(144,534)	(7)%
Gains (losses) on retirement of long-term obligations	(4,181)	(44,629)	
Gains (losses) on foreign currency swaps	59,779	—	
Interest income	325	108	
Other income (expense)	194	(5,920)	
Income (loss) from continuing operations before income taxes	<u>162,382</u>	<u>22,203</u>	
Benefit (provision) for income taxes	4,144	3,101	
Income (loss) from continuing operations	<u>166,526</u>	<u>25,304</u>	
<b>Discontinued operations:</b>			
Income (loss) from discontinued operations, net of tax	6,312	10,053	
Net gain (loss) from disposal of discontinued operations, net of tax	981,540	—	
Income (loss) from discontinued operations, net of tax	<u>987,852</u>	<u>10,053</u>	
Net income (loss)	<u>1,154,378</u>	<u>35,357</u>	
Less: net income (loss) attributable to the noncontrolling interest	<u>1,018</u>	<u>1,348</u>	
Net income (loss) attributable to CCIC stockholders	<u>1,153,360</u>	<u>34,009</u>	
Dividends on preferred stock	<u>(10,997)</u>	<u>(10,997)</u>	
Net income (loss) attributable to CCIC common stockholders	<u>\$ 1,142,363</u>	<u>\$ 23,012</u>	

\* Percentage is not meaningful

(a) Exclusive of depreciation, amortization and accretion shown separately.

(b) Inclusive of the impact of foreign exchange rate fluctuations.

	Six Months Ended June 30,		Percent Change <sup>(b)</sup>
	2015	2014	
	(Dollars in thousands)		
<b>Net revenues:</b>			
Site rental	\$ 1,468,471	\$ 1,425,575	3 %
Network services and other	331,437	294,430	13 %
Net revenues	1,799,908	1,720,005	5 %
<b>Operating expenses:</b>			
Costs of operations <sup>(a)</sup> :			
Site rental	469,244	445,676	5 %
Network services and other	176,318	173,701	2 %
Total costs of operations	645,562	619,377	4 %
General and administrative	147,181	121,959	21 %
Asset write-down charges	12,175	5,741	*
Acquisition and integration costs	4,393	24,784	*
Depreciation, amortization and accretion	504,959	491,759	3 %
Total operating expenses	1,314,270	1,263,620	4 %
Operating income (loss)	485,638	456,385	6 %
Interest expense and amortization of deferred financing costs	(268,905)	(290,934)	(8)%
Gains (losses) on retirement of long-term obligations	(4,157)	(44,629)	
Gains (losses) on foreign currency swaps	59,779	—	
Interest income	381	222	
Other income (expense)	(55)	(8,656)	
Income (loss) from continuing operations before income taxes	272,681	112,388	
Benefit (provision) for income taxes	5,579	6,141	
Income (loss) from continuing operations	278,260	118,529	
<b>Discontinued operations:</b>			
Income (loss) from discontinued operations, net of tax	19,690	19,621	
Net gain (loss) from disposal of discontinued operations, net of tax	981,540	—	
Income (loss) from discontinued operations, net of tax	1,001,230	19,621	
Net income (loss)	1,279,490	138,150	
Less: net income (loss) attributable to the noncontrolling interest	3,343	2,644	
Net income (loss) attributable to CCIC stockholders	1,276,147	135,506	
Dividends on preferred stock	(21,994)	(21,994)	
Net income (loss) attributable to CCIC common stockholders	\$ 1,254,153	\$ 113,512	

\* Percentage is not meaningful

(a) Exclusive of depreciation, amortization and accretion shown separately.

(b) Inclusive of the impact of foreign exchange rate fluctuations.

## Comparison of Operating Results

We have determined that presently, following the sale of CCAL, we have one reportable operating segment, CCUSA, consisting of our U.S. operations, which is consistent with our current operational and financial reporting structure. Our financial results are currently reported to management and the board of directors in this manner.

Prior to its sale in May 2015, CCAL, our previously 77.6% owned subsidiary that owns and operates towers in Australia, was a reportable segment. As a result of the sale of CCAL, our historical financial statements have been reclassified for all periods presented to include CCAL on a discontinued operations basis. See also "Item 2. MD&A—General Overview—Sale of CCAL".

We will continue our evaluation of our operating segments following the disposition of CCAL, and our change in strategic focus to our U.S. business. To the extent we make changes to our financial reporting or organizational structure, including upon completion and integration of the Sunesys Acquisition, we will evaluate any impact such changes may have to our segment reporting.

Net revenues for the second quarter of 2015 increased by \$21.2 million, or 2%, from the same period in the prior year. This increase in net revenues resulted from an increase from the same period in the prior year in site rental revenues of \$26.3 million, or 4%, offset by a decrease in network services and other revenues of \$5.1 million, or 3%.

The increase in site rental revenues was impacted by the following items, inclusive of straight-line accounting, in no particular order: new tenant additions across our entire portfolio, renewals or extensions of tenant leases, escalations, acquisitions, construction of wireless infrastructure, and non-renewals of tenant leases. Tenant additions were influenced by our customers' ongoing efforts to improve network quality and capacity. See "Item 2. MD&A—Business Fundamentals and Results."

Site rental gross margins for the second quarter of 2015 increased by \$16.3 million, or 3%, from the same period in the prior year. The increase in the site rental gross margins was related to the previously mentioned 4% increase in site rental revenues.

Network services and other gross margin increased by \$7.4 million, or 11%, from the same period in the prior year. The increase in our gross margin from our network services and other revenues is a reflection of (1) the volume of activity from carrier network enhancements such as LTE upgrades, (2) the volume and mix of network services and other work, and (3) the expansion in the size of our wireless infrastructure portfolio due to the T-Mobile Acquisition and the AT&T Acquisition. Our network services and other offerings are of a variable nature as these revenues are not under long-term contracts.

General and administrative expenses for the second quarter of 2015 increased by \$9.8 million, or approximately 15%, from the same period in the prior year. General and administrative expenses were 8% of net revenues for the second quarter of 2015 and 7% of net revenues for the second quarter of 2014. General and administrative expenses are inclusive of stock-based compensation charges. The increase in general and administrative expenses in nominal dollars was related to (1) the expansion in the size of our wireless infrastructure portfolio primarily due to our recent acquisitions and small cell network activities and (2) growth in network services. Typically, our general and administrative expenses do not significantly increase as a result of new tenant additions on our existing wireless infrastructure.

Adjusted EBITDA for the second quarter of 2015 increased by \$11.4 million, or 2%, from the same period in the prior year. Adjusted EBITDA was positively impacted by the growth in our site rental and network services activities.

Depreciation, amortization and accretion for the second quarter of 2015 increased by \$6.6 million, or 3%, from the same period in the prior year. This increase predominately resulted from a corresponding increase in our gross property and equipment.

Interest expense and amortization of deferred financing costs decreased \$10.1 million, or 7%, from the second quarter of 2014 to the second quarter of 2015 as a result of (1) a \$8.7 million decrease in the amortization of interest rate swaps and (2) our refinancing activities. During the second quarter of 2015, we issued an aggregate principal amount of \$1.0 billion in May 2015 Tower Revenue Notes, which, together with proceeds received from our sale of CCAL, provided us with funding to (1) repay \$250.0 million of August 2010 Tower Revenue Notes with an anticipated repayment date of August 2015, (2) repay all of the previously outstanding WCP Securitized Notes, (3) repay portions of outstanding borrowings under our 2012 Credit Facility, and (4) pay related fees and expenses. During the second quarter of 2014, we issued \$850.0 million of 4.875% Senior Notes, which provided us with funding to (1) repay \$300.0 million of the January 2010 Tower Revenue Notes with an anticipated repayment date of January 2015, and (2) redeem all of the previously outstanding 7.125% Senior Notes. As a result of the repayment and redemption of certain of our debt during the second quarter 2015 and 2014, we incurred losses of \$4.2 million and \$44.6 million, respectively. For a further discussion of our debt, see note 5 to our condensed consolidated financial statements and see note 7 to our consolidated financial statements in our 2014 Form 10-K.

The decrease in acquisition and integration expenses for the second quarter of 2015 compared to the second quarter of 2014 was a result of expenses recorded during the second quarter of 2014 related to our acquisitions in 2012 and 2013.

During the second quarter of 2015, we entered into foreign currency swaps to manage and reduce our foreign currency risk related to the sale of CCAL and recorded a gain on foreign currency swaps of \$59.8 million. See note 6 to our condensed consolidated financial statements.

For the second quarter of 2015 and 2014, the effective tax rate differed from the federal statutory rate predominately due to our REIT status including the dividends paid deduction. See note 8 to our condensed consolidated financial statements and also note 10 to our consolidated financial statements in our 2014 Form 10-K.

Income from discontinued operations, net of tax, decreased \$3.7 million due to the sale of CCAL occurring mid-quarter on May 28, 2015. In addition, during the second quarter of 2015, we recorded a gain on the sale of discontinued operations, net of tax, of \$981.5 million.

Net income (loss) attributable to CCIC stockholders for the second quarter of 2015 was income of \$1.2 billion compared to income of \$34.0 million for the second quarter of 2014. The increase in net income attributable to CCIC stockholders was primarily due to the gain recorded on the sale of CCAL.

#### *First Half 2015 and 2014*

Net revenues for the first six months of 2015 increased by \$79.9 million, or 5%, from the same period in the prior year. This increase in net revenues resulted from an increase from the same period in the prior year in (1) site rental revenues of \$42.9 million, or 3%, and (2) network services and other revenues of \$37.0 million, or 13%. The increase in site rental revenues was impacted by the following items, inclusive of straight-line accounting, in no particular order: new tenant additions across our entire portfolio, renewals or extensions of tenant leases, escalations, acquisitions, construction of wireless infrastructure, and non-renewals of tenant leases. Tenant additions were influenced by our customers' ongoing efforts to improve network quality and capacity. See "Item 2. MD&A—Business Fundamentals and Results."

Site rental gross margins for the first six months of 2015 increased by \$19.3 million, or 2%, from the same period in the prior year. The increase in the site rental gross margins was related to the previously mentioned 3% increase in site rental revenues.

Network services and other gross margin increased by \$34.4 million, or 28%, from the same period in the prior year. The increase in our gross margin from our network services and other revenues is a reflection of (1) the volume of activity from carrier network enhancements such as LTE upgrades, (2) the volume and mix of network services work, and (3) the expansion in the size of our wireless infrastructure portfolio due to the T-Mobile Acquisition and AT&T Acquisition. Our network services business is of a variable nature as these revenues are not under long-term contracts.

General and administrative expenses for the first six months of 2015 increased by \$25.2 million, or approximately 21%, from the same period in the prior year. General and administrative expenses were 8% of net revenues for the first six months of 2015 and 7% of net revenues for the first six months of 2014. General and administrative expenses are inclusive of stock-based compensation charges. The increase in general and administrative expenses in nominal dollars was related to (1) the expansion in the size of our wireless infrastructure portfolio primarily due to our recent acquisitions and small cell network activities and (2) growth in network services. Typically, our general and administrative expenses do not significantly increase as a result of new tenant additions on our existing wireless infrastructure.

Adjusted EBITDA for the first six months of 2015 increased by \$32.2 million, or 3%, from the same period in the prior year. Adjusted EBITDA was positively impacted by the growth in our site rental and network services activities.

Depreciation, amortization and accretion for the first six months of 2015 increased by \$13.2 million, or 3%, from the same period in the prior year. This increase predominately resulted from a corresponding increase in our gross property and equipment.

Interest expense and amortization of deferred financing costs decreased \$22.0 million, or 8%, from the first six months of 2014 to the first six months of 2015, as a result of (1) a \$17.4 million decrease in the amortization of interest rate swaps and (2) our refinancing activities. During the second quarter of 2015, we issued an aggregate principal amount of \$1.0 billion in May 2015 Tower Revenue Notes, which, together with proceeds received from our sale of CCAL, provided us with funding to (1) repay \$250.0 million aggregate principal amount of the August 2010 Tower Revenue Notes with an anticipated repayment date of August 2015, (2) repay all of the previously outstanding WCP Securitized Notes, (3) repay portions of outstanding borrowings under our 2012 Credit Facility, and (4) pay related fees and expenses. During the first six months of 2014, we issued \$850.0 million of 4.875% Senior Notes, which provided us with funding to (1) repay \$300.0 million of the January 2010 Tower Revenue Notes and (2) redeem all of the previously outstanding 7.125% Senior Notes. As a result of the repayment and redemption of certain of our debt during the first six months of 2015 and the first six months of 2014, we incurred losses of \$4.2 million and \$44.6 million, respectively. For a further discussion of our debt, see note 5 to our condensed consolidated financial and see note 7 to our consolidated financial statements in the 2014 Form 10-K.

The decrease in acquisition and integration expenses for the first six months of 2015 compared to the first six months of 2014 was a result of expenses recorded during the first six months of 2014 related to our acquisitions in 2012 and 2013.

During the second quarter of 2015, we entered into foreign currency swaps to manage and reduce our foreign currency risk related to the sale of CCAL and recorded a gain on foreign currency swaps of \$59.8 million. See note 6 to our condensed consolidated financial statements.

For the first six months of 2015 and 2014, the effective tax rate differs from the federal statutory rate predominately due to our REIT status, including the dividends paid deduction. See note 8 to our condensed consolidated financial statements and also note 10 to our consolidated financial statements in our 2014 Form 10-K.

Income from discontinued operations, net of tax, was consistent from the first six months of 2014 to the first six months of 2015. In addition, during the first half of 2015, we recorded a gain on the sale of discontinued operations, net of tax, of \$981.5 million.

Net income (loss) attributable to CCIC stockholders for the first half of 2015 was income of \$1.3 billion compared to income of \$135.5 million for the first half of 2014. The increase in net income attributable to CCIC stockholders was primarily due to the gain recorded on the sale of CCAL.

## Liquidity and Capital Resources

### Overview

*General.* Our core business generates revenues under long-term leases (see "Item 2. MD&A—General Overview—Overview") predominately from the largest U.S. wireless carriers. Our strategy is to create long-term stockholder value via a combination of (1) growing cash flows generated from our portfolio of wireless infrastructure, (2) returning a meaningful portion of our cash provided by operating activities to our stockholders in the form of dividends and (3) investing capital efficiently to grow long-term dividends per share. We measure our efforts to create "long-term stockholder value" by the combined payment of dividends to stockholders and growth in our per share results.

We have and expect to continue to engage in discretionary investments that we believe will maximize long-term stockholder value. Our historical discretionary investments include (in no particular order): purchasing our common stock, acquiring or constructing wireless infrastructure, acquiring land interests under towers, improving and structurally enhancing our existing wireless infrastructure, and purchasing, repaying, or redeeming our debt. Based on the growth in small cell activity, we expect to increase our capital spending on the construction of small cell networks. We seek to fund our discretionary investments with both net cash provided by operating activities and, cash available from financing capacity, such as the use of our undrawn availability from the 2012 Revolver, debt financings and issuances of equity or equity related securities.

We seek to maintain a capital structure that we believe drives long-term stockholder value and optimizes our weighted-average cost of capital. We target a leverage ratio of approximately four to five times Adjusted EBITDA and interest coverage of approximately three times Adjusted EBITDA, subject to various factors such as the availability and cost of capital and the potential long-term return on our discretionary investments. We may choose to increase or decrease our leverage or coverage from these targets for various periods of time.

Effective January 1, 2014, we commenced operating as a REIT for U.S. federal income tax purposes. We expect to continue to pay minimal cash income taxes as a result of our recent REIT conversion and our NOLs. See note 8 to our condensed consolidated financial statements and our 2014 Form 10-K.

*Liquidity Position.* The following is a summary of our capitalization and liquidity position. See "Item 3. Quantitative and Qualitative Disclosures About Market Risk" and note 5 to our condensed consolidated financial statements for additional information regarding our debt.

	<u>June 30, 2015</u>	
	(In thousands of dollars)	
Cash and cash equivalents <sup>(a)(c)</sup>	\$	338,609
Undrawn 2012 Revolver availability <sup>(b)(c)</sup>		2,230,000
Total debt and other long-term obligations <sup>(c)</sup>		11,131,304
Total equity		7,404,236

(a) Exclusive of restricted cash.

(b) Availability at any point in time is subject to certain restrictions based on the maintenance of financial covenants contained in the 2012 Credit Facility. See our 2014 Form 10-K.

(c) Exclusive of \$835 million in borrowings under our 2012 Revolver and cash on hand used to fund the Sunesys Acquisition in August 2015. See notes 4 and 14 to our condensed consolidated financial statements.

Over the next 12 months:

- We expect that our cash on hand, undrawn availability from our 2012 Revolver and net cash provided by operating activities (net of cash interest payments) should be sufficient to cover our expected (1) debt service obligations of \$94.7 million (principal payments), (2) common stock dividend payments expected to be \$3.28 per share, or an aggregate of approximately \$1.1 billion during 2015, subject to future approval by our board of directors (see "Item 2. MD&A—Business Fundamentals and Results"), (3) Convertible Preferred Stock dividend payments of approximately \$45 million, and (4) sustaining and discretionary capital expenditures (expect to be equal to or greater than current levels). As CCIC and CCOC are holding companies, this cash flow from operations is generated by our operating subsidiaries.
- We have no scheduled contractual debt maturities other than principal payments on amortizing debt. See "Item 3. Quantitative and Qualitative Disclosures About Market Risk" for a tabular presentation as of June 30, 2015 of our scheduled contractual debt maturities and a discussion of anticipated repayment dates.

#### Summary Cash Flow Information

	Six Months Ended June 30,		
	2015	2014	Change
(In thousands of dollars)			
Net increase (decrease) in cash and cash equivalents provided by (used for) from continuing operations:			
Operating activities	\$ 918,878	\$ 722,936	\$ 195,942
Investing activities	(439,213)	(382,708)	(56,505)
Financing activities	(1,424,165)	(355,756)	(1,068,409)
Net increase (decrease) in cash and cash equivalents from discontinued operations	1,108,458	25,644	1,082,814
Effect of exchange rate changes on cash	(969)	(6,031)	5,062
Net increase (decrease) in cash and cash equivalents	<u>\$ 162,989</u>	<u>\$ 4,085</u>	<u>\$ 158,904</u>

#### Operating Activities

The increase in net cash provided by operating activities from continuing operations for the first six months of 2015 of \$195.9 million, or 27%, from the first six months of 2014, was due primarily to (1) a net benefit from changes in working capital, and (2) growth in our network services. Changes in working capital (including changes in accounts receivable, deferred site rental receivables, deferred rental revenues, prepaid ground leases, restricted cash, and accrued interest) can have a significant impact on net cash provided by operating activities, largely due to the timing of prepayments and receipts. We expect to grow our net cash provided by operating activities in the future (exclusive of movements in working capital) if we realize expected growth in our core business.

#### Investing Activities

##### Capital Expenditures

	Six Months Ended June 30,		
	2015	2014	Change
(In thousands of dollars)			
Discretionary:			
Purchases of land interests	\$ 51,782	\$ 39,785	\$ 11,997
Wireless infrastructure construction and improvements	324,994	236,538	88,456
Sustaining	44,107	22,975	21,132
Total	<u>\$ 420,883</u>	<u>\$ 299,298</u>	<u>\$ 121,585</u>

Our sustaining capital expenditures have historically been less than 2% of net revenues annually and are slightly higher in 2015 due to expansion of our office facilities. Our discretionary capital expenditures are made with respect to activities which we believe exhibit sufficient potential to enhance long-term stockholder value. We expect to invest in discretionary capital expenditures over the next 12 months at levels equal to or greater than current levels as a result of increased growth in the construction of small cell networks. Our decisions regarding capital expenditures are influenced by the availability and cost of capital and expected returns on alternative uses of cash, such as payments of dividends and investments.

Capital expenditures for wireless infrastructure construction and improvements increased from the first six months of 2014 to 2015 primarily as a result of improvements to towers to accommodate new tenant additions and small cell network builds.

Capital expenditures for wireless infrastructure improvements typically vary based on (1) the type of work performed on the wireless infrastructure, with the installation of a new antenna typically requiring greater capital expenditures than a modification to an existing installation, (2) the existing capacity of the wireless structure prior to installation, or (3) changes in structural engineering regulations and our internal structural standards.

*Sale of CCAL.* See note 3 to our condensed consolidated financial statements for a discussion of our May 2015 sale of CCAL, our previously 77.6% owned Australian subsidiary.

*Foreign Currency Swaps.* During May 2015, in conjunction with our sale of CCAL, we entered into foreign currency swaps to manage and reduce our foreign currency risk associated with the sale of CCAL. See note 6 to our condensed consolidated financial statements.

*Acquisitions.* See notes 4 and 14 to our condensed consolidated financial statements for a discussion of the Sunesys Acquisition, which closed in August 2015.

#### *Financing Activities*

We seek to allocate cash generated by our operations in a manner that will enhance long-term stockholder value, which may include various financing activities such as (in no particular order) paying dividends on our common stock (currently expected to total an aggregate of approximately \$1.1 billion during 2015), paying dividends on our Convertible Preferred Stock (expected to be approximately \$45 million during 2015), purchasing our common stock, or purchasing, repaying, or redeeming our debt.

*Credit Facility.* The proceeds of our 2012 Revolver may be used for general corporate purposes, which may include the financing of capital expenditures, acquisitions, such as the Sunesys Acquisition, and purchases of our common stock. During January and February 2015, we increased the aggregate revolving commitment under the 2012 Revolver by \$730 million to approximately \$2.2 billion. As of August 5, 2015, following the closing of the Sunesys Acquisition, there was \$835 million outstanding and \$1.4 billion in undrawn availability under our revolving credit facility. See also note 5 to our condensed consolidated financial statements.

*Incurrence of Debt.* See note 5 to our condensed consolidated financial statements for a discussion of our May 2015 issuance of the May 2015 Tower Revenue Notes, which (1) provided us with funding to repay \$250.0 million aggregate principal amount of August 2010 Tower Revenue Notes with an anticipated repayment date of August 2015, all of the previously outstanding WCP Securitized Notes, and portions of outstanding borrowings under our 2012 Credit Facility, (2) lowered our cost of debt, and (3) extended the weighted-average maturity of our debt obligations.

*Debt Purchases and Repayments.* See note 5 to our condensed consolidated financial statements for a summary of our debt repayments during May 2015, including the gains (losses) on (1) the repayment of \$250.0 million aggregate principal amount of August 2010 Tower Revenue Notes with an anticipated repayment date of August 2015, (2) the repayment of all of the previously outstanding WCP Securitized Notes, and (3) the repayment of outstanding borrowings under our 2012 Credit Facility.

*Common Stock Activity.* As of June 30, 2015 and December 31, 2014, we had 333.8 million and 333.9 million common shares outstanding, respectively. See notes 11 and 14 to our condensed consolidated financial statements for further discussion of the common stock dividends.

*Convertible Preferred Stock Activity.* As of June 30, 2015 and December 31, 2014, we had approximately 9.8 million shares of preferred stock outstanding. Unless converted earlier, each outstanding share of the Convertible Preferred Stock will automatically convert on November 1, 2016. Currently, each share of Convertible Preferred Stock will convert into between 1.1300 shares (based on the current maximum conversion price of \$88.50) and 1.4124 shares (based on the current minimum conversion price of \$70.80) of common stock, depending on the applicable market value of the common stock and subject to certain anti-dilution adjustments. At any time prior to November 1, 2016, holders of the Convertible Preferred Stock may elect to convert all or a portion of their shares into common stock at the minimum conversion rate of 1.1300, subject to certain anti-dilution adjustments. See note 11 to our condensed consolidated financial statements for further discussion of the Convertible Preferred Stock dividends declared and paid during 2015.

## *Debt Covenants*

The credit agreement governing the 2012 Credit Facility contains financial maintenance covenants. We are currently in compliance with these financial maintenance covenants, and based upon our current expectations, we believe we will continue to comply with our financial maintenance covenants. In addition, certain of our debt agreements also contain restrictive covenants that place restrictions on us and may limit our ability to, among other things, incur additional debt and liens, purchase our securities, make capital expenditures, dispose of assets, undertake transactions with affiliates, make other investments, pay dividends or distribute excess cash flow. See our 2014 Form 10-K for a further discussion of our debt covenants, certain restrictive covenants and factors that are likely to determine our subsidiaries' ability to comply with current and future debt covenants.

## **Accounting and Reporting Matters**

### *Critical Accounting Policies and Estimates*

Our critical accounting policies and estimates are those that we believe (1) are most important to the portrayal of our financial condition and results of operations or (2) require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The critical accounting policies and estimates for 2015 are not intended to be a comprehensive list of our accounting policies and estimates. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP, with no need for management's judgment. In other cases, management is required to exercise judgment in the application of accounting principles with respect to particular transactions. Our critical accounting policies and estimates as of December 31, 2014 are described in "Item 7. MD&A" and in note 2 of our consolidated financial statements in our 2014 Form 10-K. The critical accounting policies and estimates for the first six months of 2015 have not changed from the critical accounting policies for the year ended December 31, 2014.

### *Accounting Pronouncements*

*Recently Adopted Accounting Pronouncements.* See note 2 to our condensed consolidated financial statements.

*Recent Accounting Pronouncements Not Yet Adopted.* See note 2 to our condensed consolidated financial statements.

### *Non-GAAP Financial Measures*

Historically, our measurement of profit or loss used to evaluate the operating performance of our operating segments has been earnings before interest, taxes, depreciation, amortization, and accretion, as adjusted ("Adjusted EBITDA"). As discussed in note 12 to our condensed consolidated financial statements, we are currently in the process of evaluating the financial reporting and organizational structure used to manage our business, including the scope and content of the financial data being reported to our management team and board of directors. Our definition of Adjusted EBITDA is set forth below. Our measure of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, including companies in the tower sector and other similar providers of wireless infrastructure, and is not a measure of performance calculated in accordance with GAAP. Adjusted EBITDA should not be considered in isolation or as a substitute for operating income or loss, net income or loss, net cash provided by (used for) operating, investing and financing activities or other income statement or cash flow statement data prepared in accordance with GAAP.

