Announcement

John Bridgeman Limited
ACN 603 477 185

JOHN.BRIDGEMAN

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10 September 2018

John Bridgeman announces scrip bids for Henry Morgan and Benjamin Hornigold

John Bridgeman Limited (NSX: JBL) (**JBL**) is pleased to announce its intention to make off-market takeover offers (**Offers**) to acquire:

- all of the issued shares in Henry Morgan Limited (ASX: HML) that it currently does not own (**HML Offer**); and
- all of the issued shares and options in Benjamin Hornigold Limited (ASX: BHD) that it currently does not own (**BHD Offer**).

The Offers are not interdependent.

Offer to HML shareholders

It is proposed for accepting shareholders in HML to receive 0.95 JBL Shares for each HML share.[1]

The independent directors of HML have undertaken to consider the HML Offer in good faith based on the terms of the offer received from JBL and the Bid Implementation Agreement that HML has entered into with JBL. If appropriate, following their consideration of HML's due diligence in relation to the HML Offer and their assessment of the independent expert report to be commissioned by them to consider the fairness and reasonableness of the offer, the HML independent directors have undertaken to recommend the HML Offer to HML shareholders in the absence of a superior proposal. Subject to due consideration of these matters, all members of HML's Board intend to accept the HML Offer for all HML Shares controlled by them.

Offer to BHD shareholders

It is proposed for accepting shareholders in BHD to receive[2]:

- 0.65 JBL Shares for each BHD share;
- 0.5 JBL options for each BHD option.

The independent directors of the BHD will consider the BHD Offer in accordance with the terms of the Bid Implementation Agreement entered into with JBL. Following their due diligence in respect of the BHD Offer, and the advice of an independent expert engaged by them to consider the fairness and reasonableness of the BHD Offer, the independent directors have undertaken to recommend the BHD Offer to BHD shareholders in the absence of a superior proposal. Subject to due consideration of these

[1] If the number of HML securities held by a securityholder means that their aggregate entitlement to JBL Shares is not a whole number, that fractional entitlement will be rounded up or down to the nearest whole number of JBL Shares, and if the fractional entitlement would include one half of a JBL Share, the entitlement will be rounded up.

[2] If the number of BHD securities held by a securityholder means that their aggregate entitlement to JBL Shares or JBL options is not a whole number, that fractional entitlement will be rounded up or down to the nearest whole number of JBL Shares or JBL options, as applicable, and if the fractional entitlement would include one half of a JBL Share or JBL option, the entitlement will be rounded up.

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matters, all members of BHD's Board intend to accept the BHD Offer for all BHD Shares controlled by them.

Further terms of the Offers

The Offers are subject to a limited number of conditions, including a 50.1% acceptance condition and other customary conditions. A full list of the bid conditions are set out in Bid Implementation Agreements which JBL has entered into with each of HML and BHD. Copies of these agreements are **attached** to this announcement.

The obligations of the parties under the Bid Implementation Agreements are not binding until completion of JBL's due diligence enquiries on HML and BHD to JBL's satisfaction, acting reasonably. Unless this condition precedent is satisfied or waived, either party to the respective Bid Implementation Agreement may terminate that document without any liability to the other party.

Further details about the Offers will be contained in JBL's Bidder's Statements, which will be sent to HML and BHD shareholders in due course. JBL currently expects the Bidder's Statements to be lodged with ASIC and ASX and served on HML and BHD on 24 September 2018. The Bidder's Statements will set out important information for HML and BHD shareholders including how to accept the Offers, the key reasons as to why they should accept the Offers and also information about JBL.

The independent directors of HML and BHD will finalise and mail out their respective Target's Statements as soon as practicable. Holders of HML shares and BHD shares should carefully consider those documents before deciding whether to accept the respective Offers.

Commenting on JBL's intention to make the Offers for HML and BHD, Managing Director Stuart McAuliffe said, "There is clear commercial logic in combining the three companies to form a larger operating company with a number of operating businesses and significant anticipated synergies."

JBL is being advised by McCullough Robertson.

ENDS

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Bid implementation agreement

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Bid implementation agreement

Dated 10 SEPTEMBER 2018

Parties

Bidder	**John Bridgeman Limited ACN 603 477 185**
	of Level 9, 123 Eagle Street, Brisbane, Queensland 4000
Target	**Henry Morgan Limited ACN 602 041 770**
	of Level 9, 123 Eagle Street, Brisbane, Queensland 4000

Background

A The Bidder intends to make the Takeover Bid.

B The Target Board intends to consider, and if appropriate, recommend the Takeover Bid, in the absence of a Superior Proposal.

C The parties agree to progress the Takeover Bid on the terms of this document.

Agreed terms

1 Definitions and interpretation

1.1 Definitions

In this document:

Term	Definition
ACCC	means the Australian Competition and Consumer Commission.
Agreed Announcement	means the announcement about the Proposal agreed to in writing by the parties.
Announcement Date	means the date on which the Agreed Announcement is made.
ASIC	means the Australian Securities and Investments Commission.
Associate	In the context of a body corporate includes: (a) a director, secretary and shareholder of the body corporate; (b) a body corporate that is a Related Body Corporate; (c) a director, secretary and shareholder of that Related Body Corporate;

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Term	Definition
	(d) the trustee of any trust under which the persons described in clauses (a), (b) and (c) or any of them, may benefit; (e) any person who is a related party for the purposes of section 228 Corporations Act; and (f) in the particular matter to which the associate reference relates, any person or persons with whom the body corporate: (i) is acting or proposes to act in concert; or (ii) is or proposes to become associated, whether formally or informally.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
ASX Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable while the Target is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Bidder Group	means the Bidder and each of its Subsidiaries.
Bidder Indemnified Parties	means each member of the Bidder Group and each of their respective directors, officers and employees.
Bidder Information	means information about the Bidder Group given by the Bidder to the Target in writing for inclusion in the Target's Statement.
Bidder Representations and Warranties	means the representations and warranties of the Bidder set out in Schedule 1.
Bidder Share	means a fully paid ordinary share in the Bidder.
Bidder's Statement	means the bidder's statement to be issued by the Bidder.
Business Day	means a business day as defined in the ASX Listing Rules.
Competing Proposal	means a transaction which, if completed, would mean a person other than the Bidder (and its Associates) would: (a) acquire a Relevant Interest in 20% or more of the Target's securities; (b) acquire Control of the Target; (c) acquire all or a substantial part of the Target's business, assets or undertaking; (d) otherwise acquire or merge with the Target; or (e) enter into any agreement, arrangement or understanding requiring the party to abandon, or otherwise fail to proceed with, the Proposal, or otherwise having that effect.
Conditions	the conditions to the Offer set out in Schedule 3.
Conditions Precedent	means the conditions set out in clause 3.1.
Confidentiality Deed	means the confidentiality deed dated 5 September 2018 between the Target and the Bidder.
Consideration	means the greater of:

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Term	Definition
	(a) 0.95 New Bidder Shares for every 1 Target Share; and (b) the minimum ratio of New Bidder Shares to Target Shares permitted by section 621 Corporations Act and any applicable ASIC Instrument.
Consolidated Group	has the same meaning as in the *Income Tax Assessment Act 1997* (Cth).
Control	has the meaning given in section 50AA of the Corporations Act.
Corporations Act	means *Corporations Act 2001* (Cth).
Encumbrance	means any one or more of the following: (a) any interest, right or power that in substance secures payment or performance of any obligation, for example a mortgage, charge or security interest under the *Personal Property Securities Act 2009* (Cth); (b) any preferential or adverse interest of any kind; (c) a right to buy or use assets, for example a hire purchase agreement, option, licence, lease or agreement to purchase; (d) a right to set-off or right to withhold payment of a deposit or other money; (e) an easement, restrictive covenant, caveat or similar restriction over property; (f) an agreement to create any of the items referred to in paragraphs (a) to (e) above or to allow any of those items to exist; or (g) a notice under section 255 Tax Act (1936), subdivision 260-A in schedule 1 *Taxation Administration Act 1953* (Cth) or any similar legislation.
End Date	means the earlier of: (a) the day this document is validly terminated; (b) the day the Bidder and its Associates obtain a Relevant Interest in 50.1% of the Target Shares; and (c) five Business Days after the end of the Offer Period.
Exclusivity Period	means the period from and including the date of this document to the End Date.
Financial Indebtedness	means any debt or other monetary liability (whether actual or contingent) in respect of money borrowed or raised or any financial accommodation including under or in respect of any: (a) bill, bond, debenture, note or similar instrument; (b) acceptance, endorsement or discounting arrangement; (c) guarantee; (d) finance or capital lease; (e) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service; or (f) obligation to deliver goods or provide services paid for in advance by any financier.

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Term	Definition
Government Agency	means: (a) a government or government department or other body; (b) a governmental, semi-governmental or judicial person; or (c) a person (whether autonomous or not) who is charged with the administration of a law.
GST Act	means *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
Insolvency Event	means any of the following events occurring in relation to a party: (a) a liquidator, receiver, receiver and manager, administrator, official manager or other controller (as defined in the Corporations Act), trustee or controlling trustee or similar official is appointed over any of the property or undertaking of the party; (b) the party is, or becomes unable to, pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act, or is presumed to be insolvent under the Corporations Act; (c) the party ceases to carry on business; or (d) an application or order is made for the liquidation of the party or a resolution is passed or any steps are taken to liquidate or pass a resolution for the liquidation of the party, otherwise than for the purpose of an amalgamation or reconstruction.
Management Services Agreement	means the management services agreement between the Bidder and Target entered into on 12 March 2015 as varied by deeds between the parties on 23 September 2015 and 9 December 2016.
Material Adverse Change	means: (a) any matter, event or circumstance which happens, is announced or becomes known to the Bidder or Target after the date of this document which (individually or when aggregated with all those matters, events or circumstances) has resulted in or is likely to result in the value of consolidated net assets of the Bidder Group or the Target Group being reduced by at least 20% against what they would have been but for the matters, events or circumstances; (b) the Bidder or Target becomes aware, prior to the end of the Offer Period, that the Bidder or Target has breached its continuous disclosure obligations under the ASX Listing Rules or NSX Listing Rules (as the case may be) and, had a reasonable bidder or target in similar circumstances to the Bidder or Target known of the information giving rise to such breach prior to the Announcement Date, it would have resulted in that reasonable bidder offering less Consideration or greater Consideration under the Takeover Bid,

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Term	Definition
	but does not include: (a) any matter, event or circumstance arising from changes in economic or business conditions which impact on the Target or the Bidder and their respective competitors in a similar manner; (b) any change in taxation rates or taxation laws which impact on the Target or the Bidder and their respective competitors in a similar manner; (c) any change in accounting policy required by law; or (d) any change occurring directly or indirectly as a result of any matter, event or circumstance required by this document, the Proposal or the transactions contemplated by them; or (e) any matter, event or circumstance which has been disclosed prior to execution of this document or which is approved in writing by the other party.
Material Contract	means a contract or commitment: (a) requiring total payments in excess of an amount equal to 10% of the Target's revenues for the previous financial year; or (b) which is not entered into in the ordinary course of the business of the Bidder or the Target (as applicable), unless the contract or commitment is demonstrably beneficial to the operations of the Target or Bidder (as applicable) and the relevant party's business and specifically excludes the Management Services Agreement.
New Bidder Share	means a Bidder Share to be issued under the Proposal.
NSX	means National Stock Exchange of Australia Limited ACN 000 905 063 or the securities exchange operated by it (as the case requires).
NSX Listing Rules	means the Listing Rules of NSX and any other rules of NSX which are applicable while the Bidder is admitted to the Official List of NSX, each as amended or replaced from time to time, except to the extent of any express written waiver by NSX.
Offer	means each offer to acquire the Target Shares of a Target Shareholder (other than the Bidder) for the Consideration.
Offer Period	means the period that the Offer is open for acceptance.
PPSA	means the *Personal Property Securities Act 2009* (Cth).
Prescribed Occurrence	means: (a) **(conversion)** the Target or Bidder converts all or any of its shares into a larger or smaller number of shares; (b) **(reduction of share capital)** the Target resolves to reduce its share capital in any way; (c) **(buy-back)** the Target or Bidder: (i) enters into a buy-back agreement; or (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;