We define Adjusted EBITDA as net income (loss) plus restructuring charges (credits), asset write-down charges, acquisition and integration costs, depreciation, amortization and accretion, amortization of prepaid lease purchase price adjustments, interest expense and amortization of deferred financing costs, gains (losses) on retirement of long-term obligations, net gain (loss) on interest rate swaps, gains (losses) on foreign currency swaps, impairment of available-for-sale securities, interest income, other income (expense), benefit (provision) for income taxes, cumulative effect of a change in accounting principle, income (loss) from discontinued operations and stock-based compensation expense. The reconciliation of Adjusted EBITDA to our net income (loss) is set forth below. Adjusted EBITDA is not intended as an alternative measure of operating results or cash flows from operations as determined in accordance with GAAP, and our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

	<b>Three Months Ended June 30,</b>	
	<b>2015</b>	<b>2014</b>
Net income (loss)	\$ 1,154,378	\$ 35,357
Adjustments to increase (decrease) net income (loss):		
Income (loss) from discontinued operations	(987,852)	(10,053)
Asset write-down charges	3,620	3,105
Acquisition and integration costs	2,377	19,125
Depreciation, amortization and accretion	253,153	246,583
Amortization of prepaid lease purchase price adjustments	5,070	5,663
Interest expense and amortization of deferred financing costs	134,466	144,534
Gains (losses) on retirement of long-term obligations	4,181	44,629
Gains (losses) on foreign currency swaps	(59,779)	—
Interest income	(325)	(108)
Other income (expense)	(194)	5,920
Benefit (provision) for income taxes	(4,144)	(3,101)
Stock-based compensation expense	15,975	17,883
Adjusted EBITDA <sup>(a)</sup>	<u>\$ 520,926</u>	<u>\$ 509,537</u>

(a) The above reconciliation excludes the items included in the Company's Adjusted EBITDA definition which are not applicable to the periods shown.

	<b>Six Months Ended June 30,</b>	
	<b>2015</b>	<b>2014</b>
Net income (loss)	\$ 1,279,490	\$ 138,150
Adjustments to increase (decrease) net income (loss):		
Income (loss) from discontinued operations	(1,001,230)	(19,621)
Asset write-down charges	12,175	5,741
Acquisition and integration costs	4,393	24,784
Depreciation, amortization and accretion	504,959	491,759
Amortization of prepaid lease purchase price adjustments	10,244	9,558
Interest expense and amortization of deferred financing costs	268,905	290,934
Gains (losses) on retirement of long-term obligations	4,157	44,629
Gains (losses) on foreign currency swaps	(59,779)	—
Interest income	(381)	(222)
Other income (expense)	55	8,656
Benefit (provision) for income taxes	(5,579)	(6,141)
Stock-based compensation expense	32,816	29,840
Adjusted EBITDA <sup>(a)</sup>	<u>\$ 1,050,225</u>	<u>\$ 1,018,067</u>

(a) The above reconciliation excludes the items included in the Company's Adjusted EBITDA definition which are not applicable to the periods shown.

We believe Adjusted EBITDA is useful to an investor in evaluating our operating performance because:

- it is the primary measure used by our management to evaluate the economic productivity of our operations, including the efficiency of our employees and the profitability associated with their performance, the realization of lease revenues under our long-term leases, our ability to obtain and maintain our tenants, and our ability to operate our wireless infrastructure effectively;
- it is the primary measure of profit and loss historically used by management for purposes of making decisions about allocating resources to, and assessing the performance of, our operating segments;
- it is similar to the measure of current financial performance generally used in our debt covenant calculations;
- although specific definitions may vary, it is widely used in the tower sector and other similar providers of wireless infrastructure to measure operating performance without regard to items such as depreciation, amortization and accretion which can vary depending upon accounting methods and the book value of assets; and

- we believe it helps investors meaningfully evaluate and compare the results of our operations (1) from period to period and (2) to our competitors by removing the impact of our capital structure (primarily interest charges from our outstanding debt) and asset base (primarily depreciation, amortization and accretion) from our operating results.

Our management uses Adjusted EBITDA:

- with respect to compliance with our debt covenants, which require us to maintain certain financial ratios including, or similar to, Adjusted EBITDA;
- as the primary measure of profit and loss historically used for purposes of making decisions about allocating resources to, and assessing the performance of, our operating segments;
- as a performance goal in employee annual incentive compensation;
- as a measurement of operating performance because it assists us in comparing our operating performance on a consistent basis as it removes the impact of our capital structure (primarily interest charges from our outstanding debt) and asset base (primarily depreciation, amortization and accretion) from our operating results;
- in presentations to our board of directors to enable it to have the same measurement of operating performance used by management;
- for planning purposes, including preparation of our annual operating budget;
- as a valuation measure in strategic analyses in connection with the purchase and sale of assets; and
- in determining self-imposed limits on our debt levels, including the evaluation of our leverage ratio and interest coverage ratio.

There are material limitations to using a measure such as Adjusted EBITDA, including the difficulty associated with comparing results among more than one company, including our competitors, and the inability to analyze certain significant items, including depreciation and interest expense, that directly affect our net income or loss. Management compensates for these limitations by considering the economic effect of the excluded expense items independently as well as in connection with their analysis of net income (loss).

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The following section updates "*Item 7A. Quantitative and Qualitative Disclosures About Market Risk*" in our 2014 Form 10-K and should be read in conjunction with that report as well as our condensed consolidated financial statements included in Part 1, Item 1 of this report.

#### **Interest Rate Risk**

Our interest rate risk relates primarily to the impact of interest rate movements on the following, and exclusive of amounts borrowed in August 2015 to fund the Sunesys Acquisition:

- the potential refinancing of our existing debt (\$11.1 billion outstanding at June 30, 2015 and \$11.9 billion at December 31, 2014);
- our \$2.9 billion and \$4.2 billion of floating rate debt at June 30, 2015 and December 31, 2014, respectively; which represented approximately 26% and 35% of our total debt, as of June 30, 2015 and as of December 31, 2014, respectively; and
- potential future borrowings of incremental debt, including borrowings on our 2012 Credit Facility.

Over the next 12 months, we have no debt maturities other than principal payments on amortizing debt. We currently have no interest rate swaps.

#### *Sensitivity Analysis*

We manage our exposure to market interest rates on our existing debt by controlling the mix of fixed and floating rate debt. As of June 30, 2015, we had \$2.9 billion of floating rate debt, which included \$2.3 billion of debt with a LIBOR floor of 75 basis points per annum. As a result, a hypothetical unfavorable fluctuation in market interest rates on our existing debt of 1/8 of a percent point over a 12 month period would increase our interest expense by approximately \$1 million when giving effect to our LIBOR floor and would increase our interest expense by approximately \$4 million exclusive of the impact of the LIBOR floor.

## Tabular Information

The following table provides information about our market risk related to changes in interest rates. The future principal payments and weighted-average interest rates are presented as of June 30, 2015. These debt maturities reflect contractual maturity dates and do not consider the impact of the principal payments that commence if the applicable debt is not repaid or refinanced on or prior to the anticipated repayment dates on the Tower Revenue Notes (see footnote (c)). The information presented below regarding the variable rate debt is supplementary to our sensitivity analysis regarding the impact of changes in the LIBOR rates. See notes 5 and 7 to our condensed consolidated financial statements and our 2014 Form 10-K for additional information regarding our debt.

Future Principal Payments and Interest Rates by the Debt Instruments' Contractual Year of Maturity									
	2015	2016	2017	2018	2019	Thereafter	Total	Fair Value <sup>(a)</sup>	
(Dollars in thousands)									
Debt:									
Fixed rate <sup>(c)</sup>	\$ 25,304	\$ 45,351	\$ 542,558 <sup>(f)</sup>	\$ 40,158	\$ 33,173	\$ 7,552,334 <sup>(c)(d)</sup>	\$ 8,238,878 <sup>(c)(d)</sup>	\$ 8,501,465	
Average interest rate <sup>(b)(c)(d)</sup>	4.5%	4.6%	2.6%	5.0%	5.2%	6.8% <sup>(c)(d)</sup>	6.5% <sup>(c)(d)</sup>		
Variable rate	\$ 19,746	\$ 56,054	\$ 56,054	\$ 56,054	\$ 552,929 <sup>(g)(h)</sup>	\$ 2,155,300	\$ 2,896,137	\$ 2,882,450	
Average interest rate <sup>(e)</sup>	2.6%	2.8%	3.4%	3.9%	4.0%	5.1%	4.8%		

(a) The fair value of our debt is based on indicative quotes (that is, non-binding quotes) from brokers that require judgment to interpret market information, including implied credit spreads for similar borrowings on recent trades or bid/ask offers. These fair values are not necessarily indicative of the amount which could be realized in a current market exchange.

(b) The average interest rate represents the weighted-average stated coupon rate (see footnotes (c) and (d)).

(c) The impact of principal payments that will commence following the anticipated repayment dates is not considered. The January 2010 Tower Revenue Notes consist of two series of notes with principal amounts of \$350.0 million and \$1.3 billion, having anticipated repayment dates in 2017 and 2020, respectively. The August 2010 Tower Revenue Notes consist of two series of notes with principal amounts of \$300.0 million and \$1.0 billion, having anticipated repayment dates in 2017 and 2020, respectively. See note 5 to our condensed consolidated financial statements for a discussion of our issuance of \$1.0 billion of the May 2015 Tower Revenue Notes with anticipated repayment dates ranging between 2022 and 2025.

(d) If the Tower Revenue Notes are not repaid in full by the applicable anticipated repayment dates, the applicable interest rate increases by approximately 5% per annum and monthly principal payments commence using the Excess Cash Flow of the issuers of the Tower Revenue Notes. The Tower Revenue Notes are presented based on their contractual maturity dates ranging from 2037 to 2045 and include the impact of an assumed 5% increase in interest rate that would occur following the anticipated repayment dates but exclude the impact of monthly principal payments that would commence using Excess Cash Flow of the issuers of the Tower Revenue Notes. The full year 2014 Excess Cash Flow of the issuers of the Tower Revenue Notes was approximately \$502.9 million. We currently expect to refinance these notes on or prior to the respective anticipated repayment dates.

(e) The average variable interest rate is based on the currently observable forward rates. The 2012 Revolver and the Tranche A Term Loans bear interest at a per annum rate equal to LIBOR plus 1.5% to 2.25%, based on CCOC's total net leverage ratio. The Tranche B Term Loans bear interest at a per annum rate equal to LIBOR (with LIBOR subject to a floor of 75 basis points per annum) plus 2.25% to 2.5%, based on CCOC's total net leverage ratio.

(f) Predominantly consists of \$500 million in aggregate principal of 2.381% secured notes due 2017.

(g) Predominantly consists of the Tranche A Term Loans due January 2019. See note 5 to our condensed consolidated financial statements.

(h) In August 2015, we utilized approximately \$835 million in borrowings under our 2012 Revolver to fund the Sunesys Acquisition. See notes 4, 5 and 14 to our condensed consolidated financial statements.

## Foreign Currency Risk

Following the May 2015 sale of CCAL (as discussed in note 3 to our condensed consolidated financial statements), the vast majority of our foreign currency risk is related to the installment payment receivable of A\$155 million from the Buyer due in January 2016. As discussed in note 6 to our condensed consolidated financial statements, we have hedged this installment payment receivable via an Australian dollar foreign currency swap, which effectively eliminates our foreign currency exposure to the Australian dollar.

## **ITEM 4. CONTROLS AND PROCEDURES**

### **Disclosure Controls and Procedures**

The Company conducted an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective in alerting them in a timely manner to material information relating to the Company required to be included in the Company's periodic reports under the Securities Exchange Act of 1934.

### **Changes in Internal Control Over Financial Reporting**

There have been no changes in the Company's internal control over financial reporting during the fiscal quarter covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II—OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

See the disclosure in note 10 to our condensed consolidated financial statements set forth in Part I, Item 1 of this Quarterly Report on Form 10-Q, which disclosure is hereby incorporated herein by reference.

### ITEM 1A. RISK FACTORS

There are no material changes to the risk factors discussed in "Item 1A—Risk Factors" in our 2014 Form 10-K.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table summarizes information with respect to purchase of our equity securities during the second quarter of 2015:

<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs</u>
	(In thousands)			
April 1 - April 30, 2015	—		—	—
May 1 - May 31, 2015	1	82.06	—	—
June 1 - June 30, 2015	—		—	—
Total	<u>1</u>	<u>\$ 82.06</u>	<u>—</u>	<u>—</u>

We paid \$0.1 million in cash to effect these purchases. The shares purchased relate to shares withheld in connection with the payment of withholding taxes upon vesting of restricted stock.

### ITEM 6. EXHIBITS

The list of exhibits set forth in the accompanying Exhibit Index is incorporated by reference into this Item 6.



## Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
(a) 3.1	Restated Certificate of Incorporation of Crown Castle International Corp. (including the Certificate of Designations of 4.50% Mandatory Convertible Preferred Stock, Series A, incorporated therein as Exhibit I)
(b) 3.2	Amended and Restated By-Laws of Crown Castle International Corp., dated July 30, 2015
(d) 4.1	Indenture Supplement, dated as of May 15, 2015, relating to the Senior Secured Tower Revenue Notes, Series 2015-1, by and among The Bank of New York Mellon (as successor to The Bank of New York as successor to JPMorgan Chase Bank, N.A.), as Indenture Trustee, and Crown Castle Towers LLC, Crown Castle South LLC, Crown Communication LLC, Crown Castle Towers 05 LLC, Crown Castle PR LLC, Crown Castle MU LLC and Crown Castle MUPA LLC, collectively as Issuers
(d) 4.2	Indenture Supplement, dated as of May 15, 2015, relating to the Senior Secured Tower Revenue Notes, Series 2015-2, by and among The Bank of New York Mellon (as successor to The Bank of New York as successor to JPMorgan Chase Bank, N.A.), as Indenture Trustee, and Crown Castle Towers LLC, Crown Castle South LLC, Crown Communication LLC, Crown Castle Towers 05 LLC, Crown Castle PR LLC, Crown Castle MU LLC and Crown Castle MUPA LLC, collectively as Issuers
(c) 10.1	Stock Purchase Agreement, dated as of April 25, 2015, by and among Quanta Services, Inc., Crown Castle International Corp. and CC SCN Fiber LLC
* 10.2	Agreement for the Sale and Purchase of the Shares of Crown Castle Australia Holdings Pty Ltd, dated May 14, 2015, by and among Crown Castle International Corp., Crown Castle Operating LLC, The Trust Company (Nominees) Limited, Todd International Investments Limited, Oceania Capital Limited, Birdsong Capital Limited, Baytown Investments Limited, Heritage PTC LLC, David Lloyd CCA Limited, Turri Finance Pty Ltd and Turri Bidco Pty Ltd
* 31.1	Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002
* 31.2	Certification of Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002
* 32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002
* 101.INS	XBRL Instance Document
* 101.SCH	XBRL Taxonomy Extension Schema Document
* 101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
* 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
* 101.LAB	XBRL Taxonomy Extension Label Linkbase Document
* 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

\* Filed herewith.

(a) Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (File No. 001-16441) on December 16, 2014.

(b) Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (File No. 001-16441) on August 4, 2015.

(c) Incorporated by reference to the exhibit previously filed by the Registrant on Form 10-Q (File No. 001-16441) for the quarter ended March 31, 2015.

(d) Incorporated by reference to the exhibit previously filed by the Registrant on Form 8-K (File No. 001-16441) on May 21, 2015.

**AGREEMENT FOR THE SALE AND PURCHASE OF THE  
SHARES OF  
CROWN CASTLE AUSTRALIA HOLDINGS PTY LTD**

**DATED 14 May 2015**

**Each person listed in Schedule 1,**

**TURRI BIDCO PTY LTD**

**TURRI FINANCE PTY LTD**

**AND**

**CROWN CASTLE INTERNATIONAL CORP.\***

\* Solely with respect to clauses 19, 20, 21, 22 and 25

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## Schedule

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**Annex**

1. Index to Data Room
2. W&I Insurance Policy

**THIS AGREEMENT** is made on 14 May 2015

**AMONG:**

- (1) **THE PARTIES** whose names are set out in column 1 of Schedule 1 (each, a “**Seller**” and, collectively, the “**Sellers**”);
- (2) Turri Bidco Pty Ltd ACN 605 799 899, a corporation organized under the laws of the Commonwealth of Australia, (the “**Buyer**”);
- (3) Turri Finance Pty Ltd ACN 605 452 435, a corporation organized under the laws of the Commonwealth of Australia, (“**FinCo**”);  
and
- (4) Crown Castle International Corp., a corporation organized under the laws of the State of Delaware (United States of America) (“**CCI**”), solely with respect to clauses 19, 20, 21, 22 and 25.

**BACKGROUND:**

- (A) The Sellers are the owners of all the issued share capital of the Company, further details of which are set out in Schedule 1.
- (B) The Sellers wish to sell and the Buyer wishes to buy all the issued share capital of the Company on the terms and subject to the conditions set out in this Agreement.

**IT IS AGREED** as follows:

**1. INTERPRETATION**

**1.1 Definitions**

In this Agreement:

“**ACCC**” means the Australian Competition and Consumer Commission;

“**Accounting Standards**” means the Australian accounting standards made under the Corporations Act and generally accepted accounting principles and practices in Australia which are not inconsistent with those standards;

“**Accounts**” means the audited consolidated balance sheet as at the Accounts Date and the audited consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on the Accounts Date of the Company;

“**Accounts Date**” means 31 December 2014;

“**Actual Net Cash**” has the meaning given in Schedule 5;

“**Actual Working Capital**” has the meaning given in Schedule 5;

“**Additional Amount**” has the meaning given in clause 17.3;

“**Adjustment Escrow Account**” means the escrow account specified in writing to the Buyer at least three Business Days prior to Completion by the Adjustment Representative and held by the Adjustment Representative as security for the Sellers’ obligations pursuant to clauses 2.4 and 2.5, if any;

“**Adjustment Escrow Amount**” means A\$10,000,000;

“**Adjustment Escrow Excess Amount**” has the meaning given in clause 2.6(c);

“**Adjustment Escrow Shortfall Amount**” has the meaning given in clause 2.6(b);

“**Adjustment Representative**” has the meaning given in clause 2.7;

“**Advisory Expenses**” has the meaning given in Schedule 5;

“**Alternative Financing**” has the meaning given in clause 4.4(e);

“**ANZ Facility**” means the A\$9,880,000 facilities pursuant to the Letter of Offer dated 28 June 2013, as amended from time to time including by a variation letter dated 9 January 2015, among Australia and New Zealand Banking Group Limited, as lender, and certain subsidiaries of the Company, as borrowers;

“**ASIC**” means the Australian Securities and Investments Commission;

“**ASX**” means ASX Limited;

“**Balance Sheet Date Working Capital**” has the meaning given in Schedule 5;

“**Beneficial Sellers**” has the meaning given in Schedule 10;

“**Benefit Date**” has the meaning given in clause 10.17(c);

“**Business**” has the meaning given in clause 19.3;

“**Business Day**” means a day (other than a Saturday, Sunday or public holiday) on which banks are generally open in Sydney, Australia for normal business and, with respect to a Business Day relevant for determining the date of Completion or the date for any payment to be made to a Seller, a day (other than a Saturday, Sunday or public holiday) on which banks are generally open in any jurisdiction required for the purposes of such Seller’s receipt of funds process;

“**Business Warranties**” means the statements set out in Part B of Schedule 4;

“**Buyer**” has the meaning given in the recitals;

“**Buyer Group**” means the Buyer and all of its Related Entities (and after Completion includes the Group Companies) and “**Buyer Group Member**” means any one of them;

“**Cap Amount**” has the meaning given in clause 10.9(a);

“**CCA**” means Crown Castle Australia Pty Ltd (ACN 090 873 019), incorporated in Australia;

“**CCI**” has the meaning given in the recitals;

“**CCOL**” means Crown Castle Operating LLC, a Delaware (United States of America) limited liability company;

“**CCOL Letter of Credit**” has the meaning given in clause 2.13;

“**Claim**” means any Warranty Claim, any claim under the Tax Indemnity and any other claim, demand, cause of action or proceeding against the Sellers:

- (a) for breach of any provision of this Agreement or any other Transaction Document; or
- (b) otherwise in respect of the subject matter of this Agreement or any other Transaction Document;

“**Claim Related Benefit**” has the meaning given in clause 10.17(a);

“**Co-Investment Agreement**” means the co-investment agreement among the Minority Sellers, Todd and TII Management Limited (a Related Entity of Todd).

“**Company**” means Crown Castle Australia Holdings Pty Ltd (ACN 086 370 274), incorporated in Australia;

“**Competitive Activity**” has the meaning given in clause 19.3;

“**Completion**” means completion of the sale and purchase of the Shares in accordance with this Agreement;

“**Completion Statement**” has the meaning given in Schedule 5;

“**Corporations Act**” means the *Corporations Act 2001* (Cth);

“**D&O Indemnified Parties**” has the meaning given in clause 8.3(a);

“**Data Room Information**” means:

- (a) the information and the documents made available to the Buyer or any of its Representatives on or before the date of this Agreement in the physical or electronic data rooms to which the Buyer has been given access, an index to which is attached as Annex 1 or provided to the Buyer on CD-Rom or DVD; and
- (b) the written answers or written confirmations or correspondence provided by any of the Sellers, the management of the Group Companies or any of their respective Representatives or Related Entities to the Buyer or any of its Representatives on or before the date of this Agreement in response to requests for information;

“**Data Tape**” means the unaudited report of the same name contained in the document numbered 01.05.011 in the Data Room Information, derived principally from the Company’s financial system showing certain annualised lease and licence details as at the Accounts Date on all active sites (but excluding, without limitation, certain sites, for example incomplete new builds, alternate sites, inactive rooftops);

“**Debt Financing**” has the meaning given in clause 13(j);

“**Debt Financing Commitments**” has the meaning given in clause 13(j);

“**Deed of Guarantee and Indemnity**” means the Deed of Guarantee and Indemnity dated 26 November 2013 among Crown Castle Australia Pty Ltd, the Company and CCI;

“**Defaulting Party**” has the meaning given in clause 5.6;

“**Disclosed Information**” has the meaning given in clause 10.3;

**“Disclosure Letter”** means the letter dated the same date as this Agreement from the Sellers to the Buyer and includes all of its schedules and annexures;

**“Disputed Item”** has the meaning given in Schedule 5;

**“Draft Completion Statement”** has the meaning given in Schedule 5;

**“Due Diligence Investigation”** has the meaning given in clause 10.2(a);

**“Duty”** means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and any penalty, fine, interest or additional charge payable in relation to any such duty or charge;

**“Encumbrance”** means any security interest (within the meaning of section 51A of the Corporations Act) and any mortgage, charge, pledge or lien or any option, right to acquire, right of pre-emption or assignment, in each case by way of security or trust arrangement for the purpose of providing security, retention arrangement or other security interest of any kind, and any agreement to create any of the foregoing;

**“End Date”** means 12 June 2015;

**“Equity Financing”** has the meaning given in clause 13(j);

**“Equity Financing Commitments”** has the meaning given in clause 13(j);

**“Equity Purchase Price”** has the meaning given in clause 2.3;

**“Estimated Net Cash”** has the meaning given in Schedule 5;

**“Estimated Working Capital”** has the meaning given in Schedule 5;

**“Excess Recovery”** has the meaning given in clause 10.17(c);

**“Existing D&O Cover”** has the meaning given in clause 8.3(c);

**“Financing”** has the meaning given in clause 13(j);

**“Financing Agreement”** means:

- (a) any agreement in effect on the date of this Agreement under which a Group Company may borrow money in excess of A\$5 million;
- (b) any equipment lease, finance lease, hire purchase agreement or similar arrangement in effect on the date of this Agreement under which a Group Company holds assets to a value of A\$5 million or more; and
- (c) the ANZ Facility, but excluding the Intercompany Revolving Credit Facility;

**“Financing Commitments”** has the meaning given in clause 13(j);

**“Freehold Office Property”** means the office site owned by the Group Companies, as set out in Schedule 8;

**“Freehold Properties”** means all freehold property, other than the Freehold Office Properties, owned by the Group Companies, as set out in Document No. 16.10 in the Data Room Information;

**“Government Agency”** means any government; any department, officer or minister of any government; or any governmental, administrative, fiscal or judicial agency, authority, board, commission, tribunal or entity;

**“Group Companies”** means the Company and the Subsidiaries and **“Group Company”** means any one of them;

**“GST”** has the meaning given in the GST Law;

**“GST Exclusive Consideration”** has the meaning given in clause 17.2;

**“GST Law”** has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth);

**“ICAA”** has the meaning given in Schedule 5;

**“Indemnification Provisions”** has the meaning given in clause 8.3(a);

**“Industrial Instrument”** means any award or collective agreement made, approved or enforceable under any law including any certified agreement, collective agreement, enterprise agreement, Australian Workplace Agreement or Modern Award and any notional agreement preserving a state award;

**“Installment Payment”** has the meaning given in clause 2.13;

**“Insolvency Event”** means in respect of any person:

- (a) the person is unable to or states that it is unable to pay its debts as they fall due or stops or threatens to stop paying its debts as they fall due;
- (b) any indebtedness of the person is subject to a moratorium;
- (c) a liquidator, provisional liquidator or administrator has been appointed to the person, a controller (as defined in section 9 of the Corporations Act) has been appointed to any property of the person or an event occurs which gives any other person a right to seek such an appointment;
- (d) an order has been made, a resolution has been passed or proposed in a notice of meeting or in an announcement to any recognised securities exchange, or an application to court has been made for the winding up or dissolution of the person or for the entry into of any arrangement, compromise or composition with, or assignment for the benefit of, creditors of the person or any class of them;
- (e) a writ of execution, garnishee order, mareva injunction or similar order has been issued over or affecting, all or a substantial part of the assets of the person; or
- (f) the person has otherwise become, or is otherwise taken to be, insolvent in any jurisdiction or an event occurs in any jurisdiction in relation to the person which is analogous to, or which has a substantially similar effect to, any of the events referred to in paragraphs (a) to (e) above;

**“Intellectual Property Rights”** means:

- (a) copyright, patents, database rights and rights in trade marks, designs, know-how and confidential information (whether registered or unregistered);

- (b) applications for registration, and rights to apply for registration, of any of the foregoing rights; and
- (c) all other intellectual property rights and equivalent or similar forms of protection existing anywhere in the world;

**“Intercompany Loan Repayment Amount”** means the amount in Australian dollars notified by CCOL (on behalf of CCI) to the Buyer not less than three Business Days before Completion (the date of such notification being the **“Intercompany Loan Repayment Notification Date”**) as the total amount required to discharge the Intercompany Revolving Credit Facility immediately following Completion (including all principal and accrued and unpaid interest and fees in respect thereof and any premiums required to be paid at the time of the prepayment thereof);

**“Intercompany Loan Repayment Notification Date”** has the meaning given in the definition of Intercompany Loan Repayment Amount;

**“Intercompany Revolving Credit Facility”** means the A\$400 million Revolving Floating Rate Cash Advance Facility dated on or about 22 November 2013 between the Company, as borrower and CCI, as lender and the related A\$400 million Revolving Note dated 26 November 2013;

**“Judgment Amount”** has the meaning given in clause 10.10(d);

**“Leasehold Office Properties”** means the office sites leased by the Group Companies set out in Schedule 9;

**“Loss”** means all losses, damages, costs, expenses, charges and other liabilities;

**“MAAs”** means the master access agreements between members of the Group and carrier customers for access to and use of Tower Sites to affix telecommunications equipment that require payments to any Group Company in excess of A\$5 million in any twelve month period;

**“Major Sellers”** means CCOL and Todd;

**“Management Agreement”** means the Agreement for the Provision of Co-ordination and Support Services, dated 27 November 2006 among CCI, CCA and the Company;

**“Material Contract”** means the MAAs in effect on the date of this Agreement and any other contract in effect on the date of this Agreement that is material to the Group Companies, taken as a whole, or that requires payments to or by any Group Company in excess of A\$5 million in a twelve month period, but excluding the Financing Agreements and the Intercompany Revolving Credit Facility;

**“Minority Sellers”** means the Sellers other than the Major Sellers and the Trustee;

**“Names”** means the past, current and future names, imagery, domain names, slogans, taglines, logos, symbols, trademarks or abbreviations of any Seller Group Member and any past, current and future name, imagery, domain name, slogan, tagline, logo, symbol, trademark or abbreviation that, in the reasonable judgment of CCOL, is similar thereto (including with respect to styling, color or appearance) and any variations or derivatives thereof, including “Crown”, “Crown Castle”, “CC”, “CCI”, “CCA” and “Crown Castle Australia”;

**“Net Cash”** has the meaning given in Schedule 5;

**“Notice of Disagreement”** has the meaning given in Schedule 5;

**“Paying Warrantor”** has the meaning given in clause 10.10(d);

**“Permitted Encumbrance”** means any Encumbrance that is:

- (a) a lien arising by operation of law or in the ordinary course of business of, and not arising as a result of a default or omission by, the relevant Group Company;
- (b) a retention of title arrangement entered into by any Group Company in the ordinary course of business on the supplier’s usual terms of sale (or on terms more favourable to that Group Company), and not arising as a result of a default or omission by any Group Company;
- (c) a purchase money security interest (as defined in section 14 of the PPS Act) which relates to the deferred purchase price of any asset or service provided to any Group Company in the ordinary course of business;
- (d) a lease, licence or similar arrangement which relates to an asset arising in the ordinary course of business of the relevant Group Company;
- (e) a netting, set-off or similar arrangement or any combination thereof entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (f) an interest in personal property that would not be a Security Interest but for section 12(3) of the PPS Act;
- (g) a registered covenant, easement, caveat, mortgage, charge or other dealing or affectation whether registered on title at a State or Territory land registry, or unregistered, burdening any of the Freehold Office Properties, Leasehold Office Properties or Tower Sites as at the date of this Agreement;
- (h) a reservation, exception or condition contained in any Crown grant; or
- (i) without limiting the above, rights under any Material Contract, Tower Site Lease or Tower Site License;

**“PPS Act”** means the Personal Property Securities Act 2009 (Cth);

**“Pre-Completion Period”** means any period (or portion thereof) ending on or before Completion in respect of which a Group Company is required to make a return or a payment to a Taxation Authority, including a period described in section 701-30 of the Tax Act;

**“Pre-Completion Taxation”** has the meaning given in clause 11.1;

**“Projected Claim Amount”** means, as of any date, with respect to a Minority Seller, the lesser of:

- (a) the maximum aggregate amount that is determined by Buyer, acting reasonably, to be necessary to satisfy all Shareholder Warranty Claims against such Minority Seller that have been timely asserted but not finally resolved by that date and;
- (b) such Minority Seller’s Shareholder Warranty Escrow Amount as of such date;

**“Provider”** has the meaning given in clause 12.4(b);

**“Purchase Price”** has the meaning given in clause 2.3;

“**Recipient**” has the meaning given in clause 12.4(b);

“**Related Entity**” means, in respect of any entity, a second entity that:

- (a) controls the first entity;
- (b) is under the control of the first entity; or
- (c) is under the control of a third entity that also controls the first entity,

with control having the meaning given in section 50AA of the Corporations Act;

“**Representative**” means, in relation to a person, any director, officer or employee of, and any accountant, auditor, financier, financial adviser, legal adviser, technical adviser or other expert adviser or consultant to, such person;

“**Respective Proportion**” means, in relation to a Seller, the percentage specified opposite the name of such Seller in column 4 of Schedule 1;

“**Seller**” and “**Sellers**” have the meaning, respectively, given in the recitals;

“**Seller Group**” means, in relation to each Seller, that Seller and its Related Entities other than the Group Companies, and “**Seller Group Member**” means any one of them;

“**Seller Payment**” has the meaning given in clause 10.17(a);

“**Seller Warranties**” means the Shareholder Warranties and the Business Warranties;

“**Senior Employee**” has the meaning given in clause 9.1(a) of Part B of Schedule 4;

“**Share Capital Warranties**” means the statements set out in clause 1 of Part B of Schedule 4;

“**Share Capital Warranty Claims**” means any claim, demand, cause of action or proceeding against a Warrantor the basis of which is that a Share Capital Warranty is, or is alleged to be, untrue, inaccurate or misleading;

“**Share Security Deed**” means the Share Security Deed dated 26 November 2013 between the Company and CCI;

“**Shareholder Warranties**” means the statements set out in Part A of Schedule 4;

“**Shareholder Warranty Claims**” means any claim, demand, cause of action or proceeding against a Warrantor the basis of which is that a Shareholder Warranty of such Warrantor is, or is alleged to be, untrue, inaccurate or misleading;

“**Shareholder Warranty Escrow Account**” means the escrow account held by the Shareholder Warranty Escrow Agent pursuant to the Shareholder Warranty Escrow Agreement as security for the Minority Sellers’ obligations pursuant to any Shareholder Warranty Claims;

“**Shareholder Warranty Escrow Agent**” means the escrow agent pursuant to the Shareholder Warranty Escrow Agreement;

“**Shareholder Warranty Escrow Agreement**” means the escrow agreement dated on the date of Completion substantially in the form of Schedule 12 among the Minority Sellers, the Buyer and the Shareholder Warranty Escrow Agent;

**“Shareholder Warranty Escrow Amount”** means, in respect of a Minority Seller, the amount equal to the product of:

- (a) such Minority Seller’s Respective Proportion divided by the sum of all Minority Sellers’ Respective Proportions; and
- (b) the Total Shareholder Warranty Escrow Amount,

as may be reduced in accordance with clause 24;

**“Shareholders Agreement”** means the Shareholders Agreement dated March 2000, as amended from time to time, whose current parties are CCOL, TII Management Limited and the Company;

**“Shares”** means all of the shares in the capital of the Company mentioned in Schedule 1;

**“Subsidiaries”** means all the companies mentioned in Schedule 3, and **“Subsidiary”** means any one of them;

**“Sunset Date”** means 22 May 2015;

**“Supplier”** has the meaning given in clause 17.3;

**“Surviving Clauses”** means clause 1 (interpretation), clause 3.1(d) (termination), clause 15 (confidentiality), clause 17 (GST and similar taxes), clause 18 (notices), clause 20 (entire agreement), clause 21 (general), clause 22 (governing law and jurisdiction) and clause 23 (trustee limitation on liability);

**“Tax”** or **“Taxation”** means:

- (a) any charge, tax, duty, levy, impost or withholding imposed by or for the support of any Government Agency, however and wherever collected or recovered, including GST but excluding Duty; and
- (b) any penalty, fine, interest or additional charge payable in relation to any such charge, tax, duty, levy, impost or withholding;

**“Tax Act”** means the *Income Tax Assessment Act 1936 (Cth)* and the *Income Tax Assessment Act 1997 (Cth)*;

**“Tax Benefit”** means a benefit or saving of any Tax or a credit against any Tax or any relief or remission for Tax (or its repayment), including where the benefit, saving, credit, relief or remission arises in any subsequent tax year;

**“Tax Claim”** means a liability to or claim for payment of Taxation which may result in a claim against Warrantors under the Tax Indemnity, or for breach of the Tax Warranties, or, in both cases, which may do so if clause 10.9 were not to apply;

**“Tax Indemnity”** has the meaning given in clause 11.1;

**“Tax Warranties”** means the statements set out in clause 7 of Part B of Schedule 4;

**“Taxation Authority”** means any taxing or other authority competent to impose, administer or collect any Taxation in any jurisdiction;

“**Third Party Claim**” means any claim, demand, cause of action or proceeding by any person (other than a Buyer Group Member or a Seller Group Member) against any Buyer Group Member that may give rise to a Claim, but does not include a Tax Claim or any Claim that is covered by the W&I Insurance Policy;

“**TLA**” means the Trademark Licence Agreement dated on the date of Completion substantially in the form of Schedule 7;

“**Todd**” means Todd International Investments Limited, a company registered in New Zealand with company number 1017227;

“**Total Shareholder Warranty Escrow Amount**” means A\$8 million;

“**Tower**” means the tower, monopole, mast or other support structure for customer radiocommunications equipment on a Tower Site, but excluding:

- (a) customer equipment and facilities on that Tower Site; and
- (b) any foundation, footing or other structure that is part of the land on which the Tower is situated or that is owned by the lessor to a Group Company of the Tower Site;

provided that for the avoidance of doubt any tower, monopole, mast or other support structure that is owned by a customer and is located on land acquired by a Group Company as part of its “land under tower” program is not a Tower;

“**Tower Site**” means a ground based or rooftop site in respect of which a Group Company has tenure (whether by freehold, lease, licence, easement or otherwise) on which a tower or other support structure for radiocommunications and related equipment, or such equipment itself, is or may be situated;

“**Tower Site Documents**” means in respect of a Tower Site:

- (a) the lease, licence or other property right granted to a Group Company by the owner or head lessor of that Tower Site (“**Tower Site Leases**”);
- (b) the site licences (including leases and sub-leases) granted by a Group Company to customers in relation to access to and use of the Tower Site (“**Tower Site Licences**”) by those customers for co-locating telecommunications and related equipment on that Tower Site; or
- (c) certain co-location process and other documents (including quotes, offers of elevation and application approvals) issued to or by a customer in relation to the grant of site licences for access to and use of the Tower Site by customers for co-locating telecommunications and related equipment on that Tower Site;

“**Transaction Documents**” means:

- (a) this Agreement;
- (b) the TSA;
- (c) the TLA; and
- (d) any other agreements executed or to be executed by any of the parties or their Related Entities on the date of this Agreement or at Completion in connection with this Agreement;

“**Trustee**” means The Trust Company (Nominees) Limited ABN 14 000 154 441;

“**TSA**” means the Transitional Services Agreement dated on the date of Completion substantially in the form of Schedule 6;

“**Warrantors**” means, collectively, (i) the Sellers, with respect to the Shareholder Warranties, and (ii) the Sellers (other than the Trustee), with respect to the Business Warranties, the Tax Indemnity or any other Claim;

“**Warranty Claim**” means any claim, demand, cause of action or proceeding against a Warrantor the basis of which is that a Seller Warranty is, or is alleged to be, untrue, inaccurate or misleading;

“**Working Capital**” has the meaning given in Schedule 5;

“**W&I Insurance Policy**” means the policies of warranty and indemnity insurance to be issued to the Buyer by the W&I Insurers prior to Completion of this Agreement, substantially in the form of the policy for the primary layer of insurance attached as Annex 2, or as otherwise approved by the Buyer and CCOL (in consultation with Todd), and which in aggregate for all such policies provide a limit of liability of \$200 million ; and

“**W&I Insurers**” means AIG Australia Limited, HCC International (Spanish Branch), Ironshore Australia Pty Limited, Zurich Insurance PLC (UK Branch, RiskPoint A/S and Liberty International Underwriters (trading under the name of Liberty Mutual Insurance Company) or other insurers arranged by Aon Risk Services Australia Limited as the W&I Insurance Policy broker.

## **1.2 Reasonable endeavours**

Except as otherwise expressly provided in this Agreement, any provision of this Agreement which requires a party to use reasonable endeavours or all reasonable endeavours, or to take all steps reasonably necessary, to procure that something is performed or occurs, does not impose any obligation to:

- (a) commence any claim, demand, cause of action or proceeding against any person;
- (b) procure absolutely that that thing is done or happens;
- (c) incur a material expense, except where that provision expressly specifies otherwise; or
- (d) accept any undertakings or conditions required by any third party if those undertakings or conditions, in the reasonable opinion of the party required to give such undertakings or satisfy such conditions, are materially adverse to its commercial interests or fundamentally or materially alter the basis on which it originally agreed to the transaction that is the subject of this Agreement.

## **1.3 Things required to be done other than on a Business Day**

Unless otherwise indicated, where the day on which any act, matter or thing is to be done is a day other than a Business Day, that act, matter or thing must be done on or by the next Business Day.

## **1.4 Other rules of interpretation**

In this Agreement:

- (a) unless expressly stated to the contrary, any reference, express or implied, to any legislation in any jurisdiction includes:

- (i) such legislation as amended, extended or applied by or under any other legislation made before or after execution of this Agreement;
  - (ii) any legislation which such legislation re-enacts with or without modification; and
  - (iii) any subordinate legislation made before or after execution of this Agreement under such legislation, including (where applicable) that legislation as amended, extended or applied as described in clause 1.4(a)(i), or under any legislation which it re-enacts as described in clause 1.4(a)(ii);
- (b) references to persons or entities include Government Agencies, natural persons, bodies corporate, partnerships, trusts and unincorporated and incorporated associations of persons;
  - (c) references to an individual or a natural person (other than in clause 10.4(b)) include such person's estate and personal representatives;
  - (d) unless otherwise specified herein, a reference to a clause, schedule or annex is a reference to a clause, schedule or annex of or to this Agreement (and the schedules and annexes form part of this Agreement);
  - (e) subject to clause 21.2, references to a party to this Agreement include the successors or permitted assigns (immediate or otherwise) of that party;
  - (f) a reference to any instrument or document includes any variation or replacement thereof;
  - (g) unless otherwise indicated, a reference to any time is a reference to that time in Sydney, Australia;
  - (h) a reference to \$, A\$ or dollars is to Australian currency;
  - (i) singular words include the plural and vice versa;
  - (j) a word of any gender includes the corresponding words of any other gender;
  - (k) if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
  - (l) the use of the word "or" shall not be exclusive;
  - (m) general words must not be given a restrictive meaning by reason of the fact that they are followed by particular examples (including the use of the words "include", "including", "for example" or "such as") which are intended to be embraced by the general words, and the use of such examples does not limit the meaning of the general words;
  - (n) unless expressly stated to the contrary, any timeframes provided for may be modified or waived by agreement of CCOL (in consultation with Todd) and the Buyer;
  - (o) nothing is to be construed adversely to a party just because that party put forward this Agreement or the relevant part of this Agreement;
  - (p) the headings do not affect interpretation;
  - (q) the obligations of the Sellers (or any of them) are several (not joint or joint and several); and
  - (r) the obligations of the Warrantors (or any of them) are several (not joint or joint and several).

## 2. SALE AND PURCHASE OF THE SHARES

### 2.1 Condition precedent

- (a) Completion cannot and must not occur until the W&I Insurers have issued the W&I Insurance Policy to the Buyer.
- (b) The Buyer must use its best efforts to ensure that the condition precedent in clause 2.1(a) is satisfied as soon as possible but in any event before the Sunset Date.
- (c) Without limiting the generality of clause 2.1(b):
  - (i) each party must supply all necessary or appropriate information for the purpose of enabling the condition in clause 2.1(a) to be fulfilled;
  - (ii) no party may take any action, or fail to take any action, that would or would be likely to prevent or hinder the satisfaction of the condition in clause 2.1(a);
  - (iii) each party must keep the other parties informed in a timely manner of the status of any discussions or negotiations with relevant third parties regarding the condition in clause 2.1(a); and
  - (iv) each party must respond in a timely manner to any other party's reasonable request regarding the status of any discussions or negotiations with relevant third parties regarding the condition in clause 2.1(a).
- (d) If any party becomes aware
  - (i) that the condition in clause 2.1(a) has been satisfied; or
  - (ii) of any facts, circumstances or matters that may result in the condition in clause 2.1(a) not being or becoming incapable of being satisfied,that party must promptly notify the other parties accordingly on or before the Sunset Date.
- (e) The Buyer acknowledges and agrees that:
  - (i) the W&I Insurers have been engaged by the Buyer to provide the W&I Insurance Policy;
  - (ii) the W&I Insurance Policy for the primary layer of insurance (subject to the W&I Insurers' confirmatory underwriting process) is substantially in an agreed form;
  - (iii) the Buyer must promptly provide all information and other assistance reasonably required by the W&I Insurers or the Sellers for the purpose of satisfying the condition in clause 2.1(a).
- (f) If the condition in clause 2.1(a) has not been satisfied by the Sunset Date, CCOL may (in consultation with Todd) by notice in writing to the Buyer extend the date for satisfaction of the condition in clause 2.1(a) to a date on or before the End Date.
- (g) Completion cannot and must not occur unless the Buyer simultaneously delivers to CCOL the CCOL Letter of Credit.

## 2.2 Sale and purchase

On Completion, each of the Sellers must sell the legal or beneficial title to its Shares, or both, as applicable, (as set out in columns 1, 2 and 3 of Schedule 1, and for clarity a Seller identified in Schedule 1 as holding beneficial title only must sell that beneficial title, and a Seller identified in Schedule 1 as holding legal title only must sell that legal title) and the Buyer must buy all such Shares free from all Encumbrances and together with all rights attaching to such Shares.

## 2.3 Consideration

The aggregate consideration payable by the Buyer for the purchase of the Shares and the repayment of the Intercompany Revolving Credit Facility is A\$1,989,000,000 (the “**Purchase Price**”), subject to adjustment as provided in clause 2.5. The Purchase Price is payable as set forth in clause 2.4. The “**Equity Purchase Price**” equals the Purchase Price minus the Intercompany Loan Repayment Amount.

## 2.4 Payment

- (a) On Completion, subject to clause 24.1, the Buyer must pay each Seller an amount equal to such Seller’s Respective Proportion multiplied by the following amount:
- (i) the Equity Purchase Price, minus
  - (ii) the Adjustment Escrow Amount, plus
  - (iii) the Estimated Net Cash, minus
  - (iv) the Balance Sheet Date Working Capital, plus
  - (v) the Estimated Working Capital.
- (b) On Completion, the Buyer must pay, or otherwise provide funding to the Company, in an amount equal to the Advisory Expenses.
- (c) On Completion, the Buyer must deposit the Adjustment Escrow Amount into the Adjustment Escrow Account.
- (d) On Completion, the Buyer must deposit the Total Shareholder Warranty Escrow Amount into the Shareholder Warranty Escrow Account.
- (e) Immediately following Completion, the Buyer must pay the Intercompany Loan Repayment Amount to CCI on behalf of the Company in accordance with clause 5.2(b).

## 2.5 Purchase price adjustments

After Completion, the Actual Net Cash and the Actual Working Capital must be determined in accordance with Schedule 5 and following such determination the Purchase Price will be adjusted as follows:

- (a) if the Actual Working Capital is less than the Estimated Working Capital, the Purchase Price must be reduced by the amount by which the Actual Working Capital is less than the Estimated Working Capital;

- (b) if the Actual Working Capital exceeds the Estimated Working Capital, the Purchase Price must be increased by the amount by which the Actual Working Capital exceeds the Estimated Working Capital;
- (c) if the Actual Net Cash is less than the Estimated Net Cash, the Purchase Price must be reduced by the amount by which the Actual Net Cash is less than the Estimated Net Cash; and
- (d) if the Actual Net Cash exceeds the Estimated Net Cash, the Purchase Price must be increased by the amount by which the Actual Net Cash exceeds the Estimated Net Cash.

For the avoidance of doubt, the limitations set out in clause 10 of this Agreement do not apply to any adjustment to the Purchase Price made in accordance with this clause 2.4.

## 2.6 Payments following adjustment

If as a result of all applicable adjustments under clause 2.5, taken together:

- (a) the Purchase Price is increased,
  - (i) the Buyer must make a payment to each Seller in the amount of such aggregate increase of the Purchase Price multiplied by such Seller's Respective Proportion, and
  - (ii) the Adjustment Representative must release to each Seller an amount equal to the Adjustment Escrow Amount multiplied by such Seller's Respective Proportion;
- (b) the Purchase Price is reduced and the Adjustment Escrow Amount is less than the aggregate amount of such reduction (such shortfall, the "**Adjustment Escrow Shortfall Amount**"),
  - (v) the Adjustment Representative must release to the Buyer the Adjustment Escrow Amount, and
  - (vi) each Seller must make, or procure that another party makes on its behalf, a payment to the Buyer in the amount of the Adjustment Escrow Shortfall Amount multiplied by such Seller's Respective Proportion; or
- (c) the Purchase Price is reduced and the Adjustment Escrow Amount exceeds or is equal to the aggregate amount of such reduction (any such excess, the "**Adjustment Escrow Excess Amount**"),
  - (iii) the Adjustment Representative must release to the Buyer the aggregate amount of such reduction of the Purchase Price, and
  - (iv) the Adjustment Representative must release to each Seller an amount equal to the Adjustment Escrow Excess Amount multiplied by such Seller's Respective Proportion.

Any payments made pursuant to this clause 2.6 must be made within ten Business Days following the day on which the Actual Working Capital and the Actual Net Cash are agreed or finally determined in accordance with Schedule 5.

In no event shall any adjustment under clause 2.5 change the amount of the Adjustment Escrow Amount, the Intercompany Loan Repayment Amount, the Total Shareholder Warranty Escrow Amount or any Minority Seller's Shareholder Warranty Escrow Amount.

For the avoidance of doubt, the limitations set out in clause 10 of this Agreement do not apply to any amount payable in accordance with this clause 2.5.

## **2.7 Adjustment representative**

Each Seller hereby irrevocably appoints CCOL as representative (the “**Adjustment Representative**”) of such Seller to act as the agent and on behalf of such Seller under this Agreement for the purposes of (i) determining any purchase price adjustments and payments pursuant to clauses 2.4 and 2.5, (ii) holding in escrow and disbursing the Adjustment Escrow Amount and (iii) determining any and all calculations or amounts in accordance with Schedule 5. In its role as the Adjustment Representative, the Adjustment Representative must (in consultation with Todd) act as the agent for all Sellers and has the authority to bind each Seller with respect to the matters described in this clause 2.7, and the Buyer acknowledges and agrees with such appointment and authority and may rely on such appointment and authority until the receipt of notice of the appointment of a successor signed by each of the Sellers. In no event (other than fraud or wilful misconduct on the part of the Adjustment Representative or the failure to release any Adjustment Escrow Excess Amount in accordance with clause 2.6) will the Adjustment Representative have any liability to any Seller in connection with the Adjustment Representative’s actions as agent pursuant to this clause 2.7.

## **2.8 Ownership and risk**

Beneficial ownership and risk in the Shares passes from the Sellers to the Buyer on Completion (except that the Buyer acknowledges the Trustee sells legal ownership only).

## **2.9 Certain payments taken to be a reduction or increase in the Purchase Price**

Any payment made by any Seller in respect of a Warranty Claim or under the Tax Indemnity must, unless otherwise required by applicable law, be taken to be a reduction in the amount paid to such Seller pursuant to clause 2.4(a). Any payment made by the Buyer to a Seller after Completion (including in respect of a breach of warranty by the Buyer or under clause 10.17) must, unless otherwise required by applicable law, be taken to be an increase in the amount paid to the Sellers pursuant to clause 2.4(a).

## **2.10 Waiver of transfer restrictions and other rights**

In connection with the sale and purchase of the Shares pursuant to this Agreement, each of the Sellers hereby irrevocably waives any and all rights of pre-emption, anti-dilution protection, subscription rights, rights of first refusal, call options, co-sale rights, drag-along rights, tag-along rights, registration rights, listing rights, governance rights, management rights, information rights and any other restrictions on the transfer or sale of any Seller’s Shares, including any such rights or restrictions pursuant to the Shareholders Agreement and including in the case of Todd and the Minority Sellers any such rights or restrictions pursuant to the Co-Investment Agreement.

## **2.11 Waiver of claims under the Shareholders Agreement and termination of the Shareholders Agreement**

Effective on Completion, each of the Sellers hereby irrevocably waives any and all rights that it may have to make any claims, demands, causes of action or proceedings against any other Seller or any Group Company or any of their respective Related Entities, officers, directors or employees pursuant to the Shareholders Agreement. On or prior to Completion, the Sellers must procure that the Company waives (effective on Completion) any and all rights that it may have to make any claims, demands, causes of action or proceedings against any Seller or any of its Related Entities, officers, directors or employees pursuant to the Shareholders Agreement. Each of the Sellers hereby agrees that the

Shareholders Agreement shall automatically terminate effective on Completion, and, on or prior to Completion, the Sellers must procure that the Company agrees that the Shareholders Agreement shall automatically terminate effective on Completion.

Todd and each Minority Seller severally (not jointly or jointly and severally) undertakes and agrees to take before Completion all necessary steps (including in the case of Todd procuring that TII Management Limited takes all necessary steps):

- (a) to approve under the Co-Investment Agreement the sale of their respective Shares to the Buyer under this Agreement; and
- (b) to procure that the Co-Investment Agreement will terminate with effect on and from Completion (except for certain limited provisions, such as confidentiality restrictions, which will survive termination, but so that none of such surviving provisions will have the effect of an Encumbrance over their respective Shares).

## **2.12 Waiver of claims under the Management Agreement and termination of the Management Agreement**

On or prior to Completion, the Sellers must procure that each of the Company and CCA irrevocably waive (effective on Completion) any and all rights that it may have to make any claims, demands, causes of action or proceedings against CCI or any of its Related Entities, officers, directors or employees pursuant to the Management Agreement. On or prior to Completion, CCOL must procure that CCI agrees that the Management Agreement shall automatically terminate effective on Completion, subject to the payment of the fees described in the following sentence, and each Major Seller must (in its capacity as a shareholder of the Company and with regard to its representation on the board of directors of the Company), and each other Seller must use reasonable endeavours to, procure that each of the Company and CCA agree that the Management Agreement shall automatically terminate effective on Completion, subject to the payment of the fees described in the following sentence. Immediately prior to Completion, the Sellers must procure that the Company pays to CCI any accrued and unpaid fees, including the Management Fee (as defined in the Management Agreement), payable pursuant to the Management Agreement.