Term	Definition
	which is not an on-market buy-back or is not in place at the time of this Agreement.
	(d) **(distribution)** the Target or Bidder makes or declares, or announces an intention to make or declare, any distribution (whether by dividend, capital reduction or otherwise and whether in cash or in specie);
	(e) **(issuing shares or options)** a member of the Target Group: (i) issues shares; (ii) grants an option over its shares; or (iii) agrees to make an issue of shares or grant an option over its shares, in each case to a person outside the Target Group;
	(f) **(securities or other instruments)** a member of the Target Group or Bidder Group: (i) issues securities or other instruments convertible into shares or debt securities; or (ii) agrees to issue securities or other instruments convertible into shares or debt securities, in each case to a person outside the Target Group or Bidder Group and such action would have a materially adverse impact on the other party's position under the Offer;
	(g) **(constitution)** a member of the Target Group or Bidder Group adopts a new constitution or modifies or repeals its constitution or a provision of it;
	(h) **(disposals)** a member of the Target Group or Bidder Group disposes, or agrees to dispose of, the whole or a substantial part of its business or property;
	(i) **(acquisitions, disposals or tenders)** a member of the Target Group or Bidder Group: (i) acquires or disposes of; (ii) agrees to acquire or dispose of; or (iii) offers, proposes, announces a bid or tenders for, any business, asset (excluding stock in the normal course of business), interest in a joint venture, entity or undertaking, the value of which exceeds $5 million;
	(j) **(Encumbrances)** a member of the Target Group or Bidder Group creates any Encumbrance over the whole or a substantial part of its business or property (other than in the ordinary course of business and other than a lien which arises by operation of law or legislation securing an obligation not yet due and consistent with past practice);
	(k) **(employment arrangements)** a member of the Target Group or Bidder Group: (i) materially increases the remuneration of, or otherwise varies the employment arrangements with, any of its directors or employees; or

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Term	Definition
	(ii) accelerates the rights of any of its directors or employees to compensation or benefits of any kind,
	other than in the ordinary course of business or as a result of contracted arrangements that are consistent with past practice and in effect at the date of this document;
	(l) **(termination or retention payment)** a member of the Target Group or Bidder Group pays, or agrees to pay any of its directors or employees a termination or retention payment (otherwise than as required by an existing contract which, at the date of this document, is in place and has been disclosed to the Bidder or Target);
	(m) **(commitments and settlements)** a member of the Target Group or Bidder Group:
	(i) enters into or agrees to enter into any Material Contract;
	(ii) terminates or amends in a material manner any Material Contract;
	(iii) waives any material third party default of a Material Contract; or
	(iv) accepts as a settlement or compromise of a material matter relating to a Material Contract, less than the full compensation due to the Target or Bidder or a Subsidiary of the Target or Bidder,
	and such action would have a materially adverse impact on the other party's position under the Offer;
	(n) **(financial arrangements)** a member of the Target Group or Bidder Group amends (or agrees to amend) in any material respect any arrangement with its financial advisers in respect of the transactions contemplated by this document;
	(o) **(capital expenditure)** a member of the Target Group or Bidder Group undertakes or agrees to undertake capital expenditure in excess of $5 million in aggregate;
	(p) **(insolvency)** an Insolvency Event occurs in respect of any member of the Target Group or Bidder Group;
	(q) **(financial indebtedness)** excluding trade debtors in the ordinary course of business, a member of the Target Group or Bidder Group provides financial accommodation (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of $10 million, and such action would have a materially adverse impact on the other party's position under the Offer;
	(r) **(breach of law)** a member of the Target Group or Bidder Group takes or omits to take action which results in a breach of law material to a member of the Target Group or Bidder Group;
	(s) **(accounting policy)** a member of the Target Group or Bidder Group changes any accounting policy applied by

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Term	Definition
	them to report their financial position, other than as required by their auditor; or (t) **(tax liability)** the Target or Bidder or any other member of the Target Group or Bidder Group does anything that results in a taxable gain for the Target Group or Bidder Group by either causing a Subsidiary to cease being a member of the Target Group or Bidder Group or causing the Target Group or Bidder Group to cease being a Consolidated Group, but a Prescribed Occurrence does not include: (a) an issue of Target Shares or Bidder Shares on exercise of an option that had been granted on or before the date of this document; (b) any matter required to be done or brought about by the Target or Bidder under this document or which is contemplated by the Proposal; or (c) any other matter, the undertaking of which the Bidder or Target has approved in writing.
Progressive or Periodic Supply	means a Taxable Supply that satisfies the requirements of section 156-5 GST Act.
Proposal	means the proposal to make the Takeover Bid.
Regulatory Approvals	means all approvals or consents that are required by law, regulation or regulatory policy, as are necessary to permit: (a) the Offer to be lawfully made to and accepted by Target Shareholders; and (b) the acquisition of the Target Shares by the Bidder.
Regulatory Authority	includes: (a) ASX, NSX, ASIC, ACCC, the Foreign Investment Review Board and the Australian Taxation Office; (b) a Government Agency; (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and (d) any regulatory organisation established under statute.
Related Body Corporate	has the meaning given to that term by section 9 Corporations Act.
Relevant Interest	has the meaning given to that term by section 9 Corporations Act.
Subsidiaries	has the meaning given to that term by section 9 Corporations Act.
Superior Proposal	means a Competing Proposal that, in the opinion of the Target Board acting reasonably and taking into account all material aspects of the Competing Proposal available to it, is: (a) reasonably capable of being completed; and

Term	Definition
	(b) more favourable to Target Shareholders than the Proposal.
Supplier	means the entity making the Supply.
Takeover Bid	means the Offers made under Chapter 6 Corporations Act.
Target Board	means the board of directors of the Target.
Target Group	means the Target and each of its Subsidiaries.
Target Indemnified Parties	means each member of the Target Group and each of their directors, officers and employees.
Target Information	means information about the Target Group given by the Target to the Bidder in writing for inclusion in the Bidder's Statement.
Target Options	means options over unissued Target Shares.
Target Representations and Warranties	means the representations and warranties of the Target set out in Schedule 2.
Target Share	means a fully paid ordinary share in the Target.
Target Shareholders	means each registered holder of Target Shares.
Target's Statement	means the target's statement to be issued by the Target.
Tax Act (1936)	means *Income Tax Assessment Act 1936* (Cth).

1.2 Interpretation

In this document:

(a) a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this document and references to this document include any schedules or annexures;

(b) a reference to a party to this document or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;

(c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;

(d) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied or replaced;

(e) a reference to this document includes the agreement recorded by this document;

(f) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;

(g) if any day on or by which a person must do something under this document is not a Business Day, then the person must do it on or by the next Business Day;

(h) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity; and

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(i) a reference to 'month' means calendar month.

2 Agreement to consider Proposal

The parties agree to consider the Proposal in good faith on the terms of this document.

3 Conditions precedent

3.1 Conditions precedent to performance of agreement

Except for this clause 3 and clauses 1 and 16, the obligations of the Bidder and Target under this document, including clause 4.1, are not binding until completion of the Bidder's due diligence enquiries on the Target to the Bidder's satisfaction, acting reasonably. The parties agree that the due diligence period will be two weeks from the date of this document, unless otherwise agreed in writing.

3.2 Parties must cooperate

Each party must:

(a) cooperate with the other and use reasonable endeavours to ensure that the conditions in clause 3.1 are satisfied as soon as is reasonably possible;

(b) sign and deliver all documents and instruments and do everything necessary or desirable to carry out its obligations under this clause 3;

(c) take no action that might prevent or hinder the satisfaction of the Conditions Precedent;

(d) supply to the other party copies of all applications made and all information supplied to enable satisfaction of the Conditions Precedent;

(e) keep the other party regularly informed of the status of any discussions or negotiations with relevant third parties about the Conditions Precedent; and

(f) promptly notify the other party on becoming aware of the satisfaction of any Conditions Precedent or of any Conditions Precedent becoming incapable of being satisfied.

3.3 Waiver of Conditions Precedent

The Conditions Precedent contained in clause 3.1 is for the benefit of both the Bidder and the Target, and may only be waived by written agreement between the Bidder and the Target.

3.4 Termination on failure of Conditions Precedent

Unless the Conditions Precedent are satisfied or waived under clause 3.3, either party may terminate this document without any liability to the other party because of that termination.

3.5 Conditions Precedent are precondition to the Offer

(a) The parties acknowledge and agree that a precondition to the Offer is that no party terminates this document under clause 3.4, and if the document is so terminated, the Bidder is under no obligation to proceed with the Offer.

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(b) Each party:

(i) acknowledges that at the date of this document it has no reason to believe that the Conditions Precedent will not be capable of being satisfied; and

(ii) agrees that any public announcement about the Offer before the Conditions Precedent are satisfied or waived, including the Agreed Announcement under clause 9, must clearly explain the Conditions Precedent and the effect that the failure to satisfy those conditions will have on the Offer.

4 The Offer

4.1 Offer by Bidder

The Bidder must make the Offers to the Target Shareholders on the terms of this document and otherwise in accordance with the Corporations Act.

4.2 Consideration

(a) The consideration offered by the Bidder to a Target Shareholder under the Takeover Bid will be the Consideration.

(b) Subject to clause 4.2(c), if a Target Shareholder would otherwise become entitled to a fraction of a New Bidder Share, that fractional entitlement will be rounded up or down to the nearest whole number of New Bidder Shares (and if the fractional entitlement would include one half of a New Bidder Share, the entitlement will be rounded up to the nearest whole number of New Bidder Shares).

(c) If the Bidder believes that any parcel of Target Shares has been created or manipulated to take advantage of clause 4.2(b), then any fractional entitlement to a New Bidder Share for that parcel (or those parcels) will be rounded down.

4.3 Conditions of the Offer

(a) The Offer and any contract which results from its acceptance will be subject to the Conditions.

(b) Each party must use its best endeavours to ensure that the Conditions are satisfied as soon as is reasonably practicable after the date of this document.

(c) Either party may, to the extent that a Condition is for their benefit, waive that Condition.

4.4 Offer Period

Subject to any extensions by the Bidder or which arise automatically under the Corporations Act, the Offer Period will be one month.

4.5 Reasonable efforts to conclude Offer

Each party agrees to do those things which are reasonably necessary to ensure that the Offer Period does not exceed two months, and, if it does, to do those things which are reasonably necessary to bring the Offer Period to an end as quickly as possible.

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4.6 Variation of Offer

The Bidder may, subject to the Corporations Act:

(a) vary the terms of the Offer, so long as the varied terms are not materially less favourable to Target Shareholders than those set out in this document; and

(b) waive any Condition of the Offer.

5 Provision of information

5.1 Parties to give information reasonably required

(a) Each party agrees that it will give to the other that information which is reasonably needed by the other party to fulfil its obligations under this document, including information required for the preparation of the Bidder's Statement and the Target's Statement.

(b) Either party may redact from information provided to the other party in accordance with clause 5.1(a) information of a commercially sensitive nature where such redaction does not impede the ability of the advisers of the Target or the Bidder to properly advise in relation to the preparation of the Target's Statement or the Bidder's Statement, as the case may be.

5.2 Notice of false warranty or breach

Each party must promptly advise the other party of any change or event which causes (or, so far as can reasonably be foreseen, would cause):

(a) a representation or warranty given by the party in this document to be false or misleading; or

(b) a material breach of this document by the party.

6 Recommendation and documentation

6.1 Warranty about Directors' recommendation

The Target warrants and represents (having made all reasonable and appropriate enquiries) that:

(a) the independent directors of the Target Board will unanimously recommend that Target Shareholders accept the Offer, in the absence of a Superior Proposal subject to consideration of:

(i) the Target's due diligence on the Bidder;

(ii) the matters detailed in any independent expert's report prepared on instructions of the independent directors of the Target Board for the purposes of considering the Bid; and

(iii) the assessment of the Bid by an independent expert.