## **2.13 Installment Payment and Letter of Credit**

Notwithstanding clauses 2.4 and 5.2(a), the amount payable on Completion by the Buyer to CCOL in its capacity as a Seller shall be reduced by A\$155 million (the "Installment Payment"), and the Buyer must pay the Installment Payment to CCOL on 4 January 2016. The obligation of the Buyer to make the Installment Payment shall be unconditional, with no right of set-off (including any equitable or common law rights of set-off) relating to claims, demands, causes of action or proceedings under this Agreement (including any Warranty Claims, Claims for a breach of covenant or a Claim for any action or omission of CCOL) or otherwise. On Completion, the Buyer must deliver to CCOL an irrevocable standby letter of credit (the "CCOL Letter of Credit"), issued by a financial institution reasonably satisfactory to CCOL, in an amount equal to the Installment Payment. Terms of the standby letter of credit shall be customary and, with respect to presentment, shall only require an officer of CCOL to certify that the Installment Payment has not been received by 4 January 2016. For United States federal income tax purposes, CCOL intends to report its sale of shares to the Buyer under the "installment method", as defined under Section 453(c) of the United States Internal Revenue Code of 1986, as amended. Immediately following receipt of the Installment Payment by CCOL it must return the CCOL Letter of Credit to the Buyer.

### **3. TERMINATION**

#### **3.1 Termination Rights**

- (a) If Completion does not occur on or before the End Date, CCOL (in consultation with Todd) or the Buyer may terminate this Agreement (provided the terminating party is not in breach of this Agreement) by giving notice to the other parties and in that event the provisions of clause 3.1(d) will apply.
- (b) If the condition in clause 2.1(a) is not fulfilled by the Sunset Date (or, if the date for satisfaction of the condition in clause 2.1(a) has been extended by CCOL under clause 2.1(f), such later date), or a later date agreed in writing between the Buyer and CCOL (in consultation with Todd), then:
  - (iv) as long as none of the Sellers are in breach of clause 2.1 or any other provision of this Agreement, CCOL (in consultation with Todd) may terminate this Agreement at any time before Completion by giving notice to the Buyer and in that event the provisions of 3.1(d) will apply; and
  - (v) as long as the Buyer is not in breach of clause 2.1 or any other provision of this Agreement, the Buyer may terminate this Agreement at any time before Completion by giving notice to the Sellers and in that event the provisions of 3.1(d) will apply.
- (c) Except for the express right of termination contained in clauses 3.1(a) or 3.1(b), no party has any right to terminate this Agreement and the parties waive their rights (if any) to annul, rescind, dissolve, withdraw from, cancel or terminate this Agreement in any circumstances.
- (d) If this Agreement is terminated under clauses 3.1(a) or 3.2(b) then:
  - (i) except as provided in clause 3.1(d)(iii), all of the provisions of this Agreement will cease to have effect and each party is released from its obligations to further perform this Agreement;
  - (ii) each party retains all rights that it has against each other party in respect of any breach of this Agreement occurring before termination; and
  - (iii) the provisions of, and rights and obligations of each party under, this clause 3.1(d) and each of the Surviving Clauses survive termination of this Agreement.

### **4. PRE-COMPLETION OBLIGATIONS**

#### **4.1 Access and information**

Until Completion, to the extent permitted by law:

- (a) each Major Seller must (in its capacity as a shareholder of the Company and with regard to its representation on the board of directors of the Company), and each other Seller must use reasonable endeavours to, procure that the Buyer and its agents and advisers are given reasonable access to the properties and to the books and records of the Group Companies during normal business hours on any Business Day and on reasonable notice to CCOL; and
- (b) each Seller must provide such information regarding the businesses and affairs of the Group Companies that is in the possession of such Seller as the Buyer may reasonably require.

## 4.2 Conduct of business

Until Completion, each Major Seller must (in its capacity as a shareholder of the Company and with regard to its representation on the board of directors of the Company), and each other Seller must use reasonable endeavours to, procure that, except with the prior consent of the Buyer (such consent not to be unreasonably withheld or delayed), as permitted or required by this Agreement (including clause 4.3), to the extent reasonably required to enable the Sellers to comply with their obligations under this Agreement or as set forth in clause 4.2 of the Disclosure Letter, each Group Company carries on business in the ordinary course, uses its reasonable endeavours to preserve the goodwill of its business and to preserve intact its current business relationships and does not:

- (a) incur any capital expenditure exceeding A\$2 million in the aggregate with the exception of (i) expenditure within the budget of the then current financial year or (ii) expenditure that is already committed to be made as at the date of this Agreement and which has been fairly disclosed in the Data Room Information;
- (b) transfer, or otherwise dispose of, or create any Encumbrance (other than a Permitted Encumbrance created in the ordinary course of business) over, any material part of its assets;
- (c) increase the aggregate level of its indebtedness for borrowed money by \$10,500,000 in aggregate;
- (d) make any loans to any third parties in excess of \$200,000 in aggregate;
- (e) hire (except as provided for within the budget of the then current fiscal year), terminate (except for good cause) the employment of, or make any material change to the terms and conditions of employment of, any employee of any Group Company that has a base salary of more than A\$200,000 per annum;
- (f) create, issue, purchase, buy back or redeem any shares of any Group Company or other securities convertible into shares of any Group Company, or otherwise alter the share capital of any Group Company;
- (g) knowingly permit any of its insurance policies to lapse, or knowingly do anything which would render any of its insurance policies void, voidable or no longer enforceable;
- (h) change in any material respect the accounting principles or practices of any Group Company, except as required by law or applicable Accounting Standards;
- (i) amend the terms of the Intercompany Revolving Credit Facility;
- (j) enter into any pre-emptive rights, voting agreements or other similar arrangements in respect of any shares of a Group Company;
- (k) enter into, terminate (except to replace on an equivalent basis) or amend in any material respect any Material Contract or Financing Agreement;
- (l) terminate (except to replace on an equivalent basis) or amend in any material respect any Tower Site Lease or Tower Site License;
- (m) amend its constituent documents;
- (n) enter into any Industrial Instrument other than in the ordinary course of business;

- (o) commence, defend (unless it is responding to an urgent application) or settle any material litigation, arbitration or other legal proceeding, other than for the collection of debts owing to it or in the ordinary course of business;
- (p) cancel any material indebtedness owed to it other than in the ordinary course of business;
- (q) other than the Transaction Documents, enter into any contract, understanding or other arrangement with a Related Entity (other than a Group Company or other than pursuant to existing arrangements as at the date of this Agreement and fairly disclosed in the Data Room Information);
- (r) merge or consolidate with any other corporation or acquire all or substantially all of the shares or the business or assets of any other person or entity;
- (s) pass a resolution for the winding up or dissolution of any Group Company;
- (t) make any material Tax election or settle or compromise any material Tax liability, unless that election, settlement or compromise is required by law, or engage in any transaction, act or event which gives rise to any material Tax liability which is outside the ordinary course of business;
- (u) authorize, agree to or attempt any of the above.

#### **4.3 Assistance with Tower Site Leases and Tower Site Licenses**

Until Completion each Major Seller must (in its capacity as a shareholder of the Company and with regard to its representation on the board of directors of the Company), and each other Seller must use its reasonable endeavours to, procure that (a) notifications in the form set forth in the Disclosure Letter regarding the change of control of the relevant Group Company are delivered to the lessors of the Tower Sites reasonably requested by the Buyer and (b) the Company provides the Buyer with reasonable assistance and cooperation in respect of developing a strategy for obtaining any necessary consents that may be required under any Tower Site Leases and Tower Site Licenses.

#### **4.4 Financing**

- (a) Each of the Buyer and FinCo must, and must procure that its Related Entities, take, or cause to be taken, all appropriate action, do, or cause to be done, all things necessary, proper or advisable, and execute and deliver, or cause to be executed and delivered, such instruments and documents as may be required, to obtain the Financing on or prior to Completion on the terms and subject only to the conditions contained in the Financing Commitments, including to:
  - (i) negotiate and enter into definitive agreements with respect to the Financing on the terms and subject only to the conditions contained in the Financing Commitments or on other terms acceptable to the Buyer so long as such definitive agreements:
    - (A) do not contain any additional or modified conditions or other contingencies to the funding of the Financing than those contained in the Financing Commitments as at the date of this Agreement;
    - (B) are in a form that is otherwise not reasonably likely to impair or delay the funding of the Financing or Completion; and
    - (C) do not:

- I. materially increase the aggregate amount of debt financing included in the Financing; or
  - II. reduce the aggregate amount of the Debt Financing set forth in the Financing Commitments as at the date of this Agreement, unless in the case of this clause (C)(II), replaced with an amount of new equity financing on conditions no less favourable to the Sellers than the terms set forth in the Financing Commitments for the Equity Financing included in the Financing as at the date of this Agreement;
- (ii) satisfy, and cause its Related Entities to satisfy, on or prior to Completion all conditions applicable to the Buyer, FinCo or their Affiliates contained in the Financing Commitments;
  - (iii) consummate the Financing contemplated by the Financing Commitments at Completion; and
  - (iv) enforce its rights under the Debt Financing Commitments and the definitive agreements relating to the Debt Financing.
- (b) The Buyer and FinCo must, and must procure that their Affiliates, refrain from taking, directly or indirectly, any action that is reasonably likely to result in the failure of any of the conditions contained in the Financing Commitments or in any definitive agreement related to the Financing.
  - (c) The Buyer acknowledges that its obligation to consummate the transactions contemplated by this Agreement on the terms set forth herein are not conditioned upon the availability or consummation of the Financing, the availability of any replacement commitments or receipt of the proceeds therefrom and, accordingly, the parties agree that a failure of Buyer to complete the transactions contemplated by this Agreement resulting from a failure or inability to consummate the Financing constitutes a breach for purposes of this Agreement.
  - (d) Neither the Buyer nor FinCo shall agree to or permit any material amendment, supplement or other modification of, or waive any of its rights under, any Debt Financing Commitments or the definitive agreements relating to the Debt Financing without notifying the Major Sellers prior to agreeing to any such amendment, supplement, modification or waiver. For purposes of this clause 4.4 references to the “Debt Financing” and the “Financing” shall include the financing contemplated by the applicable Debt Financing Commitments as permitted to be amended, modified or replaced by this clause 4.4 and references to the “Debt Financing Commitments” shall include such documents as permitted to be amended, modified or replaced by this clause 4.4.
  - (e) If either the Buyer or FinCo becomes aware that any portion of the Financing becomes unavailable on the terms and conditions contained in the Financing Commitments, the Buyer shall promptly notify the Sellers, and each of the Buyer and FinCo must, and must procure that its Related Entities, obtain, as promptly as practicable following the occurrence of such event, replacement commitments on terms and conditions that will enable the Buyer to consummate the transactions contemplated by this Agreement and that are not less favourable in the aggregate to the Sellers than those contained in the Financing Commitments (any such replacement financing, the “**Alternative Financing**”); provided that such replacement commitments shall not:

- (i) be subject to any additional or modified conditions or other contingencies to the funding of the Financing than those contained in the Financing Commitments as in effect on the date of this Agreement; or
  - (ii) otherwise be reasonably likely to impair or delay the funding of the Financing or Completion.
- (f) Each Major Seller must (in its capacity as a shareholder of the Company and with regard to its representation on the board of directors of the Company), and each other Seller must use reasonable endeavours to, procure that the Group Companies provide the Buyer with such cooperation as is customary and reasonably requested by the Buyer in connection with the Debt Financing or any Alternative Financing (to the extent not unreasonably interfering with the business or operations of any of the Group Companies). The Buyer shall, promptly upon request by any of the Group Companies or either Major Seller, reimburse such Group Company or Major Seller for all out-of-pocket costs incurred by such Group Company or Major Seller or any of their respective Related Entities in connection with such cooperation. Each of the Buyer and FinCo shall indemnify the Sellers and their respective Related Entities from and against any Loss suffered or incurred by them in connection with the arrangement of the Financing and any information utilized in connection therewith.
- (g) Each of the Buyer and FinCo shall keep the Sellers informed on a timely basis of the status of the Financing and any material developments relating to the Financing. Without limiting the generality of the foregoing, each of the Buyer and FinCo shall give the Sellers prompt notice of:
- (i) any actual default or material breach by any party under either of the Financing Commitments or the definitive agreements relating to the Financing of which the Buyer becomes aware;
  - (ii) any termination of either of the Financing Commitments;
  - (iii) the receipt of any written notice or other written communication from any person or entity party to a Financing Commitment with respect to any:
    - (A) actual or potential default or material breach, termination or repudiation of any Financing Commitment, any definitive agreement relating to the Financing or any provision of the Financing Commitments or the definitive agreements relating to the Financing, in each case by any party thereto; or
    - (B) material dispute or disagreement between or among any parties to any Financing Commitment or the definitive agreements relating to the Financing, with respect to the obligation to fund the Financing, including any condition with respect to the obligation to fund the Financing, or the amount of Financing to be funded at Completion; and
  - (iv) if for any reason either the Buyer or FinCo believes in good faith that it will not be able to obtain all or any portion of the Financing on the terms, in the manner or from the sources contemplated by the Financing Commitments or the definitive agreements relating to the Financing.

#### **4.5 Intercompany Revolving Credit Facility freeze**

After the Intercompany Loan Repayment Notification Date, each Major Seller must (in its capacity as a shareholder of the Company and with regard to its representation on the board of directors of the Company), and each other Seller must use reasonable endeavours to, procure that, except with the

prior consent of Buyer (such consent not to be unreasonably withheld or delayed), the Company will not draw additional principal borrowings under the Intercompany Revolving Credit Facility.

## 5. COMPLETION

### 5.1 Time and place

Completion must take place at the offices of Allen & Overy (Level 25, 85 Castlereagh Street, Sydney, Australia NSW 2000) at 10.00 am, Sydney, Australia time one Business Day following the satisfaction of the condition in clause 2.1(a) (but, in any event, no earlier than ten Business Days after the date of this Agreement) (or at such other place or at such other time or date as CCOL (in consultation with Todd) and the Buyer may agree in writing).

### 5.2 Buyer obligations

- (a) On Completion the Buyer must:
  - (i) pay each Seller pursuant to clause 2 in accordance with the provisions of clause 16; and
  - (ii) deliver to CCOL the CCOL Letter of Credit.
- (b) Immediately following Completion the Buyer must (i) advance to the Company an amount in cash equal to the Intercompany Loan Repayment Amount and (ii) procure that this advance is simultaneously used to discharge the Intercompany Revolving Credit Facility by the concurrent cash payment to CCI in an amount equal to the Intercompany Loan Repayment Amount. The occurrence of the events described in clauses (i) and (ii) of the immediately preceding sentence will be deemed to occur simultaneously.

### 5.3 Seller obligations

- (a) On Completion each Seller must procure the delivery to the Buyer of:
  - (i) duly executed transfers in favour of the Buyer (or, if the Buyer directs any nominee(s) in writing prior to Completion, such nominee(s) as directed) of all of its Shares;
  - (ii) the share certificate(s) representing its Shares (or an indemnity in customary form in the case any of its Shares are found to be missing); and
  - (iii) such waivers or consents as may be necessary to enable the Buyer or its directed nominee(s) to become the registered holder of its Shares;

provided that, if the legal and beneficial title to any Shares is separately held, (x) the holder of legal title is only required to procure such delivery in order to effect the transfer of legal title to those Shares and (y) the holder of beneficial title is required to procure such delivery in order to effect the transfer of both the legal and beneficial title to those Shares.
- (b) On Completion each Seller must, to the extent it is able to do so in its capacity as a shareholder of the Company, cause the Company to procure the delivery to the Buyer of:
  - (i) the certificate of incorporation, minute books and statutory registers of each Group Company and the share certificates representing all of the shares in each Group

Company other than the Shares (which in each case may be effected by leaving those items at the registered office of a Group Company); and

- (ii) the ASIC corporate key of each Group Company.
- (c) On Completion each Seller must, to the extent it is able to do so in its capacity as a shareholder of the Company, procure that either a board meeting of the Company is held at which it is resolved that or circulating resolutions are executed by the directors of the Company resolving that:
- (i) such persons as the Buyer nominates by notice to the Sellers no less than three Business Days before Completion and who have provided to the Sellers a signed consent to act in the relevant capacity by that time are appointed as additional directors of the Company;
  - (ii) the transfers referred to in clause 5.3(a)(i) are approved for registration, subject only to the payment of any applicable Duty; and
  - (iii) all existing powers of attorney in favour of a Seller Group Member or any of its Representatives are revoked with effect from Completion.
- (d) On Completion:
- (i) CCOL must procure the delivery to the Buyer of the resignation of Philip Kelley, Christopher Moffett and James Young in respect of any directorship held by such individuals on the board of directors of any Group Company; and
  - (ii) Todd must procure the delivery to the Buyer of the resignation of Evan Davies and Christopher Morrison in respect of any directorship held by such individuals on the board of directors of any Group Company.
- (e) On Completion CCOL and the Buyer must procure the delivery of the TSA and the TLA, duly executed by all parties thereto.
- (f) On Completion the Minority Sellers and the Buyer must procure the delivery of the Shareholder Warranty Escrow Agreement, duly executed by all parties thereto.
- (g) Immediately following Completion and the discharge of the Intercompany Revolving Credit Facility, CCOL must procure the delivery to the Buyer of a deed, in a form reasonably satisfactory to the Buyer prior to Completion, executed by CCI releasing (i) the Group Companies from their liabilities and obligations in respect of the Deed of Guarantee and Indemnity and (ii) any security interest granted in favour of CCI under the Share Security Deed.

#### **5.4 Performance of Completion obligations**

- (a) Subject to clause 5.5, Completion will be deemed to have not occurred unless all of the obligations of the parties which are to be performed on Completion are performed on the same date and in accordance with the terms of this Agreement.
- (b) If, for any reason, any of the obligations referenced in clause 5.4(a) are not performed and Completion does not occur, then without prejudice to any other rights of the parties, if a party has performed any of the obligations which it is to perform on Completion and such party notifies the other parties on the same date Completion should have occurred pursuant to the

terms of this Agreement, the other parties must take actions reasonably necessary to restore that party to the position it was in before that obligation was performed.

## 5.5 **Waiver of Completion obligations**

Each of CCOL (in consultation with Todd and on behalf of the Sellers) and the Buyer may in its sole discretion waive the performance of any of the obligations that the other is obliged to perform under this clause 5.

## 5.6 **Notice to complete**

If Completion does not occur because any party (the “**Defaulting Party**”) fails to perform any of its obligations which are to be performed on Completion for any reason, then any party not in default may give the Defaulting Party a notice requiring the Defaulting Party to perform its outstanding obligations within a period of ten Business Days after the date of the notice and specifying that time is of the essence in relation to compliance with the notice.

## 6. **W&I INSURANCE ARRANGEMENTS**

### 6.1 **W&I Insurance**

Notwithstanding any provision to the contrary in this Agreement:

- (a) the Buyer must obtain and maintain the W&I Insurance Policy;
- (b) the Buyer acknowledges that (i) the Sellers have entered into this Agreement and will complete this Agreement in reliance on the Buyer having obtained the W&I Insurance Policy and (ii) there is no excess or any other amount payable by any Seller or any of its Related Entities under the W&I Insurance Policy;
- (c) the Buyer agrees that, subject to clause 6.1(e), no Warrantor has or will at any time have any liability to the Buyer or any other person in respect of any claim, demand, cause of action or proceeding for breach of any of the Business Warranties (which, for the avoidance of doubt, includes all claims, demands, causes of action or proceedings against a Warrantor the basis of which is that a Business Warranty is, or is alleged to be, untrue, inaccurate or misleading) or under the Tax Indemnity, and the Buyer’s sole and exclusive recourse in respect of any such claim, demand, cause of action or proceeding is against the W&I Insurance Policy;
- (d) the Buyer agrees that it will not be entitled to make, will not make, and hereby waives any right it may have to make, any claim, demand, cause of action or proceeding against any of the Warrantors arising out of a breach of any of the Business Warranties or under the Tax Indemnity, except to the extent:
  - (i) required to permit a claim, demand, cause of action or proceeding against the W&I Insurers under the W&I Insurance Policy but only on the basis that no Warrantor, nor any of its Related Entities or its or their Representatives, will have any liability whatsoever for such claim, demand, cause of action or proceeding;
  - (ii) such claim, demand, cause of action or proceeding arises out of the fraud of that Warrantor; or
  - (iii) the amount of a Share Capital Warranty Claim would result in the aggregate of all such claims, demands, causes of action and proceedings arising out of a breach of any of the Business Warranties or under the Tax Indemnity exceeding the Cap Amount;

provided that, without limiting clause 10.09 or 10.10, the Warrantors shall only be liable for any amount payable pursuant to a Share Capital Warranty Claim that is in excess of the Cap Amount and the Buyer shall seek and obtain recovery under the W&I Insurance Policy, including exhausting the Cap Amount, prior to seeking to recover any amount payable pursuant to such Share Capital Warranty Claim from the Warrantors;

- (e) the Buyer covenants with each Warrantor that it will:
  - (i) not agree to any amendment, variation or waiver of the W&I Insurance Policy (or do anything which has a similar effect) without the prior written consent (not to be unreasonably withheld or delayed unless such amendment, variation or waiver would reasonably be expected to adversely affect that Warrantor in which case the Warrantor may give or withhold consent in its sole discretion) of that Warrantor;
  - (ii) not novate, or otherwise assign its rights under, the W&I Insurance Policy (or do anything which has a similar effect);
  - (iii) not vitiate the W&I Insurance Policy or do anything which causes any right under the W&I Insurance Policy not to have force and effect (or do anything which has a similar effect);
  - (iv) comply with the terms of any deliverables set out in the W&I Insurance Policy;
  - (v) include in the terms of the W&I Insurance Policy express waivers of the insurer's rights of subrogation, contribution and rights acquired by assignment against each of the Warrantors, other than claims, demands, causes of action or proceedings that arise out of the fraud of that Warrantor; and
  - (vi) include in the terms of the W&I Insurance Policy an acknowledgement from the W&I Insurers that each Warrantor is entitled to enforce directly the waivers referred to in clause 6.1(f)(v) above and that the Buyer contracts in its own right and as agent for each Warrantor in respect of those waivers;
- (f) the Buyer acknowledges that the provisions of this clause 6 have full force and effect irrespective of:
  - (i) whether the Buyer complies with any of its obligations under this Agreement; or
  - (ii) the terms or validity of the W&I Insurance Policy;
- (g) the Buyer covenants with each Warrantor that it will ensure that:
  - (i) the W&I Insurers will have no claim, demand, cause of action or proceeding whatsoever under any rights of subrogation against any Warrantor other than in circumstances where a breach of a Business Warranty or a claim under the Tax Indemnity arises against that Warrantor as provided for in clause 6.1(d)(i) and 6.1(d)(ii);
  - (ii) the W&I Insurers do not bring any claim, demand, cause of action or proceeding against that Warrantor or a Related Entity or Representative of that Warrantor by way of subrogation, claim, demand, cause of action or proceeding for contribution or otherwise, except if such claim arises out of the fraud of that Warrantor (and then only to the extent and in respect of rights of recovery relating directly to the relevant fraud); and

- (iii) in the case of any assignment of rights by the Buyer to the W&I Insurers, the assignment will include a provision stating that the W&I Insurers will only be entitled to exercise the assigned rights against a Warrantor in the circumstances and to the extent permitted by clause 6.1(h)(ii);
- (h) the Buyer must indemnify each Warrantor against all Losses which that Warrantor may incur as a result of any claim, demand, cause of action or proceeding made by Buyer in respect of a breach of a Business Warranty or a Claim under the Tax Indemnity other than as permitted in this clause 6;
- (i) the Buyer will enforce any term of the W&I Insurance Policy under which the insurer waives its right to take subrogated action against the Warrantors or to claim in contribution from the Warrantors, upon the terms set out in the W&I Insurance Policy; and
- (j) for the avoidance of doubt, none of the indemnities or other obligations in this Agreement shall give rise to a liability of the Warrantors to indemnify the Buyer if the insurer is responsible for such liability under the W&I Insurance Policy.

## **6.2 Conflict**

If there is any conflict or inconsistency between this clause 6 and any other provisions of this Agreement, this clause 6 prevails.

## **7. GUARANTEES**

### **7.1 Release of Group Companies from guarantees**

Each Seller severally (not jointly or jointly and severally) must use all reasonable endeavours to procure, to the extent that it is able to do so in its capacity as a shareholder of the Company, that on Completion each Group Company is released from all guarantees and indemnities given by that Group Company in respect of any liability or obligation of the Seller Group (or Seller Group Member) of that Seller. Pending such release such Seller must indemnify the Buyer and hold the Buyer harmless in respect of any Losses directly or indirectly incurred or suffered by any Group Company arising out of or in connection with such guarantees and indemnities.

### **7.2 Release of Seller Group Members from guarantees**

The Buyer must use all reasonable endeavours to procure that as from Completion each Seller Group Member is released from all guarantees and indemnities which have been given by that member in respect of any liability or obligation of any Group Company. Pending such release the Buyer must indemnify the applicable Seller Group Member and hold the relevant Seller Group Member harmless in respect of any Losses directly or indirectly incurred or suffered by any Seller Group Member of that Seller arising out of or in connection with such guarantees and indemnities. Nothing in this clause requires the release of the guarantee given under clause 25.

## **8. GENERAL POST-COMPLETION OBLIGATIONS**

### **8.1 Seller obligations whilst registered holder of Shares**

For so long after Completion as any Seller remains the registered holder of any Shares, that Seller must:

- (a) exercise all voting rights in relation to those Shares as the Buyer directs and must, if requested by the Buyer, execute an instrument of proxy or such other document in customary form as

the Buyer reasonably requires to enable the Buyer or its representative to attend any general meeting of the Company and to exercise the votes attaching to those Shares; and

- (b) otherwise deal with those Shares, and any distributions, property and rights deriving from them as the Buyer directs.

## 8.2 Access to records and documents

Without limiting any other rights of access under this Agreement, for a period of two years after Completion the Buyer must procure that each Group Company makes available to any Seller during normal business hours of such Group Company in a prompt manner on reasonable notice and at the cost of the requesting Seller all records and documents of that Group Company (in whatever form and including all statutory books, trading and financial records, employee records, Tax assessments and returns and all related correspondence) reasonably required by that Seller for the purposes of complying with its legal obligations or defending any claim, demand, cause of action or proceeding (other than a claim, demand, cause of action or proceeding brought by a Buyer Group Member), except where to do so would, in the reasonable opinion of the Buyer, be likely to result in a waiver of privilege in relation to the particular records or documents sought.

At any time, the Buyer must procure that each Group Company makes available to any Seller during normal business hours of such Group Company in a prompt manner on reasonable notice and at the cost of such Seller (i) any financial information or other data relating to any Group Company and (ii) any other relevant information or data, in each case to the extent necessary, as reasonably determined in good faith by such Seller, for any of such Seller's Related Entities to comply with U.S. generally accepted accounting principles (or any other applicable accounting principles) or such Seller's or any of such Seller's Related Entities' reporting, filing, Tax, accounting or other obligations under any applicable law or regulation, and the Buyer must procure that each Group Company and its and their respective Representatives cooperates in good faith with such Seller or any of such Seller's Related Entities in connection with the foregoing.