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6.2 Directors' intentions

Before entering into this document, the Target has been advised by each of its directors that, subject to consideration of the matters set out in clause 6.1, they intend:

(a) to recommend the Offer (subject to disclosure of conflicts of interest); and

(b) to accept the Offer for all Target Shares that director Controls as soon as practicable after the beginning of the Offer Period,

in the absence of a Superior Proposal.

6.3 Bidder's obligation to prepare documentation

The Bidder must prepare for the Offer:

(a) the Bidder's Statement; and

(b) an acceptance form for the Offer,

in each case in accordance with the Corporations Act.

6.4 Target's obligations to prepare documentation

The Target must:

(a) prepare the Target's Statement in response to the Offer in accordance with the Corporations Act; and

(b) use all reasonable endeavours to ensure that the Target's Statement is sent to Target Shareholders with the Bidder's Statement.

6.5 Dispatch of documents

(a) Subject to the satisfaction or waiver of the Conditions Precedent in accordance with clause 3, each party agrees to use its best endeavours to send the Bidder's Statement and Target's Statement to the Target Shareholders as soon as practicable and agrees that the documents will be bound together in a single booklet.

(b) Each party agrees to use its best endeavours to comply with the following timetable:

10 September 2018	Announcement of Offer by Target and by Bidder.
10 September 2018	Target engages Independent Expert to prepare Independent Expert's Report.
24 September 2018	Bidder lodges its Bidder's Statement with ASIC and ASX and serves it on the Target.
24 September 2018	Target lodges its Target's Statement with ASIC and ASX and serves it on the Bidder.
30 September 2018	Target announces full year results to 30 June 2018.
30 September 2018	Bidder announces full year results to 30 June 2018.

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6.6 Promote Offer

During the Offer Period, in the absence of a Superior Proposal, the Target must support the Proposal and the Offer and participate in efforts reasonably required by the Bidder to promote the merits of the Offer, including meeting with key shareholders, analysts, management, customers, press and other parties mutually agreed if requested to do so by the Bidder. Nothing in this clause requires the Target or the Target Board to take any action which is detrimental to its business or reputation.

6.7 Further information

The Bidder must give the Target all further or new information of which it becomes aware that arises after the Target's Statement has been despatched until the end of the Offer Period where that information is necessary to ensure that the Target's Statement continues to comply with the Corporations Act.

6.8 Sharing statements

(a) The Bidder must give a draft of its Bidder's Statement to the Target and the Target must give a draft of its Target's Statement to the Bidder as soon as reasonably practicable and, in any event, at least three Business Days before the relevant statement is due to be sent for printing.

(b) Each party must take prompt steps to make those changes to its statement which are reasonably required by the other.

6.9 Target's consent to early dispatch

For the purposes of item 6, section 633(1) Corporations Act, the Target agrees, and warrants that each of the Target's Directors has agreed, that the Bidder's Statement and the Offer may be sent to Target Shareholders on the day the Bidder's Statement is sent to the Target or within 28 days after that date.

7 Implementation

7.1 Target's obligations

Other than with the prior approval of the Bidder or as required by this document, the Target must, during the period from the date of this document to the end of the Offer Period:

(a) take all reasonable steps to conduct its business in the ordinary and proper course and in substantially the same manner as previously conducted; and

(b) use all reasonable endeavours to identify any change of control or similar provisions in any significant contracts or any joint venture documentation and obtain the consents of relevant persons who have rights in respect of those contracts to the transactions contemplated in the Proposal.

7.2 Bidder's obligations

Other than with the prior approval of the Target or as required by this document, the Bidder must, during the period from the date of this document to the end of the Offer Period:

(a) take all reasonable steps to conduct its business in the ordinary and proper course and in substantially the same manner as previously conducted; and

(b) use all reasonable endeavours to identify any change of control or similar provisions in any significant contracts or any joint venture documentation and obtain the consents of relevant persons who have rights in respect of those contracts to the transactions contemplated in the Proposal.

7.3 Bidder's access to information

Before the end of the Offer Period, the Target must keep the Bidder informed of all material developments relating to or affecting the Target Group, its financial position and its prospects.

7.4 Target's access to information

Before the end of the Offer Period, the Bidder must keep the Target informed of all material developments relating to or affecting the Bidder Group, its financial position and its prospects.

8 Representations and warranties

8.1 Bidder Representations and Warranties

The Bidder represents and warrants to the Target (in its own right and separately as trustee for each of the other Target Indemnified Parties) each of the Bidder Representations and Warranties.

8.2 Bidder's indemnity

Subject to clause 12, the Bidder agrees with the Target (in its own right and separately as trustee for each of the other Target Indemnified Parties) to indemnify the Target and each of the other Target Indemnified Parties against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which the Target or any of the Target Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the representations and warranties in clause 8.1 (but excluding any consequential or indirect loss).

8.3 Target Representations and Warranties

The Target represents and warrants to the Bidder (in its own right and separately as trustee for each of the other Bidder Indemnified Parties) each of the Target Representations and Warranties.

8.4 Target's indemnity

Subject to clause 12, the Target agrees with the Bidder (in its own right and separately as trustee for each of the other Bidder Indemnified Parties) to indemnify the Bidder and each of the other Bidder Indemnified Parties from any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which the Bidder or any of the other Bidder Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the representations and warranties in clause 8.3 (but excluding any consequential or indirect loss).

8.5 Survival of representations

Each representation and warranty in clauses 8.1 and 8.3:

(a) is severable;

(b) survives the termination of this document; and

(c) is given with the intention that liability under it is not confined to breaches which are discovered before the date of termination of this document.

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8.6 Survival of indemnities

Each indemnity in this document (including those in clauses 8.2 and 8.4):

(a) is severable;

(b) is a continuing obligation;

(c) constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this document; and

(d) survives the termination of this document.

8.7 Timing of warranties

Each representation and warranty in clauses 8.1 and 8.3 is given:

(a) at the date of this document; and

(b) on each day from the date of this document to the end of the Offer Period,

except that a representation or warranty stated to be made at a specified date is given only at that specified date.

9 Public announcement

9.1 Announcement of Proposal

Immediately after this document is signed, the Target and the Bidder must issue the Agreed Announcement, which must include a statement that:

(a) the Independent directors of the Target will:

(i) carry out due diligence in respect of the Offer;

(ii) retain the advice of an Independent expert to determine whether the Offer is fair and reasonable; and

(iii) consider whether the Independent directors should unanimously recommend to the Target Shareholders that they accept the Offer, in the absence of a Superior Proposal; and

(b) all the members of the Target Board, after due consideration of the matters set out in clause 9.1(a) intend to accept the Offer for all the Target Shares Controlled by them.

9.2 Required disclosure

Where a party is required by law, the ASX Listing Rules or the NSX Listing Rules to make any announcement or make any disclosure about a matter the subject of the Proposal, it may do so only after it has given the other party as much notice as reasonably possible and has consulted to the fullest extent possible in the circumstances with the other party and its legal advisers. The parties expressly acknowledge the liability of such disclosure will lie solely with the disclosing party.

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10 Confidentiality

10.1 Confidentiality deed

Each party continues to be bound by the Confidentiality Deed after the date of this document.

10.2 Survival of obligations

The rights and obligations of the parties under the Confidentiality Deed survive termination of this document.

11 Exclusivity

11.1 No existing discussions

The Target represents and warrants to the Bidder that, other than the discussions with the Bidder about the Proposal, it is not currently in negotiations or discussions that may lead to a Competing Proposal with any person.

11.2 No-talk

During the Exclusivity Period, the Target must ensure that no member of the Target Group nor any of their directors, officers, employees, agents, contractors or advisers directly or indirectly:

(a) participate in any negotiations or discussions;

(b) give or make available any information (including by way of giving information and access to perform due diligence); or

(c) communicate any intention to do any of the things described in clauses 11.2(a) and (b),

in respect of any Competing Proposal, including in response to any unsolicited approach, expression of interest, offer or proposal by any person that may lead to a Competing Proposal.

11.3 No-shop

During the Exclusivity Period, the Target must ensure that no member of the Target Group nor any of their directors, officers, employees, agents, contractors or advisers directly or indirectly:

(a) solicits, invites, facilitates, encourages or initiates any enquiries, negotiations or discussions; or

(b) communicates any intention to do any of these things,

with a view to obtaining any approach, expression of interest, offer or proposal from any person for a Competing Proposal.

11.4 Limitation to no-talk

Clause 11.2 does not prevent a person from doing something with respect to a possible Competing Proposal if, in the opinion of the Target Board decided in good faith and based on the written opinion of the Target's legal advisers, that action or omission is or may reasonably be expected to:

(a) involve a breach of the fiduciary duties owed by any director of the Target; or

(b) be otherwise be unlawful.

11.5 Notification of approaches

During the Exclusivity Period, the Target must notify the Bidder promptly if it becomes aware of any:

(a) negotiations or discussions;

(b) approach or attempt to initiate any negotiations or discussions; or

(c) intention to make an approach or attempt to initiate any negotiations or discussions,

in respect of any approach, expression of interest, offer or proposal of a kind referred to in clauses 11.2 or 11.3 made to the Target, and give to the Bidder notice of the identity of the person and details of that approach, expression of interest or offer or proposal.

12 Maximum recovery

The parties acknowledge and agree that notwithstanding any other provisions of this document (except a provision making a party responsible for a specific cost), the maximum aggregate amount recoverable under this document by either party for breach of this document by the other party is the amount which is equal to 1% of the market capitalisation of the Target as at the date of this document.

13 Termination

13.1 Termination rights

Without prejudice to any other rights of termination under this document, either party may terminate this document by written notice to the other party:

(a) if a Superior Proposal is publicly announced for the Target by a third party and the independent directors of the Target recommend that Superior Proposal;

(b) if:

(i) the other party is in material breach of any provision of this document;

(ii) the party wishing to terminate has given written notice to the other party setting out the relevant circumstances and stating an intention to terminate; and

(iii) the relevant circumstances continue to exist ten Business Days from the time the notice is given;

(c) if the Bidder withdraws the Offer for any reason, including non-satisfaction of a Condition;

(d) if a court or Government Agency has taken any action permanently restraining or otherwise prohibiting the Proposal, or has refused to do any thing necessary to permit the Proposal, and the action or refusal has become final and cannot be appealed;

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(e) in the circumstances set out in, and in accordance with, clause 3.4; and

(f) if an Insolvency Event occurs in respect of the Bidder or the Target.

13.2 Effect of termination

If this document is terminated under clauses 3.4 or 3.1:

(a) this document becomes void and has no effect (other than the provisions of this clause 12 and of clauses 1, 8.5, 8.6, 10, 12, 14, 15 and 16, which will remain in force after termination); and

(b) no party has any rights against or obligations to the other party under this document except to the extent that those rights and obligations accrued before termination.

13.3 Terminable in writing

To render this document terminable the parties must follow the process set out in this clause 13.3:

(a) At any time, a party may provide the other party with a notice stating:

(i) it has formed the view the document is terminable; and

(ii) it requests the other party's agreement that the document be terminable.

(b) Within 2 days of receipt of a notice pursuant to clause 13.3(a), the recipient must deliver to the party seeking agreement, a notice stating:

(i) it agrees the document is terminable; or

(ii) it does not agree the document is terminable and the reasons for forming this view.

The document will become terminable at the time a party receives a notice pursuant to clause 13.3(b)(i).

14 Duty, costs and expenses

14.1 Stamp duty

The Bidder must pay all stamp duty (including fines, penalties and interest) on or in connection with this document or the Takeover Bid or the steps to be taken under this document or the Takeover Bid.

14.2 Costs and expenses

Except as otherwise provided in this document, each party must pay its own costs and expenses in connection with the negotiation, preparation, signing and performance of this document and the proposed, attempted or actual implementation of the Proposal.

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15 GST

15.1 Definitions

Any terms capitalised in clause 15 and not already defined in clause 1.1 have the same meaning given to those terms in the GST Act.