## 8.3 D&O cover and exclusion of directors and officers liability

- (a) The Buyer must, and must procure that the Group Companies, fulfill and honour any indemnification and related obligations to their respective current and former directors, officers, secretaries, managers, employees, attorneys and agents (and any individual who prior to Completion becomes a director, officer, secretary, manager, employee, attorney or agent of any Group Company) pursuant to:
- (i) (x) any indemnification provisions under the Company's organisational documents (including the constitution);
  - (ii) any employment contracts for such person; and
  - (iii) any agreement between a Group Company and such person (including any deed of indemnity or appointment as an attorney),

in each case in effect as at the date of this Agreement so long as they are fairly disclosed in the Data Room Information (the persons entitled to be indemnified parties pursuant to such provisions being referred to collectively as the "**D&O Indemnified Parties**") and such provisions being collectively referred to as the "**Indemnification Provisions**").

- (b) For a period of six years from Completion, the Buyer must procure that the Group Companies maintain the Indemnification Provisions with respect to indemnification from liability as set forth in the Indemnification Provisions of the Group Companies, which provisions may not be amended, repealed or otherwise modified in any manner that would adversely affect the

rights thereunder of any D&O Indemnified Party. Without limiting the generality of the foregoing, the Buyer hereby agrees, following Completion, to cause each of the Group Companies to provide indemnification and advancement of expenses to each of the D&O Indemnified Parties to the fullest extent permitted by law and the organizational documents (including the constitution) of such Group Company.

- (c) For a period of six years from Completion, the Buyer must procure that each Group Company takes all steps required to maintain the insurance cover in respect of the directors and officers of each Group Company in place immediately prior to Completion (the “**Existing D&O Cover**”) or maintain insurance cover in respect of the D&O Indemnified Parties of each Group Company as at the date of this Agreement on no less favourable terms than the terms of the Existing D&O Cover, including making all payments required.
- (d) From Completion and to the maximum extent permitted by law, the Buyer must not, and must procure that each Buyer Group Member does not, make any claim, demand, cause of action or proceeding against any of the present or former D&O Indemnified Parties of any Group Company in respect of any act or omission on the part of such D&O Indemnified Party before Completion, other than any matter arising from the wilful misconduct or dishonesty of such D&O Indemnified Party.
- (e) The Buyer acknowledges that this clause 8.3 is for the benefit of those D&O Indemnified Parties and is held on trust for them by the Sellers who may individually or collectively enforce this clause 8.3 on behalf of each or any of those D&O Indemnified Parties.

#### **8.4 No use of certain names**

Except as expressly provided for in the TLA, the Buyer must, and must procure that the Buyer Group Members, immediately discontinue use of and delete all references to the Names. Except as expressly provided for in the TLA, the Buyer acknowledges and agrees that there are no agreements, rights or licenses (whether express or implied) to use any of the Names. In no event shall the Buyer Group Members use any of the Names in any manner or for any purpose different from the use of the Names by the Group Companies as expressly provided for in the TLA. Buyer shall cause all references to the Names to be removed from any remuneration, bonus, incentive or other employee benefit arrangement maintained by any Group Company, and in no event shall any Seller Group Member have any liability with respect to any of such compensatory arrangement following the Completion.

### **9. SELLER WARRANTIES**

#### **9.1 Warranties**

Subject to clause 10:

- (a) each Seller warrants, severally (not jointly or jointly and severally) and in respect of such Seller only, to the Buyer on the date of this Agreement and immediately before Completion that each of the Shareholder Warranties is true and accurate; and
- (b) each Seller (other than the Trustee) warrants to the Buyer on the date of this Agreement and immediately before Completion that each of the Business Warranties is true and accurate.

#### **9.2 Separate and independent warranties**

Each of the Seller Warranties is separate and independent and, except as expressly provided to the contrary in this Agreement, is not limited by reference to any other Seller Warranty.

### 9.3 Buyer knowledge and status of Seller Warranties

The Buyer warrants to each Seller that:

- (a) neither the Buyer nor any of its Representatives is aware of any matter or circumstance which is inconsistent with any of the Seller Warranties or makes or may make any of them untrue or inaccurate other than the Disclosed Information;
- (b) the Seller Warranties are the only warranties of any kind given by or on behalf of the Warrantors to the Buyer, and in agreeing to enter into this Agreement and the other Transaction Documents the Buyer has not relied on any express or implied representation, warranty (other than the Seller Warranties), collateral contract or other assurance made by or on behalf of any of the Sellers, any other Seller Group Member, any Group Company or any Representative of any of them before entering into this Agreement and no such representation, warranty, collateral contract or other assurance will form the basis of or be pleaded in connection with any Claim; and
- (c) it understands that the Seller Warranties are given by the Warrantors only as warranties and must not be construed or relied upon by the Buyer as representations of any kind.

## 10. LIMITATIONS

### 10.1 No action against officers or employees

The Buyer will not make and waives all rights that it may have to make any claims, demands, causes of action or proceedings against the officers, directors or employees of any Group Company or any Seller Group Member of any Seller in their personal capacities in relation to any matter arising directly or indirectly in connection with the Transaction Documents or the sale of the Shares except to the extent that such claims arise out of the fraud of such person.

### 10.2 Due Diligence Investigation

The Buyer agrees and acknowledges to each Seller that:

- (a) it has performed, with the assistance of its Representatives, a due diligence investigation with respect to the Group Companies and their respective businesses, operations, properties, assets, liabilities and financial condition on the basis of the information provided by the Sellers, the management of the Group Companies and their respective Representatives (the “**Due Diligence Investigation**”);
- (b) without limiting clause 9.3, the Buyer and its Representatives have conducted the Due Diligence Investigation with the knowledge that any reliance placed by the Buyer on the Data Room Information is subject to the qualifications set out in clause 10.5;
- (c) in the Due Diligence Investigation, the Buyer and its Representatives have had sufficient opportunity to review any and all information made available to them; and
- (d) in the Due Diligence Investigation, the Buyer and its Representatives have obtained all information and raised all questions that they deemed proper and necessary for the purposes of entering into this Agreement and the other Transaction Documents, through interviews, presentations and questions submitted to the Sellers, the Group Companies and their Representatives or, where appropriate, through searches or by means of other enquiries.

### 10.3 Disclosed Information

The following are taken to be disclosed to the Buyer:

- (a) the Data Room Information;
- (b) the specific disclosures in the Disclosure Letter; and
- (c) all information available from the public records maintained by any of the following Australian Governmental Agencies, as at the following dates:
  - (i) ASIC, two Business Days before the date of this Agreement;
  - (ii) the Registrar (as defined in section 10 of the PPS Act), two Business Days before the date of this Agreement;
  - (iii) the Federal Court of Australia or the Supreme Court of any state or territory of Australia, on April 13, 2015;
  - (iv) IP Australia, two Business Days before the date of this Agreement; or
  - (v) in respect of the Freehold Properties and the Freehold Office Properties only, the land titles or equivalent office in each state or territory of Australia, five Business Days before the date of this Agreement,(collectively, the “**Disclosed Information**”).

### 10.4 Qualifications to Seller Warranties and Tax Indemnity

- (a) The Seller Warranties and the Tax Indemnity are given subject to and are qualified by, and the Buyer is taken to be aware of, all facts, matters and circumstances that:
  - (i) are disclosed in this Agreement or any other Transaction Document;
  - (ii) are fairly disclosed or referred to in the Disclosed Information; or
  - (iii) are within the actual knowledge of the Buyer or any of its Representatives (but in the case of Representatives, limited to those individuals in each such organisation who are actually involved in any aspect of the transaction contemplated in this Agreement, including in conducting due diligence) as at the date of this Agreement

and the Warrantors are not liable in respect of any Claim to the extent that the Buyer is taken to be aware under this clause 10.4 of the fact, matter or circumstance giving rise to the Claim.

- (b) Any Seller Warranty qualified by “so far as the Warrantors are aware” or any similar expression shall, unless otherwise stated, be deemed only to refer to the actual knowledge of each Warrantor as at the date of this Agreement, and each Warrantor shall be deemed to have knowledge of such matters as they would have discovered after enquiry of Roger Hawke, Jonathan Wilkie, Mathew Jones, Jason Horley, Pina Hasbani and David McKean. With respect to the Business Warranties, the Warrantors shall not be deemed to have knowledge of any matter other than as set forth in the immediately preceding sentence.

## 10.5 Qualifications to Disclosed Information

The Buyer acknowledges and agrees that:

- (a) the financial information relating to the Group Companies contained in the Disclosed Information includes information that has been prepared on the basis of assumptions (which may or may not be correct);
- (b) any warranty or representation relating to historical information or documentation contained in the Disclosed Information given as at a specific date reflects the facts and opinions as at that date and has not been updated to reflect changes since the information or document was generated;
- (c) any historical information or documentation contained in the Disclosed Information may be qualified or substituted in its entirety by subsequent information and documentation contained in the Disclosed Information so long as a Seller, the Company or any of their Representatives notifies the Buyer of such qualification or substitution or it is reasonably apparent from the nature of the subsequent information and documentation that this is the case;
- (d) to the extent the information or documentation contained in the Disclosed Information reflects opinions or beliefs of individuals or organisations, any warranty or representation relating to such information is to be interpreted as at the date the opinion or belief was formed or expressed;
- (e) to the extent that any information or documentation contained in the Disclosed Information relates to any future matters or forward looking statements:
  - (i) it is not to be taken as a warranty or representation that the future matters or forward looking statements will be achieved or that the assumptions underlying them are reasonable; and
  - (ii) it is subject to inherent risks and uncertainties, both known and unknown, and the actual events or results may differ materially from the events or results expressed or implied by the statement regarding a future matter or forward looking statement;
- (f) to the extent that any information contained in the Disclosed Information is sourced from a third party, the Sellers:
  - (i) merely pass the information on as a conduit and have not formed an independent assessment of the nature or quality of the information; and
  - (ii) make no representation or warranty regarding the nature or quality of such information including any such information which may be aggregated into summary documents produced by the Sellers; and
- (g) none of the Warrantors give any warranty (other than the Seller Warranties set out in clauses 6.2(a), 6.3(a) and 9.1(l) of Part B of Schedule 4), representation or undertaking as to the accuracy or completeness of any information (including any of the forecasts, estimates, projections, statements of intent or statements of opinion) provided to the Buyer or any of its Representatives (howsoever provided).

## 10.6 Other exclusions

The Warrantors are not liable in respect of any Claim to the extent that the fact, matter or circumstance giving rise to the Claim:

- (a) arises as a result of Completion or any other thing done or omitted to be done in accordance with the terms of this Agreement or any other Transaction Document or at the request or direction of the Buyer;
- (b) was included as a specific provision or accrual or is otherwise reflected in the Accounts or the Completion Statement;
- (c) has been or is made good or is otherwise compensated for without cost to the Buyer or any Group Company;
- (d) would not have arisen (or would have been reduced) but for a change in legislation or a change in the interpretation of legislation on the basis of case law made after the date of this Agreement (whether relating to Taxation, the rate of Taxation or otherwise) or any amendment to or the withdrawal of any practice previously published by any Taxation Authority, in either case occurring after the date of this Agreement, whether or not that change, amendment or withdrawal purports to be effective retrospectively in whole or in part;
- (e) would not have arisen (or would have been reduced) but for a change after Completion of the date to which any Group Company makes up its accounts or in the policies, principles, practices, categorisations, procedures, methods or bases of accounting of any Group Company;
- (f) would not have arisen (or would have been reduced) but for any act or omission of any Group Company on or before Completion carried out at the request or direction of the Buyer or any act or omission of the Buyer or any Group Company after Completion;
- (g) would not have arisen (or would have been reduced) but for any failure or omission by any Group Company to make any valid claim, election, surrender or disclaimer, to give any valid notice or consent or to do any other thing under the provisions of any enactment or regulation relating to Taxation after Completion, the making, giving or doing of which was taken into account in computing the provisions for Taxation in the Accounts or the Completion Statement or was referred to in the Disclosed Information;
- (h) would not have arisen (or would have been reduced) but for any claim, election, surrender, revocation or disclaimer made or notice or consent given after Completion by any Group Company or any Buyer Group Member under the provisions of any enactment or regulation relating to Taxation other than any claim, election, surrender, revocation, disclaimer, notice or consent assumed to have been made, given or done in computing the amount of any allowance, provision or reserve in the Accounts or the Completion Statement or which is made at the prior request of a Seller pursuant to its rights under this Agreement;
- (i) would not have arisen (or would have been reduced) but for a cessation, or any change in the nature or conduct, of any trade carried on by any Group Company at Completion, being a cessation or change occurring on or after Completion; or
- (j) arises as a result of a warranty or acknowledgement by the Buyer being incorrect.

## 10.7 Time limits

The liability of the Warrantors terminates:

- (a) on the fourth anniversary of the date of this Agreement in respect of all Claims under the Tax Warranties and the Tax Indemnity; and
- (b) on the date that is 18 months after the date of this Agreement in respect of all other Warranty Claims,

except in respect of any such Claim of which notice is given to the Warrantors in accordance with this Agreement before the relevant date specified in clauses 10.7(a) and 10.7(b). The liability of the Warrantors in respect of any Warranty Claim or Claim under the Tax Indemnity (and any liability of the Warrantors in respect of that Warranty Claim or Claim under the Tax Indemnity) will in any event terminate if proceedings in respect of that Warranty Claim or Claim under the Tax Indemnity have not been commenced within nine months after notice of that Warranty Claim or Claim under the Tax Indemnity is given in accordance with this Agreement.

## 10.8 Notice of Claims

If the Buyer or any Group Company becomes aware of a matter or circumstance which may give rise to a Claim, the Warrantors are not liable in respect of it unless the Buyer gives notice to the Warrantors specifying the relevant facts and the nature of the Claim in reasonable detail (including the Buyer's bona fide estimate of any alleged Loss) as soon as reasonably practicable (and in any event within 20 Business Days) after it or the relevant Group Company (as the case may be) becomes aware of that matter or circumstance.

## 10.9 Financial limits

- (a) Other than Shareholder Warranty Claims, the liability of the Warrantors in respect of Warranty Claims and Claims under the Tax Indemnity is limited as follows:
  - (i) there must be disregarded for all purposes any Warranty Claim or Claim under the Tax Indemnity in respect of which the amount to which the Buyer would otherwise be entitled is less than A\$1 million; provided that the Buyer can aggregate like Warranty Claims or Claims under the Tax Indemnity for the purposes of arriving at that amount;
  - (ii) the Warrantors are not liable in respect of any Warranty Claim or Claim under the Tax Indemnity except to the extent that the aggregate amount to which the Buyer would be entitled as a result of all Warranty Claims and Claims under the Tax Indemnity (other than Claims disregarded as contemplated by clause 10.9(a)(i)) exceed in aggregate A\$20 million; and
  - (iii) (A) the maximum aggregate liability of the Warrantors arising out of or in connection with all Warranty Claims (other than Share Capital Warranty Claims) and Claims under the Tax Indemnity is A\$200 million (the "**Cap Amount**"), (B) the maximum aggregate liability of each Warrantor arising out of or in connection with all Warranty Claims (other than Share Capital Warranty Claims) and Claims under the Tax Indemnity is equal to such Warrantor's Respective Proportion multiplied by the Cap Amount and (C) the maximum aggregate liability of each Warrantor arising out of or in connection with any Warranty Claim or Claim under the Tax Indemnity is equal to such Warrantor's Respective Proportion multiplied by the aggregate liability resulting from such Warranty Claim or Claim under the Tax Indemnity.

- (b) In respect of Shareholder Warranty Claims and Share Capital Warranty Claims, the maximum aggregate liability of each Warrantor for all such Claims is the total amount of consideration actually received by that Warrantor pursuant to clauses 2.3, 2.4 and 2.5 (it being understood that with respect to CCOL that consideration does not include the Intercompany Loan Repayment Amount).

#### **10.10 Multiple Warrantor limits**

- (a) Any Claim (other than a Shareholder Warranty Claim, a Claim for a breach of covenant by a Warrantor or a Claim for actions or omissions specific to a Warrantor) must be made by the Buyer against all Warrantors pro-rated between those Warrantors in accordance with each Warrantor's Respective Proportions and not against some of those Warrantors only.
- (b) The Buyer must not, and must procure that no Group Company will, enter into any transaction, agreement or arrangement with any of the Warrantors the purpose of which is to release, avoid, or mitigate the liability of any of the Warrantors which does not apply in the same manner to all the Warrantors based upon their Respective Proportions.
- (c) In the event that an individual Warrantor does not satisfy a Claim (or that Warrantor's Respective Proportion of a Claim), including as a result of that Warrantor's limitation described in clause 10.9(a)(iii) or 10.9(b), the Buyer shall not be entitled to bring a Claim against any of the other Warrantors in respect of that non-satisfaction.
- (d) As between the Warrantors, if (despite the preceding provisions of clause 6 and this clause 10):
  - (i) a Warranty Claim is made, the basis of which is that a Business Warranty is, or is alleged to be, untrue, inaccurate or misleading;
  - (ii) a court of competent jurisdiction requires one or more Warrantors to pay an amount in respect of that Warranty Claim (the aggregate amount required to be paid by all such Warrantors, the "**Judgment Amount**"); and
  - (iii) the amount required by the court to be paid by any individual Warrantor (a "**Paying Warrantor**") in respect of that Warranty Claim exceeds its Respective Proportion of the Judgment Amount,

then, unless any Paying Warrantor's liability in respect of the Judgment Amount arose from the fraud or wilful misconduct on the part of such Paying Warrantor, the other Warrantors must severally (not jointly or jointly and severally) contribute an amount to such Paying Warrantor such that each Warrantor is paying its Respective Proportion of the Judgment Amount.

#### **10.11 Exclusion of liability for certain Losses**

- (a) The Warrantors are not liable in respect of any Claim for any Loss arising out of or in connection with a breach of the Seller Warranties or any other provision of this Agreement or any other Transaction Document unless that Loss arises naturally or in the usual course of things from that breach which gave rise to that Claim.
- (b) The Warrantors are not liable in respect of any Claim for any loss of revenue, loss of profit, loss of reputation or damage to goodwill, loss or denial of opportunity or for any punitive or aggravated damages, even if that Loss arises naturally or in the usual course of things from the breach which gave rise to that Claim.

- (c) Without prejudice to clause 10.8, the Warrantors are not liable in respect of any contingent liability in relation to any Claim unless and until that contingent liability becomes an actual liability and is due and payable.

#### **10.12 Restrictions on specific warranties**

The Buyer acknowledges and agrees that other than the warranties in Schedule 4, Part B, clause 7 the Warrantors give no warranties as to or in respect of “taxation” and no warranty shall constitute or be deemed to constitute a warranty as to or in respect thereof.

#### **10.13 Subsequent disposal**

The Warrantors have no liability in respect of any Claim arising out of a matter or circumstance affecting any Group Company if the notice given under clauses 10.8, 12 or 14 in relation to the relevant matter or circumstance is given at a time when the Group Company concerned has ceased to be a subsidiary of the Buyer, except where the Group Company has been sold, transferred or disposed of to a Related Entity of the Buyer.

#### **10.14 Mitigation of loss**

The Warrantors are not liable in respect of any Claim for any Loss arising out of or in connection with a breach of the Seller Warranties, the Tax Indemnity or any other provision of this Agreement or any other Transaction Document to the extent that such Loss could have been avoided by the Buyer or any Group Company taking reasonable steps after becoming aware of the breach to avoid that Loss.

#### **10.15 Voluntary actions**

The Buyer must refrain from doing, and must procure that the Group Companies refrain from doing, any act or thing (other than in the ordinary course of business of the Group Companies) which may increase the amount of any Claim or give rise to a Claim which would not otherwise arise.

#### **10.16 Right to remedy**

If the matter or circumstance giving rise to a Claim is capable of remedy, the Buyer must procure that the Warrantors are given a 30 Business Day period to remedy the relevant matter or circumstance and must, without prejudice to clause 10.14, provide, and procure that each relevant Group Company provides, all reasonable assistance to the Warrantors to remedy the relevant matter or circumstance.

#### **10.17 Repayment of Claim Related Benefits**

- (a) If a payment is made in respect of a Claim (the “**Seller Payment**”) and any Buyer Group Member subsequently receives any sum (other than the Seller Payment) which it would not have received but for the circumstances giving rise to the Claim or but for the Buyer’s receipt of the Seller Payment (other than a Tax Benefit) (a “**Claim Related Benefit**”), then the provisions of clause 10.17(c) will apply.
- (b) If the Buyer receives a refund or credit of Taxes paid by or on behalf of any Group Company prior to Completion or Taxes paid pursuant to any Claim (a “**Seller Tax Refund**”), then the provisions of clause 10.17(c) will apply.
- (c) If this clause 10.17(c) applies, the Buyer must:

- (i) procure that full details of the Claim Related Benefit or Seller Tax Refund, as applicable, are given to the applicable Warrantors as soon as practicable and in any event within ten Business Days after the date on which the relevant Buyer Group Member receives or becomes entitled to (as the case may be) the Claim Related Benefit or Seller Tax Refund, as applicable (the “**Benefit Date**”);
  - (ii) in the case of a Claim Related Benefit, if the aggregate amount of the Claim Related Benefit and the Seller Payment exceeds the amount required to compensate the Buyer in full for the Loss which gave rise to the Claim in question (such excess being the “**Excess Recovery**”), the Buyer must, as soon as reasonably practicable and in any event within ten Business Days after the Benefit Date, pay to the applicable Warrantors an amount equal to the lesser of the Excess Recovery and the Seller Payment; and
  - (iii) in the case of a Seller Tax Refund, the Buyer must, as soon as reasonably practicable, and in any event within ten Business Days after the Benefit Date, pay over to the applicable Warrantors an amount equal to such Seller Tax Refund (less any amount required to be paid by the Buyer to the W&I Insurers in respect of such Seller Tax Refund).
- (d) For the purposes of this clause 10.17, the date on which a Buyer Group Member becomes entitled to a Tax Benefit includes, as appropriate, the date when the Taxation would otherwise have been due to avoid interest or penalties which are not due by virtue of the Tax Benefit.

#### **10.18 Buyer to pursue Claim Related Benefits**

If a Buyer Group Member is entitled to receive a Claim Related Benefit (including by way of any other recovery from any person other than a Seller Group Member), the Buyer must use, and must procure that each relevant Buyer Group Member uses, all reasonable endeavours to obtain the Claim Related Benefit within a reasonable time.

#### **10.19 Insurance**

Without prejudice to clause 10.14, if in respect of any matter which would otherwise give rise to a Claim, the Buyer or any of the Group Companies is entitled to claim under any policy of insurance (or would have been so entitled had it maintained in force its insurance cover current at Completion), the amount of the Claim must be reduced by the amount of insurance monies to which the Buyer or that Group Company is or would have been entitled.

#### **10.20 Separate and independent limitations**

Each qualification and limitation in this clause 10 is separate and independent and is not limited by any other qualification or limitation. No qualification or limitation in this clause 10 is intended to limit or qualify any other qualification or limitation in this clause 10.

#### **10.21 Sole remedy**

The sole and exclusive remedy of the Buyer for any breach of the Seller Warranties shall be a Warranty Claim subject to the limitations contained in clause 6 and this clause 10.

#### **10.22 Limitation on Tax Warranties**

Warranty Claims for breach of the Tax Warranties shall be subject to the exclusions and limitations described in clauses 11.3 and 11.4.

## 10.23 Tax Election

- (a) The Buyer agrees to file or cause to be filed (at CCOL's filing cost and direction) elections under U.S. Treasury Regulations Section 301.7701-3(c)(1) to treat each Group Company as a disregarded entity for U.S. Federal income tax purposes, effective as of the day following Completion (unless otherwise directed by CCOL in writing). For the avoidance of doubt, the Buyer makes no representation of any kind as to whether the election is effective in achieving any goal or purpose of the Sellers.
- (b) The Buyer represents that no election has been made under U.S. Treasury Regulations Section 301.7701-3(c)(1) to treat the Buyer (or, in the event of an assignment to a Related Entity pursuant to clause 21.2, such Related Entity) as a disregarded entity for U.S. Federal income tax purposes, and no such election with an effective date prior to the elections made pursuant to clause (a) shall be made.
- (c) The Buyer agrees not to make and to cause not to be made any election pursuant to Section 338(g) of the Internal Revenue Code of 1986, as amended, with respect to any Group Company.

## 11. TAX INDEMNITY

### 11.1 Indemnity

Each Seller severally (not jointly or jointly and severally) indemnifies the Buyer against, and will pay to the Buyer, such Seller's Respective Proportion of any payment of Taxation made or to be made by a Group Company after Completion, the liability for which arises as a result of any act, event or transaction occurring before Completion (other than Taxation arising in respect of income, profits or gains derived on or after Completion as a result of any such act, event or transaction) or in respect of any profits derived before Completion (such Taxation, "**Pre-Completion Taxation**") (such indemnity, the "**Tax Indemnity**").

### 11.2 Payments

Any payment to be made by the Sellers under clause 11.1 must be made:

- (a) within ten Business Days after the date on which notice of the payment of Taxation is received by CCOL (on behalf of all Sellers) from the Buyer or a Group Company; or
- (b) if later, on the date which is five Business Days before the last date on which payment of that Taxation may be made in order to avoid incurring a liability to interest or penalties.

### 11.3 Exclusions

The Tax Indemnity does not extend to any liability to the extent that:

- (a) the liability is excluded or limited by any provision of clause 10;
- (b) the liability is any of the following:
  - (i) interest arising from a failure to pay Taxation to a Taxation Authority within a reasonable time after the Sellers have made a payment of an amount in respect of that liability to Taxation under clause 11.2;
  - (ii) interest attributable to a period after Completion on an amount to which this Tax Indemnity does not apply by virtue of an exclusion;

- (iii) a penalty or fine incurred after Completion in connection with an amount described in clause 11.3(b)(i) or 11.3(b)(ii);  
or
  - (iv) Taxation for a period other than a Pre-Completion Period;
- (c) the liability arises as a consequence of any other failure by the Buyer or a Group Company to comply with any of their respective obligations under clause 14;
  - (d) any income, profits or gains to which the relevant payment of Taxation is attributable were actually derived or received by or actually accrued to a Group Company in or after the taxable period to which the Completion Statement relates but were not reflected in the Completion Statement;
  - (e) the liability would not have arisen (or would have been reduced) but for a change in the rate of the tax depreciation available to a Group Company or a reallocation or deferral of deductible expenses into a period ending after Completion;
  - (f) the liability relates to Duty or Taxation which is not imposed on or calculated by reference to net income, profits or gains and which in any case arises as a result of the sale of the Shares pursuant to this Agreement; or
  - (g) the liability arises or is increased as a result of transfer pricing legislation (or its equivalent) to the extent that a Group Company or a Buyer Group Member has obtained or will obtain a corresponding adjustment (and for these purposes a Group Company or a Buyer Group Member must use reasonable endeavours to obtain a corresponding adjustment within a reasonable time).