15.2 GST exclusive

Except under clause 15, the consideration for a Supply made under or in connection with this document does not include GST.

15.3 Taxable Supply

If a Supply made under or in connection with this document is a Taxable Supply, then at or before the time any part of the consideration for the Supply is payable:

(a) the Recipient must pay the Supplier an amount equal to the total GST for the Supply, in addition to and in the same manner as the consideration otherwise payable under this document for that Supply; and

(b) the Supplier must give the Recipient a Tax Invoice for the Supply.

15.4 Later GST change

For clarity, the GST payable under clause 15.3 is correspondingly increased or decreased by any subsequent adjustment to the amount of GST for the Supply for which the Supplier is liable, however caused.

15.5 Reimbursement or indemnity

If either party has the right under this document to be reimbursed or indemnified by another party for a cost incurred in connection with this document, that reimbursement or indemnity excludes any GST component of that cost for which an Input Tax Credit may be claimed by the party being reimbursed or indemnified, or by its Representative Member, Joint Venture Operator or other similar person entitled to the Input Tax Credit (if any).

15.6 Warranty that Tax Invoice is issued regarding a Taxable Supply

Where a Tax Invoice is given by the Supplier, the Supplier warrants that the Supply to which the Tax Invoice relates is a Taxable Supply and that it will remit the GST (as stated on the Tax Invoice) to the Australian Taxation Office.

15.7 Progressive or Periodic Supplies

Where a Supply made under or in connection with this document is a Progressive or Periodic Supply, clause 15.3 applies to each component of the Progressive or Periodic Supply as if it were a separate Supply.

16 General

16.1 No representation or reliance

Each party acknowledges that:

(a) no party (nor any person acting on its behalf) has made any representation, warranty or other inducement to it to enter into this document, except for representations, warranties or inducements expressly set out in this document;

(b) it does not enter into this document in reliance on any representation, warranty or other inducement by or on behalf of any other party, except for any representation, warranty or inducement expressly set out in this document; and

(c) clauses 16.1(a) and 16.1(b) do not prejudice any rights a party may have in relation to information which has been filed by the other party with any Regulatory Authority.

16.2 Amendments

This document may only be amended by written agreement between all parties.

16.3 Assignment

A party may only assign this document or a right under this document with the written consent of the other party.

16.4 Counterparts

This document may be signed in any number of counterparts. All counterparts together make one instrument.

16.5 No merger

The rights and obligations of the parties under this document do not merge on completion of any transaction contemplated by this document.

16.6 Entire agreement

This document supersedes all previous agreements about its subject matter. This document embodies the entire agreement between the parties.

16.7 Further assurances

Each party must do all things reasonably necessary to give effect to this document and the transactions contemplated by it.

16.8 No waiver

(a) The failure of a party to require full or partial performance of a provision of this document does not affect the right of that party to require performance subsequently.

(b) A single or partial exercise of or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy.

(c) A right under this document may only be waived in writing signed by the party granting the waiver, and is effective only to the extent specifically set out in that waiver.

16.9 Governing law and jurisdiction

(a) Queensland law governs this document.

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(b) Each party irrevocably submits to the non-exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

16.10 Severability

(a) A clause or part of a clause of this document that is illegal or unenforceable may be severed from this document and the remaining clauses or parts of the clause of this document continue in force.

(b) If any provision is or becomes illegal, unenforceable or invalid in any jurisdiction, it is to be treated as being severed from this document in the relevant jurisdiction, but the rest of this document will not be affected.

16.11 Approval and consent

Where under this document the doing of any thing by a party is dependent on the consent or approval of another party, that consent or approval may not be unreasonably withheld nor unduly delayed, unless expressly provided otherwise.

17 Notice

17.1 Method of giving notice

A notice, consent or communication under this document is only effective if it is:

(a) in writing, signed by or on behalf of the person giving it;

(b) addressed to the person to whom it is to be given; and

(c) given as follows:

(i) delivered by hand to that person's address;

(ii) sent to that person's address by prepaid mail or by prepaid airmail, if the address is overseas;

(iii) sent by fax to that person's fax number where the sender receives a transmission confirmation report from the despatching machine indicating the transmission has been made without error and showing the relevant number of pages and the correct destination fax number or name of recipient; or

(iv) sent by email to that person's email address unless the sender receives a computer generated report that the email was not successfully sent, within two hours after the email being sent.

17.2 When is notice given

A notice, consent or communication given under clause 17.1(a) is given and received on the corresponding day set out in the table below. The time expressed in the table is the local time in the place of receipt.

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If a notice is	It is given and received on
Delivered by hand or sent by fax or email	(a) that day, if delivered or sent by 5.00pm on a Business Day; or (b) the next Business Day, in any other case.
Sent by post	(a) three Business Days after posting, if sent within Australia; or (b) seven Business Days after posting, if sent to or from a place outside Australia.

17.3 Address for notices

A person's address, fax number and email address are those set out below, or as the person notifies the sender:

Name	John Bridgeman Limited
Attention	Mr K Mischewski
Address	Level 9, 123 Eagle Street, Brisbane, Queensland 4000
Email	kmischewski@johnbridgeman.com.au

Name	Henry Morgan Limited
Attention	c/- Caroline Snow, Partner AJ & Co Lawyers
Address	Level 18, 1 Eagle Street, Brisbane, Queensland 4000
Email	caroline@ajandco.com.au

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Schedule 1

Bidder Representations and Warranties

---

1 **(Bidder validly existing)** The Bidder is a validly existing corporation registered under the laws of its place of incorporation.

2 **(Issued securities)** At the date of this document:

(a) the Bidder's issued equity securities comprise 24,831,787 Bidder Shares;

(b) there are 24,186,520 options over Bidder Shares;

(c) there are 2,227,850 convertible notes on issue;

(d) there are no preference shares of any class on issue; and

(e) other than as set out in this document, neither the Bidder nor any of its Subsidiaries are under any obligation to issue, and have not granted any person the right to call for the issue of, any shares or other securities in the Bidder or any of its Subsidiaries.

3 **(Corporate power)** The signing and delivery of this document by the Bidder has been properly authorised by all necessary corporate action and the Bidder has full corporate power and lawful authority to sign and deliver this document and to perform or cause to be performed its obligations under this document.

4 **(Document valid)** Subject to laws generally affecting creditors' rights and the principles of equity, this document constitutes legal, valid and binding obligations on the Bidder and signing and performance of this document will not:

(a) result in a breach of or default under the Bidder's constitution or any agreement or deed or any writ, order or injunction, rule or regulation to which the Bidder or any of its Subsidiaries is a party or to which they are bound (except for those breaches or defaults which would not have a material adverse effect on the consolidated financial position of the Bidder); or

(b) require any consent, approval, authorisation or permit from any Government Agency, except for the Regulatory Approvals.

5 **(New Bidder Shares)** The New Bidder Shares to be issued as Consideration will be duly authorised and validly issued, fully paid ordinary shares, free of all Encumbrances and will rank equally with all other Bidder Shares then on issue.

6 **(Bidder Information)** The Bidder Information given to the Target for inclusion in the Target's Statement at the date it is despatched will comply with the Corporations Act.

7 **(Information given in good faith)** The Bidder Information will be given in good faith and on the understanding that the Target and its independent directors will rely on that information for the purposes of considering and, if appropriate, approving the Target's Statement before it is despatched.

8 **(Information accurate)** So far as the Bidder is aware (after making reasonable enquiries), all information given by or on behalf of the Bidder to the Target during the course of negotiations in

relation to the Proposal and preparation of the Bidder's Statement and the Target's Statement is complete, accurate and not misleading in all material respects (including by any omission).

9 **(Continuous disclosure obligations)** The Bidder has complied with its continuous disclosure obligations under the NSX Listing Rules and the Corporations Act.

10 **(Accounting Standards)** The accounts of the Bidder are prepared on a consistent basis with past practices and in accordance with all relevant accounting standards.

11 **(Compliance with laws)** The Bidder and its Subsidiaries have complied in all material respects with the material laws and regulations applicable to the operation of the businesses conducted by them.

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Schedule 2

Target Representations and Warranties

---

1 **(Target validly existing)** The Target is a validly existing corporation registered under the laws of its place of incorporation.

2 **(Issued securities)** At the date of this document:

(a) the Target's issued equity securities comprise 32,346,922 Target Shares;

(b) there are no Target Options;

(c) there are no preference shares of any class on issue; and

(d) other than as set out in this document, neither the Target nor any of its Subsidiaries are under any obligation to issue shares outside the Target Group and have not granted any person outside the Target Group the right to call for the issue of any shares or other securities in the Target or any of its Subsidiaries.

3 **(Corporate power)** The signing and delivery of this document by the Target has been properly authorised by all necessary corporate action and the Target has full corporate power and lawful authority to sign and deliver this document and to perform or cause to be performed its obligations under this document.

4 **(Document valid)** Subject to laws generally affecting creditors' rights and the principles of equity, this document constitutes legal, valid and binding obligations on the Target and execution and performance of this document will not:

(a) result in a breach of or default under the Target's constitution or any agreement or deed or any writ, order or injunction, rule or regulation to which the Target or any of its Subsidiaries is a party or to which they are bound (except for those breaches or defaults which would not have a material adverse effect on the consolidated financial position of the Target); or

(b) require any consent, approval, authorisation or permit from any Government Agency, except for the Regulatory Approvals.

5 **(Information accurate)** So far as the Target is aware (after making reasonable enquiries), all information given by or on behalf of the Target to the Bidder during the course of negotiations in relation to the Proposal and preparation of the Bidder's Statement and Target's Statement is complete, accurate and not misleading in all material respects (including by any omission).

6 **(Information given in good faith)** The Target Information will be given in good faith and on the understanding that the Bidder and its directors will rely on that information for the purposes of considering and approving the Bidder's Statement before it is despatched.

7 **(Information accurate)** So far as the Target is aware (after making reasonable enquiries), all information given by or on behalf of the Target to the Bidder during the course of negotiations in relation to the Proposal and preparation of the Bidder's Statement and the Target's Statement is complete, accurate and not misleading in all material respects (including by any omission).

8 **(Continuous disclosure obligations)** The Target is not, to the knowledge of the independent directors, and after making all reasonable enquiries, in breach of its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

9 **(Accounting standards)** The accounts of the Target are prepared on a consistent basis with past practices and in accordance with all relevant accounting standards.

10 **(Compliance with laws)** The Target and its Subsidiaries have complied in all material respects with all material laws and regulations applicable to the operation of the businesses conducted by them.

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Schedule 3

Conditions for Takeover Bid

The Offer and any contracts resulting from acceptance of the Offer are subject to fulfilment of the following conditions:

1 **(Minimum acceptance)** Before the end of the Offer Period, the Bidder has a Relevant Interest in at least 50.1% (by number) of Target Shares.

2 **(Regulatory Approvals)** Before the end of the Offer Period, the Regulatory Approvals are:

(a) granted, given, made or obtained unconditionally, or on the basis of conditions that impose only non-material requirements incidental to the approval or consent;

(b) remain in full force and effect; and

(c) do not become subject to any notice, indication or intention to revoke, suspend, restrict, modify or renew them.

3 **(No regulatory action)** Between the Announcement Date and the end of the Offer Period:

(a) no preliminary or final decision, order or direction is made or issued by any Regulatory Authority;

(b) no action, proceeding or investigation is announced, commenced or threatened by any Regulatory Authority; and

(c) no application is made to any Regulatory Authority (other than by the Bidder or any Associate of the Bidder),

which is likely to or purports or threatens to restrain, prohibit, impede or otherwise adversely affect the making of the Offer, consideration of the Offer by the Target, the acquisition of the Target Shares by the Bidder, the provision of the Target Shares to the Bidder, the rights of the Bidder in respect of the Target and the Target Shares, the rights of the Target in respect the Bidder and the Bidder Shares or the continued operation of the businesses of the Target or its Subsidiaries or the Bidder and its Subsidiaries (other than any action or decision by or application to ASIC or the Takeovers Panel in exercise of the powers or discretions conferred by the Corporations Act).

4 **(No Prescribed Occurrences)** Between the Announcement Date and the end of the Offer Period, there is no occurrence of a Prescribed Occurrence.

5 **(No Material Adverse Change)** Between the Announcement Date and the end of the Offer Period, there is no occurrence of a Material Adverse Change.

6 **(Target Options)** Before the end of the Offer Period all of the Target Options expire or are exercised, cancelled or transferred to the Bidder or are the subject of agreements or arrangements entered into between the Bidder and the relevant holder of the Target Options that will cause the Target Options to expire, be cancelled or transferred to the Bidder.

7 **(Third party consents)** All other approvals of a third party which the Bidder or the Target determines acting reasonably are necessary to undertake and successfully complete the Takeover Bid are obtained.

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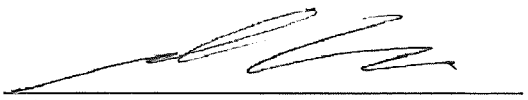
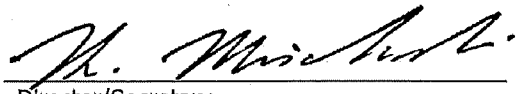
Lawyers | McCullough Robertson

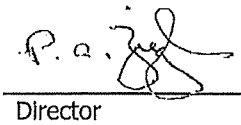
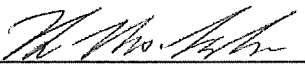
Execution

Executed as an agreement

Executed by
John Bridgeman Limited ACN 603 477 185 by:

	
↑ Director	↑ Director/Secretary
Stuart McAuliffe	Kevin Mischewski
↑ Full name of Director	↑ Full name of Director/Secretary

Executed by
Henry Morgan Limited ACN 602 041 770
by:

	
↑ Director	↑ Director/Secretary
Peter Ziegler	KEVIN MISCHEWSKI
↑ Full name of Director	↑ Full name of Director/Secretary

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McCullough Robertson Lawyers

Bid implementation agreement

John Bridgeman Limited ACN 603 477 185

Benjamin Hornigold Limited ACN 614 854 045

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Bid implementation agreement

Dated 10 SEPTEMBER 2018

Parties

Bidder	**John Bridgeman Limited ACN 603 477 185**
	of Level 9, 123 Eagle Street, Brisbane, Queensland 4000
Target	**Benjamin Hornigold Limited ACN 614 854 045**
	of Level 9, 123 Eagle Street, Brisbane, Queensland 4000

Background

A The Bidder intends to make the Takeover Bid.

B The Target Board intends to consider, and if appropriate recommend the Takeover Bid, in the absence of a Superior Proposal.

C The parties agree to progress the Takeover Bid on the terms of this document.

Agreed terms

1 Definitions and interpretation

1.1 Definitions

In this document:

Term	Definition
ACCC	means the Australian Competition and Consumer Commission.
Agreed Announcement	means the announcement about the Proposal agreed to in writing by the parties.
Announcement Date	means the date on which the Agreed Announcement is made.
ASIC	means the Australian Securities and Investments Commission.
Associate	in the context of a body corporate includes: (a) a director, secretary and shareholder of the body corporate; (b) a body corporate that is a Related Body Corporate; (c) a director, secretary and shareholder of that Related Body Corporate; (d) the trustee of any trust under which the persons

Term	Definition
	described in clauses (a), (b) and (c) or any of them, may benefit; (e) any person who is a related party for the purposes of section 228 Corporations Act; and (f) in the particular matter to which the associate reference relates, any person or persons with whom the body corporate: (i) is acting or proposes to act in concert; or (ii) is or proposes to become associated, whether formally or informally.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
ASX Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable while the Target is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Bidder Group	means the Bidder and each of its Subsidiaries.
Bidder Indemnified Parties	means each member of the Bidder Group and each of their respective directors, officers and employees.
Bidder Information	means information about the Bidder Group given by the Bidder to the Target in writing for inclusion in the Target's Statement.
Bidder Representations and Warranties	means the representations and warranties of the Bidder set out in Schedule 1.
Bidder Share	means a fully paid ordinary share in the Bidder.
Bidder Options	means options over unissued Bidder Shares.
Bidder's Statement	means the bidder's statement to be issued by the Bidder.
Business Day	means a business day as defined in the ASX Listing Rules.
Competing Proposal	means a transaction which, if completed, would mean a person other than the Bidder (and its Associates) would: (a) acquire a Relevant Interest in 20% or more of the Target's securities; (b) acquire Control of the Target; (c) acquire all or a substantial part of the Target's business, assets or undertaking; (d) otherwise acquire or merge with the Target; or (e) enter into any agreement, arrangement or understanding requiring the party to abandon, or otherwise fail to proceed with, the Proposal, or otherwise having that effect.
Conditions	the conditions to the Offer set out in Schedule 3.
Conditions Precedent	means the conditions set out in clause 3.1.
Confidentiality Deed	means the confidentiality deed dated 5 September 2018 between the Target and the Bidder.
Consideration	means the aggregate of:

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Term	Definition
	(a) the Scrip Consideration; and (b) the Option Consideration, or either one of them, as the context requires.
Consolidated Group	has the same meaning as in the *Income Tax Assessment Act 1997* (Cth).
Control	has the meaning given in section 50AA of the Corporations Act.
Corporations Act	means *Corporations Act 2001* (Cth).
Encumbrance	means any one or more of the following: (a) any interest, right or power that in substance secures payment or performance of any obligation, for example a mortgage, charge or security interest under the *Personal Property Securities Act 2009* (Cth); (b) any preferential or adverse interest of any kind; (c) a right to buy or use assets, for example a hire purchase agreement, option, licence, lease or agreement to purchase; (d) a right to set-off or right to withhold payment of a deposit or other money; (e) an easement, restrictive covenant, caveat or similar restriction over property; (f) an agreement to create any of the items referred to in paragraphs (a) to (e) above or to allow any of those items to exist; or (g) a notice under section 255 Tax Act (1936), subdivision 260-A in schedule 1 *Taxation Administration Act 1953* (Cth) or any similar legislation.
End Date	means the earlier of: (a) the day this document is validly terminated; (b) the day the Bidder and its Associates obtain a Relevant Interest in 50.1% of the Target Shares; and (c) five Business Days after the end of the Offer Period.
Exclusivity Period	means the period from and including the date of this document to the End Date.
Financial Indebtedness	means any debt or other monetary liability (whether actual or contingent) in respect of money borrowed or raised or any financial accommodation including under or in respect of any: (a) bill, bond, debenture, note or similar instrument; (b) acceptance, endorsement or discounting arrangement; (c) guarantee; (d) finance or capital lease; (e) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service; or (f) obligation to deliver goods or provide services paid for in advance by any financier.

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Term	Definition
Government Agency	means: (a) a government or government department or other body; (b) a governmental, semi-governmental or judicial person; or (c) a person (whether autonomous or not) who is charged with the administration of a law.
GST Act	means *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
Insolvency Event	means any of the following events occurring in relation to a party: (a) a liquidator, receiver, receiver and manager, administrator, official manager or other controller (as defined in the Corporations Act), trustee or controlling trustee or similar official is appointed over any of the property or undertaking of the party; (b) the party is, or becomes unable to, pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act, or is presumed to be insolvent under the Corporations Act; (c) the party ceases to carry on business; or (d) an application or order is made for the liquidation of the party or a resolution is passed or any steps are taken to liquidate or pass a resolution for the liquidation of the party, otherwise than for the purpose of an amalgamation or reconstruction.
Management Services Agreement	means the management services agreement between the Bidder and Target entered into on 29 March 2017.
Material Adverse Change	means: (a) any matter, event or circumstance which happens, is announced or becomes known to the Bidder or Target after the date of this document which (individually or when aggregated with all those matters, events or circumstances) has resulted in or is likely to result in the value of consolidated net assets of the Bidder Group or Target Group being reduced by at least 20% against what they would have been but for the matters, events or circumstances; (b) the Bidder or Target becomes aware, prior to the end of the Offer Period, that the Bidder or Target has breached its continuous disclosure obligations under the ASX Listing Rules or NSX Listing Rules (as the case may be) and, had a reasonable bidder or target in similar circumstances to the Bidder or Target known of the information giving rise to such breach prior to the Announcement Date, it would have resulted in that reasonable bidder offering less Consideration or greater Consideration under the Takeover Bid, but does not include: (a) any matter, event or circumstance arising from changes

Term	Definition
	in economic or business conditions which impact on the Target or the Bidder and its competitors in a similar manner; (b) any change in taxation rates or taxation laws which impact on the Target or the Bidder and their respetive competitors in a similar manner; (c) any change in accounting policy required by law; (d) any change occurring directly or indirectly as a result of any matter, event or circumstance required by this document, the Proposal or the transactions contemplated by them; or (e) any matter, event or circumstance which has been disclosed prior to execution of this document or which is approved in writing by the other party.
Material Contract	means a contract or commitment: (a) requiring total payments in excess of an amount equal to 10% of the Target's revenues for the previous financial year; or (b) which is not entered into in the ordinary course of the business of the Bidder or the Target (as applicable), unless the contract or commitment is demonstrably beneficial to the operations of the Target or Bidder (as applicable) and the relevant party's business and specifically excludes the Management Services Agreement.
New Bidder Share	means a Bidder Share to be issued under the Proposal.
New Bidder Options	means a Bidder Option to be issued under the Proposal.
NSX	means National Stock Exchange of Australia Limited ACN 000 905 063 or the securities exchange operated by it (as the case requires).
NSX Listing Rules	means the Listing Rules of NSX and any other rules of NSX which are applicable while the Bidder is admitted to the Official List of NSX, each as amended or replaced from time to time, except to the extent of any express written waiver by NSX.
Offer	means each offer to acquire the Target Shares of a Target Shareholder (other than the Bidder) or the Target Options of a Target Optionholder (if applicable) for the Consideration.
Offer Period	means the period that the Offer is open for acceptance.
Option Consideration	means 1 New Bidder Option for every 2 Target Options.
PPSA	means the *Personal Property Securities Act 2009* (Cth).
Prescribed Occurrence	means: (a) **(conversion)** the Target or Bidder converts all or any of its shares into a larger or smaller number of shares; (b) **(reduction of share capital)** the Target resolves to reduce its share capital in any way; (c) **(buy-back)** the Target: (i) enters into a buy-back agreement; or

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Term	Definition
	(ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
	which is not an on-market buy-back or is not in place at the time of this Agreement.
	(d) **(distribution)** the Target or Bidder makes or declares, or announces an intention to make or declare, any distribution (whether by dividend, capital reduction or otherwise and whether in cash or in specie);
	(e) **(issuing shares or options)** a member of the Target Group:
	(i) issues shares;
	(ii) grants an option over its shares; or
	(iii) agrees to make an issue of shares or grant an option over its shares,
	in each case to a person outside the Target Group ;
	(f) **(securities or other instruments)** a member of the Target Group:
	(i) issues securities or other instruments convertible into shares or debt securities; or
	(ii) agrees to issue securities or other instruments convertible into shares or debt securities,
	in each case to a person outside the Target Group;
	(g) **(constitution)** a member of the Target Group or Bidder Group adopts a new constitution or modifies or repeals its constitution or a provision of it;
	(h) **(disposals)** a member of the Target Group or Bidder Group disposes, or agrees to dispose of, the whole or a substantial part of its business or property;
	(i) **(acquisitions, disposals or tenders)** a member of the Target Group or Bidder Group:
	(i) acquires or disposes of;
	(ii) agrees to acquire or dispose of; or
	(iii) offers, proposes, announces a bid or tenders for,
	any business, asset (excluding stock in the normal course of business), interest in a joint venture, entity or undertaking, the value of which exceeds $5 million;
	(j) **(Encumbrances)** a member of the Target Group or Bidder Group creates any Encumbrance over the whole or a substantial part of its business or property (other than in the ordinary course of business and other than a lien which arises by operation of law or legislation securing an obligation not yet due and consistent with past practice);
	(k) **(employment arrangements)** a member of the Target Group or Bidder Group:
	(i) materially increases the remuneration of, or otherwise varies the employment arrangements with, any of its directors or employees; or
	(ii) accelerates the rights of any of its directors or