#### **11.4 Mitigation**

Without limiting any other clause of this Agreement, the Buyer must procure that each Group Company uses to the fullest extent possible any loss, allowance, credit, relief, deduction or set-off of any kind in respect of, or taken into account, or capable of being taken into account in the calculation of a liability to Taxation or the right to repayment of Taxation and that:

- (a) arises as a result of any transaction occurring or taken to occur before Completion or in respect of a period ended on or before Completion; and
- (b) is not taken into account in the Completion Statement as an asset.

## **12. THIRD PARTY CLAIMS**

### **12.1 Notice**

Without limiting clause 10.8, if after Completion the Buyer or any Group Company becomes aware of any matter or circumstance that may give rise to a Third Party Claim, the Buyer must give notice to the Sellers specifying the relevant facts and the nature of the Third Party Claim in reasonable detail as soon as reasonably practicable (and in any event within 20 Business Days) after the Buyer or the relevant Group Company (as the case may be) becomes aware of that matter or circumstance.

### **12.2 Buyer obligations**

The Buyer must:

- (a) procure that no relevant Buyer Group Member ceases to defend a Third Party Claim or makes any compromise, settlement, admission of liability or agreement in relation to a Third Party

Claim without the prior written consent of at least a majority of the Sellers (based on their Respective Proportions) that may be affected by that Third Party Claim; and

- (b) in respect of each Third Party Claim, until the earlier of such time as CCOL gives a notice under clause 12.3 in respect of the Third Party Claim and such time as the Third Party Claim is finally resolved:
  - (i) procure that each relevant Buyer Group Member consults with the Sellers that may be affected by that Third Party Claim, and takes account of the reasonable requirements of such Sellers, in relation to the conduct of any assessment, contest, dispute, defence, appeal, compromise or settlement of the Third Party Claim; and
  - (ii) keep the Sellers that may be affected by that Third Party Claim promptly informed of the progress of the Third Party Claim and provide copies of all correspondence and other documents in the possession or control of any Buyer Group Member and relating to the Third Party Claim that any of those Sellers reasonably request.

### **12.3 CCOL may assume conduct of Third Party Claims**

At any time before a Third Party Claim that may affect CCOL is finally resolved, CCOL may give notice to the Buyer that it elects to assume (in consultation with Todd) the conduct of any dispute, defence, appeal, compromise or settlement of the Third Party Claim and of any incidental negotiations and if CCOL gives such notice:

- (a) the Buyer must procure that each relevant Buyer Group Member takes such action to assess, contest, dispute, defend, appeal, compromise or settle the Third Party Claim as CCOL may reasonably request;
- (b) the Buyer must:
  - (i) give and must procure that each relevant Buyer Group Member gives CCOL and its Representatives such access to the properties, books, records, documents and employees of the Buyer or that Buyer Group Member as CCOL may reasonably request for the purposes of assessing, contesting, disputing, defending, appealing, compromising or settling the Third Party Claim and in the case of books, records or documents must permit, or procure that the relevant Buyer Group Member permits, CCOL and its Representatives to take copies of the same; and
  - (ii) use all reasonable endeavours to procure that employees of the Buyer and each relevant Buyer Group Member cooperate in the preparation, review and signing of any witness statements and affidavits which CCOL may reasonably request and, if CCOL so requests, attend any relevant proceedings as a witness to give evidence and prepare appropriately for such attendance;
- (c) the Sellers severally based on their Respective Proportions (not jointly or jointly and severally) indemnify the Buyer and each relevant Buyer Group Member against all charges, costs and expenses which they may reasonably incur in taking any such action as CCOL may request pursuant to this clause 12.3; and
- (d) CCOL must keep the Buyer promptly informed of the progress of the Third Party Claim and must give the Buyer copies of all correspondence and other documents in the possession or control of CCOL and relating to the Third Party Claim that the Buyer reasonably requests.

#### 12.4 Provision of information

- (a) Nothing in clauses 12.1 to 12.3 requires any person to provide any information to the extent that to do so would contravene any applicable law or regulation or would breach any duty of confidentiality owed to any third party.
- (b) Subject to clause 12.4(a), if any person is required to provide information (the “**Provider**”) to any other person (the “**Recipient**”) pursuant to clauses 12.1 to 12.3:
  - (i) that information must only be used by the Recipient in connection with the Third Party Claim and clause 15 applies in all other respects to that information (but for clarity, if the Recipient is CCOL, that information can be shared with Todd as part of CCOL’s consultation with Todd and on the basis that Todd is subject to the same limitations as set out in this clause); and
  - (ii) to the extent that information is privileged:
    - (A) the Provider need not provide the information to the Recipient if to do so would result in a waiver of that privilege; and
    - (B) if a third party requests disclosure by the Recipient in relation to that information, if the Recipient is CCOL or the Buyer, the Recipient must or, if the Recipient is a Group Company, the Buyer must procure that the Recipient must, promptly notify the Provider and, to the extent it can do so, itself assert privilege in opposition to that disclosure request.

#### 13. WARRANTIES BY THE BUYER

The Buyer (and in the case of the warranties in paragraphs (a) to (f) and (i) to (q), inclusive, each of the Buyer and FinCo) warrants to the Sellers that each of the following statements is true and accurate:

- (a) it is a corporation validly existing under the laws of the place of its incorporation;
- (b) it has the power to execute, and to perform its obligations under, this Agreement and each of the other Transaction Documents to which it is or will be a party, and has taken all necessary corporate action to authorise such execution and the performance of such obligations;
- (c) its obligations under this Agreement are, and its obligations under each of the other Transaction Documents to which it is or will be a party are, or will on execution of those Transaction Documents be, legal, valid and binding obligations enforceable in accordance with their terms (subject to any applicable bankruptcy, insolvency, reorganisation, moratorium, fraudulent conveyance or other similar laws affecting the enforcement of creditors’ rights generally or general principles of equity);
- (d) the execution by it of this Agreement and of each of the other Transaction Documents to which it is or will be a party and the performance of its obligations hereunder and thereunder do not and will not conflict with or constitute a default under any provision of:
  - (i) any material agreement or instrument to which it is a party;
  - (ii) its constitutional documents; or
  - (iii) any applicable law, regulation, order or judgment;

- (e) all authorisations from, and notices or filings with, any Government Agency or ASX or any other recognised securities exchange that are necessary to enable it to execute and to perform its obligations under this Agreement, and each of the other Transaction Documents to which it is or will be a party, have been obtained or made (as the case may be) and are in full force and effect and all conditions of each such authorisation have been complied with;
- (f) no Insolvency Event has occurred in relation to it;
- (g) at Completion the Buyer will have immediately available on an unconditional basis the necessary cash resources to meet in full its obligations under this Agreement, and each of the other Transaction Documents to which it is or will be a party;
- (h) the Buyer is not aware of any breach of any Seller Warranty or of any matter that may result in a Claim;
- (i) the Treasurer of the Commonwealth of Australia has either:
  - (i) ceased to be empowered to make an order under the Foreign Acquisitions and Takeovers Act 1975 (Cth) in relation to the proposed acquisition by the Buyer of the Shares; or
  - (ii) given written advice of a decision by or on behalf of the Treasurer stating unconditionally or on the basis of conditions which are acceptable to the Buyer that there is no objection to the proposed acquisition by the Buyer of the Shares;
- (j) the Buyer has delivered to the Sellers true and complete copies of:
  - (i) the executed Debt Commitment Letter dated 13 May 2015 between Australia and New Zealand Banking Group Limited, the Bank of Tokyo-Mitsubishi UFJ, Ltd., Commonwealth Bank of Australia, ING Bank N.V., Singapore Branch, Natixis, Singapore Branch, the Bank of Nova Scotia Asia Limited, Sumitomo Mitsui Banking Corporation and Westpac Banking Corporation (the “**MLAUBs**”) and FinCo (such agreement, as may be modified pursuant to clause 4.4(d), the “**Debt Financing Commitments**”), pursuant to which the MLAUBs have agreed, subject to the terms and conditions thereof, to lend the amounts set forth therein (the “**Debt Financing**”) for the purpose of funding (directly or indirectly) the Buyer’s acquisition of the issued share capital of the Company, the repayment of the Intercompany Loan Repayment Amount and the other transactions contemplated by this Agreement; and
  - (ii) the executed equity commitment letters, each dated 14 May 2015, between the Buyer, the Sellers and each of Macquarie Corporate Holdings Ltd, Macquarie Asia Infrastructure Management Limited in its capacity as general partner of Macquarie Asia Infrastructure Fund LP, UBS International Infrastructure Fund II GP Cayman Ltd in its capacity as general partner of UBS International Infrastructure Fund II (A) L.P., UBS International Infrastructure Fund II GP Cayman Ltd in its capacity as general partner of UBS International Infrastructure Fund II (B) L.P., UBS International Infrastructure Fund II GP Cayman Ltd in its capacity as general partner of UBS International Infrastructure Fund II (C) L.P., and UniSuper Limited as trustee of the complying superannuation fund known as UniSuper (each an “**Equity Investor**”) (the “**Equity Financing Commitments**” and together with the Debt Financing Commitments, the “**Financing Commitments**”), pursuant to which each Equity Investor has committed to invest the cash amount set forth therein (the “**Equity Financing**” and together with the Debt Financing, the “**Financing**”);

- (k) each of the Financing Commitments, in the form so delivered, is in full force and effect and is a legal, valid and binding obligation of the Buyer or FinCo (as applicable) and the other parties thereto enforceable in accordance with its terms (subject to any applicable bankruptcy, insolvency, reorganisation, moratorium, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights generally or general principles of equity);
- (l) the Financing Commitments have not been amended, supplemented or otherwise modified in any respect, no amendment, supplement or modification is contemplated (except, in each case, as permitted by clause 4.4(d)), and the financing commitments thereunder have not been withdrawn, terminated or rescinded in any respect;
- (m) no event has occurred that, with or without notice, lapse of time or both, would or would reasonably be expected to constitute a default or breach on the part of the Buyer or FinCo (as applicable) or any other parties thereto under any term or condition of the Financing Commitments, and each of the Buyer and FinCo has no reason to believe that any term or condition of closing set forth in the Debt Financing Commitments will not be satisfied on a timely basis, or that any portion of the Debt Financing to be made thereunder will otherwise not be available to FinCo on a timely basis in order for the Buyer to consummate the transactions contemplated by this Agreement at the time required pursuant to this Agreement;
- (n) the Buyer or FinCo (as applicable) has fully paid any and all commitment fees or other fees required by the Financing Commitments to be paid by them on or prior to the date of this Agreement and shall in the future pay any such fees as they become due;
- (o) the Financing, when funded in accordance with the Financing Commitments, will provide the Buyer with funds sufficient to satisfy all of the Buyer's obligations under this Agreement, including the obligations under clause 2, to pay any other amounts required to be paid by the Buyer in connection with the consummation of the transactions contemplated by this Agreement and to pay all related fees and expenses of the Buyer;
- (p) the obligations to make the Financing available to the Buyer or FinCo (as applicable) pursuant to the terms of the Financing Commitments are not subject to any conditions precedent or other contingencies related to the funding of the full amount of the Financing, other than as expressly set forth in the Financing Commitments; and
- (q) there are no contracts or other agreements or commitments to enter into a contract or agreement to which the Buyer, FinCo or any of their Affiliates is a party related to the Financing other than as expressly contained in the Financing Commitments and delivered to the Sellers prior to the date of this Agreement.

## **14. CONDUCT OF TAX CLAIMS AND PREPARATION OF TAX RETURNS**

### **14.1 Notice**

Without limiting clause 10.8 and clause 12, if after Completion any Buyer Group Member receives any letter, enquiry, notice, demand, determination, assessment or other document from any Taxation Authority in relation to Pre-Completion Taxation, the Buyer must give notice to the Sellers specifying the relevant facts in reasonable detail as soon as reasonably practicable (and in any event within 20 Business Days) after the relevant Buyer Group Member receives that document.

### **14.2 Buyer conduct and obligations**

- (a) Subject to the provisions of clauses 14.2(b), 14.3 and 14.5, the Buyer shall have sole conduct of all Tax matters relating to Tax periods beginning after the date of Completion, and CCOL shall give the Buyer such assistance (including reasonable assistance from employees of

CCOL) and access to such documents and records of any of its Seller Group Members as the Buyer reasonably requires in connection with its conduct of such Tax matters.

- (b) Notwithstanding clause 14.2(a), the Buyer must:
- (i) procure that no Group Company does any act or thing after Completion without the prior written consent of CCOL (in consultation with Todd) (such consent not to be unreasonably withheld or delayed) which:
    - (A) might affect the ability of any Group Company to make claims for allowances or reliefs in respect of any Pre-Completion Period; or
    - (B) would reduce or extinguish any relief or allowance relating to any Pre-Completion Period;
  - (ii) procure that no Group Company amends, withdraws or disclaims any elections, claims or benefits in respect of any Pre-Completion Period without the prior written consent of CCOL (such consent not to be unreasonably withheld or delayed) (in consultation with Todd);
  - (iii) not, and must procure that each Group Company does not, compromise or settle any Tax Claim or agree on any matter which may affect the outcome of any dispute or negotiation with any Taxation Authority in relation to any Tax Claim without the prior written consent of CCOL (such consent not to be unreasonably withheld or delayed) (in consultation with Todd);
  - (iv) not, and must procure that each Group Company does not, lodge any return or assessment in relation to Pre-Completion Taxation (other than such returns and assessments contemplated by clause 14.3(c)(ii)) without the prior written consent of CCOL (such consent not to be unreasonably withheld or delayed) (in consultation with Todd);
  - (v) in respect of each Tax Claim, until such time as the Tax Claim is fully resolved:
    - (A) not, and must procure that each Group Company does not, carry out any discussions or correspondence with any Taxation Authority without first notifying CCOL;
    - (B) in the event the Buyer intends to submit any computation, return, financial statement, report, or other document or information to a Taxation Authority in relation to the applicable Tax Claim, give a draft of that document to CCOL at least 20 Business Days before its intended submission (or such lesser time as is reasonable if there is a statutory or administrative time limit for submitting such document);
    - (C) keep the Sellers (via CCOL) fully informed of any discussions or correspondence described in clause 14.2(b)(v)(A) and:
      - I. give CCOL a copy of all correspondence or other documentation received by the Buyer or a Group Company (including a note of any material communications or discussions not in written form) in respect of the applicable Tax Claim within ten Business Days of receipt (or such communications or discussions taking place, as appropriate); and

- II. as soon as reasonably practicable give CCOL notice of any proposed meeting between the Buyer or a Group Company and a relevant Taxation Authority relating to the applicable Tax Claim, together with an agenda for that meeting, and permit CCOL to send a representative to any such meeting; and
- (D) procure that CCOL is given access to such information and provided with such assistance (including assistance from employees of the Buyer and a Group Company and access to any external advisors appointed by the Buyer) as is reasonable and necessary to determine the accuracy or to review any document given to it under this clause 14.2 or to assess any action proposed to be taken by a Group Company in relation to any Tax Claim, including any proposed negotiation, agreement, compromise or settlement.
- (c) If, within ten Business Days (or such lesser time as is reasonable if there is a statutory or administrative time limit for making submissions to the relevant Taxation Authority) of receiving any draft document or details of any proposed negotiation, agreement, compromise or settlement referred to in this clause 14.2, CCOL gives any comments to the Buyer, those comments must, except to the extent that they are unreasonable, be reflected in such document, negotiation, agreements, compromise or settlement. If CCOL does not give comments within the appropriate time period, or if it gives comments all of which are reflected in such revised drafts, CCOL is taken to have agreed the contents of such drafts and the Buyer may make such submissions to the relevant Taxation Authority.

### 14.3 CCOL control

CCOL (in consultation with Todd) shall be entitled to elect to have sole control over all Tax matters relating to Tax periods ending on or before the date of Completion. In the event CCOL does not so elect with respect to any such Tax matter, the Buyer shall control such Tax matter, subject to the limitations contained in clauses 14.2 and 14.5. In the event CCOL so elects with respect to such Tax matter, (i) the Buyer must procure that CCOL is given such assistance (including reasonable assistance from employees of the Buyer and each Group Company) and access to such documents and records of, or relating to, each Group Company, as CCOL (in consultation with Todd) reasonably requires in connection with its conduct of such Tax matter and (ii) in respect of such Tax matter:

- (a) the Buyer must refrain from doing, and must procure that each Group Company refrains from doing, any act or thing which may be inconsistent with this clause 14.3 (however, a Group Company may pay any Taxation to a Taxation Authority by the due date for payment without affecting any of its rights under this Agreement);
- (b) CCOL may resist an applicable Tax Claim in the name of any relevant Group Company and have the conduct of any dispute, defence, appeal, compromise or settlement of such Tax Claim; and
- (c) Without limiting this clause 14.3, the Buyer must procure that:
  - (i) all information received by the Buyer or a Group Company, or of which the Buyer or a Group Company otherwise becomes aware, which may be relevant to such Tax matter, is promptly given to CCOL;
  - (ii) each Group Company promptly authorises, signs and submits to the relevant Taxation Authority such computations, returns, financial statements, reports and other documents and information relating to an applicable Tax Claim or otherwise related

to Pre-Completion Taxation and makes such claims and elections and gives such consents as CCOL (in consultation with Todd) may, in its absolute discretion, direct in writing (subject to clause 14.3(d) below); and

- (iii) such person or persons as CCOL directs from time to time are appointed to act as agent for the Group Companies to deal with an applicable Tax Claim and that the relevant Taxation Authorities are notified of any such appointment.
- (d) In the event that CCOL intends to deliver to a Group Company a computation, return, financial statement, report or other document and related information for signature and submission pursuant to clause 14.3(c)(ii), CCOL shall provide to the Buyer copies of a draft of such document and information no later than 15 Business Days before the due date of submission, and shall consider in good faith any reasonable comments that the Buyer may provide in relation to such draft.

#### **14.4 Straddle Periods**

CCOL (in consultation with Todd) and the Buyer shall have joint control over all Tax matters relating to Tax periods beginning on or before and ending after the date of Completion (“**Straddle Periods**”). CCOL and the Buyer must procure that each is given such assistance (including reasonable assistance from CCOL, the Buyer, and each Group Company) and access to such documents and records of, or relating to, each Group Company and Seller Group Member, as CCOL (in consultation with Todd) and the Buyer reasonably require in connection with their conduct of such Tax matters. The Buyer must:

- (i) prepare all computations, returns, financial statements, reports and other documents and information required to be submitted to any Taxation Authority for, or in respect of, a Straddle Period (“**Straddle Period Documents**”);
- (ii) give a draft of each Straddle Period Document to CCOL at least 15 Business Days before its intended submission to the relevant Taxation Authority and procure that any reasonable comments of CCOL are incorporated into any Straddle Period Document submitted to a Taxation Authority to the extent they relate to Pre-Completion Taxation; and
- (iii) otherwise act and procure that each Group Company acts in accordance with clauses 14.1 and 14.2(b) (as if such Straddle Period were a period beginning after the date of Completion).

#### **14.5 Limits on control**

In exercising control over Tax matters as contemplated by this clause 14, the parties shall act in good faith and shall take into account the reputation and goodwill of the Sellers, the Buyer and the Group Companies.

### **15. CONFIDENTIALITY**

#### **15.1 Buyer confidentiality obligations**

Subject to clause 15.3, the Buyer and FinCo must keep confidential and the Buyer must procure that each other Buyer Group Member keeps confidential:

- (a) the terms of and subject matter of, and the negotiations relating to, this Agreement and the other Transaction Documents; and

- (b) all information made available to any Buyer Group Member by or on behalf of the Sellers in connection with the transactions contemplated by this Agreement and the other Transaction Documents and which relates to any Seller Group Member.

## **15.2 Seller confidentiality obligations**

Subject to clause 15.3, each Seller undertakes severally (not jointly or jointly and severally) to keep confidential and procure that each other Seller Group Member of that Seller and, in respect of the period before Completion to the extent it is able to do so in its capacity as a shareholder of the Company, each Group Company keeps confidential:

- (a) the terms of and subject matter of, and the negotiations relating to, this Agreement and the other Transaction Documents; and
- (b) all information made available to any Seller Group Member or any Group Company by or on behalf of the Buyer in connection with the transactions contemplated by this Agreement and the other Transaction Documents and which relates to any Buyer Group Member.

## **15.3 Permitted announcements and disclosures**

Nothing in clause 15.1 or clause 15.2 prevents:

- (a) any announcement being made or any information being disclosed:
  - (i) with the written approval of the Buyer and CCOL (in consultation with Todd); or
  - (ii) to the extent required by law, any court of competent jurisdiction, any Government Agency or the rules of ASX, New York Stock Exchange or any other recognised securities exchange, but if a person is so required to make any announcement or to disclose any confidential information, the relevant party must promptly notify the other parties, where practicable and lawful to do so, before the announcement is made or disclosure occurs (as the case may be) and must co-operate with the other parties regarding the timing and content of such announcement or disclosure (as the case may be) or any action which the other parties may reasonably elect to take to challenge the validity of such requirement; or
- (b) any information being disclosed:
  - (i) to the extent that the information is in or comes into the public domain other than as a result of a breach of any undertaking or duty of confidentiality;
  - (ii) by the Buyer on a strictly confidential basis to another Buyer Group Member, by the Sellers on a strictly confidential basis to another Seller Group Member or by any party on a strictly confidential basis to that party's Representatives; or
  - (iii) by any party to the extent required to enable that party to enforce (on its own behalf or on behalf of any other person) the provisions of this Agreement or any other Transaction Document or for the purpose of defending any judicial claim, demand, cause of action or proceeding brought against that party.

## **16. PAYMENTS**

### **16.1 Manner of payments**

Unless otherwise expressly stated (or, in the case of a given payment, as otherwise agreed by the party due to receive the payment), each payment to be made under this Agreement must be made in A\$ by transfer of the relevant amount into the relevant account on or before the date on which the payment is due and in immediately available cleared funds. The relevant account for a given payment is the account that the party due to receive the payment specifies, not less than three Business Days before the date on which payment is due, by giving notice to the party due to make the payment.

### **16.2 Withholding**

All payments to be made by the Buyer under this Agreement must be paid free and clear of all deductions and withholdings except as required by law. If the Buyer is required by law to make a deduction or withholding in respect of any sum payable under this Agreement, the Buyer must:

- (a) at the same time as the sum which is the subject of the deduction or withholding is payable, give notice to the Sellers specifying the amount of the deduction or withholding and the applicable law under which it is required to be made; and
- (b) make any payment required to be made in connection with the deduction or withholding within the time allowed by law and provide the Sellers with evidence that the payment has been made within 30 days after the due date for payment.

### **16.3 No set-off by Buyer**

The Buyer waives all equitable and common law rights of set-off which it may, but for this clause 16.3, be entitled to exercise in relation to any payment the Buyer is liable to make under this Agreement (including any payment under clause 16.2).

## **17. GST AND SIMILAR TAXES**

### **17.1 Interpretation**

Words and expressions that are defined in the GST Law have the same meaning when used in this clause 17. For the purposes of this clause 17, references to GST payable and input Tax credit entitlements of any entity include GST payable by, and the input Tax credit entitlements of, the representative member of the GST group of which the entity is a member.

### **17.2 Consideration exclusive of GST**

Except as otherwise expressly provided in this Agreement, all amounts payable or consideration to be provided under or in connection with this Agreement are exclusive of GST ("**GST Exclusive Consideration**").

### **17.3 Payment of GST**

If GST is payable on any supply made under or in connection with this Agreement, the recipient must pay to the party that has made or will make the supply (the "**Supplier**"), in addition to the GST Exclusive Consideration, an additional amount equal to the GST payable on that supply (the "**Additional Amount**"). The recipient must pay the Additional Amount without set-off, demand or deduction, at the same time and in the same manner as any GST Exclusive Consideration for that supply is required

to be paid, except that the recipient is not required to pay the Additional Amount unless and until the Supplier has issued a Tax invoice under clause 17.4.

#### **17.4 Tax invoice**

For any supply to which clause 17.3 applies, the Supplier must issue a Tax invoice which complies with the GST Law.

#### **17.5 Adjustments**

If any adjustment event occurs in respect of a supply to which clause 17.3 applies:

- (a) the Additional Amount paid or payable by the recipient must be recalculated, taking into account any previous adjustments under this clause 17.5, to reflect the occurrence of that adjustment event and the Supplier or the recipient, as the case requires, must pay to the other the amount required to reflect the recalculation of the Additional Amount; and
- (b) the Supplier must provide an adjustment note to the recipient as soon as practicable after the Supplier becomes aware of the occurrence of that adjustment event.

#### **17.6 Input tax credits**

Notwithstanding any other provision of this Agreement, if an amount payable under or in connection with this Agreement is calculated by reference to any loss, damage, cost, expense, charges or other liability incurred or suffered by a party, then the amount payable must be reduced by the amount of any input Tax credit to which that entity (or a representative member of the GST group of which that entity is a member) is entitled in respect of the acquisition of any supply to which the loss, damage, cost, expense, charge or other liability relates.

#### **17.7 Similar taxes**

If any Tax of a similar nature to GST in any other jurisdiction is payable on any supply made under or in connection with this Agreement, then the provisions of clauses 17.2 to 17.6 apply in relation to that other Tax as if references to GST were to that other Tax, references to the GST Law were to the relevant laws giving effect to that Tax and references to words and expressions defined in the GST Law were to the corresponding concepts in such laws.

### **18. NOTICES**

#### **18.1 Manner of giving notice**

Any notice or other communication to be given under this Agreement must be in writing (which includes email) and may be delivered personally or sent by courier or post or email to the party to be served as follows:

- (a) to any Seller (including CCOL) at the address or email address specified opposite the name of that Seller in column 4 of Schedule 1;
- (b) to the Buyer or FinCo at:

Address: 50 Martin Place, Sydney, NSW 2000  
Email: damian.secen@macquarie.com  
For the attention of: Damian Secen

or at any such other address or email address notified for this purpose to the other parties under this clause 18. Any notice or other communication sent by post must be sent by prepaid ordinary post (if the country of destination is the same as the country of origin) or by airmail (if the country of destination is not the same as the country of origin).

## **18.2 When notice given**

Any notice or other communication is deemed to have been given:

- (a) if delivered personally, on the date of delivery;
- (b) if sent by courier or post, on the third day after it was put into the post (for post within the same country) or on the seventh day after it was put into the post (for post sent from one country to another); or
- (c) if sent by email, upon the generation of a receipt notice by the recipient's server or, if such notice is not so generated, upon delivery to the recipient's server,

but if the notice or other communication would otherwise be taken to be received after 5.00 pm or on a Saturday, Sunday or public holiday in the place of receipt, then the notice or communication is taken to be received at 9.00 am on the next day that is not a Saturday, Sunday or public holiday in the place of receipt.