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Term	Definition
	employees to compensation or benefits of any kind, other than in the ordinary course of business or as a result of contracted arrangements that are consistent with past practice and in effect at the date of this document;
	(l) **(termination or retention payment)** a member of the Target Group or Bidder Group pays, or agrees to pay any of its directors or employees a termination or retention payment (otherwise than as required by an existing contract which, at the date of this document, is in place and has been disclosed to the Bidder or Target);
	(m) **(commitments and settlements)** a member of the Target Group: (i) enters into or agrees to enter into any Material Contract; (ii) terminates or amends in a material manner any Material Contract; (iii) waives any material third party default of a Material Contract; or (iv) accepts as a settlement or compromise of a material matter relating to a Material Contract, less than the full compensation due to the Target or a Subsidiary of the Target;
	(n) **(financial arrangements)** a member of the Target Group or Bidder Group amends (or agrees to amend) in any material respect any arrangement with its financial advisers in respect of the transactions contemplated by this document;
	(o) **(capital expenditure)** a member of the Target Group or Bidder Group undertakes or agrees to undertake capital expenditure in excess of $5 million in aggregate;
	(p) **(insolvency)** an Insolvency Event occurs in respect of any member of the Target Group or Bidder Group;
	(q) **(financial indebtedness)** excluding trade debtors in the ordinary course of business, a member of the Target Group provides financial accommodation (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of $10 million;
	(r) **(breach of law)** a member of the Target Group or Bidder Group takes or omits to take action which results in a breach of law material to a member of the Target Group or Bidder Group;
	(s) **(accounting policy)** a member of the Target Group or Bidder Group changes any accounting policy applied by them to report their financial position, other than as required by their auditor;
	; or
	(t) **(tax liability)** the Target or Bidder or any other member of the Target Group or Bidder Group does

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Term	Definition
	anything that results in a taxable gain for the Target Group or Bidder Group by either causing a Subsidiary to cease being a member of the Target Group or Bidder Group or causing the Target Group or Bidder Group to cease being a Consolidated Group, but a Prescribed Occurrence does not include: (a) an issue of Target Shares or Bidder Shares on exercise of an option that had been granted on or before the date of this document; (b) any matter required to be done or brought about by the Target or Bidder under this document or which is contemplated by the Proposal; or (c) any other matter, the undertaking of which the Bidder or Target has approved in writing.
Progressive or Periodic Supply	means a Taxable Supply that satisfies the requirements of section 156-5 GST Act.
Proposal	means the proposal to make the Takeover Bid.
Regulatory Approvals	means all approvals or consents that are required by law, regulation or regulatory policy, as are necessary to permit: (a) the Offer to be lawfully made to and accepted by Target Shareholders; and (b) the acquisition of the Target Shares and Target Options by the Bidder.
Regulatory Authority	includes: (a) ASX, NSX, ASIC, ACCC, the Foreign Investment Review Board and the Australian Taxation Office; (b) a Government Agency; (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and (d) any regulatory organisation established under statute.
Related Body Corporate	has the meaning given to that term by section 9 Corporations Act.
Relevant Interest	has the meaning given to that term by section 9 Corporations Act.
Scrip Consideration	means the greater of: (a) 0.65 New Bidder Shares for every 1 Target Share; and (b) the minimum ratio of New Bidder Shares to Target Shares permitted by section 621 Corporations Act and any applicable ASIC Instrument.
Subsidiaries	has the meaning given to that term by section 9 Corporations Act.
Superior Proposal	means a Competing Proposal that, in the opinion of the Target Board acting reasonably and taking into account all material aspects of the Competing Proposal available to it, is: (a) reasonably capable of being completed; and

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Term	Definition
	(b) more favourable to Target Shareholders and Target Optionholders than the Proposal.
Supplier	means the entity making the Supply.
Takeover Bid	means the Offers made under Chapter 6 Corporations Act.
Target Board	means the board of directors of the Target.
Target Group	means the Target and each of its Subsidiaries.
Target Indemnified Parties	means each member of the Target Group and each of their directors, officers and employees.
Target Information	means information about the Target Group given by the Target to the Bidder in writing for inclusion in the Bidder's Statement.
Target Optionholders	means each registered holder of Target Options.
Target Options	means options over unissued Target Shares.
Target Representations and Warranties	means the representations and warranties of the Target set out in Schedule 2.
Target Share	means a fully paid ordinary share in the Target.
Target Shareholders	means each registered holder of Target Shares.
Target's Statement	means the target's statement to be issued by the Target.
Tax Act (1936)	means *Income Tax Assessment Act 1936* (Cth).

1.2 Interpretation

In this document:

(a) a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this document and references to this document include any schedules or annexures;

(b) a reference to a party to this document or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;

(c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;

(d) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied or replaced;

(e) a reference to this document includes the agreement recorded by this document;

(f) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;

(g) if any day on or by which a person must do something under this document is not a Business Day, then the person must do it on or by the next Business Day;

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(h) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity; and

(i) a reference to 'month' means calendar month.

2 Agreement to Consider Proposal

The parties agree to progress the Proposal in good faith on the terms of this document.

3 Conditions precedent

3.1 Conditions precedent to performance of agreement

Except for this clause 3 and clauses 1 and 16, the obligations of the Bidder under this document, including clause 4.1, are not binding until completion of the Bidder's due diligence enquiries on the Target to the Bidder's satisfaction, acting reasonably. The parties agree that the due diligence period will be two weeks from the date of this document, unless otherwise agreed in writing.

3.2 Parties must cooperate

Each party must:

(a) cooperate with the other and use reasonable endeavours to ensure that the conditions in clause 3.1 are satisfied as soon as is reasonably possible;

(b) sign and deliver all documents and instruments and do everything necessary or desirable to carry out its obligations under this clause 3;

(c) take no action that might prevent or hinder the satisfaction of the Conditions Precedent;

(d) supply to the other party copies of all applications made and all information supplied to enable satisfaction of the Conditions Precedent;

(e) keep the other party regularly informed of the status of any discussions or negotiations with relevant third parties about the Conditions Precedent; and

(f) promptly notify the other party on becoming aware of the satisfaction of any Conditions Precedent or of any Conditions Precedent becoming incapable of being satisfied.

3.3 Waiver of Conditions Precedent

The Conditions Precedent contained in clause 3.1 is for the benefit of both the Bidder and the Target, and may only be waived by written agreement between the Bidder and the Target.

3.4 Termination on failure of Conditions Precedent

Unless the Conditions Precedent are satisfied or waived under clause 3.3, either party may terminate this document without any liability to the other party because of that termination.

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3.5 Conditions Precedent are precondition to the Offer

(a) The parties acknowledge and agree that a precondition to the Offer is that no party terminates this document under clause 3.4, and if the document is so terminated, the Bidder is under no obligation to proceed with the Offer.

(b) Each party:

(i) acknowledges that at the date of this document it has no reason to believe that the Conditions Precedent will not be capable of being satisfied; and

(ii) agrees that any public announcement about the Offer before the Conditions Precedent are satisfied or waived, including the Agreed Announcement under clause 9, must clearly explain the Conditions Precedent and the effect that the failure to satisfy those conditions will have on the Offer.

4 The Offer

4.1 Offer by Bidder

The Bidder must make the Offers to the Target Shareholders and the Target Optionholders on the terms of this document and otherwise in accordance with the Corporations Act.

4.2 Consideration

(a) The consideration offered by the Bidder to a Target Shareholder or a Target Optionholder under the Takeover Bid will be the Consideration.

(b) Subject to clause 4.2(c), if a Target Shareholder or Target Optionholder, as applicable, would otherwise become entitled to a fraction of a New Bidder Share or a New Bidder Option, that fractional entitlement will be rounded up or down to the nearest whole number of New Bidder Shares or New Bidder Options, as applicable (and if the fractional entitlement would include one half of a New Bidder Share or a New Bidder Option, the entitlement will be rounded up to the nearest whole number of New Bidder Shares or New Bidder Options, as applicable).

(c) If the Bidder believes that any parcel of Target Shares or Target Options has been created or manipulated to take advantage of clause 4.2(b), then any fractional entitlement to a New Bidder Share or a New Bidder Option for that parcel (or those parcels) will be rounded down.

4.3 Conditions of the Offer

(a) The Offer and any contract which results from its acceptance will be subject to the Conditions.

(b) Each party must use its best endeavours to ensure that the Conditions are satisfied as soon as is reasonably practicable after the date of this document.

(c) Either party may, to the extent that a Condition is for their benefit, waive that Condition.

4.4 Offer Period

Subject to any extensions by the Bidder or which arise automatically under the Corporations Act, the Offer Period will be one month.

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4.5 Reasonable efforts to conclude Offer

Each party agrees to do those things which are reasonably necessary to ensure that the Offer Period does not exceed two months, and, if it does, to do those things which are reasonably necessary to bring the Offer Period to an end as quickly as possible.

4.6 Variation of Offer

The Bidder may, subject to the Corporations Act:

(a) vary the terms of the Offer, so long as the varied terms are not materially less favourable to Target Shareholders and Target Optionholders than those set out in this document; and

(b) waive any Condition of the Offer.

5 Provision of information

5.1 Parties to give information reasonably required

(a) Each party agrees that it will give to the other that information which is reasonably needed by the other party to fulfil its obligations under this document, including information required for the preparation of the Bidder's Statement and the Target's Statement.

(b) Either party may redact from information provided to the other party in accordance with clause 5.1(a) information of a commercially sensitive nature where such redaction does not impede the ability of the advisers of the Target or the Bidder to properly advise in relation to the preparation of the Target's Statement or the Bidder's Statement, as the case may be.

5.2 Notice of false warranty or breach

Each party must promptly advise the other party of any change or event which causes (or, so far as can reasonably be foreseen, would cause):

(a) a representation or warranty given by the party in this document to be false or misleading; or

(b) a material breach of this document by the party.

6 Recommendation and documentation

6.1 Warranty about Directors' recommendation

The Target warrants and represents (having made all reasonable and appropriate enquiries) that:

(a) the independent directors of the Target Board will unanimously recommend that Target Shareholders and Target Optionholders accept the Offer, in the absence of a Superior Proposal subject to consideration of:

(i) the Target's due diligence on the Bidder;

(ii) the matters detailed in any independent expert's report prepared on instructions of the independent directors of the Target Board for the purposes of considering the Bid; and

(iii) the assessment of the Bid by an independent expert.

6.2 Directors' intentions

Before entering into this document, the Target has been advised by each of its directors that subject to consideration of the matters set out in clause 6.1,they intend:

(a) to recommend the Offer (subject to disclosure of conflicts of interest only); and

(b) to accept the Offer for all Target Shares or Target Options that director Controls as soon as practicable after the beginning of the Offer Period,

in the absence of a Superior Proposal.

6.3 Bidder's obligation to prepare documentation

The Bidder must prepare for the Offer:

(a) the Bidder's Statement; and

(b) an acceptance form for the Offer,

in each case in accordance with the Corporations Act.

6.4 Target's obligations to prepare documentation

The Target must:

(a) prepare the Target's Statement in response to the Offer in accordance with the Corporations Act; and

(b) use all reasonable endeavours to ensure that the Target's Statement is sent to Target Shareholders and Target Optionholders with the Bidder's Statement.

6.5 Dispatch of documents

(a) Subject to the satisfaction or waiver of the Conditions Precedent in accordance with clause 3, each party agrees to use its best endeavours to send the Bidder's Statement and Target's Statement to the Target Shareholders and Target Optionholders as soon as practicable and agrees that the documents will be bound together in a single booklet.

(b) Each party agrees to use its best endeavours to comply with the following timetable:

10 September 2018	Announcement of Offer by Target and by Bidder.
10 September 2018	Target engages Independent Expert to prepare Independent Expert's Report.
24 September 2018	Bidder lodges its Bidder's Statement with ASIC and ASX and serves it on the Target.
24 September 2018	Target lodges its Target's Statement with ASIC and ASX and serves it on the Bidder.

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30 September 2018	Target announces full year results to 30 June 2018.
30 September 2018	Bidder announces full year results to 30 June 2018.

6.6 Promote Offer

During the Offer Period, in the absence of a Superior Proposal, the Target must support the Proposal and the Offer and participate in efforts reasonably required by the Bidder to promote the merits of the Offer, including meeting with key shareholders, analysts, management, customers, press and other parties mutually agreed if requested to do so by the Bidder. Nothing in this clause requires the Target or the Target Board to take any action which is detrimental to its business or reputation.

6.7 Further information

The Bidder must give the Target all further or new information of which it becomes aware that arises after the Target's Statement has been despatched until the end of the Offer Period where that information is necessary to ensure that the Target's Statement continues to comply with the Corporations Act.

6.8 Sharing statements

(a) The Bidder must give a draft of its Bidder's Statement to the Target and the Target must give a draft of its Target's Statement to the Bidder as soon as reasonably practicable and, in any event, at least three Business Days before the relevant statement is due to be sent for printing.

(b) Each party must take prompt steps to make those changes to its statement which are reasonably required by the other.

6.9 Target's consent to early dispatch

For the purposes of item 6, section 633(1) Corporations Act, the Target agrees, and warrants that each of the Target's Directors has agreed, that the Bidder's Statement and the Offer may be sent to Target Shareholders and Target Optionholders on the day the Bidder's Statement is sent to the Target or within 28 days after that date.

7 Implementation

7.1 Target's obligations

Other than with the prior approval of the Bidder or as required by this document, the Target must, during the period from the date of this document to the end of the Offer Period:

(a) take all reasonable steps to conduct its business in the ordinary and proper course and in substantially the same manner as previously conducted; and

(b) use all reasonable endeavours to identify any change of control or similar provisions in any significant contracts or any joint venture documentation and obtain the consents of relevant persons who have rights in respect of those contracts to the transactions contemplated in the Proposal.

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7.2 Bidder's obligations

Other than with the prior approval of the Target or as required by this document, the Bidder must, during the period from the date of this document to the end of the Offer Period:

(a) take all reasonable steps to conduct its business in the ordinary and proper course and in substantially the same manner as previously conducted; and

(b) use all reasonable endeavours to identify any change of control or similar provisions in any significant contracts or any joint venture documentation and obtain the consents of relevant persons who have rights in respect of those contracts to the transactions contemplated in the Proposal.

7.3 Bidder's access to information

Before the end of the Offer Period, the Target must keep the Bidder informed of all material developments relating to or affecting the Target Group, its financial position and its prospects.

7.4 Target's access to information

Before the end of the Offer Period, the Bidder must keep the Target informed of all material developments relating to or affecting the Bidder Group, its financial position and its prospects.

8 Representations and warranties

8.1 Bidder Representations and Warranties

The Bidder represents and warrants to the Target (in its own right and separately as trustee for each of the other Target Indemnified Parties) each of the Bidder Representations and Warranties.

8.2 Bidder's indemnity

Subject to clause 12, the Bidder agrees with the Target (in its own right and separately as trustee for each of the other Target Indemnified Parties) to indemnify the Target and each of the other Target Indemnified Parties against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which the Target or any of the Target Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the representations and warranties in clause 8.1 (but excluding any consequential or indirect loss).

8.3 Target Representations and Warranties

The Target represents and warrants to the Bidder (in its own right and separately as trustee for each of the other Bidder Indemnified Parties) each of the Target Representations and Warranties.

8.4 Target's indemnity

Subject to clause 12, the Target agrees with the Bidder (in its own right and separately as trustee for each of the other Bidder Indemnified Parties) to indemnify the Bidder and each of the other Bidder Indemnified Parties from any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which the Bidder or any of the other Bidder Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the representations and warranties in clause 8.3 (but excluding any consequential or indirect loss).

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8.5 Survival of representations

Each representation and warranty in clauses 8.1 and 8.3:

(a) is severable;

(b) survives the termination of this document; and

(c) is given with the intention that liability under it is not confined to breaches which are discovered before the date of termination of this document.

8.6 Survival of indemnities

Each indemnity in this document (including those in clauses 8.2 and 8.4):

(a) is severable;

(b) is a continuing obligation;

(c) constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this document; and

(d) survives the termination of this document.

8.7 Timing of warranties

Each representation and warranty in clauses 8.1 and 8.3 is given:

(a) at the date of this document; and

(b) on each day from the date of this document to the end of the Offer Period,

except that a representation or warranty stated to be made at a specified date is given only at that specified date.

9 Public announcement

9.1 Announcement of Proposal

Immediately after this document is signed, the Target and the Bidder must issue the Agreed Announcement, which must include a statement that:

(a) the independent directors of the Target will:

(i) carry out due diligence in respect of the Offer;

(ii) retain the advice of an independent expert to determine whether the Offer is fair and reasonable; and

(iii) consider whether the independent directors should unanimously recommend to the Target Shareholders that they accept the Offer, in the absence of a Superior Proposal; and

(b) all the members of the Target Board, after due consideration of the matters set out in clause 9.1(a) intend to accept the Offer for all the Target Shares Controlled by them.

9.2 Required disclosure

Where a party is required by law, the ASX Listing Rules or the NSX Listing Rules to make any announcement or make any disclosure about a matter the subject of the Proposal, it may do so only after it has given the other party as much notice as reasonably possible and has consulted to the fullest extent possible in the circumstances with the other party and its legal advisers. The parties expressly acknowledge the liability of such disclosure will lie solely with the disclosing party.

10 Confidentiality

10.1 Confidentiality deed

Each party continues to be bound by the Confidentiality Deed after the date of this document.

10.2 Survival of obligations

The rights and obligations of the parties under the Confidentiality Deed survive termination of this document.

11 Exclusivity

11.1 No existing discussions

The Target represents and warrants to the Bidder that, other than the discussions with the Bidder about the Proposal, it is not currently in negotiations or discussions that may lead to a Competing Proposal with any person.

11.2 No-talk

During the Exclusivity Period, the Target must ensure that no member of the Target Group nor any of their directors, officers, employees, agents, contractors or advisers directly or indirectly:

(a) participate in any negotiations or discussions;

(b) give or make available any information (including by way of giving information and access to perform due diligence); or

(c) communicate any intention to do any of the things described in clauses 11.2(a) and (b),

in respect of any Competing Proposal, including in response to any unsolicited approach, expression of interest, offer or proposal by any person that may lead to a Competing Proposal.

11.3 No-shop

During the Exclusivity Period, the Target must ensure that no member of the Target Group nor any of their directors, officers, employees, agents, contractors or advisers directly or indirectly:

(a) solicits, invites, facilitates, encourages or initiates any enquiries, negotiations or discussions; or

(b) communicates any intention to do any of these things,

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with a view to obtaining any approach, expression of interest, offer or proposal from any person for a Competing Proposal.

11.4 Limitation to no-talk

Clause 11.2 does not prevent a person from doing something with respect to a possible Competing Proposal if, in the opinion of the Target Board decided in good faith and based on the written opinion of the Target's legal advisers, that action or omission is or may reasonably be expected to:

(a) involve a breach of the fiduciary duties owed by any director of the Target; or

(b) be otherwise be unlawful.

11.5 Notification of approaches

During the Exclusivity Period, the Target must notify the Bidder promptly if it becomes aware of any:

(a) negotiations or discussions;

(b) approach or attempt to initiate any negotiations or discussions; or

(c) intention to make an approach or attempt to initiate any negotiations or discussions,

in respect of any approach, expression of interest, offer or proposal of a kind referred to in clauses 11.2 or 11.3 made to the Target, and give to the Bidder notice of the identity of the person and details of that approach, expression of interest or offer or proposal.

12 Maximum recovery

The parties acknowledge and agree that notwithstanding any other provisions of this document (except a provision making a party responsible for a specific cost), the maximum aggregate amount recoverable under this document by either party for breach of this document by the other party is the amount which is equal to 1% of the market capitalisation of the Target as at the date of this document.

13 Termination

13.1 Termination rights

Without prejudice to any other rights of termination under this document, either party may terminate this document by written notice to the other party:

(a) if a Superior Proposal is publicly announced for the Target by a third party and the independent directors of the Target recommends that Superior Proposal;

(b) if:

(i) the other party is in material breach of any provision of this document;

(ii) the party wishing to terminate has given written notice to the other party setting out the relevant circumstances and stating an intention to terminate; and

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(iii) the relevant circumstances continue to exist ten Business Days from the time the notice is given;

(c) if the Bidder withdraws the Offer for any reason, including non-satisfaction of a Condition;

(d) if a court or Government Agency has taken any action permanently restraining or otherwise prohibiting the Proposal, or has refused to do any thing necessary to permit the Proposal, and the action or refusal has become final and cannot be appealed;

(e) in the circumstances set out in, and in accordance with, clause 3.4; and

(f) if an Insolvency Event occurs in respect of the Bidder or the Target.

13.2 Effect of termination

If this document is terminated under clauses 3.4 or 3.1:

(a) this document becomes void and has no effect (other than the provisions of this clause 12 and of clauses 1, 8.5, 8.6, 10, 12, 12, 14, 15 and 16, which will remain in force after termination); and

(b) no party has any rights against or obligations to the other party under this document except to the extent that those rights and obligations accrued before termination.

13.3 Terminable in writing

To render this document terminable the parties must follow the process set out in this clause:

(a) At any time, a party may provide the other party with a notice stating:

(i) it has formed the view the document is terminable; and

(ii) it requests the other party's agreement that the document be terminable.

(b) Within 2 days of receipt of a notice pursuant to clause 13.3(a), the recipient must deliver to the party seeking agreement, a notice stating:

(i) it agrees the document is terminable; or

(ii) it does not agree the document is terminable and the reasons for forming this view.

The document will become terminable at the time a party receives a notice pursuant to clause 13.3(b)(i).

14 Duty, costs and expenses

14.1 Stamp duty

The Bidder must pay all stamp duty (including fines, penalties and interest) on or in connection with this document or the Takeover Bid or the steps to be taken under this document or the Takeover Bid.

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14.2 Costs and expenses

Except as otherwise provided in this document, each party must pay its own costs and expenses in connection with the negotiation, preparation, signing and performance of this document and the proposed, attempted or actual implementation of the Proposal.

15 GST

15.1 Definitions

Any terms capitalised in clause 15 and not already defined in clause 1.1 have the same meaning given to those terms in the GST Act.

15.2 GST exclusive

Except under clause 15, the consideration for a Supply made under or in connection with this document does not include GST.

15.3 Taxable Supply

If a Supply made under or in connection with this document is a Taxable Supply, then at or before the time any part of the consideration for the Supply is payable:

(a) the Recipient must pay the Supplier an amount equal to the total GST for the Supply, in addition to and in the same manner as the consideration otherwise payable under this document for that Supply; and

(b) the Supplier must give the Recipient a Tax Invoice for the Supply.

15.4 Later GST change

For clarity, the GST payable under clause 15.3 is correspondingly increased or decreased by any subsequent adjustment to the amount of GST for the Supply for which the Supplier is liable, however caused.

15.5 Reimbursement or indemnity

If either party has the right under this document to be reimbursed or indemnified by another party for a cost incurred in connection with this document, that reimbursement or indemnity excludes any GST component of that cost for which an Input Tax Credit may be claimed by the party being reimbursed or indemnified, or by its Representative Member, Joint Venture Operator or other similar person entitled to the Input Tax Credit (if any).

15.6 Warranty that Tax Invoice is issued regarding a Taxable Supply

Where a Tax Invoice is given by the Supplier, the Supplier warrants that the Supply to which the Tax Invoice relates is a Taxable Supply and that it will remit the GST (as stated on the Tax Invoice) to the Australian Taxation Office.