## **18.3 Proof of service**

In proving service of a notice or other communication, it is sufficient to prove that delivery was made or that the envelope containing the communication was properly addressed and posted either by prepaid post or by prepaid airmail or that the email was properly addressed and transmitted by the sender's server into the network and there was no apparent error in the operation of the sender's email system, as the case may be.

## **18.4 Documents relating to legal proceedings**

This clause 18 does not apply in relation to the service of any claim form, notice, order, judgment or other document relating to or in connection with any claim, demand, cause of action or proceeding arising out of or in connection with this Agreement.

## **19. NON-SOLICITATION; NON-COMPETITION**

### **19.1 Non-solicitation**

During the period specified in clause 19.2 except with the prior consent of the Buyer, each of the Sellers (other than the Trustee) and CCI severally (not jointly or jointly and severally) agree not to, and must use reasonable endeavours to procure that any of their respective Related Entities do not, directly or indirectly, solicit for employment any person who is at Completion an employee of any of the Group Companies, except that this clause 19.1 shall not preclude any of the Sellers or CCI or any of their Related Entities from entering into discussions with or soliciting any person (i) who responds to any public advertisement or general solicitation or (ii) whose employment has been terminated by the Buyer, any of the Group Companies or any of their respective Related Entities.

### **19.2 Non-Solicitation Restraint Period**

The period referred to in clause 19.1 is each of the following periods separately:

- (a) 36 months from Completion;

- (b) 24 months from Completion; and
- (c) 12 months from Completion.

### 19.3 Non-competition

During the period specified in clause 19.4 except with the prior consent of the Buyer, each of the Sellers (other than the Trustee) and CCI severally (not jointly or jointly and severally) agree not to, and must use reasonable endeavours to procure that any of their respective Related Entities do not, directly or indirectly, engage in, own or manage any business in Australia the primary activity of which is to compete with the Business, or acquire, either directly or indirectly, any interest in land (whether freehold, lease, licence, easement or otherwise) underneath any Tower owned or used by a Group Company (each, a “**Competitive Activity**”); provided, however, that it shall not be deemed to be a violation of this clause 19.3 for any Seller, CCI or any of their respective Related Entities:

- (a) to acquire a third party engaging in, owning or managing a Competitive Activity (by merger or a purchase of shares or assets or otherwise) so long as the annual cash flow from operations of such third party attributable to such Competitive Activity for the most recent fiscal year of such third party preceding the acquisition does not exceed 25% of the aggregate annual cash flow from operations during such period for all of the businesses or operations acquired from such third party;
- (b) to acquire or invest in any person or entity which engages in, owns or manages a Competitive Activity, so long as such Seller’s, CCI’s or such respective Related Entity’s investment is, directly or indirectly, less than 25% of the outstanding ownership interest in such person or entity and such Seller, CCI or such Related Entity does not control (with control having the meaning given in Section 50AA of the Corporations Act) such person or entity or Competitive Activity;
- (c) to own any securities through any employee benefit plan;
- (d) to perform any Competitive Activity for the benefit of the Buyer or any of its Related Entities, including the performance of any Competitive Activity required or contemplated by this Agreement or any Transaction Document;
- (e) to engage in, own or manage any business that such Seller, CCI or any such Related Entity engages in, owns or manages at Completion other than the Business.

For purposes of this 19.3, “**Business**” means the business conducted by the Group Companies of owning an operating wireless infrastructure and providing related services in Australia as conducted as at Completion.

### 19.4 Non-Competition Restraint Period

The period referred to in clause 19.3 is each of the following periods separately:

- (a) 24 months from Completion; and
- (b) 12 months from Completion.

### 19.5 Inapplicable to third party acquirors

Notwithstanding anything to the contrary in this Agreement, this clause 19 shall not apply with respect to any third party that acquires an interest in all or any portion of the securities or assets of any Seller,

CCI or any of their respective Related Entities (by merger or a purchase of shares or assets or otherwise) whether or not prior to such acquisition such third party was already engaged in a Competitive Activity.

## **19.6 Severability**

If any of the separate and independent covenants or restrictions set out in clauses 19.1 and 19.3 is or becomes invalid or unenforceable for any reason and if the covenant or restriction in question would be valid or enforceable if any activity was deleted or the area or time was reduced, then the clause must be read down by deleting that activity, or reducing that period or area, to the minimum extent necessary to achieve that result. The covenants in clause 19.1 and 19.3 have effect as separate and severable restrictions and are to be enforced accordingly.

## **19.7 Reasonableness of restraint**

Each of the Sellers and CCI acknowledge that each of the restrictions imposed by this clause 17 is reasonable in the circumstances and necessary to protect the goodwill of the Group Companies.

## **20. ENTIRE AGREEMENT**

### **20.1 Entire agreement**

This Agreement and the other Transaction Documents contain the entire agreement between the parties relating to the transactions contemplated by the Transaction Documents and supersede all previous agreements, whether oral or in writing, between the parties relating to these transactions. Except as required by statute, no terms must be implied (whether by custom, usage or otherwise) into this Agreement or any other Transaction Document.

### **20.2 No reliance**

Each party acknowledges that in agreeing to enter into this Agreement and the other Transaction Documents it has not relied on any express or implied representation, warranty, collateral contract, statement or other assurance made by or on behalf of any other party or any third party (or any of their respective Representatives) before the entering into of this Agreement. Each party acknowledges that no person (whether or not a party to this Agreement) shall have any liability in respect of any representation, warranty, collateral contract, statement or other assurance that is not expressly set out in this Agreement or any other Transaction Document. Each party waives all rights and remedies that it may have in respect of any such representation, warranty, collateral contract or other assurance including all rights and remedies under Part 7.10 of the Corporations Act, Part 2 Division 2 of the Australian Securities and Investments Act 2001(Cth), section 18, Schedule 2 (Australian Consumer Law) of the Competition and Consumer Act 2010 (Cth) or any corresponding or equivalent provision of any legislation having effect in any relevant jurisdiction.

### **20.3 No limitation of certain liabilities and remedies**

Nothing in clause 3.1(d) or clause 20 limits or excludes any liability or remedy which cannot be limited or excluded as a matter of applicable law.

## **21. GENERAL**

### **21.1 Amendment**

This Agreement may only be amended in writing and where such amendment is signed by all the parties.

## **21.2 Assignment**

None of the rights or obligations under this Agreement may be assigned or transferred without the prior written consent of CCOL and the Buyer (provided that CCOL may not assign or transfer its rights or obligations under this Agreement without the prior written consent of Todd), except that the Buyer may assign or transfer any of its rights under this Agreement to a Related Entity, but no such assignment or transfer will relieve the Buyer of any of its obligations under this Agreement.

## **21.3 Consents and approvals**

Except as otherwise expressly provided in this Agreement, a party may give or withhold its consent to, or approval of, any matter referred to in this Agreement in its absolute discretion. A party that gives its consent to, or approval of, any matter referred to in this Agreement is not taken to have made any warranty or representation as to any matter or circumstance connected with the subject matter of that consent or approval.

## **21.4 Costs**

Except as otherwise expressly provided in this Agreement or any other Transaction Document, each party must pay the costs and expenses incurred by it in connection with entering into and performing its obligations under this Agreement and the other Transaction Documents.

## **21.5 Duty**

As between the parties, the Buyer is liable for and must pay all Duty on or relating to this Agreement, any document executed under it, and any transaction contemplated, effected or evidenced by it. If any party other than the Buyer pays any Duty on or relating to this Agreement, any document executed under it, and any transaction contemplated, effected or evidenced by it, then the Buyer must pay to that party on demand the amount so paid and an amount equal to, all Losses directly or indirectly incurred or suffered by that party arising out of or in connection with the payment by that party of that amount or the failure of the Buyer to pay that Duty.

## **21.6 Execution in counterparts**

This Agreement may be executed in counterparts, which taken together constitute one and the same agreement, and any party (including any duly authorised representative of a party) may enter into this Agreement by executing a counterpart. Faxed or .pdf signatures are taken to be valid and binding to the same extent as original signatures.

## **21.7 Exercise and waiver of rights**

The rights of each party under this Agreement:

- (a) may be exercised as often as necessary;
- (b) except as otherwise expressly provided by this Agreement, are cumulative and not exclusive of rights and remedies provided by law; and
- (c) may be waived only in writing and specifically, and delay in exercising or non-exercise of any such right is not a waiver of that right.

## **21.8 No merger**

Each of the obligations, warranties and undertakings set out in this Agreement (excluding any obligation which is fully performed at Completion) continues in force after Completion.

## **21.9 Severability**

The provisions contained in each clause of this Agreement are enforceable independently of each other clause of this Agreement and the validity and enforceability of any clause of this Agreement will not be affected by the invalidity or unenforceability of any other clause.

## **21.10 Remedies**

Each of the parties to this Agreement agrees that damages alone may not be an adequate remedy for any breach of its obligations under this Agreement and that the other parties to this Agreement shall be entitled to seek the remedies of injunction, specific performance or other equitable relief, or any combination of these remedies, for any threatened or actual breach of such obligation, without proving special damages.

## **22. GOVERNING LAW AND JURISDICTION**

### **22.1 Governing law**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by the law applying in New South Wales, Australia.

### **22.2 Jurisdiction**

The courts having jurisdiction in New South Wales, Australia have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with this Agreement) and each party irrevocably submits to the exclusive jurisdiction of the courts having jurisdiction in New South Wales, Australia.

### **22.3 Service of process**

Until the third anniversary of the date of this Agreement, each Seller shall maintain an agent or representative in New South Wales to accept service of any claim form, notice, order, judgment or other document required to be served on the Seller in relation to any claims, demands, causes of action or proceedings under or in connection with this Agreement. Each Seller appoints the agent or representative specified opposite the name of such Seller on Schedule 11 and undertakes to notify the Buyer (on behalf of itself and FinCo) in writing promptly of any change of address of its agent or representative and of the name and address of any substitute agent or representative for service. Any claim form, notice, order, judgment or other document shall be sufficiently served on each Seller if delivered to the most recently notified agent or representative at its notified address and at the relevant address under clause 18.1. Any claim form, notice, order, judgment or other document served on a Seller pursuant to this clause 22.3 to the agent or representative specified opposite the name of such seller on Schedule 11 shall only be effective if such claim form, notice, order, judgement or other document is also served on such Seller at the relevant address under clause 18.1.

## **23. TRUSTEE LIMITATION OF LIABILITY**

Any liability of the Trustee arising under or in connection with this Agreement is limited to the extent set forth on Schedule 10.

## **24. MINORITY SELLERS SHAREHOLDER WARRANTY ESCROW**

### **24.1 Reduction of Purchase Price paid to Minority Sellers**

Each Minority Seller agrees that, notwithstanding anything in this Agreement or otherwise to the contrary, the aggregate amount to be paid to such Minority Seller pursuant to clause 2.4(a) shall be reduced by such Minority Seller's Shareholder Warranty Escrow Amount.

### **24.2 Recovery against Shareholder Warranty Escrow Account**

In the event that:

- (a) a Shareholder Warranty Claim is made against a Minority Seller;
- (b) a court of competent jurisdiction requires such Minority Seller to pay an amount in respect of that Shareholder Warranty Claim; and
- (c) such Minority Seller's Shareholder Warranty Escrow Amount is not zero,

the Buyer is entitled to and must seek recovery from the Shareholder Warranty Escrow Account up to such Minority Seller's Shareholder Warranty Escrow Amount prior to seeking to recover directly from such Minority Seller.

### **24.3 Reduction of Shareholder Warranty Escrow Amount**

In the event that the Buyer recovers in respect of a Shareholder Warranty Claim against a Minority Seller pursuant to clause 24.2, such Minority Seller's Shareholder Warranty Escrow Amount shall be reduced by the amount received by the Buyer from the Shareholder Warranty Escrow Account in respect of such Shareholder Warranty Claim.

### **24.4 Distribution to Minority Sellers**

- (a) Promptly following the date that is 90 days after Completion, Buyer will notify each Minority Seller of the Projected Claim Amount, if any, (including reasonable detail of the calculation thereof) with respect to such Minority Seller as of such date. As promptly as practicable following delivery of such notice, the Buyer and each Minority Seller shall deliver a written direction to the Shareholder Warranty Escrow Agent in accordance with the Shareholder Warranty Escrow Agreement to release from the Shareholder Warranty Escrow Account and deliver to each Minority Seller an amount equal to (i) such Minority Seller's Shareholder Warranty Escrow Amount as of such date minus (ii) such Minority Seller's Projected Claim Amount as of such date. Following such delivery of funds, each Minority Seller's Shareholder Warranty Escrow Amount shall be deemed to equal such Minority Seller's Projected Claim Amount as of such date.
- (b) Promptly after the final resolution of any outstanding Shareholder Warranty Claim against a Minority Seller, notice of which Shareholder Warranty Claim was delivered in connection with notification of a Projected Claim Amount in accordance with clause 24.4(a), the Buyer will notify such Minority Seller of the Projected Claim Amount with respect to such Minority Seller as of such date. As promptly as practicable following delivery of such notice, the Buyer and each Minority Seller shall deliver written direction to the Shareholder Warranty Escrow Agent in accordance with the Shareholder Warranty Escrow Agreement to release from the Shareholder Warranty Escrow Account and deliver to such Minority Seller an amount equal to (i) such Minority Seller's Shareholder Warranty Escrow Amount as of such date minus (ii) such Minority Seller's Projected Claim Amount as of such date. Following such delivery of

funds, such Minority Seller's Shareholder Warranty Escrow Amount shall be deemed to equal such Minority Seller's Projected Claim Amount as of such date.

**25. CCI GUARANTEE**

**25.1 Guarantee**

CCI unconditionally and irrevocably:

- (a) guarantees to the Buyer the payment when due of all amounts payable by CCOL under or pursuant to this Agreement;
- (b) undertakes to ensure that CCOL will perform when due all its obligations under or pursuant to this Agreement; and
- (c) agrees that if and each time that CCOL fails to make any payment when it is due under or pursuant to this Agreement, CCI must on demand (without requiring the Buyer first to take steps against CCOL) pay that amount to the Buyer as if it were the principal obligor in respect of that amount.

**25.2 CCOL actions to bind CCI**

Any agreement, waiver, consent or release given by CCOL binds CCI.

**THIS AGREEMENT** has been executed by the parties or their duly authorised representatives on the date stated at the beginning of this Agreement.

**SCHEDULE 1**

**THE SELLERS**

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>	<u>Column 5</u>
<u>Name of Seller</u>	<u>Legal or Beneficial Shareholder</u>	<u>Number of Ordinary Shares</u>	<u>Respective Proportion (%)</u>	<u>Address</u>
Crown Castle Operating LLC	Legal and beneficial	220,827,290	77.59	Crown Castle Operating LLC 1220 Augusta Drive, Suite 600 Attention: General Counsel Email: Blake.Hawk@crowncastle.com  With a copy (which shall not constitute notice) to: Cravath, Swaine & Moore LLP 825 8th Avenue New York, NY 10019 Attention: Stephen L. Burns Erik R. Tavzel
The Trust Company (Nominees Limited)	Legal			
Todd International Investments Limited	Beneficial			
Oceania Capital Limited	Beneficial			
Birdsong Capital Limited	Beneficial			
Baytown Investments Limited	Beneficial			
Heritage PTC LLC	Beneficial			
David Lloyd CCA Limited	Beneficial			
<b>Total</b>	N/A	284,589,918	<b>100.00</b>	

**SCHEDULE 2**  
**THE COMPANY**

<b>Company name</b>	Crown Castle Australia Holdings Pty Ltd
<b>Place of incorporation</b>	ACT
<b>Company number (ACN)</b>	086 370 274
<b>Date of incorporation</b>	February 23, 1999
<b>Registered office address</b>	Level 1, 754 Pacific Highway, Chatswood, NSW, 2067
<b>Issued share capital</b>	284,589,918 ordinary shares
<b>Shareholders</b>	The Trust Company (Nominees) Limited: 63,762,628 ordinary shares  Crown Castle Operating LLC: 220,827,290
<b>Officeholders</b>	Directors: Christopher Morrison, James Young, Philip Kelley, Roger Hawke, Christopher Moffett, Evan Davies  Alternate directors: Troy Mackie  Secretary: Jonathan Wilkie

**SCHEDULE 3**  
**THE SUBSIDIARIES**

<b>Company name</b>	Crown Castle Australia Pty Ltd
<b>Place of incorporation</b>	ACT
<b>Company number (ACN)</b>	090 873 019
<b>Date of incorporation</b>	10 December 1999
<b>Registered office address</b>	Level 1, 754 Pacific Highway, Chatswood, NSW, 2067
<b>Issued share capital</b>	370,000,001 ordinary shares
<b>Shareholders</b>	Crown Castle Australia Holdings Pty Ltd: 370,000,001 ordinary shares
<b>Officeholders</b>	Directors: Christopher Morrison, James Young, Philip Kelley, Roger Hawke, Christopher Moffett, Evan Davies Alternate directors: Troy Mackie Secretary: Jonathan Wilkie

<b>Company name</b>	Crown Castle Services Pty Ltd
<b>Place of incorporation</b>	VIC
<b>Company number (ACN)</b>	600 590 878
<b>Date of incorporation</b>	8 July 2014
<b>Registered office address</b>	Level 1, 754 Pacific Highway, Chatswood, NSW, 2067
<b>Issued share capital</b>	2 ordinary shares
<b>Shareholders</b>	Crown Castle Australia Holdings Pty Ltd: 2 ordinary shares
<b>Officeholders</b>	<p>Directors: Christopher Morrison, James Young, Philip Kelley, Roger Hawke, Christopher Moffett, Evan Davies</p> <p>Alternate directors: Troy Mackie</p> <p>Secretary: Jonathan Wilkie</p>

<b>Company name</b>	<b>RECC Properties Limited</b>
<b>Place of incorporation</b>	VIC
<b>Company number (ACN)</b>	116 320 515
<b>Date of incorporation</b>	20 September 2005
<b>Registered office address</b>	Level 1, 754 Pacific Highway, Chatswood, NSW, 2067
<b>Issued share capital</b>	1 ordinary share
<b>Shareholders</b>	Crown Castle Australia Holdings Pty Ltd: 1 ordinary share
<b>Officeholders</b>	Directors: Jonathan Wilkie, Roger Hawke, David McKean Alternate directors: None Secretary: Jonathan Wilkie

<b>Company name</b>	CTTA Pty Limited
<b>Place of incorporation</b>	VIC
<b>Company number (ACN)</b>	132 725 869
<b>Date of incorporation</b>	13 August 2008
<b>Registered office address</b>	Level 1, 754 Pacific Highway, Chatswood, NSW, 2067
<b>Issued share capital</b>	1 ordinary share
<b>Shareholders</b>	Crown Castle Australia Pty Ltd: 1 ordinary share
<b>Officeholders</b>	<p>Directors: Roger Hawke, David McKean</p> <p>Alternate directors: None</p> <p>Secretary: Jonathan Wilkie</p>

<b>Company name</b>	<b>Divame Pty. Limited</b>
<b>Place of incorporation</b>	NSW
<b>Company number (ACN)</b>	003 741 991
<b>Date of incorporation</b>	30 March 1989
<b>Registered office address</b>	Level 1, 754 Pacific Highway, Chatswood, NSW, 2067
<b>Issued share capital</b>	400 ordinary shares
<b>Shareholders</b>	Crown Castle Australia Pty Ltd: 400 ordinary shares
<b>Officeholders</b>	<p>Directors: Roger Hawke, David McKean</p> <p>Alternate directors: None</p> <p>Secretary: Jonathan Wilkie</p>

<b>Company name</b>	<b>KAW Consulting Pty Ltd</b>
<b>Place of incorporation</b>	VIC
<b>Company number (ACN)</b>	099 032 201
<b>Date of incorporation</b>	12 December 2001
<b>Registered office address</b>	Level 1, 754 Pacific Highway, Chatswood, NSW, 2067
<b>Issued share capital</b>	100 ordinary shares
<b>Shareholders</b>	Crown Castle Australia Pty Ltd: 100 ordinary shares
<b>Officeholders</b>	Directors: Roger Hawke, Mathew Jones  Alternate directors: None  Secretary: Jonathan Wilkie

<b>Company name</b>	Structel Pty. Ltd
<b>Place of incorporation</b>	VIC
<b>Company number (ACN)</b>	064 274 835
<b>Date of incorporation</b>	15 April 1994
<b>Registered office address</b>	Level 1, 754 Pacific Highway, Chatswood, NSW, 2067
<b>Issued share capital</b>	75,010 ordinary shares
<b>Shareholders</b>	Crown Castle Australia Pty Ltd: 75,010 ordinary shares
<b>Officeholders</b>	<p>Directors: Roger Hawke, Mathew Jones</p> <p>Alternate directors: None</p> <p>Secretary: Jonathan Wilkie</p>

<b>Company name</b>	Crown Castle Administration Pty Ltd
<b>Place of incorporation</b>	VIC
<b>Company number (ACN)</b>	151 461 817
<b>Date of incorporation</b>	14 June 2011
<b>Registered office address</b>	Level 1, 754 Pacific Highway, Chatswood, NSW, 2067
<b>Issued share capital</b>	2 ordinary shares
<b>Shareholders</b>	Crown Castle Australia Pty Ltd: 2 ordinary shares
<b>Officeholders</b>	<p>Directors: Christopher Morrison, James Young, Philip Kelley, Roger Hawke, Christopher Moffett, Evan Davies</p> <p>Alternate directors: Troy Mackie</p> <p>Secretary: Jonathan Wilkie</p>

<b>Company name</b>	Crown Castle Towers Pty Ltd
<b>Place of incorporation</b>	VIC
<b>Company number (ACN)</b>	600 179 968
<b>Date of incorporation</b>	18 June 2014
<b>Registered office address</b>	Level 1, 754 Pacific Highway, Chatswood, NSW, 2067
<b>Issued share capital</b>	1 ordinary share
<b>Shareholders</b>	Crown Castle Australia Pty Ltd: 1 ordinary share
<b>Officeholders</b>	<p>Directors: Christopher Morrison, James Young, Philip Kelley, Roger Hawke, Evan Davies, Christopher Moffett</p> <p>Alternate directors: Troy Mackie</p> <p>Secretary: Jonathan Wilkie</p>

## SCHEDULE 4

### SELLER WARRANTIES

#### PART A – SHAREHOLDER WARRANTIES

##### 1. THE SELLERS AND THE SHARES

###### 1.1 Incorporation

Such Seller is a corporation, partnership or other legal entity validly existing under the laws of the place of its incorporation or organization.

###### 1.2 Capacity

Such Seller has the power to execute, and to perform its obligations under, this Agreement and each of the other Transaction Documents to which it is or will be a party, and has taken all necessary action to authorise such execution and the performance of such obligations.

###### 1.3 Ownership of Shares

- (a) Such Seller is entitled to transfer or procure the transfer to the Buyer of full legal or beneficial ownership, or both as applicable, as set out in Schedule 1 (and for clarity, a Seller identified in Schedule 1 as holding beneficial title only is entitled to transfer that beneficial title and a Seller identified in Schedule 1 as holding legal title only is entitled to transfer that legal title), in the Shares on the terms and subject to the conditions set out in this Agreement.
- (b) Such Seller is the legal or beneficial owner of its Shares, or both as applicable, as set out in Schedule 1 (and for clarity, a Seller identified in Schedule 1 as holding beneficial title only holds that beneficial title and a Seller identified in Schedule 1 as holding legal title only holds that legal title).
- (c) As of the date of this Agreement, other than Encumbrances waived under clause 2.10, (i) there is no Encumbrance over any of such Seller's Shares, and (ii) such Seller is not party to any agreement, arrangement or obligation to create or give an Encumbrance, in relation to any of such Seller's Shares, in each case except as disclosed in the Disclosure Letter. At Completion, there will not be any Encumbrance over any of such Seller's Shares, and such Seller will not be a party to any agreement, arrangement or obligation to create or give an Encumbrance, in relation to any of such Seller's Shares.

###### 1.4 Valid obligations

The obligations of such Seller under this Agreement are, and its obligations under each of the other Transaction Documents to which it is or will be a party are, or will on execution of those Transaction Documents be, legal, valid and binding obligations enforceable in accordance with their terms (subject to any applicable bankruptcy, insolvency, reorganisation, moratorium, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights generally or general principles of equity).

###### 1.5 No default

The execution by such Seller of this Agreement and of each of the other Transaction Documents to which it is or will be a party and the performance of its obligations hereunder and thereunder do not and will not conflict with or constitute a default under any provision of:

- (a) any material agreement or instrument to which it is a party;
- (b) its constitutional documents; or
- (c) any applicable law, regulation, order or judgment.

#### **1.6 Filings and consents**

All authorisations from, and notices or filings with, any Government Agency or ASX or any other recognised securities exchange that are necessary to enable such Seller to execute and to perform its obligations under this Agreement, and each of the other Transaction Documents to which it is or will be a party, have been obtained or made (as the case may be) and are in full force and effect and all conditions of each such authorisation have been complied with, except for any authorisations, notices or filings the failure of which to obtain or make is not material to the Group Companies.

#### **1.7 Insolvency**

No Insolvency Event has occurred in relation to such Seller.

## SCHEDULE 4

### SELLER WARRANTIES

#### PART B – BUSINESS WARRANTIES

##### 1. SHARE CAPITAL

- (a) The issued share capital identified in row 6 of each of Schedule 2 comprises all the issued share capital of the Group Companies, and there is no obligation upon any Group Company nor any other person whether arising under any option or otherwise to issue any equity securities, shares, convertible notes, debentures or securities of any kind or nature in the Group Companies.
- (b) Each Subsidiary is a wholly owned Subsidiary of the Company.

##### 2. THE GROUP COMPANIES

###### 2.1 Particulars in recitals and schedules

To the extent not covered by clause 1 of Part B of this Schedule 4, the particulars relating to the Group Companies set out in Schedule 2 and Schedule 3 to this Agreement are true and accurate.

###### 2.2 Incorporation of Group Companies

Each Group Company is a corporation validly existing under the laws of the country of its incorporation as shown in Schedule 2 or Schedule 3, as applicable, with full power and authority to conduct its business as presently conducted.

###### 2.3 Subsidiaries

- (a) There is no Encumbrance (other than Permitted Encumbrances and Encumbrances relating to the Intercompany Revolving Credit Facility) over any of the shares in the Subsidiaries.
- (b) Other than as set out in Schedule 3, no Group Company is the owner of any shares or other securities of any other corporation or unit trust.