15.7 Progressive or Periodic Supplies

Where a Supply made under or in connection with this document is a Progressive or Periodic Supply, clause 15.3 applies to each component of the Progressive or Periodic Supply as if it were a separate Supply.

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16 General

16.1 No representation or reliance

Each party acknowledges that:

(a) no party (nor any person acting on its behalf) has made any representation, warranty or other inducement to it to enter into this document, except for representations, warranties or inducements expressly set out in this document;

(b) it does not enter into this document in reliance on any representation, warranty or other inducement by or on behalf of any other party, except for any representation, warranty or inducement expressly set out in this document; and

(c) clauses 16.1(a) and 16.1(b) do not prejudice any rights a party may have in relation to information which has been filed by the other party with any Regulatory Authority.

16.2 Amendments

This document may only be amended by written agreement between all parties.

16.3 Assignment

A party may only assign this document or a right under this document with the written consent of the other party.

16.4 Counterparts

This document may be signed in any number of counterparts. All counterparts together make one instrument.

16.5 No merger

The rights and obligations of the parties under this document do not merge on completion of any transaction contemplated by this document.

16.6 Entire agreement

This document supersedes all previous agreements about its subject matter. This document embodies the entire agreement between the parties.

16.7 Further assurances

Each party must do all things reasonably necessary to give effect to this document and the transactions contemplated by it.

16.8 No waiver

(a) The failure of a party to require full or partial performance of a provision of this document does not affect the right of that party to require performance subsequently.

(b) A single or partial exercise of or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy.

(c) A right under this document may only be waived in writing signed by the party granting the waiver, and is effective only to the extent specifically set out in that waiver.

16.9 Governing law and jurisdiction

(a) Queensland law governs this document.

(b) Each party irrevocably submits to the non-exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

16.10 Severability

(a) A clause or part of a clause of this document that is illegal or unenforceable may be severed from this document and the remaining clauses or parts of the clause of this document continue in force.

(b) If any provision is or becomes illegal, unenforceable or invalid in any jurisdiction, it is to be treated as being severed from this document in the relevant jurisdiction, but the rest of this document will not be affected.

16.11 Approval and consent

Where under this document the doing of any thing by a party is dependent on the consent or approval of another party, that consent or approval may not be unreasonably withheld nor unduly delayed, unless expressly provided otherwise.

17 Notice

17.1 Method of giving notice

A notice, consent or communication under this document is only effective if it is:

(a) in writing, signed by or on behalf of the person giving it;

(b) addressed to the person to whom it is to be given; and

(c) given as follows:

(i) delivered by hand to that person's address;

(ii) sent to that person's address by prepaid mail or by prepaid airmail, if the address is overseas;

(iii) sent by fax to that person's fax number where the sender receives a transmission confirmation report from the despatching machine indicating the transmission has been made without error and showing the relevant number of pages and the correct destination fax number or name of recipient; or

(iv) sent by email to that person's email address unless the sender receives a computer generated report that the email was not successfully sent, within two hours after the email being sent.

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17.2 When is notice given

A notice, consent or communication given under clause 17.1(a) is given and received on the corresponding day set out in the table below. The time expressed in the table is the local time in the place of receipt.

If a notice is	It is given and received on
Delivered by hand or sent by fax or email	(a) that day, if delivered or sent by 5.00pm on a Business Day; or (b) the next Business Day, in any other case.
Sent by post	(a) three Business Days after posting, if sent within Australia; or (b) seven Business Days after posting, if sent to or from a place outside Australia.

17.3 Address for notices

A person's address, fax number and email address are those set out below, or as the person notifies the sender:

Name	John Bridgeman Limited
Attention	Mr K Mischewski
Address	Level 9, 123 Eagle Street, Brisbane, Queensland 4000
Email	kmischewski@johnbridgeman.com.au

Name	Benjamin Hornigold Limited
Attention	c/- Caroline Snow, Partner AJ & Co Lawyers
Address	Level 18, 1 Eagle Street, Brisbane Queensland 4000
Email	caroline@ajandco.com.au

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Schedule 1

Bidder Representations and Warranties

1 **(Bidder validly existing)** The Bidder is a validly existing corporation registered under the laws of its place of incorporation.

2 **(Issued securities)** At the date of this document:

(a) the Bidder's issued equity securities comprise 24,831,787 Bidder Shares;

(b) there are 24,186,520 options over Bidder Shares;

(c) there are 2,227,850 convertible notes on issue;

(d) there are no preference shares of any class on issue; and

(e) other than as set out in this document, neither the Bidder nor any of its Subsidiaries are under any obligation to issue, and have not granted any person the right to call for the issue of, any shares or other securities in the Bidder or any of its Subsidiaries.

3 **(Corporate power)** The signing and delivery of this document by the Bidder has been properly authorised by all necessary corporate action and the Bidder has full corporate power and lawful authority to sign and deliver this document and to perform or cause to be performed its obligations under this document.

4 **(Document valid)** Subject to laws generally affecting creditors' rights and the principles of equity, this document constitutes legal, valid and binding obligations on the Bidder and signing and performance of this document will not:

(a) result in a breach of or default under the Bidder's constitution or any agreement or deed or any writ, order or injunction, rule or regulation to which the Bidder or any of its Subsidiaries is a party or to which they are bound (except for those breaches or defaults which would not have a material adverse effect on the consolidated financial position of the Bidder); or

(b) require any consent, approval, authorisation or permit from any Government Agency, except for the Regulatory Approvals.

5 **(New Bidder Shares)** The New Bidder Shares to be issued as Consideration will be duly authorised and validly issued and fully paid, free of all Encumbrances and will rank equally with all other Bidder Shares then on issue.

6 **(Bidder Information)** The Bidder Information given to the Target for inclusion in the Target's Statement at the date it is despatched will comply with the Corporations Act.

7 **(Information given in good faith)** The Bidder Information will be given in good faith and on the understanding that the Target and its independent directors will rely on that information for the purposes of considering and, if appropriate, approving the Target's Statement before it is despatched.

8 **(Information accurate)** So far as the Bidder is aware (after making reasonable enquiries), all information given by or on behalf of the Bidder to the Target during the course of negotiations in

relation to the Proposal and preparation of the Bidder's Statement and the Target's Statement is complete, accurate and not misleading in all material respects (including by any omission).

9 **(Continuous disclosure obligations)** The Bidder has complied with its continuous disclosure obligations under the NSX Listing Rules and the Corporations Act.

10 **(Accounting Standards)** The accounts of the Bidder are prepared on a consistent basis with past practices and in accordance with all relevant accounting standards.

11 **(Compliance with laws)** The Bidder and its Subsidiaries have complied in all material respects with the material laws and regulations applicable to the operation of the businesses conducted by them.

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Schedule 2

Target Representations and Warranties

---

1 **(Target validly existing)** The Target is a validly existing corporation registered under the laws of its place of incorporation.

2 **(Issued securities)** At the date of this document:

(a) the Target's issued equity securities comprise 24,155,241 Target Shares;

(b) there are 16,674,856 Target Options;

(c) there are no preference shares of any class on issue; and

(d) other than as set out in this document, neither the Target nor any of its Subsidiaries are under any obligation to issue shares outside the Target Group and have not granted any person outside the Target Group the right to call for the issue of any shares or other securities in the Target or any of its Subsidiaries.

3 **(Corporate power)** The signing and delivery of this document by the Target has been properly authorised by all necessary corporate action and the Target has full corporate power and lawful authority to sign and deliver this document and to perform or cause to be performed its obligations under this document.

4 **(Document valid)** Subject to laws generally affecting creditors' rights and the principles of equity, this document constitutes legal, valid and binding obligations on the Target and execution and performance of this document will not:

(a) result in a breach of or default under the Target's constitution or any agreement or deed or any writ, order or injunction, rule or regulation to which the Target or any of its Subsidiaries is a party or to which they are bound (except for those breaches or defaults which would not have a material adverse effect on the consolidated financial position of the Target); or

(b) require any consent, approval, authorisation or permit from any Government Agency, except for the Regulatory Approvals.

5 **(Information accurate)** So far as the Target is aware (after making reasonable enquiries), all information given by or on behalf of the Target to the Bidder during the course of negotiations in relation to the Proposal and preparation of the Bidder's Statement and Target's Statement is complete, accurate and not misleading in all material respects (including by omission).

6 **(Information given in good faith)** The Target Information will be given in good faith and on the understanding that the Bidder and its directors will rely on that information for the purposes of considering and approving the Bidder's Statement before it is despatched.

7 **(Information accurate)** So far as the Target is aware (after making reasonable enquiries), all information given by or on behalf of the Target to the Bidder during the course of negotiations in relation to the Proposal and preparation of the Bidder's Statement and the Target's Statement is complete, accurate and not misleading in all material respects (including by any omission).

8 **(Continuous disclosure obligations)** The Target is not, to the knowledge of the independent directors, and after making all reasonable enquiries, in breach of its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

9 **(Accounting standards)** The accounts of the Target are prepared on a consistent basis with past practices and in accordance with all relevant accounting standards.

10 **(Compliance with laws)** The Target and its Subsidiaries have complied in all material respects with all material laws and regulations applicable to the operation of the businesses conducted by them.

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Schedule 3

Conditions for Takeover Bid

The Offer and any contracts resulting from acceptance of the Offer are subject to fulfilment of the following conditions:

1 **(Minimum acceptance)** Before the end of the Offer Period, the Bidder has a Relevant Interest in at least 50.1% (by number) of Target Shares.

2 **(Regulatory Approvals)** Before the end of the Offer Period, the Regulatory Approvals are:

(a) granted, given, made or obtained unconditionally, or on the basis of conditions that impose only non-material requirements incidental to the approval or consent;

(b) remain in full force and effect; and

(c) do not become subject to any notice, indication or intention to revoke, suspend, restrict, modify or renew them.

3 **(No regulatory action)** Between the Announcement Date and the end of the Offer Period:

(a) no preliminary or final decision, order or direction is made or issued by any Regulatory Authority;

(b) no action, proceeding or investigation is announced, commenced or threatened by any Regulatory Authority; and

(c) no application is made to any Regulatory Authority (other than by the Bidder or any Associate of the Bidder),

which is likely to or purports or threatens to restrain, prohibit, impede or otherwise adversely affect the making of the Offer, consideration of the Offer by the Target, the acquisition of the Target Shares by the Bidder, the provision of the Target Shares to the Bidder, the rights of the Bidder in respect of the Target and the Target Shares, the rights of the Target in respect of the Bidder and the Bidder Shares or the continued operation of the businesses of the Target or its Subsidiaries or the Bidder and its Subsidiaries (other than any action or decision by or application to ASIC or the Takeovers Panel in exercise of the powers or discretions conferred by the Corporations Act).

4 **(No Prescribed Occurrences)** Between the Announcement Date and the end of the Offer Period, there is no occurrence of a Prescribed Occurrence.

5 **(No Material Adverse Change)** Between the Announcement Date and the end of the Offer Period, there is no occurrence of a Material Adverse Change.

6 **(Target Options)** Before the end of the Offer Period all of the Target Options are exercised, cancelled or transferred to the Bidder or are the subject of agreements or arrangements entered into between the Bidder and the relevant holder of the Target Options that will cause the Target Options to be cancelled or transferred to the Bidder.

7 **(Third party consents)** All other approvals of a third party which the Bidder or the Target determines are necessary to undertake and successfully complete the Takeover Bid are obtained.

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Execution

Executed as an agreement

Executed by
John Bridgeman Limited ACN 603 477 185 by:

↑ Director	↑ Director/Secretary
Stuart McAuliffe	Kevin Mischewski
↑ Full name of Director	↑ Full name of Director/Secretary

Executed by
Benjamin Hornigold Limited ACN 614 854 045 by:

↑ Director	↑ ~~Director~~/Secretary
Peter Hardwood	KEVIN MISCHEWSKI
↑ Full name of Director	↑ Full name of ~~Director~~/Secretary