###### 2.4 Solvency

No Insolvency Event has occurred in relation to any Group Company (in the case of any Group Company which was acquired by the Group Companies, since the date of the acquisition).

###### 2.5 Paid up capital

The Shares are fully paid up.

##### 3. CONDUCT OF BUSINESS

###### 3.1 Licences, authorisations and consents

Each Group Company has all licences, authorisations and consents required for the carrying on of the business as presently conducted by it and, since the Accounts Date and in the last 12 months prior to the Accounts Date, no Group Company has received written notice that it is in material default under

any such licence, authorisation or consent, except where the absence of such licence, authorisation or consent (or default thereunder) would not have a material adverse effect on the assets or financial position of the Group Companies, taken as a whole.

### **3.2 Compliance with laws and regulations**

Since the Accounts Date and in the last 12 months prior to the Accounts Date, no Group Company has received written notice from any Government Agency that it is in violation of any applicable law or regulation or any order or judgment of any court where such violation would have a material adverse effect on the assets or financial position of the Group Companies, taken as a whole.

### **3.3 Litigation**

Except as claimant in the collection of debts arising in the ordinary course of business, no Group Company is engaged in any litigation, arbitration or administrative proceeding which is in progress and which is material in relation to the Group Companies, taken as a whole, nor so far as the Warrantors are aware, since the Accounts Date, has any such proceeding been expressly threatened by or against any Group Company.

## **4. ACCOUNTS AND FINANCIAL**

### **4.1 Accounts**

The Accounts:

- (c) have been prepared in accordance with the Accounting Standards; and
- (d) give a true and fair view of the financial position of the Group Companies in all material respects as at the Accounts Date and of the financial performance of the Group Companies in all material respects for the year ended on the Accounts Date.

### **4.2 Management Accounts**

The monthly management accounts of the Group Companies prepared (on a U.S. GAAP basis) for each month after the Accounts Date until 31 March 2015 (identified in the Data Room Information as documents 03.03.11) are unaudited and:

- (a) have been prepared on a consistent basis with the preparation of the monthly management accounts of the Group Companies in the financial year ended on the Accounts Date (identified in the Data Room Information as document 03.03.10); and
- (b) give a reasonably accurate view of the profit and loss (as presented in the management accounts) of the Group Companies in all material respects as at and for the month in respect of which the monthly management accounts have been prepared.

### **4.3 Position since Accounts Date**

Since the Accounts Date:

- (a) the business of the Group Companies, taken as a whole, has been carried on in the ordinary course of business;
- (b) no dividend or other distribution has been declared, paid or made by the Company, except for any cash dividends or disclosed dividends; and

- (c) other than in the ordinary course of business:
  - (i) no Group Company has incurred any capital expenditure exceeding A\$5 million in aggregate of the expenditure within the budget of the then current financial year or expenditure that is committed to be made as at the date of this Agreement;
  - (ii) no Group Company has disposed or agreed to dispose of any of the assets included in the Accounts, or acquired or agreed to acquire any assets since the Accounts Date, in each case with a book value in excess of A\$3 million; and
- (d) no Group Company has increased its indebtedness for borrowed money other than under the Intercompany Revolving Credit Facility.

## 5. DATA TAPE

- (a) The Data Tape is unaudited and was principally derived from the books, records and processes of the Group Companies maintained in the ordinary course of business.
- (b) Column H of the “CCA BUNs” tab and Column J of the “Lease Report” tab of the Data Tape, taken as a whole, does not contain errors or omissions which would have a material adverse effect on the assets or financial position of the Group Companies, taken as a whole.
- (c) Since the Accounts Date there has been no change in the information or contracts underlying the Data Tape where such change would have a material adverse effect on the assets or financial position of the Group Companies, taken as a whole.

## 6. COMMERCIAL

### 6.1 Assets

Except where such failure would not have a material adverse effect on the assets or financial position of the Group Companies, taken as a whole, the material assets of the Group Companies (excluding the Intellectual Property Rights owned or licenced to a Group Company):

- (a) are, in the case of the Towers, legally and beneficially owned by a Group Company and, in the case of all other material assets, either legally and beneficially owned by a Group Company or used by a Group Company pursuant to a legal right to use that asset;
- (b) if owned by a Group Company, are free of all Encumbrances (other than Permitted Encumbrances, any Encumbrances arising in respect of the Intercompany Revolving Credit Facility and the ANZ Facility) and are not subject to any agreement or arrangement under which any Group Company is obliged to create or grant any Encumbrance over those assets; and
- (c) are in the possession or under the control of a Group Company.

### 6.2 Material Contracts

- (a) Copies of all Material Contracts, and all documents that amend or vary the terms of any Material Contract in a material respect, are contained in the Data Room Information.
- (b) So far as the Warrantors are aware, no Group Company is in default in any material respect under any Material Contract.

- (c) So far as the Warrantors are aware, since the Accounts Date, no party to a Material Contract has given written notice of an intention to terminate the Material Contract or the existence of a right to terminate the Material Contract (whether by way of formal notice of termination or by means of other written communication).

### **6.3 Financing Agreements**

- (a) Copies of all Financing Agreements, and all documents that amend or vary the terms of any Financial Agreement in a material respect, are contained in the Data Room Information.
- (b) No Group Company is in default in any material respect under any Financing Agreement.
- (c) Since the Accounts Date and in the last 12 months prior to the Accounts Date, no party to a Financing Agreement has given written notice of an intention to terminate the Financing Agreement or the existence of a right to terminate the Financing Agreement (whether by way of formal notice of termination or by means of other written communication).
- (d) Since the Accounts Date and in the last 12 months prior to the Accounts Date, no Group Company has received any written notice to repay any borrowings under any Financing Agreement.

### **6.4 Intellectual Property Rights**

- (a) So far as the Warrantors are aware, other than Intellectual Property Rights licensed by or derived through CCOL's Seller Group, the Group Companies own or are licensed to use the Intellectual Property Rights necessary to conduct their business as presently conducted, except where failure to own or be licensed would not have a material adverse effect on the assets or financial position of the Group Companies, taken as a whole.
- (b) Since the Accounts Date and in the last 12 months prior to the Accounts Date, no Group Company has received a written notice that it infringes any material Intellectual Property Right of any third party.
- (c) So far as the Warrantors are aware, there is no unauthorised use by any person of any material Intellectual Property Rights of a Group Company where the consequences of such unauthorised use would have a material adverse effect on the assets or financial position of the Group Companies, taken as a whole.
- (d) No Group Company carries on business under a name or names other than its registered corporate or trade names.

### **6.5 Insurance**

- (a) The Group Companies have taken out insurances on the bases and in respect of the risks described in the list of insurance cover contained in the Data Room Information, and:
  - (i) such insurances are in full force and effect;
  - (ii) so far as the Warrantors are aware, there are no special circumstances which might reasonably be expected to lead to any liability under such insurances being avoided by the insurers; and
  - (iii) no material claims which remain outstanding have been made under any such insurances.

- (b) The Group Companies are in compliance in all material respects with all requirements to maintain workers compensation insurance under statutory requirements.

## 7. TAXATION

### 7.1 Taxation liabilities

- (a) All material Taxation for which a Group Company is liable and which has fallen due for payment has been duly paid.
- (b) All Group Companies have complied with any obligations to withhold material amounts from payments as required by the Tax Law.

### 7.2 Taxation returns

- (a) All material notices, computations, applications, returns, reports, statements, elections, declarations, schedules, attachments, information returns, claims for refunds, amended returns, and combined, consolidated, unitary or similar returns which ought to have been submitted to a Taxation Authority by a Group Company on account of Tax:
- (i) have been properly and duly so submitted; and
  - (ii) disclose all material facts that must be disclosed under any law relating to Tax;

and all such documents submitted to a Taxation Authority are true and accurate in all material respects and are not the subject of any material dispute with a Taxation Authority.

- (b) All material records which a Group Company is required to keep for Taxation purposes or necessary to substantiate a filing position have been duly kept and are available for inspection at the premises of the Group Company.
- (c) No Group Company has asked for any extensions of time for the filing of any currently outstanding material tax returns or other documents, or the making of any payments, relating to material Taxation.

### 7.3 Penalties and interest

No Group Company has within the past three years paid or, so far as the Warrantors are aware, become liable to pay any material interest, penalty, surcharge or fine relating to Taxation.

### 7.4 Investigations

No Group Company has within the past 12 months been subject to or is currently subject to any material non-routine visit, or so far as the Warrantors are aware, investigation, dispute or audit by any Taxation Authority.

### 7.5 Franking

The Company has maintained a franking account in accordance with the Tax Act at all relevant times and the Company does not have a franking deficit.

## 8. PROPERTY

### 8.1 Freehold Office Properties

- (a) The Freehold Office Properties comprise all the material land and buildings in which the Group Companies have an interest other than the Tower Sites, the Leasehold Office Properties and the Freehold Properties.
- (b) A Group Company is the sole legal and beneficial owner of each of the Freehold Office Properties.
- (c) A Group Company is in exclusive occupation of each of the Freehold Office Properties free from all Encumbrances (other than Permitted Encumbrances), except where the Group Company has licenced, leased or otherwise parted with possession of any Freehold Office Properties on arm's length terms.

### 8.2 Leasehold Office Properties

- (a) The Leasehold Office Properties comprise all the material land and buildings in which the Group Companies have an interest other than the Tower Sites, the Freehold Office Properties and the Freehold Properties.
- (b) A Group Company holds a valid licence or valid leasehold title to each of the Leasehold Office Properties.
- (c) A Group Company is in exclusive occupation of each of the Leasehold Office Properties free from all Encumbrances (other than Permitted Encumbrances), except where the Group Company has sublicenced, subleased or otherwise parted with possession of any Leasehold Office Properties on arm's length terms.

### 8.3 Freehold Properties

- (a) The Freehold Properties are the only properties owned by the Group Companies other than the Freehold Office Properties.
- (b) A Group Company is the sole legal and beneficial owner of each of the Freehold Properties.
- (c) A Group Company is in exclusive occupation of each of the Freehold Properties free from all Encumbrances (other than Permitted Encumbrances), except where the Group Company has licenced, leased or otherwise parted with possession of the whole or any part of any Freehold Properties on arm's length terms.

### 8.4 Tower Sites

- (a) The Data Room Information contains a sample of Tower Site Licences.
- (b) So far as the Warrantors are aware, no Group Company is in material breach of a Tower Site Licence and no party to a Tower Site Licence has given written notice of an intention to terminate the Tower Site Licence (whether by way of formal notice of termination or by means of other written communication), excluding expiry or non-renewal in accordance with the terms of a Tower Site Licence or by exercise of a contractual break right, in each case for such number of Tower Site Licences that would have a material adverse effect on the assets or financial position of the Group Companies, taken as a whole.
- (c) So far as the Warrantors are aware:

- (i) no Group Company is in material breach of a Tower Site Lease; and
- (ii) no party to a Tower Site Lease has given written notice of an intention to terminate the Tower Site Lease (whether by way of formal notice of termination or by means of other written communication), excluding expiry or non-renewal in accordance with the terms of a Tower Site Lease or by exercise of a contractual break right;

in each case for such number of Tower Site Leases that would have a material adverse effect on the assets or financial position of the Group Companies, taken as a whole.

- (d) The Data Room Information contains copies of substantially all of the Tower Site Leases that were available in the electronic files of the Group Companies, taken as a whole, as at 31 December 2014.
- (e) A Group Company holds a licence, lease or other occupation right for each of the Tower Sites.
- (f) So far as the Warrantors are aware, where a Group Company occupies a Tower Site pursuant to a Tower Site Lease, it does so free from all Encumbrances (other than Permitted Encumbrances) (except where the Group Company has sublicenced, subleased or otherwise parted with possession of any Tower Site Leases on arm's length terms), other than where a failure to do so would not have a material adverse effect on the assets or financial position of the Group Companies, taken as a whole;
- (g) So far as the Warrantors are aware the forms of the Tower Site Licences as at the date of this Agreement (other than Tower Site Licences assigned or transferred to a Group Company by a third party) for:
  - (i) Optus Mobile Pty Limited do not depart from the forms of the Optus Mobile Pty Limited Tower Site Licences in the Disclosed Information;
  - (ii) Vodafone Networks Pty Ltd do not depart from the forms of the Vodafone Networks Pty Ltd Tower Site Licences in the Disclosed Information;
  - (iii) Telstra Corporation Limited do not depart from the forms of the Telstra Corporation Limited Tower Site Licences in the Disclosed Information; and
  - (iv) NBN Co Limited do not depart from the forms of the NBN Co Limited Tower Site Licences in the Disclosed Information;

to an extent that would have a material adverse effect on the assets or financial position of the Group Companies, taken as a whole.

## 9. EMPLOYEES

### 9.1 Employees

- (a) In this paragraph 9.1, "**Senior Employee**" means an employee of a Group Company that is a member of the Executive Management Team or a General Manager.
- (b) The Warrantors have disclosed to the Buyer a list of all Senior Employees of each Group Company together with, in respect of each Senior Employee:

- (i) details of the remuneration, bonuses, incentives and other material payments payable to such Senior Employee or to which such Senior Employee may be entitled and other material benefits provided to such Senior Employee; and
  - (ii) accrued and pro-rata annual leave, long service leave and personal/carer's leave entitlements.
- (c) Each Senior Employee is employed by the Company or a Group Company.
  - (d) The Warrantors have disclosed to the Buyer a copy of each employment agreement entered into between any Group Company and any Senior Employee.
  - (e) No Senior Employee has given or been given written notice to terminate his employment.
  - (f) The Warrantors have disclosed to the Buyer each Industrial Instrument which applies to any employee of a Group Company.
  - (g) So far as the Warrantors are aware, the Group Companies are not presently subject to a bargaining period notified by any union or group of Employees in respect of any collective industrial agreement.
  - (h) So far as the Warrantors are aware, there are no outstanding disputes between a Group Company and a material number of its employees or with any trade union.
  - (i) So far as the Warrantors are aware, no Group Company is liable for any remuneration or other monetary benefit to or for the benefit of any Senior Employee which has not been disclosed in the Data Room Information.
  - (j) So far as the Warrantors are aware, no Group Company is party to any incentive, bonus or retention scheme or arrangement which has not been disclosed in the Data Room Information.
  - (k) So far as the Warrantors are aware, there is no workplace health and safety prosecution that has been commenced against any Group Company by a workplace safety authority and which remains unresolved.
  - (l) The Data Room Information contains true, accurate and complete copies of the Group's current (as at November 2014) template standard terms and conditions of employment.
  - (m) All employees, contractors and commission agents of the Group Companies in respect of which a Group Company is required by law to make superannuation guarantee contributions have received at least the minimum superannuation guarantee contributions due to them as required by law.
  - (n) No employee of any Group Company participates in a defined benefit superannuation scheme to which any Group Company is required to make contributions as a condition of that employee's employment.

#### **10. RELATED ENTITY CONTRACTS**

The Data Room Information contains, lists or refers to each Material Contract between CCOL or any of its Related Entities (other than any Group Company), on the one hand, and any Group Company, on the other hand.

**11. BROKERS**

Except as included in the Advisory Expenses or as otherwise disclosed in the Disclosure Letter, no broker, financial advisor or finder is entitled to any broker's, financial advisor's or finder's fee or commission payable by any Group Company in connection with the transactions contemplated by this Agreement.

**12. INFORMATION**

The information in the Data Room and this Agreement has been prepared in good faith.

## SCHEDULE 5

## COMPLETION STATEMENT

## PART 1

## PREPARATION OF THE COMPLETION STATEMENT

## 1. Definitions

“**Actual Net Cash**” means the amount of Net Cash as at Completion, as shown in the Completion Statement;

“**Actual Working Capital**” means the amount of Working Capital as at Completion, as shown in the Completion Statement;

“**Adjustment Representative**” has the meaning given in clause 2.7 of this Agreement;

“**Advisory Expenses**” means an amount equal to the aggregate amount of all unpaid professional fees, costs and expenses of legal, accounting and financial advisors and any broker or finder fees or commissions payable (inclusive of GST where applicable), in each case incurred on or before Completion by any Group Company in connection with the transactions contemplated by this Agreement;

“**Balance Sheet Date Working Capital**” means A\$(3,497,000);

“**Completion Statement**” means the Completion Statement to be prepared and finalised in accordance with this Schedule 5;

“**Cut Off Time**” means the date on which the Draft Completion Statement is delivered by the Buyer to the Adjustment Representative;

“**Effective Time**” means immediately prior to Completion on the date of Completion;

“**Estimated Net Cash**” means \$(17,843,000), being a negative amount and the projected amount of Net Cash as at Completion, as estimated in good faith by the Adjustment Representative;

“**Estimated Working Capital**” means \$15,678,000, being the projected amount of Working Capital as at Completion, as estimated in good faith by the Adjustment Representative;

“**Net Cash**” means an amount equal to (i) the aggregate amount of cash and cash equivalents of the Company and its Subsidiaries, on a consolidated basis, minus (ii) the Advisory Expenses, minus (iii) the Third Party Debt of the Company and its Subsidiaries, on a consolidated basis, in each case calculated in accordance with this Schedule 5 (including Part 2 and Part 4) (it being understood that Net Cash, Actual Net Cash or Estimated Net Cash may be a negative number);

“**Third Party Debt**” means an amount equal to the aggregate of the following:

- (i) any amount drawn under the ANZ Facility; and
- (ii) other than the Intercompany Revolving Credit Facility, any other interest and non-interest bearing loans or other financing liabilities or obligations, including overdrafts and any other liabilities in the nature of borrowed money (whether secured or unsecured),

in each case together with all interest, fees and penalties accrued thereon prior to the Completion Date, and any prepayment premiums or penalties payable in order to retire or extinguish any Third Party Debt at its redemption value;

“**Working Capital**” means an amount equal to:

- (i) the sum of (A) the aggregate amount of “Trade receivables” that are characterized as current assets, plus (B) the aggregate amount of the current portion of “Prepayments” (representing ground rent and associated costs paid in advance), plus (C) the aggregate amount of the non-current portion of “Prepayments” (representing ground rent and associated costs paid in advance), minus
- (ii) the sum of (A) (1) the aggregate amount of “Trade and other payables” that are characterized as current liabilities (excluding the aggregate amount of liabilities contained in Current Liabilities – Trade and other payables that are included in the “Share based payment liability” item) (“Current Liabilities – Trade and other payables”), minus (2) the aggregate amount of liabilities contained in Current Liabilities – Trade and other payables that are included in the “Related party” item, plus (B) the aggregate amount of “Income tax payable”, plus (C) the aggregate amount of the current portion of “Unearned income”, plus (D) the aggregate amount of the non-current portion of “Unearned income”, plus (E) the aggregate amount of “Employee benefits liability”,

in each case of the Company and its Subsidiaries, on a consolidated basis, and calculated in accordance with this Schedule 5 (including Part 3 and Part 4); provided, however, that Working Capital shall exclude (A) all assets and liabilities to the extent included in the calculation of Net Cash (including amounts related to the Advisory Expenses) and (B) all assets and liabilities relating to the Intercompany Revolving Credit Facility (it being understood that Working Capital, Actual Working Capital or Estimated Working Capital may be a negative number).

## 2. **Preparation of Draft Completion Statement**

Within 50 Business Days following Completion, the Buyer shall prepare and deliver to the Adjustment Representative a statement setting out the Buyer’s calculation of the Net Cash and the Working Capital of the Group Companies as of Completion (the “**Draft Completion Statement**”). The Draft Completion Statement must be in the form and include the items shown in Part 2 and Part 3 of this Schedule 5 and must be prepared in accordance with:

- (a) the specific policies set out in Part 4 of this Schedule 5;
- (b) to the extent not covered by clause 2(a) above, the accounting policies, principles, practices, categorisations, procedures, methods and bases adopted by the Group Companies in the preparation of the Accounts, whether or not such policies, principles, practices, categorisations, procedures, methods or bases are in accordance with the Accounting Standards;
- (c) solely to the extent not covered by clause 2(a) or 2 (b) above, in accordance with the Accounting Standards in force as at the Accounts Date.

but notwithstanding clauses 2(a), (b) and (c) above, in preparing the Draft Completion Statement and the Completion Statement no account will be taken of any events that take place after the Effective Time, and the Draft Completion Statement and the Completion Statement will be prepared without giving effect to Completion (including without giving effect to the payments made in accordance with clauses 2.4(b) and 2.4(c) of this Agreement), and regard shall only be had to information available to the parties up to the Cut Off Time.

### 3. Notification of disputed items

During the 15 Business Day period after delivery to the Adjustment Representative of the Draft Completion Statement, the Buyer will provide access to the information reasonably requested by the Adjustment Representative in connection with the Adjustment Representative's review of the Draft Completion Statement. During this 15 Business Day period, the Adjustment Representative may give notice (a "**Notice of Disagreement**") to the Buyer of any disagreement with any item or items in the Draft Completion Statement together with its proposed adjustments to those items. An adjustment may only be proposed if it exceeds A\$100,000. Any Notice of Disagreement shall (i) specify in reasonable detail the nature of any disagreement so asserted (including a separate dollar value for each of those matters) and reasons therefor and (ii) only include disagreements based on mathematical errors or based on Net Cash or Working Capital not being calculated in accordance with this Schedule 5.

If, by the expiry of that period of 15 Business Days, no Notice of Disagreement is given to the Buyer or the Adjustment Representative has given notice to the Buyer that there are no items it wishes to dispute, the Draft Completion Statement will constitute the Completion Statement for the purposes of this Agreement.

### 4. Resolution of disputed items and finalisation of the Completion Statement

If the Adjustment Representative gives a Notice of Disagreement of any item or items in dispute in accordance with clause 3 of Part 1 of this Schedule 5 (each, a "**Disputed Item**"):

- (a) during the 40 Business Day period following the delivery to the Buyer of a Notice of Disagreement, the Adjustment Representative and the Buyer must attempt in good faith to resolve the Disputed Items;
- (b) if any Disputed Items are not resolved in writing between the Adjustment Representative and the Buyer within 40 Business Days of the delivery to the Buyer of a Notice of Disagreement, those items (and only those items) must be determined by the Independent Accountants as set out in Part 5 of this Schedule 5; and
- (c) the Draft Completion Statement must be adjusted to take account of each Disputed Item agreed in writing between the Adjustment Representative and the Buyer or determined by the Independent Accountants, as the case may be, and the Draft Completion Statement as so adjusted will constitute the Completion Statement for the purposes of this Agreement.

### 5. Provision of information

The Buyer must provide, must procure that the Group Companies provide and must procure that the Buyers' accountants provide, the Adjustment Representative and its Representatives with all information, assistance and access to (and, as applicable, the right to take copies of) the personnel, properties, books and records of account, documents, files, papers (including working papers) and information which they may reasonably require for the purposes of this Schedule 5.

**EXECUTION PAGE**

**EXECUTED by CROWN CASTLE OPERATING LLC:** )  
)

in the presence of

/s/ Jay A. Brown  
Signature of director

/s/ Philip M. Kelley  
Signature of witness

Jay A. Brown  
Name of director

Philip M. Kelley  
Name of witness

**EXECUTED by THE TRUST COMPANY (NOMINEES)** )  
**LIMITED ACN 000 154 441** by its attorney pursuant to a Power )  
of Attorney dated 18 September 2014 Register No. BK 4676 NO  
134 who states that he/she has received no notice of revocation of  
the Power of Attorney.

in the presence of

/s/ John Newby  
Signature of attorney

/s/ John Palmer  
Signature of witness

John Newby  
Name of attorney

John Palmer  
Name of witness

**SIGNED for TODD INTERNATIONAL INVESTMENTS** )  
**LIMITED** )  
by its attorney

in the presence of

/s/ Evan Davies  
Signature of attorney

/s/ Stephen Dobbs  
Signature of witness

Evan Davies  
Name of attorney

Stephen Dobbs  
Name of witness

**SIGNED** for each of: )  
**OCEANIA CAPITAL LIMITED** )  
**BIRDSONG CAPITAL LIMITED**  
**BAYTOWN INVESTMENTS LIMITED**  
**HERITAGE PTC LLC**  
**DAVID LLOYD CCA LIMITED**  
by their attorney (as attorney and agent for each of them  
individually)

in the presence of

/s/ David Richwhite  
Signature of attorney

/s/ John Palmer  
Signature of witness

David Richwhite  
Name of attorney

John Palmer  
Name of witness

**EXECUTED** by **CROWN CASTLE INTERNATIONAL CORP,** )  
solely with respect to clauses 19, 20, 21, 22 and 25 : )  
)

in the presence of

/s/ Jay A. Brown  
Signature of officer

/s/ Philip M. Kelley  
Signature of witness

Jay A. Brown  
Name of officer

Philip M. Kelley  
Name of witness

**EXECUTED** by **TURRI BIDCO PTY LTD** in accordance with )  
section 127 of the Corporations Act 2001 (Cth): )  
)

/s/ Damian Secen  
Signature of director

/s/ Stephen Baldwin  
Signature of director/company secretary

Damian Secen  
Name of director

Stephen Baldwin  
Name of director/company secretary

**EXECUTED** by **TURRI FINANCE PTY LTD** in accordance )  
with section 127 of the Corporations Act 2001 (Cth): )  
)

/s/ Damian Secen

Signature of director

Damian Secen

Name of director

/s/ Stephen Baldwin

Signature of director/company secretary

Stephen Baldwin

Name of director/company secretary

**Exhibit 31.1**

**Certification**

**For the Quarterly Period Ended June 30, 2015**

I, W. Benjamin Moreland, certify that:

1. I have reviewed this report on Form 10-Q of Crown Castle International Corp. (“registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2015

/s/ W. Benjamin Moreland

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W. Benjamin Moreland  
President and Chief Executive Officer

## Exhibit 31.2

### Certification

#### For the Quarterly Period Ended June 30, 2015

I, Jay A. Brown, certify that:

1. I have reviewed this report on Form 10-Q of Crown Castle International Corp. (“registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2015

/s/ Jay A. Brown

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Jay A. Brown  
Senior Vice President, Chief Financial Officer  
and Treasurer

**Exhibit 32.1**

**Certification Pursuant to  
18 U.S.C. Section 1350  
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Crown Castle International Corp., a Delaware Corporation (“Company”), for the period ending June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (“Report”), each of the undersigned officers of the Company hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of such officer’s knowledge:

- 1) the Report complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of June 30, 2015 (the last date of the period covered by the Report).

/s/ W. Benjamin Moreland

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W. Benjamin Moreland  
President and Chief Executive Officer

August 7, 2015

/s/ Jay A. Brown

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Jay A. Brown  
Senior Vice President, Chief Financial Officer  
and Treasurer

August 7, 2015

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Crown Castle International Corp. and will be retained by Crown Castle International Corp. and furnished to the Securities and Exchange Commission or its staff upon request.